



Renewed hope

Telangana and A.P. CMs have made a good start by talking to each other

After a decade of acrimony, the return to cordial relations between the governments and Chief Ministers of the two Telugu-speaking States is welcome. At stake are the futures of heavily intertwined and socially cohesive communities of two large economies contributing significantly to India's GDP and employment numbers. The Chief Ministers of Andhra Pradesh and Telangana, N. Chandrababu Naidu and A. Revanth Reddy, respectively, not only remained cordial throughout the two-hour long meeting in Hyderabad last week but also proposed a well-thought-out three-tier mechanism to resolve all outstanding issues since the creation of Telangana in 2014. The first tier is a committee of top administrative officials, three members from each State, which would meet at regular intervals and attempt resolutions of as many disputes as possible. There would be sub-groups within this committee to address sectoral issues such as water sharing, assets and liabilities distribution, and the return of the five villages in the erstwhile Khammam district that were merged with Andhra Pradesh as they were expected to be submerged by the Polavaram Irrigation project. The second tier consists of a similar committee of three Ministers from each State, which would attempt to resolve issues that could not be resolved at the bureaucratic level. And, finally, the third tier consists of the Chief Ministers themselves who would intervene on the most hardened positions.

In the first five years since Telangana's formation, these issues festered to a point of no return, as much bad blood remained over the carving out of the richest part of undivided Andhra Pradesh into a new State, and the political futures of the legatee regional parties - K. Chandrashekhara Rao's Telangana Rashtra Samithi/Bharat Rashtra Samithi, and Mr. Naidu's Telugu Desam Party (TDP) - depended to a degree on public posturing, much to the detriment of the smooth day-to-day governance of the two new States. The abrupt stoppage of power supply by Andhra Pradesh to Telangana in 2017, leading Telangana to enter into expensive power purchase agreements with other neighbouring States is a case in point. But now, with Mr. Revanth Reddy, who looks up to Mr. Naidu as a political mentor - he groomed him from his early days as an independent MLC 17 years ago, and prodded him to join the TDP - there is hope that the two leaders would do what is right by the peoples of their States.

Resurgent left

Macron's gamble worked to the advantage of the hard-left and far-right

France's New Popular Front, a coalition of left parties comprising socialists, communists, ecologists and the hard-left France Unbowed, has surprised poll watchers to emerge as the single largest bloc in the snap election called by President Emmanuel Macron last month, following the European parliamentary elections. The NFP garnered 182 seats, putting it in pole position ahead of Mr. Macron's centrist alliance and its 168 seats. In third place - much to the surprise of their supporters, who hoped to re-prise their winning performance in the European parliamentary election - came Marine Le Pen's far-right National Rally and allies, although their 143 seats still positioned them far ahead of their 89 seats in 2022. Despite the reasons for celebration that the left and the right might claim in the result, it is Mr. Macron's prospects for political and economic progress in France along a centrist path that has truly taken a beating from voters this time. Given that no single party has reached the minimum requirement of 289 seats for an absolute majority, France now stares at the gloomy prospect of continuing political uncertainty, the very scenario that Mr. Macron sought to avoid when he called for polls three years ahead of schedule.

At the heart of the present conundrum in France is mainstream concern about the rise of the right across the spectrum of European politics. The National Rally, founded by Ms. Le Pen's father, Jean-Marie Le Pen, a Holocaust denier who also espoused extreme views on migration, was once considered an "unviable political option". Now led by its 28-year-old President, Jordan Bardella, the party is actively seeking to transform its public image, perhaps even if broader voter acceptability requires a softening of its stance on questions of migration, minorities, religion and jobs. The broader regional paradigm, whose echoes reverberated through the election, is that the European political right is similarly finding a measure of acceptability in countries such as the Netherlands, Italy and Finland - and in these and other cases, the business of labelling them "far-right" has become relatively tricky as their policies tend to change frequently and vary significantly across the region. In France, the National Rally may have won over as many or more voters for consistently challenging Mr. Macron on the cost-of-living crisis in the country than for its view on immigration. In Italy, Prime Minister Giorgia Meloni recently scolded her party's youth wing for giving fascist salutes. Yet, anti-migration views have won strong support from voters who created unexpected election breakthroughs for Geert Wilders in the Netherlands, Nigel Farage of Reform UK in the United Kingdom and the AfD party in Germany. One thing is clear across Europe: the contest for political dominance, between the right, left and centre, could not be more intense.

Indigenous HPV vaccine, the rhetoric and the reality

India's public health sphere was subject recently to a one-sided discourse on how vaccination against the human papilloma virus (HPV) prevents cervical cancer and consequent death. Interestingly, it is not proven beyond doubt that HPV causes cervical cancer, as only a couple of strains out of 200 strains that infect humans are somehow 'associated' with 'precancerous lesions'. Most of the women who die of cervical cancer are HPV positive, but most of the men and women who are HPV positive do not get virus-induced cancer, let alone die due to it.

The Population Based Cancer Registries (PBCR) of India and the International Agency for Research on Cancer (IARC) have acknowledged the declining trends of cervical cancer prevalence in India and the globe, regardless of vaccine coverage or efficacy. Therefore, the timing of the overzealous push for 'universal' vaccination of girls against HPV does serious injustice to the more justifiable 'selective' vaccination of high-risk groups, considering its sexual transmission, unlike air-borne, water-borne or contagious diseases. An extremely important western assumption behind targeting pre-puberty girls for this vaccine is that teenage girls indulging in promiscuous physical relations and becoming carriers of the virus are a huge risk factor for the entire adult population. This is a huge moral conundrum in Indian society and even reeks of patriarchy, as men can be carriers too.

The path of vaccine manufacture

But this article focuses on the questionable timing, promotion and pricing of indigenous HPV vaccines, assuming some high-risk populations need it. The Serum Institute of India (SII) developed 'Cervavac' and promoted it as an indigenous and affordable vaccine. It is pertinent to ask why it took nearly two decades for the 'indigenous' vaccine after the introduction of a patented HPV vaccine in the United States, Australia and elsewhere in the Global North. Cervavac uses similar techniques, deploying virus-like particles (VLPs) produced using recombinant deoxyribose nucleic acid (rDNA) techniques to generate an immune response against HPV infections. The vaccine against cervical cancer is only the second rDNA vaccine in the world using the techniques of the early 1970s, the first being the vaccine against Hepatitis-B.

Prior to the development of rDNA methods, vaccine manufacture was largely a charitable or public sector enterprise with universal sharing of strains/techniques and little or no place for patenting of vaccines. The whole scenario changed with the amendment of the U.S. Patent Act in the 1980s allowing the patenting of genetically modified organisms (GMOs) and life processes, and the introduction of Bayh-Dole Act to legalise publicly funded scientists setting up companies. With the eventual globalisation of U.S. patent laws through the World Trade



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Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) since 1995, vaccine development and innovation changed drastically.

Vaccine innovation underwent significant changes in terms of its organisation, patenting strategies and even distribution practices in academia and industry. An important element of this 'value addition' is legalisation of the conversion of public 'research' into private 'development' and its monopolisation by patenting. This facilitated the change of hands in vaccine development and production from the public to private sector the world over, aided by the politics of liberalisation and globalisation. This was elaborated by William Muraskin in his book, *The Politics of International Health: The Children's Vaccine Initiative and the Struggle to Develop Vaccines for the Third World*, and, more recently, in a collection edited by Stuart Blume and Baptiste Baylac-Paouly, titled *Immunization and States: The Politics of Making Vaccine*, that included the Indian scenario. Developed under these new innovation conditions was the first vaccine for cervical cancer marketed as Gardasil by Merck and Cervarix by Glaxo Smithkline, globally.

Impact on India

These developments impacted the Indian pharmaceutical and biotech industry in general and vaccine development in particular. Earlier, the Indian Patent Act (1970) abolished patenting products and allowed only processes, that too excluding agricultural and biological patents. This enabled the growth of domestic industries to become the pharmacy of the world within two decades. They manufactured low-cost generic drugs and vaccines, often within a couple of years after they were introduced in the global north. The first rDNA vaccine produced in India for hepatitis-B not only entered the market within five years under the process patent but also dropped the price to an order of magnitude cheaper than in the global north.

On the other hand, under the current product patent regime, a locally made DNA vaccine against cervical cancer had to wait for two decades till the expiry of the product patents before its indigenous 'generic' version was made available. The expiry of key patents of the HPV vaccine was recently reported by the World Health Organization and a highly cited article published in *Nature Biotechnology*.

While multinational patent monopolies largely explain the delay in developing a local vaccine, what still remains unexplained is the exorbitant current market price of Cervavac. Prior to the domestically manufactured vaccine, two prominent multinational vaccines (Gardasil and Cervarix) were sold in India for ₹4,000 a dose. Even at about half that price, a domestically manufactured vaccine in the private market remains largely unaffordable, keeping the vaccine out of reach for a large section of the target

population. What is even more worrisome is the unreasonable pricing strategy itself, as the price does not truly reflect the production costs. First, Indian industry is well equipped infrastructurally to make rDNA products at scale, particularly vaccines. Second, Cervavac development was funded heavily, which included nearly \$7 million by the Bill & Melinda Gates Foundation (BMGF) under its Grand Challenges Fund. Third, the infrastructure used in producing Cervavac was also a part of the production facility for the Covishield vaccine, built with significant support from the Indian government's Department of Biotechnology.

Such a shared use of resources must have reduced the actual input costs to enable more affordable pricing, thus raising doubts on the pricing strategy of the SII. It seems to be designed to capitalise on high-margins even at low trade volumes, rather than using economies of scale and low margin pricing to boost volume trade. This is essential for public health, as high population coverage is crucial for the success of any vaccine.

Competing vaccines are scant

Another serious concern is the unavailability of other competing vaccines from domestic players, which could have put downward pressure on the current price of Cervavac. This is surprising given the fact that at least four different vaccine candidates were in the pipeline since 2010 from other domestic players. Shantha Biotechnics, Hyderabad, which produced a rDNA Hepatitis-B vaccine at a cheaper price pledged to bring an affordable HPV vaccine to the market by 2015, after it acquired licences from the National Institutes of Health and Johns Hopkins University in the U.S. This may have collapsed after Shanta was acquired by Sanofi Pasteur, Paris, which itself was associated with Merck's Gardasil in several ways. Nonetheless, Shantha Biotechnics, Indian Immunologicals, and Bharat Biotech, Hyderabad, and Zydus Cadila, Ahmedabad have all announced their HPV vaccines in the pipeline around the same period. Their unavailability despite the expiry of the earlier patent barrier is a matter of concern.

The Cervavac vaccine is currently recommended universally under the government vaccination programme for girls between the ages of nine to 26 at a price of ₹500 for two doses, which is expensive even for the government. For those millions who are left out of the government coverage, the retail price of Cervavac will shoot up four-fold to ₹2,000, in a country that has low insurance penetration and catastrophically huge out-of-pocket health expenditures. Therefore, even as the need for universal HPV vaccination to prevent cervical cancer remains an unresolved doubt, the lack of competition and opaque pricing merits investigation in the larger public interest.

The views expressed are personal

India's push for vaccination of girls against HPV raises questions on its timing, promotion and pricing

A brewing duel amid Manila's dual engagement

With Ferdinand Marcos Jr., affectionately known as "Bongbong", at the helm in the Philippines, Manila seems ready to confront China head-on. Unlike his predecessor, Rodrigo Duterte, President Marcos Jr. is assertive and values Manila's security ties with Washington more than the flow of development funds from Beijing.

The United States-Philippines relationship has seen an upswing since Mr. Marcos Jr.'s landslide electoral victory in 2022, also marking the return of the Marcos family to Malacañang Palace (the official residence of the President of the Philippines) after 36 years.

Mr. Marcos Jr. was in full form in Singapore recently, at the International Institute for Strategic Studies's Shangri-La Dialogue, an annual defence forum. He sharply criticised China's "illegal, coercive, aggressive, and deceptive actions" in the South China Sea, a region that has been the subject of increasing tensions due to territorial disputes and competing claims.

China, on the other hand, has continued to categorise Mr. Marcos Jr. alongside former President Tsai Ing-wen of Taiwan as an American lackey, bent on inviting chaos and conflict in the region.

Towards the latter half of 2023, images of the Chinese maritime militia bumping into and using water cannons against Philippine fishing boats raised tensions in the region. Since then, the prospects of a conflict at sea in the region have only gained momentum. From June 15 onwards, China's Coastguard has planned to start arresting "trespassers" in the areas it claims. In response, Mr. Marcos Jr. has warned that any Filipino killed by the "willful" use of Chinese force would be considered an "act of war".

American stakes in the Philippines

While the U.S. appreciates Mr. Marcos Jr.'s bravado, it remains cautious. America has had a



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Growing friction between the Philippines and China is likely to strengthen Manila's military ties with the U.S. but it could also affect its financial links with Beijing

Mutual Defense Treaty with the Philippines from 1951. However, it is wary of opening up another front and becoming entangled in a naval battle with China, its peer competitor. America has about 4,00,000 citizens, including many military veterans, residing in the Philippines. The only U.S. Veterans Administration regional office outside the U.S. is located in Manila.

With its geographic location in the South China Sea, the Philippines is an indispensable actor in the U.S.'s Indo-Pacific strategy to counter China.

To meet its security needs, the Philippines is focused on enhancing its surveillance and power projection capabilities. In January, Mr. Marcos Jr. approved a \$35 billion acquisition list that the armed forces put out.

It has revived plans to modernise Subic Bay, once a formidable U.S. Navy installation, and the nearby Clark Air Base, formerly the largest U.S. Air Force installation overseas. Manila intends to use Subic Bay for Jose Rizal-class missile frigates, Del Pilar-class offshore patrol ships, and Tarlac-class landing docks. Subic Bay International Airport has been identified as a staging point for "Joint Air-Sea-Land Operations" under the Philippines' strategic basing plan.

In 1992, the United States withdrew from Subic Bay and Clark Air Base in the Philippines due to local opposition, fiscal pressures, and diminished strategic necessity in anticipation of the Soviet Union's withdrawal from Cam Ranh Bay in Vietnam. However, U.S. military activities in the bay have increased considerably in recent years. The U.S. is not only using the place for rest and recuperation of its sailors operating in the Indo-Pacific but also for the maintenance of its ships.

Quad support

Mr. Marcos Jr. is leveraging the support he receives from Quad partners (India, Australia, Japan and the U.S.) to transform his country's

forces. In April this year, India delivered the first set of BrahMos launchers and missiles ordered by the Philippines as part of a \$374.96 million deal signed in January 2022.

India has officially given a statement of full support to the 2016 Tribunal ruling, which had found China guilty of breaching the Philippines' exclusive economic zone and violating the UN Convention on the Law of the Sea. China expediently ignored the ruling.

Last year, under Japan's Official Security Assistance (OSA) military aid scheme, the Philippine Navy received \$4 million worth of coastal surveillance radars. Tokyo is also engaged in helping the growth of the Philippines Coast Guard. Japan pledged to fund seven patrol ships, which are in addition to the 12 ships handed over, following a diplomatic visit to Manila in November.

A strong coast guard will help the Philippine Navy to focus more on military missions than enforcing the country's Exclusive Economic Zone. South Korean shipyards are also being approached for the development of coast guard vessels. Australia is the Philippines' second largest bilateral grant aid donor.

Ironically, even as the Philippines prepares to confront the PLA (Navy), it remains reliant on Beijing's financial support. China committed a total of \$9.1 billion in state-directed finance to the Gloria Arroyo and Rodrigo Duterte administrations between 2000 and 2022. Notably, Mr. Duterte's daughter, Sara Duterte, is the Vice-President of the Philippines.

It is uncertain how long this dual engagement, i.e., military assistance from the U.S. and developmental aid from China, will maintain the balance. However, Mr. Marcos Jr.'s increasing friction with China is likely to affect financial flows from Beijing while strengthening U.S.-Philippines military ties as well as its relative importance for Quad operations.

LETTERS TO THE EDITOR

Election results

Though I am not a big fan of right-wing political parties, I feel the election in France was 'stolen' by an unholy pact between the left parties and the centrists. The National Rally, led by Marine Le Pen, was on course to win as the first round showed

overwhelming support for her party. Sensing that they are going to be routed in the election, the Left and Centrist parties withdrew their weak candidates so as to consolidate the anti-right wing votes. Politicians are the same across the world.

T. Anand Raj,
Chennai

The election results in the United Kingdom and in France show that the issues were more issue based than on ideologies.

Dharmarajan A.K.,
Thalassery, Kerala

Maintain law and order

It is distressing and depressing that

cold-blooded murders continue unabated in Tamil Nadu. These gruesome murders, committed for reasons of personal enmity and political conflict in our so-called civilised society, fill us with deep unease.

They certainly point to the deterioration in the law and order situation in the State.

A good governance record on other fronts cannot be cited as an 'excuse' for complacency on the law and order front. Further, gory films that glorify violence seem to be influencing those who are prone to violence.

G. David Milton,
Maruthancode, Tamil Nadu

Ukraine and India's stand

The Ukraine war is essentially a proxy fight between the United States and its allies and Russia. Therefore, India has hardly any role in trying to convince Vladimir Putin to end this war.

Sushil Prasad,
Hyderabad

A moderate voice for Sri Lankan Tamils

The recent passing of R. Sampanthan, a veteran leader of the Tamil National Alliance (TNA) in Sri Lanka, has created a vacuum in the political leadership of the Tamils, who are yet to exit the trauma of the civil war that ended 15 years ago. Sampanthan may not have been able to achieve great progress in the resolution of the Tamil question, but he was seen as a stabilising force, especially in the post-civil war years. He engaged with everyone, including the Sinhalese leadership.



T. Ramakrishnan

councils across the island with limited autonomy, was a major outcome of the Accord, but it was met with a lukewarm response from Tamil leaders. Between 1985 and 2000, the LTTE killed several scholarly and moderate leaders, such as Neelan Tiruchelvam and A. Amirthalingam.

In the 2000s, Sampanthan was among a handful of Tamil leaders left in the scene and grew in prominence. Given his sense of pragmatism, Sampanthan, who was said to be on the 'hit list' of the LTTE once, began taking a pro-LTTE stand and supported the "freedom struggle" of the Tigers during the 2001 parliamentary polls. The Tamil National Alliance (TNA), which included the TULF, came into being in 2001. It nominated the LTTE, which it called "the sole representative" of the Tamils, to negotiate with the Sri Lankan government.

Unsurprisingly, the TULF, which secured five seats in the 2000 parliamentary polls, captured 15 seats in 2001. Then, the United National Party won 109 seats and Ranil Wickremesinghe became the Prime Minister. The next year, his regime signed an agreement with the LTTE, facilitated by Norway.

After the LTTE was vanquished in May 2009, Sampanthan guided the TNA cautiously, avoiding an extreme or confrontational approach. There were occasions where the TNA did not go along with the government of the day – for instance, by refusing to join the All Party Representative Committee for arriving at a political solution in 2009.

However, in the last 15 years, the TNA has not boycotted any major election. In 2013, it won the polls to the Northern Provincial Council although the performance of Chief Minister C.V. Wigneswaran (2013-2018), chosen by Sampanthan, proved to be a disappointment. In the 2010 and 2015 presidential elections, the TNA backed the Opposition candidate – General (retd.) Sarath Fonseka, who played a major role in the LTTE's defeat,

and Maithripala Sirisena, who had served as Defence and Health Minister in Mahinda Rajapaksa's Cabinet. When Mr. Sirisena stunned the world by defeating Mr. Rajapaksa, the TNA's backing was cited as a major reason.

Economic reconstruction

After the civil war, the Sampanthan camp focused on accountability, truth, justice, and the permanent political settlement of the Tamils rather than on economic reconstruction of the war-hit Northern and Eastern Provinces. They also pursued the unrealistic goals of federalism and self-determination. Before quitting as President in January 2015, Mr. Rajapaksa oversaw the restoration of basic infrastructure in the affected areas. Much more needs to be done, but this has sadly not been a priority for the Sampanthan camp. With the cream of Tamil society having settled in the West and elsewhere, the politically and economically weak sections are in no position to bargain with the Sinhalese leadership for greater devolution of powers. The Tamil youth living in the North and the East prefer to work as unskilled labourers elsewhere in the world and study further. Unless the North and the East become economically strong, the situation will remain the same.

When Sampanthan died, he was apparently isolated within his political formation. Like him, Sri Lankan Tamils too have been cut off from society. This is in large part due to the unwillingness of the Sinhalese political leadership to address their aspirations. It is high time Tamil political players strove for greater space in the economy for the Tamils and motivated the youth to pursue higher studies. India, which has a moral responsibility towards the Tamils, should support any endeavour that will enhance the economic status of the community in "united, undivided, indivisible" Sri Lanka, as Sampanthan said.

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An unusual Nitish Kumar

His uncharacteristic behaviour has been a cause of concern

STATE OF PLAY

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With a tenure of 18 years, Nitish Kumar, 73, is the longest-serving Chief Minister of Bihar. He has an equally stunning record of switching sides. While his ideological infidelity has attracted mockery and ridicule, his ability to tilt the electoral scales in favour of the coalition of which he is a part remains unparalleled.

In the 2024 Lok Sabha elections, Mr. Kumar proved critics wrong again when the Janata Dal (United), the party he heads, won 12 of the 16 seats it contested. Mr. Kumar is a maverick; he went beyond caste lines to mobilise a constituency of Extremely Backward Classes (EBCs). According to Bihar's caste survey, this is the largest group constituting 36.01% of the population. The EBCs include 130-odd groups and sub-groups scattered across Bihar. Contrary to various pre-poll predictions, this group largely remained loyal to the Chief Minister.

Of late, however, it is not Mr. Kumar's political acumen, but his fumbles that have generated headlines. His videos referring to Prime Minister Narendra Modi as "Chief Minister", scrutiny of Mr. Modi's inked finger, exhortation to voters to elect "4,000 MPs", and reference to a JD(U) Rajya Sabha MP as a Lok Sabha MP have all gone viral. While these tickle people on social media, they also raise questions about his mental acuity.

Even if we ignore the occasional slip of the tongue, it is a fact that there have been other uncharacteristic gestures from Mr. Kumar. The man who broke ties of 17 years with

the Bharatiya Janata Party (BJP), just a week after Mr. Modi was declared the prime ministerial candidate in 2013, touched the Prime Minister's feet during the first meeting of the National Democratic Alliance after the 2024 Lok Sabha results.

The JD(U) also settled for merely two berths in the Council of Ministers and for "inconsequential" portfolios without a murmur of protest. Rajiv Ranjan Singh alias Lalan Singh is Union Minister of Fisheries, Animal Husbandry and Dairying, and Panchayati Raj, and JD(U) Rajya Sabha MP Ramnath Thakur is Minister of State, Ministry of Agriculture and Farmers' Welfare.

This is in sharp contrast to the party's position in 2019, when Mr. Kumar, arguing for "proportional representation" rather than "symbolic presence", had insisted that the JD(U) get at least four berths since the BJP then had five ministers from Bihar. It is, of course, another story that in July 2021, Mr. Kumar's former aide R.C.P. Singh rebelled against him and secured a Cabinet berth for himself. Within a year, he was forced out of Mr. Modi's Cabinet after the JD(U) refused to renominate him to the Rajya Sabha.

Mr. Kumar's political fortunes and the JD(U)'s electoral destiny have not run in parallel. Mr. Kumar has continued as Chief Minister despite the JD(U)'s diminishing tally. The last time the JD(U) was the sin-

gle largest party in the Bihar Assembly was 14 years ago. In 2020, the party was reduced to 43 seats, slipping to the third position in the State Assembly. Mr. Kumar's presence helps the party scale the limitations imposed by Bihar's electoral arithmetic.

Party sources claim that no one in the JD(U) can exert the pull with the EBCs as Mr. Kumar can. On June 29, at its national executive meeting in New Delhi, the JD(U) appointed Rajya Sabha MP Sanjay Jha, who is Mr. Kumar's lieutenant, as the party's working president. He is now effectively the second most important leader in the party. Between July 2021 and December 2023, Mr. Rajiv Ranjan Singh, as the party's national president, held this position. But neither Mr. Jha, a Brahmin, nor Mr. Singh, a Bhumihar, can be seen as natural claimants for the leadership of a party that is surviving mostly on EBC votes. Speculation is rife that Mr. Kumar might have chosen his heir from the close circle of bureaucrats who have worked with him in the past.

Meanwhile, the Rashtriya Janata Dal (RJD) has fielded several EBC candidates, keeping an eye on the 2025 Assembly elections. Instead of conceding the Purnea Lok Sabha seat to independent candidate Pappu Yadav, the RJD remained steadfast with a JD(U) turncoat, Bima Bharti. Ms. Bharti lost the elections but is now again in the fray from the Rupauli Assembly seat as a RJD candidate where the bypoll is scheduled on July 10. The bypoll was necessitated by Ms. Bharti's resignation so that she could contest in the Lok Sabha polls. It has turned into a prestige battle between the JD(U) and the RJD on who holds a greater sway over the EBC vote bank.

Share of women in unincorporated sector highest in the south

Gender disparity can be seen among working-owners (more men) and unpaid family workers (more women)

DATA POINT

Vignesh Radhakrishnan

The share of women owners and workers in unincorporated enterprises was relatively high in the southern States, according to the recently released Annual Survey of Unincorporated Sector 2022-23. To an extent, in some eastern States too, the share of women in the sector was high; it remained low in the western, northern, and central States.

The unincorporated sector includes jobs that require little to no capital and skills, such as street vending, as well as work that involves considerable investment and expertise, such as tailoring and car repair. The shop may be operated by an individual or a self-employed entrepreneur who may enlist unpaid family members or employ paid workers. They may work from a fixed location or in homes, small shops, and workshops. The survey divides such workers into three broad sectors: manufacturing, trade, and other services and does not include agricultural establishments. The sector excludes establishments registered under the Companies Act and covered under the Annual Survey of Industries, and public sector/government companies.

The chart shows the share of women employed across sectors in various positions such as unpaid family members, informal/formal hired workers, and working-owners in unincorporated enterprises. A circle corresponds to a State. The regions are differentiated by colours. Smaller States were not considered.

Section 1A of the chart depicts the share of women working across all sectors of unincorporated enterprises, including all the classes of workers put together. All the southern States are positioned towards the right of the chart. This means that the share of women in the workforce was relatively high.

Section 1A shows that Telangana leads the country, with women constituting 41% of the workforce, which includes working-owners and formal/informal workers and unpaid family members, across all sectors in the State's unincorporated enterprises. The share in other southern States crossed 30%, closely followed by West Bengal and Odisha at 30%. Sections 1B and 1C depict the same data for the manufacturing and trade sectors separately.

Section 5A depicts the share of women among worker-owners across sectors. Here, too, southern States stand out. This means that in the south, women not only formed a higher share of the overall workforce (including owners), but they also constituted a relatively higher share among worker-owners. West Bengal is the only other State outside south India that featured high on this list.

There was a relatively high share of women in unincorporated enterprises in south India even when the data were sliced and diced across various other types of workers. However, in general, the share of women among unpaid family workers in unincorporated enterprises was much higher than other job-types in every State. Even in Telangana, while 43% was the share of women across worker-owners (Section 5A), 52% among formal hired workers (4A), and 26% among informal hired workers, (3A), it was 59% among unpaid family workers (2A).

Even in States where women did not play a major role in unincorporated enterprises in hired/ownership roles, their share among unpaid family workers was higher. This explains why the circles in Section 2 appear pushed to the right, while in other job types, they are crowded towards the left.

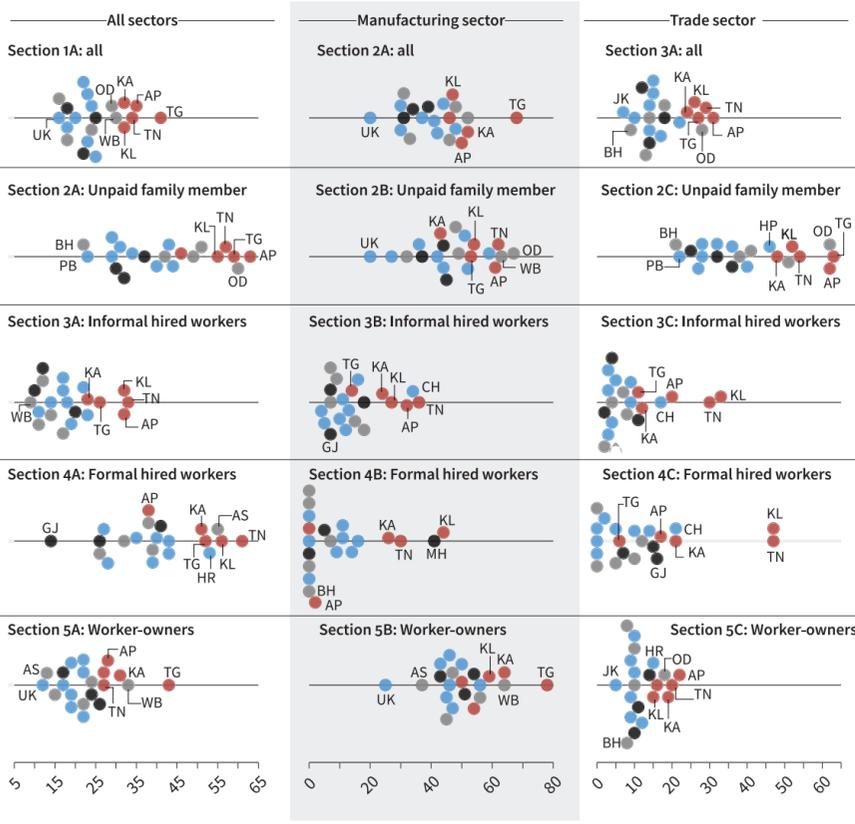
This means women across India play a relatively silent, yet major role in unincorporated sectors. In many cases, they take no payment and have little say in how the enterprise is run.

Silent partners

The data for the chart was sourced from the Annual Survey of Unincorporated Sector Enterprises 2022-2023 (ASUSE)



Chart: The share of women employed across sectors in various positions. ● south, ● north and central ● east ● west



FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO JULY 9, 1974

Nuclear energy may be used for oil drilling in Gujarat

New Delhi, July 8: India will not go in for a second peaceful nuclear explosion until "we know what we want from it," Dr. H.N. Sethna, Chairman of the Atomic Energy Commission, told newsmen here to-day. "We are not in this business just to make explosions," he added.

Dr. Sethna who was briefing newsmen on the meeting of the Consultative Committee of the members of Parliament for the Departments of Atomic Energy, Space and Electronics, said it would take six months to gather data and only after that "we shall think of anything more."

Answering questions on possibilities of harnessing nuclear explosions for peaceful uses in India, Dr. Sethna said after collecting the data on the nuclear explosion carried out on May 18, the Atomic Energy Commission would think of applying it for oil drilling in Gujarat area.

There is an oil field in Gujarat containing extremely viscous oil which does not flow freely when wells are drilled. The flow perhaps could be accelerated by a heating process and it could be studied whether nuclear explosion could be used for this purpose.

The main problem in respect of nuclear explosions, Dr. Sethna said, was radio-activity. Answering a question, he said that nuclear engineering had to be viewed in this context. The hazard of radio-activity would rule out explosions in populated areas. "I would think twice before trying to build canals through nuclear explosion," he said.

A HUNDRED YEARS AGO JULY 9, 1924

Unknown Panama tribe discovered

A correspondent writes to the "Manchester Guardian": While cruising off the coast of Panama in 1922 in the course of their research into the depths of the sea Lady Richmond Brown and Mr. Mitchell Hedges heard of a tribe of Indians in the interior that had never been seen by the white men. The information was given by the Indians on the coast at Cape San Blas whom Mr. Hedges helped with medical attention. The explorers made their way up a river, across a waterless desert, and then through thick bush, and at last found themselves among this strange tribe – the Chucanaque Indians.

Text & Context

THE HINDU

NEWS IN NUMBERS

Worth of energy saved by the eastern Railway in Q1 of 2024-25

12 in ₹ crore. The Eastern Railways (ER) saved electrical energy in the first quarter of 2024-25 using comprehensive measures to save traction and non-traction energy, according to officials. PTI

The number of people affected by the floods in Assam

23 lakh. With over 20 lakh people affected in 28 districts in Assam, 53,689 people have taken shelter, as the water level of rivers continue to flow above the danger mark, according to an official bulletin. PTI

The rise in employment in 27 sectors in 2022-23

3.31 in per cent. The number of persons employed in 27 sectors, including agriculture, trade and financial services, increased to 59.66 crore in 2022-23, according to data published by the RBI. PTI

Increase in area sown to paddy in the 2024-25 kharif season

19.35 in per cent. Area sown to paddy rose to 59.99 lakh hectare so far in the ongoing 2024-25 kharif (summer) season, according to the Agriculture Ministry. PTI

Lesser share of Americans value college education: poll

36 in per cent. Americans are increasingly sceptical about the value and cost of college, according to a new poll by Gallup and the Lumina Foundation. AP
COMPILED BY THE HINDU DATA TEAM

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What are new provisions for police officers?

With the new criminal laws coming into effect, how have basic duties of police officers changed? What are some of the changed provisions with respect to arrests of elderly and infirm people? What about preserving electronic evidence? How can electronic evidence be stored?

EXPLAINER

R.K. Vij

The story so far:

The new criminal laws have become effective from July 1. SOPs have been issued by the Bureau of Police Research and Development (BPRD) to guide police officers in implementing the new provisions.

What are rules for registering FIRs?

The officer in-charge of a police station cannot refuse to register an FIR on the basis of lack of jurisdiction or disputed jurisdiction. He is legally bound to register (popularly known as a zero FIR) and transfer such a case to the respective police station. Though this practice was followed earlier too, the Bharatiya Nagarik Suraksha Sanhita (BNSS) now has a direct provision under Section 173; non-registration of FIRs may attract penal action under various sections.

Additionally, while information can be given orally or in writing as before, it may also be given by electronic means which is to be taken on record by the officer in-charge if it is signed within three days by the person giving it. While no one can stop a police officer from enquiring into the information immediately if it is of a sensitive nature, the electronic mode by which information may be given must be decided by the agencies, such as the Crime and Criminal Tracking Network and Systems (CCTNS) portal, the police website or officially published email IDs.

What about videography?

The BNSS mandates videography during a search conducted by the police under Section 185; of the scene of crime (Section 176); and of the process of conducting a search of a place or taking possession of any property (Section 105). Since these are mandatory provisions, any negligence on the part of the police may benefit the accused persons. Therefore, investigating



GETTY IMAGES

officers (IOs) must be provided electronic devices and proper training to discharge such functions.

A cloud-based mobile app, 'eSakshya' has been designed by the National Informatics Centre for enforcement agencies, which allows capturing multiple photos and videos. The photographs of witnesses and selfies of IOs may be captured using this app. Each item is geo-tagged and time-stamped to ensure the integrity of data. Since eSakshya is an initiative under the Inter-operable Criminal Justice System (ICJS), this data will be available to other agencies such as the judiciary, prosecution and cyber forensic experts.

What about provisions of arrest?

Information about arrested persons is to be mandatorily displayed in police stations. Section 37 of the BNSS requires a

police officer in every police station, not below the rank of Assistant Sub-Inspector, to be responsible for maintaining and prominently displaying information about the arrested persons. Therefore, boards (including in digital mode) containing names, addresses and the nature of the offence must be put up outside police stations and district control rooms.

Some restriction has been imposed on the arrest of frail or sick and elderly persons. Section 35(7) states that the permission of an officer not below the rank of DySP is mandatory for arresting a person charged with an offence punishable for imprisonment of less than three years if such person is infirm or is above 60 years of age. Similarly, though the law now provides for the use of handcuffs in certain cases, the IOs must use them cautiously. The Supreme Court has laid down that handcuffing may be

done only when there is a possibility of escaping from custody or causing harm to himself or others.

What about timelines?

In case of medical examination of a victim of rape, the registered medical practitioner is mandated under Section 184 (6) of the BNSS to forward the medical report to the IO within seven days, who shall forward it to the magistrate concerned. Therefore, doctors must be sensitised about the new law. The investigation of POCSO cases is required to be completed within two months of recording the information of the offence. Earlier, this time limit was only for rape cases under the Indian Penal Code.

A new provision under Section 193(3)(h) requires the IO to maintain the sequence of custody of an electronic device. Though maintaining a chain of custody is important for every seizure, emphasis is laid on electronic devices because they are sensitive pieces of evidence and more vulnerable to tampering. While every police officer is required to upgrade his skills about maintaining integrity of electronic records, the task of the (cyber) expert is likely to increase with many of the mandatory provisions coming into effect.

This sub-section also imposes a duty to inform the progress of the investigation within 90 days to the informant or victim. Section 113 introduced in the Bharatiya Nyaya Sanhita (BNS) defines what is a 'terrorist act' and imposes the duty on an officer, not below the rank of Superintendent of Police (SP), to decide whether to register a case under this Section or the UAPA. Since, no guidelines are given to exercise this discretion, the SP may inter-alia consider factors such as whether the terrorist organisation is notified under the UAPA, approximate time needed to complete investigation, the rank of the IO and the level of scrutiny required, and how dangerous the accused person is.

R.K. Vij is a former Indian Police Service officer. Views are personal.

THE GIST

The officer in-charge of a police station cannot refuse to register an FIR on the basis of lack of jurisdiction or disputed jurisdiction. He is legally bound to register (popularly known as a zero FIR) and transfer such a case to the respective police station.

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What are the laws preventing tree felling in Delhi?

What is the extent of the national capital's green cover? What does Delhi Preservation of Trees Act mandate?

Kartikay Singh

The story so far:

On June 26, a Vacation Bench of the Supreme Court (SC) directed the Delhi government and Delhi Development Authority (DDA) to take effective steps to enhance the national capital's green cover amidst the extreme heat wave.

What is the extent of the green cover?

According to the 'India State of Forest Report 2021' (ISFR) published by the Forest Survey of India (FSI), Delhi has the largest forest cover among seven major megacities, with 195 sq. km, followed by Mumbai (110.77 sq. km) and Bengaluru (89.02 sq. km). Delhi's forest cover constitutes 13.15% of its geographical area, while its tree cover spans 147 sq. km (9.91%). Despite extensive urban development, the city's overall green cover (forest and tree cover) has increased from 151 sq. km (10.2%) in 2001 to 342 sq. km (23.6%) in 2021.

What about their protection?

The Delhi Preservation of Trees Act (DPTA), 1994 provides legal protection to trees in the national capital against actions that could harm their growth or regeneration. According to Section 2 (h) of the Act, "to fell a tree" includes severing the trunk from the roots, uprooting, bulldozing, cutting, girdling, lopping, pollarding, applying arboricides, burning, or any other damaging method. Under Section 8, no tree or forest produce can be removed on any land without prior permission from the 'Tree Officer', even on privately owned property. The 'Tree Officer' may grant permission after inspection and must respond within 60 days. Any person violating this Act may face imprisonment for up to one year, a fine up to ₹1,000, or both. Furthermore, the Act outlines a 'Tree Authority' tasked with conducting tree censuses, managing nurseries, and reviewing government and private construction proposals, among other responsibilities. In addition, Delhi's Tree Transplantation Policy, 2020

mandates that 80% of identified trees slated for felling must be transplanted. However, an affidavit submitted by the government to the Delhi High Court in 2022 disclosed that out of the 16,461 transplanted trees since the policy's notification, only 33.33% had survived.

What is the case against the DDA?

The apex court is hearing a contempt petition against DDA's Vice Chairman Subhashish Panda for the felling of about 1,100 trees, in violation of the SC's orders, for road expansion in the ridge area, which falls under the eco-sensitive zone around Asola-Bhati Wildlife Sanctuary. On March 4, the DDA submitted an application to the SC seeking permission to cut trees for the construction of the Gaushtala Road. However, the court directed the DDA to re-examine the proposal with the help of field experts. During the proceedings, an affidavit from the DDA's Vice Chairman revealed that tree felling had already begun on February 16 and continued for ten days.

So, by February 26, all intended trees were cut down even before the application reached the SC. This material fact was not disclosed when the court heard the application on March 4. Despite knowing no trees could be touched without the court's sanction, the DDA misled the court and acted in bad faith by seeking permission only after the tree felling work. While probing deeper to set accountability, the Bench pulled up DDA for not providing records of the Delhi LG's (Chairman of the DDA) February 3 visit to the site, which allegedly led to the tree felling order. The Delhi government was also reprimanded for usurping the Tree Officer's authority in granting permission. The apex court has halted the DDA's work and directed a team from the FSI to assess the number of trees cut and the environmental damage.

What next for Delhi?

Amid an extreme heatwave, rampant tree felling in the world's second most populous city will only worsen hardships. Urban forests act as carbon sinks, absorbing emissions and filtering pollutants, essential for cities like Delhi with persistently unhealthy air quality indices. Trees reduce the urban heat island effect by lowering temperatures through shading and evapotranspiration. Among other reforms, the government should consider increasing the penalty from ₹1,000 to ₹5,000 under the DPTA, 1994, aligning it with current realities. Kartikay Singh reads law at RGNUL.

THE GIST

The Delhi Preservation of Trees Act (DPTA), 1994 provides legal protection to trees in the national capital against actions that could harm their growth or regeneration.

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Amid an extreme heatwave, rampant tree felling in the world's second most populous city will only worsen hardships faced by the people.

BUILDING BLOCKS



Looking forward: On the occasion of World Environment Day, a new fleet of 175 Electric Vehicle (EV) Airport Taxis were introduced on June 5 in Bengaluru.

In an electric vehicle, what is regenerative braking?

Regenerative braking is a system designed to convert the kinetic energy of the wheels to a form that can be stored and used for other purposes. Here the motor operates as a generator, turning mechanical energy back to electrical energy

Vasudevan Mukunth

The impulse to be sustainable – driven by the incessant pressure to lower our emissions – often manifests as lowering consumption and increasing reuse alongside reforms like tweaking consumer behaviour. Electric vehicles are the site of many of these changes, aided by state-led incentives and subsidies. Regenerative braking is an important mechanism in these vehicles that increases their energy use efficiency.

What is braking?

Braking is the mechanism by which an automotive vehicle in motion slows down. A vehicle moving faster has more kinetic energy than a vehicle moving slower, so the process of braking removes (mostly) kinetic energy from the vehicle. The law of energy conservation means this removed energy has to go somewhere. For example, the disc brake is one type of mechanical brake: it works by pressing brake pads against a disc attached to spinning wheels, and uses friction to convert some of the wheels' kinetic energy into heat. This is why the discs of disc brakes have holes cut into them, to dissipate heat better.

Another type is the induction brake, often used in trains: a magnet induces circular electric currents in a spinning wheel (made of a conducting material, like metal). These currents produce their own magnetic field, which opposes that of the external magnet. The opposition acts like a drag on the wheel and forces it to slow down. In terms of energy: the metal resists the flow of the circular currents and dissipates heat.

What is regenerative braking?

Regenerative braking is a brake system designed to convert the kinetic energy of the wheels to a form that can be stored and used for other purposes. As such, it creates a process in which at least part of the energy delivered to the vehicle's wheels can be recovered in a situation when the vehicle doesn't need it.

Regenerative braking is one type of dynamic braking. In an electric vehicle, of the types becoming common on Indian roads, a battery onboard the vehicle draws electric power from the grid and stores it. When the vehicle moves, the battery powers an electric motor that

propels the vehicle, converting electrical to mechanical energy. This motor is called the traction motor.

During regenerative braking, the motor operates as a generator, turning mechanical energy back to electrical energy. In the vehicle, this means an electric current will be produced as the vehicle brakes, which is stored separately in a battery. In some other vehicles, especially trains, the current is fed back into the traction motor. The other type of dynamic braking is rheostatic braking, where the current is sent to an array of resistors that dissipate the electrical energy as heat. It is often necessary for a vehicle to have both regenerative and rheostatic braking in case the electrical energy recovered can't be stored or used right away.

How does motor become a generator?

A motor has two essential parts: a rotor (the thing that rotates) and a stator (the thing that's stationary). In a rudimentary design, the stator consists of permanent magnets or electromagnets while the rotor consists of current-carrying wires coiled around in loops. The stator surrounds the rotor.

When a charged particle, like an electron, moves inside a magnetic field, the field exerts a force on the particle called the Lorentz force. Whether the force will push or pull the wire in which the electron is moving depends on the direction of the electric current.

This is when the coiling helps. The current at the coil's two ends moves in opposite directions, so the magnetic fields imposed by the stator will push on one end of the coil and pull on the other. And these opposing forces will continue to act on the two sides of the rotor until the voltage across the wire is constant. Thus, a motor converts electrical energy to rotary motion.

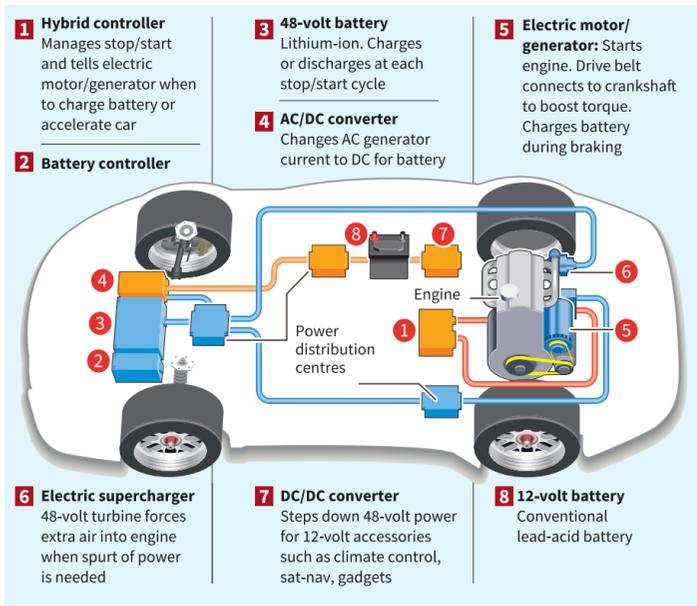
In a generator, mechanical energy from an external source can be fed to the rotor to induce a current in the stator. Simply speaking, by switching the traction motor between these two configurations, an electric (or hybrid) vehicle can implement regenerative braking.

Does regenerative braking have downsides?

While it is a simple energy recovery mechanism, regenerative braking has some downsides. For example, it alone

The mechanics of brake energy generation

Regenerative braking is a type of dynamic braking. Here the motor operates as a generator, turning mechanical energy back to electrical energy. In the vehicle, this means an electric current will be produced as the vehicle brakes, which is stored in a battery



Sources: Delphi Automotive, Ricardo, European Commission © GRAPHIC NEWS

often doesn't suffice to bring an electric vehicle to a halt.

It has to be used together with a conventional system that dissipates some of the kinetic energy as heat.

Such a system is also required to prevent vehicles from backsliding downhill, which many regenerative brakes won't prevent.

Another example is that the amount of energy a regenerative brake can recover drops as the vehicle's velocity drops as well. This said, a regenerative brake can be beneficial for an electric vehicle's energy-use efficiency in stop-start traffic.

Are there other ways to recover energy?

The design of a regenerative brake depends on the energy form to which the mechanical energy from the wheels is to be converted. An electric vehicle funnels

it into a generator and obtains a current, which is stored in a battery or a supercapacitor. Similarly, the mechanical energy can be used to increase the angular momentum of a rotating flywheel. Flywheels are especially useful because they can receive energy much faster than other such systems.

For every unit increase in speed, they also store exponentially more energy. Engineers have been able to build flywheels with carbon-composites that, in a vacuum, can spin at up to 50,000 rpm. The flywheel can be linked to a reciprocating engine to manage or augment its output, like in Formula One racing, or to a gyroscope to help submarines and satellites navigate.

Recovered kinetic energy can also be fed to a pump that compresses air, which can be useful to start internal combustion engines.

THE DAILY QUIZ

A quiz on the cinematic legend Guru Dutt who would have turned 100 today

V.V. Ramanan

QUESTION 1
What was Guru Dutt's christened name? He became part of which famous dancer's team in Almoraa?

QUESTION 2
How many Hindi films did the troubled genius direct, majority of which are considered classics?

QUESTION 3
Which other icon of Indian cinema became one of Guru Dutt's closest friends, and featured in the latter's directorial debut, thanks to their common washerman mixing up their shirts?

QUESTION 4
Dutt's films are known for their brilliant visual presentation.

Name the cinematographer, honoured with the Dadasaheb Phalke Award, who cranked the camera in all of Dutt's directorial efforts.

QUESTION 5
Which classic was based on a story idea called 'Kashmakash' written by Dutt when he was about 22?

QUESTION 6
Dutt plays the role of a cartoonist in *Mr & Mrs. 55*. Who drew the cartoons featured in the flick?

QUESTION 7
It is well known that Sanjeev Kumar replaced Guru Dutt in *Love & God* after the film-maker's untimely death. What other coincidence connects the two?



Visual question: Of which Dutt work is this a still and what technical first did it achieve in Indian film history? HINDU PHOTO ARCHIVES

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

1. The city in which M.S. Dhoni was born. **Ans: Ranchi, Bihar (now Jharkhand)**
 2. The division of the south east Railways where Dhoni was initially stationed. **Ans: Kharagpur**
 3. The only wicket Dhoni has taken in his international career. **Ans: Out-bowled Travis Dowlin from West Indies**
 4. The battalion of the Parachute Regiment where Dhoni is assigned. **Ans: 106 Infantry Battalion (Territorial Army), Parachute Regiment**
 5. The cricketer who appears as himself in the biopic *M. S. Dhoni: The Untold Story*. **Ans: Kiran More**
 6. The resort in which Dhoni got married in is owned by this former Ranji Trophy player. **Ans: Michael Dalvi**
 7. The name Dhoni sported in his jersey on October 29, 2016. **Ans: Devaki, his mother's first name**
 8. This Indian cricketer made his debut alongside Dhoni on December 23, 2004. **Ans: Joginder Sharma**
 9. The number of Dhoni's test cap. **Ans: 251**
- Visual:** Name the team. **Ans: Rising Pune Supergiants**
Early Birds: Navtosh Arun| Arpit Kumar| Shashikant Kumar| Bharath Viswanathan| Tamal Biswas



FROM THE ARCHIVES

Know your English

K. Subrahmanian

"Meaning of 'full of beans' (Prof. R. Thirunarayanan, St. Joseph's College, Tiruchi)."

"This is a colloquial expression meaning 'very lively, full of vigour, health.' A person who is full of beans is in good spirits and feels energetic.

After a good night's sleep, I feel full of beans this morning.

The expression began to be used around mid-18th century. It originally referred to lively and spirited horses fed on a diet of beans. It began as a slang expression and was mainly used in the stables."

"Difference between 'quote' and 'cite' (P.V.S. Vasani, Madras)."

"The two words are often confused. Speakers in general have a tendency to use the word 'quote' more often than 'cite.' They often say that they are quoting authorities, when in fact they are only citing them. When you quote someone, you reproduce exactly what that person has said or written. In other words, you merely copy the words of the original.

Paul was quoted in the magazine as saying, 'I am retiring soon.'

In her talk, Vineetha quoted extensively from the Gita and the Bible.

When you quote someone, 'you refer to it as an example because it gives authority to what you are saying or arguing.' We normally quote in order to illustrate a point. But when you cite someone or something, you always do so in order to prove or substantiate an argument. When you cite something, you merely mention it as an authority or a source of information. The word is derived from Latin 'citare' meaning 'to put in motion, rouse, summon.' So when you cite a passage from a book or an incident from history, you are summoning it to bear witness to what you are saying. When you cite somebody's arguments, you need not reproduce them exactly as they are; you can paraphrase them.

Keshav cited several examples from the book.

Murali cited more than 200 books in his bibliography.

She cited many instances of harassment.

If you are citing while writing, you must provide the reader with the relevant information like title of the book, chapter number, page number, etc. If you are merely quoting someone, then you may or may not provide all this information. All you need to do is to reproduce the words of the author."

"Meaning of the word 'boggle' (T. Sumathi, Madras)."

"It means to 'start with fright, amazement, be overwhelmed.' Your mind may boggle at something or something may boggle your mind.

Nithin boggled at the thought of walking over fire.

When you say something boggles your mind or your mind boggles, you mean that something shocks you or amazes you. We can also say, it is mind-boggling. The word 'boggle' also carries with it the meaning 'bungle' or 'mess up'.

Ashek is well-known for boggling everything.

Published in The Hindu on August 11, 1992

Word of the day

Glade:
a tract of land with few or no trees in the middle of a wooded area

Synonym: clearing

Usage: *The place had small woodland glades dominated by various grasses.*

Pronunciation: bit.ly/gladepr

International Phonetic Alphabet: /ˈɡleɪd/

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the hindu businessline.

TUESDAY - JULY 9, 2024

Labour pain

Labour shortage, low wages call for policy response

A recent report in this newspaper refers to the perceived shortage of skilled blue collar workers in the construction sector in particular, ranging from plumbers, carpenters, masons and welders. Observers have attributed the present shortage to urban migration to the villages, accentuated by the heat of a bad summer. The other reason for shortage is migration, particularly to the Gulf countries, for better pay and dignity.



What's unsaid though is that labour users do not appear to pay skilled workers their due, amidst rising costs and aspirations. The coexistence of high unemployment, low wages and 'skills shortage' is an intriguing triad. There could be three reasons for low wages. First, the productivity of labour is low due to the lack of skill development; the reserve army of labour on account of absence of jobs depresses wages; and substitution of capital for labour adds to the labour surplus. Given this backdrop, bidders for labour believe they can get skilled workers for subsistence wages. This is a mistake, since the labour market is heterogeneous. Bidders do not recognise — and this is a sociological bias — the skills embedded in blue collar work, and are therefore not willing to pay for it.

There can be no argument against moving from a wage of subsistence to that of dignity. Fears of a wage-price spiral are exaggerated in a country where the rural monthly per capita consumption expenditure in real terms grew at a CAGR of 3.79 per cent between 2009-10 and 2022-23 (to ₹2,008), according to the Household Consumption Expenditure Survey. For urban India, the growth in real terms was just 3.1 per cent (₹3,510 in 2022-23). Policy solutions too must be explored to improve labour productivity through skilling, a big reason for low wages. The recently released Annual Survey of Unincorporated Enterprises tells us that gross value added per worker did not increase in real terms in 2022-23 (October-September) over the previous year. There has been a negative growth in per worker GVA in real terms over pre-Covid levels. To arrest this, skill development policies deserve a relook. An outlay of just ₹3,520 crore for the Ministry of Skills Development and Entrepreneurship in the Interim Budget possibly suggests that the reality on skilling does not match the rhetoric. While schemes for jobs and skills development under the Labour Ministry received over ₹12,500 crore, what happens on this count is not evident.

A challenge before the forthcoming Budget is to create incentives for quality employment and skilling. The first can be done by introducing production linked incentives in labour intensive sectors, and tweaking existing PLIs. According to a report by Citigroup, even with an average growth rate of 7 per cent over a year India can only generate 8-9 million jobs a year — whereas 12 million are getting added to the market annually. The capital intensity of growth needs a serious relook. Stubborn social attitudes that depress wages, and spur 'shortage' and migration should be challenged.

POCKET

RAVIKANTH



SUSHILA

On May 14, a two-Judge Bench of the Supreme Court delivered a notable ruling holding that a complaint alleging 'deficiency in service' against advocates practising legal profession would not be maintainable under the Consumer Protection Act, 2019 (CP Act). Not only this, the Bench opined that the decision of the three-Judge Bench in *Indian Medical Association* case (1995) holding medical services within the ambit of the CP Act, deserves to be revisited and considered by a larger Bench and, accordingly, referred the matter to the Chief Justice of India for constituting a larger Bench.

The three-Judge Bench of the Supreme Court in *VP Shantha* case in 1995 had held *inter alia* that the wide amplitude of the definition of 'service' in the main part of Section 2(1)(o) would cover the services rendered by medical practitioners within the ambit thereof. However, the two-Judge Bench in the instant case was of the opinion that the said decision deserves to be revisited having regard to the history, object, purpose and the scheme of the CP Act and in view of the opinion expressed by this Bench to the effect that neither the "profession" could be treated as "business" or "trade" nor the services provided by the "professionals" could be treated at par with the services provided by businessmen or traders, so as to bring them within the purview of the CP Act.

In the *VP Shantha* case, while elucidating the definition of 'service' as given in Section 2(1)(o) of the erstwhile CP Act of 1986, the Supreme Court noted that the said definition can be split up into three parts — the main part, the inclusionary part and the exclusionary part. The main part is explanatory in nature and defines service to mean service of any description which is made available to the potential users. The inclusionary part expressly includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical of other energy, board or lodging or both housing construction, entertainment, amusement or the purveying of news or other information. The exclusionary part excludes rendering of any service free of charge or under a contract of personal service. The Court found no plausible reason to exclude the services rendered by a medical practitioner from the ambit of the main part of Section 2(1)(o).

In the aforesaid background and considering the clear legislative intent in defining 'service' in a wide manner and the reasoned pronouncements of the



Why exempt lawyers from consumer law?

RAISE THE BAR. The Supreme Court's decision will dilute the Consumer Protection Act. It opens future avenues from other professions to seek exemption

GETTY IMAGES/ISTOCKPHOTO

Supreme Court of long standing, the decision of the Supreme Court excluding the legal profession, and thereby advocates, from the purview of the CP Act is not only inconsistent with the statute and the past precedent but also carves out an exception for a particular category of profession and virtually creates a Pandora's Box whereby the similar demands from other professions (including medical) for exclusion would emerge.

The reasoning given by the Court in excluding legal profession from the purview of the CP Act (*i.e.*, the legal profession is not commercial in nature, but is essentially a service oriented, noble profession), is based more on utopia than the avowed object of the CP Act. The 'unique' features highlighted by the Supreme Court in carving out exception for legal profession, equally apply to all professions. The reasoning

The decision of the Supreme Court is not only inconsistent with the statute and past precedent but also carves out an exception for a particular category of profession

that "Advocates are generally perceived to be their client's agents and owe fiduciary duties to their clients" is equally applicable to medical profession and there can be no greater fiduciary duty than a duty between a doctor and her patient. If legal profession is noble, so is medical and other professions.

AMPLITUDE OF DEFINITION

The further reasoning of the Court excluding legal profession from the purview of the CP Act that "...there was not a whisper in the Statement of Objects and Reasons either of the CP Act, 1986 or 2019 to include the professions or the services provided by the professionals like advocates, doctors, etc., within the purview of the Act," is contrary to settled canons of interpretation of statutes. The wide amplitude of definition of 'service' given in the statute cannot be curtailed by taking recourse to Statement of Objects and Reasons of the Bill.

The Statement of Objects and Reasons at best describes the objects, purpose and the reason for introducing the Bill. It also gives understanding of the background and the antecedent state of affairs, which necessitated the introduction of the Bill. The Statement is not considered as conclusive aid to interpretation because it does not impart the true meaning to the statutory provision. If a statutory provision is

clear and admits of no ambiguity, the Statement of Objects and Reasons can possibly have no play in aid, interpretation and construction of a statute.

If there was not a whisper in the Statement of Objects and Reasons either of the CP Act, 1986 or 2019 to include the professions or the services provided by the professionals like advocates, doctors, etc., within the purview of the Act, as argued by the Court, equally, it is plausible to argue that there was not an iota of whisper to exclude them either.

Considering the clear legislative intent and the settled jurisprudence, the judgment of the Supreme Court excluding legal profession dilutes the scheme of the CP Act and opens future avenues from other professions to seek exemption on the parity of reasoning, leaving the consumers in this service economy to the mercy of service providers in the absence of an effective forum for adjudication of their grievances. The reference made by the Bench to the Chief Justice for revisiting the judgment of the Supreme Court in *VP Shantha* case should be taken as an opportunity to settle this issue once and for all, than to call for review or amendments to nullify the ruling.

The writer is Associate Professor, National Law University, Delhi

Personal tax regime needs some tweaks

Enhancing basic exemption limit, standard deduction, and health insurance deduction will serve individual taxpayers well

Parizad Sirwala

With Finance Minister Nirmala Sitharaman set to present Budget 2024-25, the expectations from her on the personal tax front are many. Some of the major ones that individual taxpayers have are:

Realignment of income slabs/tax rates: Since 2020, individual taxpayers have an option to choose between old and new tax regimes every year. The old tax regime provides for various exemptions/deductions which need to be foregone in case one opts for the new tax regime. The slab rates for the old regime have not been revisited since past many years while the basic exemption limit was enhanced to ₹3 lakh under the new tax regime in the 2023 Budget.

If the stated intent of the government is to implement the new tax regime only, then to enhance the net disposable income, they may consider enhancing the basic exemption limit under the said regime to ₹5 lakh. The other slab rates can be adjusted basis the revised limits in line with the progressive tax rate system India has always adopted.

Increase in limit for deduction under Section 80C: Section 80C deduction is capped at ₹1.50 lakh and the same has not

been revised since first Budget presented by this government in 2014. With rising inflation, the government could consider increasing the said ceiling to ₹3 lakh. This will not only help channelise individual savings into productive assets like equity/housing, etc., but also help reduce the tax burden.

Hike in deduction towards health insurance under Section 80D: With medical costs spiralling, there is a need to increase the current deduction towards health insurance which ranges from ₹25,000 to ₹1 lakh (depending on the family member for whom the insurance is taken and his/her age) to ₹50,000 to ₹1.5 lakh.

Increase in standard deduction: Standard deduction was re-introduced in the 2018 Budget in lieu of transport allowance and miscellaneous medical expenses. The current limit for standard deduction under both new and old tax regime is ₹50,000. Considering the ever-increasing cost of living, it would be prudent to consider an enhanced limit of ₹1 lakh for the said deduction.

Enhancement of benefits for home buyers: With increasing real estate prices, expansion of tax breaks and incentives for home buyers would aid in enhancing common man's ability to purchase housing. Presently, interest on



BUDGET SOPS. Taxpayers need more disposable income. ISTOCK

borrowed capital for acquiring or constructing a house property (self-occupied) is deductible up to ₹2 lakh subject to satisfaction of prescribed conditions. This deduction may be increased to ₹3 lakh at least.

This incentive would encourage potential home buyers to consider investing in affordable housing. Also, the principal amount repaid towards a home loan is deductible under Section 80C and capped within the overall limit of ₹1.5 lakh. This being a critical investment, could be carved out of the 80C limit and can be allowed as an additional deduction up to ₹1 lakh which will not only aid home loan borrowers but will also boost investment and encourage demand.

Simplified capital gains tax regime: The government may look at simplifying the existing capital gains tax regime due to its complexity around different holding periods and tax rates across different category of assets. For example, the period of holding for debt instruments is 36 months, for immovable property it is 24 months whereas for listed equity shares/equity-oriented mutual funds it is only 12 months.

Also, currently the base rate for taxation of long-term capital gains from listed equity shares/equity-oriented mutual funds is 10 per cent (on gains exceeding ₹1 lakh), while other gains are taxed at 20 per cent, depending on the nature of the asset.

Most of the expectations outlined above can boost consumption in the economy by leaving more net disposable income in the hands of the taxpayer. However, the government would also need to find alternative sources of revenue to compensate for tax collections foregone on account of the above. Particularly so, in the context of India's commitment to maintain fiscal prudence.

The writer is National Leader, Global Mobility Services - Tax, KPMG in India

✉ **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.

Hindenburg saga

This refers to 'Hindenburg' shared Adani report with client 2 months before publishing it' (July 8). SEBI's allegations regarding the connection between Hindenburg and Kotak Mahindra Investments Ltd (KMIL) through a broker necessitate a deep investigation. Additionally, the potential Chinese link to Kingdon through the alleged spy Ania Cheng, especially in the context of strained India-China relations, also demands close scrutiny. KMIL's claim that it did not act on any price-sensitive information, despite building a short position for 850,000 shares and squaring off these positions after the release of the report, seems highly coincidental. In spite of SEBI's

allegation against Hindenburg regarding undue enrichment, SEBI cannot ignore Hindenburg's allegations that Adani was operating through a vast network of offshore shell companies. These claims must be thoroughly investigated. Overall, SEBI's investigation needs to be multifaceted to uncover the truth, especially considering the significant financial losses investors faced.

Srinivasan Velamur

Chennai

De-risking SME-IPOs

This refers to 'NSE's cap on SME-IPO to rein-in volatility, over-subscription' (July 8). The revised listing guidelines setting a cap at 90 per cent on the opening

price discovered during special pre-open session for IPOs on the "Emerge" platform of NSE, is a laudable step in preventing irrational speculation activity prevailing of late in small stocks. This new directive is supplementing the slew of recent additional disclosure and compliance requirements imposed by the capital market regulator, to de-risk SME-IPOs from price manipulation at the time of offer and trading level and to check the sudden surge in the speculation activities on SME-trading platforms. Considering the number of small companies tapping the market through this platform and the increasing volumes of participation by retail investors, this new initiative would be a corrective

measure to prevent investor exuberance in making short-term gains defying the fundamentals of the companies and inculcates long-term investing planning which will lead to emergence of a sustainable stock market ecosystem.

Sitaram Popuri

Bengaluru

Popularising coffee

Apropos 'Taking coffee to the masses' (July 8), given the traditional attachment to tea, coffee may never become as popular as tea in the northern parts of India. But there is no doubt that people everywhere love coffee for its aroma, taste and its stimulating quality of giving rise to a feeling of freshness and a boost of

energy. Coffee is considered to be a "special occasions" drink mainly due to the cost factor. Coffee "may be the cheapest in India", but it is costlier compared to tea. The process of making coffee may not remain a big impediment, if the price is within the reach of common people, as filter coffee powders are readily available in the market, obviating the need for roasting and grinding of beans, though preferable for making a perfect cup of coffee. Coffee can be popularised, if the price is a bit moderated to suit the middle class pockets and effectively advertised showing the simple process of making filter coffee.

Kosaraju Chandramouli

Hyderabad

Don't close WFH option

Remote working fosters inclusivity and diversity

Millind Kumar Sharma
Sharad Sharma



SOME LEEWAY. For employees

Every now and then, the debate over implementing a quota in the private sector resurfaces. Many States have even attempted to legislate private sector job quotas — for example, Haryana passed a Bill mandating 75 per cent domicile quota in private sector employment, which was set aside by the Supreme Court. This push aligns with broader societal demands for more inclusive employment practices and reflects ongoing concerns about economic disparities. As a result, the private sector often finds itself on tenterhooks regarding potential regulations mandating such quotas.

MISSED OPPORTUNITIES Companies have, however, missed opportunities to make significant strides in inclusivity and diversity. The recent Periodic Labour Force Survey (PLFS) reveals gender disparity, with the urban Labour Force Participation Rate (LFPR) showing only 25.4 per cent of women (37 per cent rural + urban) participating in the workforce. Efforts to include people with disabilities (PWD) often stop at basic compliance. As a result, a low percentage of employable people are employed in this group.

The Covid-19 induced lockdown presented a great opportunity for the private sector to address long-standing disparities in the workplace. With work-from-home (WFH) becoming a necessity, equal employment opportunities could be extended to all, regardless of their circumstances. For those with care-giving responsibilities, the flexibility of WFH allowed them to maintain their careers without sacrificing family obligations. For PWD, remote work eliminated the physical barriers associated with commuting and navigating traditional office spaces, making employment more accessible and feasible. Further, work-from-anywhere allows spouses of professionals in armed forces and other government jobs to retain their jobs regardless of their geographic location, ensuring career continuity.

By embracing and institutionalising these flexible working arrangements, companies had the chance to foster a more inclusive and diverse workforce. Remote working also had the potential to significantly contribute to a more equitable distribution of jobs

across India, effectively diluting the concentration of employment opportunities in metro cities. Traditionally, individuals from non-metro cities face considerable challenges in sustaining themselves in low-income, entry-level jobs in metros due to the high cost of living and lack of social support system. Remote working could remove this entry barrier to white-collar careers, allowing talented individuals from smaller towns to access job opportunities without the need for relocation.

Despite the social benefits and initial enthusiasm for remote working, many companies that were staunch proponents of these arrangements have now reversed their stance. The mandate to return to the office has undone many of the potential gains in social, geographical and gender equity that emerged during the pandemic. However, organisations also faced major challenges such as data security and monitoring employee productivity during the adoption of WFH practices.

While it was necessary to transition back to in-office work to address these challenges, organisations can still invest in affirmative action by making certain roles permanently remote and offering these opportunities to disadvantaged groups. To support these initiatives, regulatory changes are necessary. The government could establish guidelines that promote remote work for specific roles, provide tax incentives for companies that implement inclusive remote work policies, and ensure that data security and anti-moonlighting measures are robustly enforced.

To truly commit to social equity, the private sector must recognise the value of remote working and other flexible arrangements as integral components of their diversity and inclusion strategies.

Millind is Professor at MBM University, Jodhpur, and Sharad is a research scholar at MDI, Gurgaon. Views are personal

The danger of retail credit boom

A rise in lending to the retail sector could render the banking system vulnerable, after it has just overcome its NPA problem

MACROSCAN.



CP CHANDRASHEKHAR, JAYATI GHOSH

A renewed focus on retail lending, or the provision of personal loans, by India's banking system (and the non-bank financial companies they support), is giving the otherwise confident Reserve Bank of India some cause for concern. That the period after pandemic year 2020-21 has witnessed a spike, if not boom, in retail credit is clear from the evidence. As Chart 1 shows, between late April 2021 and late April 2024, personal credit growth (76 per cent) outstripped the growth in non-food credit (53 per cent) advanced by scheduled commercial banks (SCBs) in India.

Personal loans consist predominantly of credit for housing (49 per cent of outstanding loans as of March 2024) and vehicle purchases (11 per cent), with credit card receivables and education loans amounting to around 4.9 and 2.3 per cent, respectively, of outstanding advances.

But a nebulous category identified as "other personal loans" accounts for a third of the total. These are possibly loans provided without a link to targeted assets like real estate or automobiles, which serve as the collateral for those asset-linked loans. That increases the potential loss in case of a default.

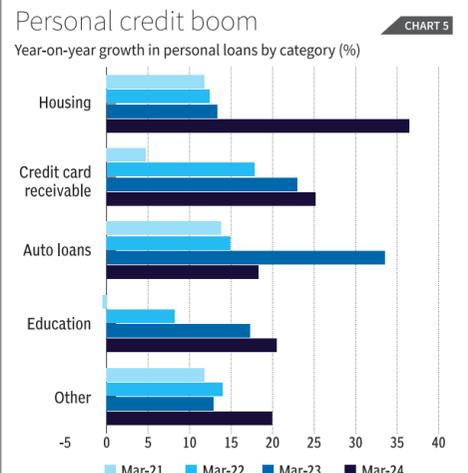
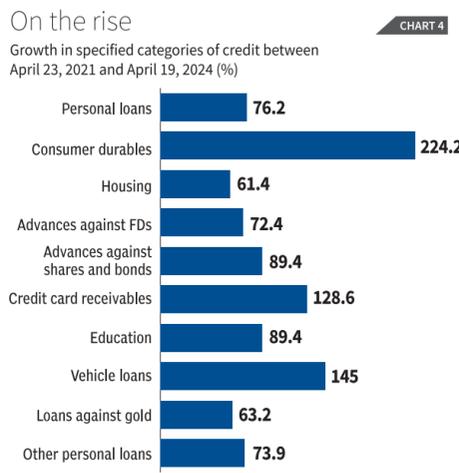
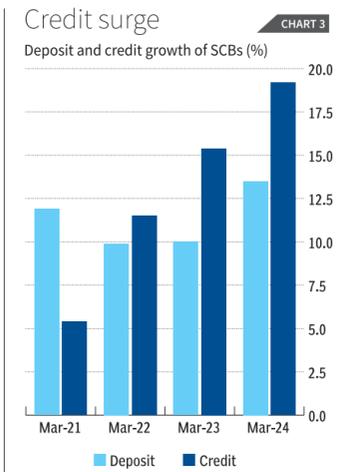
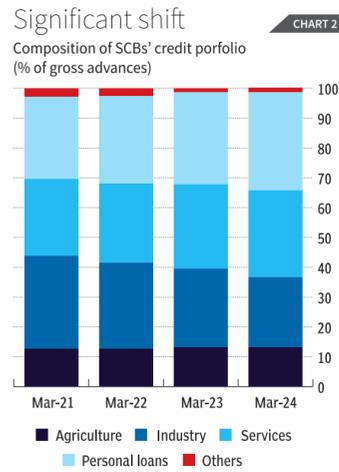
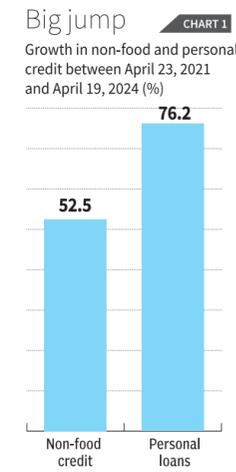
The result of the retail credit spike has been a significant shift in the composition of gross advances of the SCBs over the last three years. Over that short period, the share of personal loans in total advances has risen from 27.8 per cent at the end of March 2021 to 32.9 per cent at the end of March 2024 (Chart 2). This was also a period in which annual credit growth has accelerated, with credit growth exceeding deposit growth in the last three years (Chart 3).

RAPID INCREASES

An assessment of more granular data suggests that personal credit in areas that till now have accounted for a small proportion of total outstanding personal loans, have been registering rapid increases over the last three years. The fastest growing sectors have been lending for purchases of consumer durables and vehicles, and credit card receivables, all of which have outstripped even the increase in personal loans (Chart 4). What is noteworthy is that "other personal loans" that account for a third of the total have also increased by 74 per cent.

Finally, the figures on the annual growth in personal credit by category points to an acceleration in the provision of loans under all heads (other than auto loans, which after sharp acceleration, slowed down in the 2023-24) (Chart 5).

There can be no doubt that we are witnessing the advance of a personal credit boom. It is true that increases in personal credit provision became the norm after financial liberalisation, which allowed and encouraged banks



to lend for purchases for which the purchased asset or durable was the collateral, and then to lend against personal guarantees. This was considered safe, not only because thus far non-performing loans in the personal loan category have not been high, but also because liberalisation allowed for these loans to be securitised and traded, so that credit risk can be transferred, reducing the risk carried by the creator of the credit assets. But there is cause for concern in the evidence of "credit swings" that

The problem with a retail credit boom is that sustaining it requires diversifying away from 'safe' areas like housing, to lending to support purchases of automobiles and durables, unspecified spending desires and credit card outstandings.

focus credit provision on certain sectors, reducing the degree of portfolio diversification. In the credit boom that occurred in the years after 2004, banks awash with liquidity swung in favour of provision of credit to corporates for large infrastructural investments in areas such as power generation and distribution, roads, ports and civil aviation. That trend, encouraged by neoliberal policy, led to a huge build-up of non-performing assets, much of which had to be written off, requiring repeated rounds of recapitalisation of the public sector banks by the government.

RETAIL LENDING FAVOURED

With that experience having reduced the inclination of the banking community for infrastructural lending, the swing now seems to be in favour of retail lending. The problem with a retail credit boom is that sustaining it requires diversifying away from 'safe' areas like housing, to lending to support purchases of automobiles and durables, unspecified spending desires and credit card outstandings. These offer less robust or no collateral, increasing potential loss in case of

default. Sustaining the retail boom also requires substantially increasing and widening the universe of borrowers, bringing in smaller borrowers who are more likely to face circumstances that precipitate default.

A recent Financial Stability Report of the RBI flags an increase in the share retail loans in the addition to or emergence of new bad loans. It also flags an increase in delinquencies or loans with early evidence of overdue payments among small borrowers who have borrowed less than ₹50,000. (See *Datapoint* by Vignesh Radhakrishnan in *The Hindu* (July 3, 2024) for a summary of the evidence.)

Of course, these are just early signs. But given the appetite for increased lending on the part of the SCBs, and the government's tendency to encourage lending to hold up demand that is depressed by its own fiscal conservatism, credit provision must rise. As of now bankers are seeing the retail sector as the best to swing towards. But if the incipient signs of fragility in the retail sector lead to a spike in the volume of delinquent loans, the retail credit boom may well turn into a retail credit bubble.

thehindubusinessline.

TWENTY YEARS AGO TODAY.

July 9, 2004

Chidambaram plays the popular tune

The Union Budget presented by Mr P Chidambaram today can probably be called a 'political budget', targeted primarily at the lower middle class, farmers and the Left. The Finance Minister has exempted individuals with annual taxable income of up to ₹1 lakh from paying any tax, by allowing them to claim automatic rebate on their entire tax liability while filing returns.

'Budget is not inflationary'

The Finance Minister, Mr P Chidambaram, maintained that the revenue projections were not "ambitious" and said that the Budget would not turn out to be inflationary. On the securities transaction tax, he said that the move was prompted by demands from market players.

Thumbs down by markets

Stock and bond prices crashed when frantic investors started a massive sell-off on realising the blow the Finance Minister had dealt them in a "small 0.15 per cent transaction tax on every trade on the stock exchanges". The 30-share BSE Sensex, after briefly crossing the 5,000-mark, slid as the Minister's speech progressed and lost 112 points or 2.26 per cent to end the day at 4843.84.

Short take

World marks full year of average temperatures above 1.5C target

Aaron Clark

Global average temperatures have now hit or exceeded a key climate threshold for 12 months, highlighting the challenge in limiting global warming to below 1.5C above the pre-industrial era. The average for the year through June 2024 was 1.64C higher than the era from 1850 to 1900,

the European Union's Copernicus Climate Change Service said in a report published Monday. Last month was the hottest ever June, the 13th consecutive time a month has set a new average temperature record.

"This is more than a statistical oddity and it highlights a large and continuing shift in our climate," Carlo Buontempo, director of the service, said in a statement. "Even if this specific streak

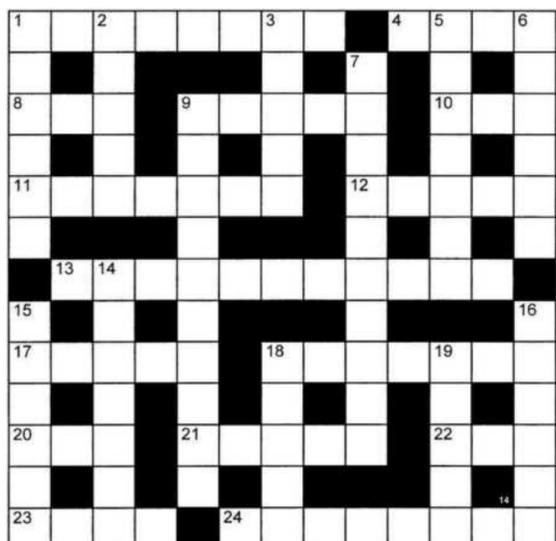
of extremes ends at some point, we are bound to see new records," unless nations stop adding greenhouse gas emissions to the atmosphere and the oceans.

More than 1,300 Hajj pilgrims died last month as temperatures in Saudi Arabia reached about 52C, while firefighters in Greece tackled dozens of blazes and European capitals sweltered. Extreme heat has wreaked havoc across

many parts of the global economy already this year, disrupting air travel to power grids.

The Paris Agreement set in 2015 seeks to limit planetary warming to below 2C above the pre-industrial average, and ideally to 1.5C. Those averages are calculated over a 20 or 30 year period, rather than over a span of 12 months, according to the EU's climate change service. BLOOMBERG

BL TWO-WAY CROSSWORD 2478



EASY

ACROSS

- Prognosticate (8)
- The forehead (4)
- Very cold (3)
- Bingo (5)
- A craze (3)
- One gathering corn after reapers (7)
- Work very hard (5)
- Gossiping (4,7)
- Stretch of sand (5)
- One under instruction (7)
- Be indebted (3)
- Rescued (5)
- Be wearisome, distress (3)
- Short printed, written line (4)
- Male relative (8)

DOWN

- Hair across the 4 (6)
- Short poem (5)
- Subsequently (5)
- Chorus; keep oneself from (7)
- Married (6)
- Mounted soldier (10)
- Box for sheets, etc (5,5)
- The sky (7)
- Out of the country (6)
- Fractured (6)
- Paramour (5)
- Sprigs (5)

NOT SO EASY

ACROSS

- Say what will happen as fairway warning to Swiss hero (8)
- Second line of seats in theatre is at top of hill (4)
- One to cry heartlessly, being very cold (3)
- Game to finish, there being much to begin with (5)
- Falla and Dvorak initially used the crotchet (3)
- One to clean up, in a corny sort of way (7)
- It's not the master who will put by about a pound (5)
- Reel ran out, with novice at the wheel (7)
- To be in the red, you and I ring first (3)
- Was a hoarder, except for old coppers (5)
- A dagger without a top to it may prove wearisome (3)
- A short line one is in a hurry to write? (4)
- Thousands get no backing from one two generations removed (8)

DOWN

- Piece of hair styling might be nothing less than foreign (6)
- Reintroduced endless devotional song with similar sound (5)
- Sort of trade given up without one coming after (5)
- To forbear, it may be a burden (7)
- Not being single, did heartlessly enter unwanted plant (6)
- Half your dogs hare about if a soldier appears (10)
- Niches lent themselves to adaptation as white goods store (5,5)
- Yo, ho, _____ ho, two ways? Good gracious! (7)
- A girl in America, perhaps, but not at home (6)
- No longer working, a gun was all right in the centre (6)
- One amorously involved at fifty and more (5)
- Pins one down to a standard of hardness (5)

SOLUTION: BL TWO-WAY CROSSWORD 2477

ACROSS 1. Impassive 5. Tip 7. Knit 8. Educated 10. Intended 11. Play 13. Ginger 15. Prayer 18. Text 19. Reckless 22. Prospect 23. Fund 24. Cos 25. Supersede

DOWN 1. Inking 2. Paint 3. Indeed 4. Each 5. Totally 6. Paddy 9. Under 12. Brake 14. Noxious 16. Residue 17. Teacup 18. Topic 20. Elude 21. Opus



OPINION

The
Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

Far-Right fails to win France

The National Assembly election results are likely to resonate across Europe

The surprise results in the French National Assembly elections have given a big boost to the Left-wing Nouveau Front Populaire (NFP or New Popular Front) and a leg up to President Emmanuel Macron's Ensemble, a centrist group while inflicting an unexpected defeat on the far-Right National Rally led by Marine Le Pen. Macron had called for snap polls after an upsurge by the far-Right in the recent European Parliament elections. The fractured verdict complicates the picture in Paris as no party has managed a simple majority in the Assembly. The NFP, an alliance of the Socialists, Communists, Greens and France Unbowed, cobbled together just ahead of the elections, is itself a divided front that needs to cohabit with Ensemble to produce a government. However, the defeat of the National Rally and the recent landslide victory of the Labour Party in the UK will have an immediate impact on the course of politics in Europe.

There are multiple takeaways from the Paris results and the pan-European response to it. First, it suggests that a significant section of the population sees the racist, anti-migrant, inward-looking conservatism of the far-Right as a threat to the foundational values of the nations. These sections, as in France, may force parties with divergent political agendas to form united fronts to prevent a far-Right takeover of the government. Second, the far-Right (in the UK and France) has still made substantial gains, which have bled the traditional conservative parties. For instance, Nigel Farage's Reform UK won 14% of the votes. Third, the non-Right may be winning more on a negative vote against the Right rather than on an endorsement of its own agendas. The current British Labour, for instance, has neither the energy of the Tony Blair- and Gordon Brown-led New Labour, nor the radical even if disastrous edge of a Jeremy Corbyn leadership; it got voted in more because of the implosion of the Conservatives. Fourth, it may still require a united front to staunch the far-Right, as Le Pen pointed out after the results.

There is some truth in this claim. Liberal politics, including its Left-of-centre variant, will have to confront complex issues such as migration, its potential impact on employment, and cultural anxieties that the far-Right feeds on to win new constituencies in more constructive ways. A new liberal deal on addressing the social and economic crises confronting Europe is called for. How these platforms evolve will have a major impact on Europe's relations with the rest of the world. Delhi, having invested in building relations with the major European nations, will have to wait and watch how the game plays out.

In Kulgam encounter, signs of ground shifting

The twin attacks in Kulgam in South Kashmir ended with the security forces gunning down six militants while losing two of its men in the process. South Kashmir, once a major recruiting ground for militants, has been relatively calm in recent times with the focal point of terror strikes shifting to the Jammu region. The last year-and-a-half have seen a worrisome upward trend in terrorist attacks on security forces and civilians in the region that borders the forests of the Pir Panjal range. The worst of such incidents was the June 9 attack in Reasi near Katra, in which a group of militants fired on a bus carrying pilgrims and killed nine persons.

What distinguishes the Kulgam incident from the Jammu encounters is, of course, the precise intelligence input received by the security forces. Unlike in Jammu, where encounters have stretched for days taking a toll on the security forces, closure in Kulgam was swift. It suggests improvement in intelligence gathering by the security forces, which is possible only if the local sentiment turns against militancy. Not surprisingly, the local administration has claimed a rise in public support for ending terrorism in the region.

The security establishment has to maintain the upper hand on the ground, especially since the Centre is mulling holding assembly polls sometime soon. The high turnout in the general elections — Kulgam is part of the Anantnag-Rajouri constituency, which reported 51.35% polling, the highest voting percentage in 35 years — suggests that people want the electoral process revived and have local voices represent them on all democratic platforms. The terror strikes may also be an attempt by the militants and their patrons to seize the narrative, create a climate of fear, and derail attempts to revive legislative politics. The State should not fall for it.

Fractured verdict reveals polarised French society

France may be headed for an unstable period in its political history. It will have profound ramifications in the EU and beyond

It is a matter of political irony that the current imbroglio in France was triggered by President Emmanuel Macron, who called for snap legislative elections. When asked what made him do it, Macron responded by saying he wanted to seek "clarification" from the electorate following the heavy defeat his party suffered in the European elections. Well, Macron has now obtained the clarification he so desperately sought: France remains a bitterly divided nation between three blocs i.e. the Left parties constituting the New Popular Front, Macron's centrist and other parties, and Marine Le Pen's National Rally. None of the three blocs have anywhere close to an absolute majority.

Predictably, French voters have returned a fractured verdict in the legislative elections held on June 30 and July 7 resulting in a hung parliament. But the real surprise was that the New Popular Front came first in terms of votes secured in the second and final round of legislative elections. The far-Right National Rally, expected to come first, finished third

because of a monumental effort by the rest of the political parties grouping up against it in the form of a Republican Front. In practice, this meant that well over 200 candidates belonging to the far-Left and centre-Right parties withdrew from the race so that they did not split the votes.

Le Pen and her party will certainly feel cheated, but her ultimate prize remains the presidential elections due in three years when she hopes to make a bid for Macron's position as President of the French Republic. Macron is now left with two options: One, he could call on the largest grouping in parliament i.e. the New Popular Front (from the Left) to form a coalition government. If that fails, he could appoint a technocratic government to tide over a period of one year after which fresh legislative elections can be called again. Either way, France enters an extremely unstable period in its political history.

The New Popular Front's agenda is quite radical. It talks of reducing the retirement age, increasing minimum wages, reintroducing wealth tax and increasing corporate tax. France's budget deficit and public debt, already high at 5.5% and 110% of Gross Domestic Product, will increase exponentially, bringing it into direct conflict with Brussels.

The timing of the French elections could not be worse because the geopolitical situation in the world is fraught, to put it mildly. The war in Ukraine rages on, the conflict in Gaza shows no sign of abating and the situation in the East and South China Sea, not to mention the Taiwan Strait, is becoming more alarming by the day. All this against the backdrop of an internally divided America, a disruptive Russia and an assertive China.

As has been pointed out by observers, France is not just any country in Europe. It is the second largest economy in the European Union (EU), but really the first in political terms if you consider its UNSC membership, its nuclear deterrence, and its indispensable role in the European project. So, political uncertainty in France will have profound ramifications in the EU and beyond.

First, the political turbulence in France combined with the travails of the ruling coalition in Germany, makes the EU geopolitically weak. This is supremely ironic, considering that the European Commission president Ursula von der Leyen said in 2019 that she wanted a strong "geopolitical European Commission". That idea is now dead in the water. Along with the possibility, nay probability, of Donald Trump becoming United States president, the EU has never been this divided in recent times.



Mohan Kumar

The discreet charm of the subaltern godmen

The stampede at the Hathras *satsang* (prayer meeting) raises many questions about all that went wrong that day — more due to negligence and thoughtlessness among key actors than any freak occurrence. It also makes one wonder about the origin and growth of such large followings. Some reports say well over 100,000 people gathered in a space that had received permits to hold 80,000.

The Hathras *satsang* was organised around Bhole Baba alias Narayan Sakar Hari. The self-anointed godman — his real name is Suraj Pal Singh Jatav — resigned from the Uttar Pradesh (UP) police in the late 1990s to emerge as a *baba* (godman). He claimed both divine experiences and magical abilities. Stories were spread about his "divine power". Such was the power of word-of-mouth that even civil servants and others in government counted themselves among his followers. But his following is the strongest among marginal and backward communities, especially women.

It is astounding how such *babas*/preachers/godmen emerge and amass mammoth followings. These godmen belong to different castes, and based on their personal network, their faithful initially evolve from their own castes/sub-castes and neighbouring communities in their region of influence. Following a similar pattern, many subaltern *babas* have emerged in recent years and command millions of followers. Some have been particularly successful among the backward and Dalit communities. They are mostly born in backward and marginal communities and their sects, *panths*, *satsang samooch* (prayer collectives) are mostly managed and controlled by their close associates, relatives and *sewadars* (service-givers). One may find such patterns in the sects led by Baba Ram Raheem of the Dera Sacha Sauda in Punjab, Jai Gurudev collectives in northern India, and, of course, Narayan Sakar Hari, a Jatav with influence among Dalits and marginalised groups in western UP, especially in the Agra region.

To understand their influence, we need to critically evaluate the forms and processes of their sects, and analyse their caste and class bases. The main factors that drive people from marginalised communities to such *babas* include the craving for a sense of equality within the religious and spiritual domains, the stories woven around the "magical powers" of *babas*, psychological needs that require some kind of counselling, low levels of trust on modernity, incapacity when it comes to expensive medical treatment for physical and mental ailments, and a search for social brotherhood and belonging, among others. Most of these groups talk of *manav dharm*



The stampede at the Hathras *satsang* raises many questions
HT PHOTO

(the religion of humanity) and strongly argue for equality in unequal looking social and religious domains. *Manavta* as *dharma* attracts the marginalised because it gives them a sense of inclusion in a *satsangik* community. The marginalised feel comfortable sitting, praying and conversing among people like them. This sense of "the similar" plays a foundational role in forming religious brotherhood (*bhaichara*). This kind of gathering helps to eradicate the social insecurity prevailing in the everyday life of the downtrodden and oppressed. They believe these groups help in *shadi-vyah-marani-jini* (weddings, life and death). It was, of course, heart-breaking to see that many women who died had come to Narayan Hari with the wedding cards of sons and daughters as also with the hope of being able to find matrimonial matches. A social clasp thus emerges from the sect-based *bhaichara*.

In many cases, these self-proclaimed godmen maintain high-level political and bureaucratic contacts. This emboldens them to assure followers of support in matters of transfers, postings and jobs. So, these *babas* and the groups that emerge around them work as a space of social healing and appear as emotional support forums. The godmen's words and oratory appear as confidence-generating discourse (*shabad*) for the psyche of the oppressed.

Besides, narratives are spread about the *kala* (divine art), *siddhi* (spiritual achievement) or *chamatkar* (miracles) of such *babas*, through word-of-mouth, social media and TV channels. In fact, Narayan Hari and associates were once booked under the Drugs and Remedies (Objectionable Advertisements) Act for creating a ruckus at a crematorium, trying to resurrect a dead girl. People gather around such *babas* with the strong belief that the latter can ease their hardships. In many cases, distressed people, mostly poor and lacking the wherewithal to access expensive but appropriate medical treatment, gather around the *babas* in the hope that their touch, *charan dhool* (dust of their feet), consecrated water and talismans, could cure their ailments; apocryphal stories of their *ashirvaad* (blessings) having brought good fortune and good health are legion. Women in poor families are especially vulnerable given the heavy load of existential, emotional, and psychological trauma they are forced to bear.

There are, of course, selfless sects and holy men across religions, leading highly spiritual lives. Equally, there are cunning exploiters and their clever *panthic* managers who harvest the sorrow and pain of millions for their gains. Within the paradigm of neoliberalism, there is a market for *mann ka sauda*, the trade of beliefs and emotions.

Eminent scholar Partha Chatterjee in *The Politics of the Governed*, has written about a subaltern *baba* named Balak Brahmachari whose Namasudra followers, a marginalised community from West Bengal, didn't allow the police to cremate his body for more than 55 days in the belief that he would miraculously come alive. The political class could not resist, fearing the anger of a large vote. A similar situation seems to be emerging in Hathras. The political class, barring Mayawati and the Left parties, have been silent on Narayan Sakar Hari alias Bhole Baba's involvement in the case even as everybody sympathises with the victims.

Badri Narayan is director, GB Pant Social Science Institute. The views expressed are personal



Even at the best of times, France is a difficult country to govern
AP

China and Russia cannot but be thrilled.

We are between two world orders. The progress towards a multipolar world order has been uneven and messy. With an EU that is geopolitically weak, this becomes even more messy and difficult. India, which is a strong proponent of a multipolar world, may see its strategic space shrink further because of this. With France and Germany facing internal political turmoil, the famous Franco-German motor will sputter with negative implications for the EU's foreign and security policy. Serious differences between France and Brussels could come to the fore, especially on issues such as budget deficit and public debt. This is particularly true with the tax and spend agenda of the New Popular Front.

Where does all of this leave Macron? Macron has still three years

left as president. He has let it be known that he is not resigning as president and will continue till 2027 when his current term ends. The trouble is he has to appoint a prime minister from the coalition of Left parties in which case the arrangement known as cohabitation kicks in. Given the differences between Macron's party manifesto and the one put out by the New Popular Front, it is hard to see how there can be a meeting of minds.

Even at the best of times, France is a difficult country to govern and to reform. With a hung parliament and possible cohabitation, France has clearly entered a period of political limbo.

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{ OLAF SCHOLZ } GERMAN CHANCELLOR



It would have been a major challenge if the French president had to enter into a coalition with a Right-wing party. We now hope that the elected representatives will succeed in forming a government



Industrial policy agenda for the new government

With the new government sworn in, the focus should now be on adopting a new industrial policy (NIP).

The policy thrust at present is on manufacturing, given the need to create decent jobs. It is also driven by the realisation that a high degree of dependence on imports can compromise the country's strategic autonomy. Though the external economic environment is now less benign than before when it comes to fostering manufacturing — a flat growth of world trade, rising protectionism, and sluggish world economy as globalisation turns into "slowball-isation" — the global supply-chain restructuring provides India an opportunity.

To facilitate localisation of production, the government recently took several measures, including raising tariffs and providing incentives for incremental output in 14 specified sectors

under the Production-Linked Incentives (PLI) scheme. The revival of industrial policy in India after giving primacy to market forces since the 1991 reforms is part of a global trend. The United States (US) has led the revival of industrial policy most aggressively, with hundreds of billions of dollars in subsidies, tax breaks, and other protectionist measures for reviving its industry under the CHIPS and Science Act, the Inflation Reduction Act, and the Infrastructure Act. The European Union has followed the US playbook apart from coming up with its own protectionist measures such as the Carbon Border Adjustment Mechanism. Such steps by the leading industrialised nations could suck India into an incentive war to attract investments. But they also provide legitimacy to the industrial policy. Other than PLI, India's industrial policy has included measures to improve industrial and logistical infrastructure, reduction of the compliance burden to enhance the ease of doing business, lowering of corporate tax rates, a focus on skill development, and sectoral missions. India's recent emergence as a net exporter of mobile handsets and toys inspires confidence in its industrial policy. A framework to put these interventions in perspective to guide industrialisation is needed.

The Industrial Policy Resolution of 1956 laid down the framework for the licensing system and import-substituting industrialisation with the public sector set for the "commanding heights" of the economy. The 1991 Industrial Policy Resolution unleashed reforms through liberalisation. Together with commitments under the post-Uruguay Round of the multilateral trade regime, trade liberalisation, while strengthening the competitiveness of some sectors, also led to some deindustrialisation — to illustrate, the demise of the electronic hardware industry. But today's context is different. India is the

fastest growing economy and the fifth largest in the world. The external context for industrialisation has changed dramatically. Industry 4.0 and the digital revolution are shaping a new world of work, offering a lot of opportunities and challenges. Net zero goals demand more sustainable industrialisation. The demographic and geopolitical sweet spots India enjoys can help it integrate with the friend-shoring of supply chains.

The NIP, therefore, should provide a framework to accelerate industrialisation and help India become a developed country by generating jobs in an inclusive and sustainable. It should set guiding targets such as doubling India's share in global manufacturing (value-added and manufactured exports) by, say, 2030. It should articulate broad principles such as the primacy of localisation of jobs and value addition, entrepreneurship, and locally anchored technological capabilities in a World Trade Organisation (WTO)-consistent language. It could also incentivise pioneer industries, as many late industrialisers do, and foster MSMEs. The NIP should identify the sectors to target for building leadership, depending on our endowments, such as an abundance of labour, skills, and natural resources. It could do this for dynamic, high-value-add sectors (consumer durables, electronics), strategic areas (capital goods, semiconductors), and sustainability (electric vehicles, solar photovoltaics, or green hydrogen).

The NIP should leverage foreign direct investment and MNC presence. It should lay out a framework for fostering innovation-based rivalry between firms. Similarly, it should foster opportunities for green industrialisation, including through sustainable corporate practices and retrofitting. More importantly, it should provide a framework to support manufacturing through multilateral, regional, and bilateral trade negotiations focused on obtaining market access for Indian products and leveraging certain strategic interventions — for example, performance requirements to integrate MSMEs with global value chains and public procurement. Exchange rate management has been another critical factor in building a competitive manufacturing sector and should not be overlooked. Given the limitations of commercial banks for term-lending due to asset-liability mismatches, it may provide for a new national industrial development bank besides the development of the corporate bonds market.

Finally, the NIP should provide a high-powered architecture for coordinated implementation in a whole-of-the-government approach.

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Empowering consumers

The proposed food regulation will help them

In a welcome development last week, the Food Safety and Standards Authority of India (FSSAI) approved an amendment to the Food Safety and Standards (Labelling and Display) Regulations, 2020. Accordingly, packaged food items will display information regarding salt, total sugar, and saturated fat in a bold and relatively big font. It's not that the bits of information are not available in packaged food, but they are often in small fonts, and hence easy to miss. The move, predictably, is to empower consumers to make informed decisions. The draft notification for the amendment would be put in the public domain for suggestions and comments from stakeholders. While the FSSAI would want to see what other stakeholders such as companies involved in the business have to say, the proposed amendments are worth implementing.

This is critical because of several reasons. As India grows at a rapid pace and gets urbanised, more and more people are likely to consume packaged food because of a variety of reasons. Given the easy availability of packaged food, more children seem to be consuming packaged snacks and other such food items, which can significantly increase health risks. For instance, according to the United Nations International Children's Emergency Fund's "World Obesity Atlas" (2022), India is expected to have over 27 million obese children by 2030, making for 10 per cent of such children globally. While India has a large number of malnourished children, the proportion of overweight children is also beginning to climb. The FSSAI thus rightly expects the proposed changes to improve public health and well-being, and help combat non-communicable diseases.

Although the FSSAI must be commended for being proactive in this regard, just mentioning the nutritional information in a relatively big font would be of limited use if consumers don't understand what they mean and when things start becoming unsafe. To be fair, while per-serve percentage contribution to the recommended dietary allowances would be available in bold for total saturated fat, sodium content, and sugar, it will be important to increase mass awareness. Departments dealing with public health at both the Centre and in states would be well advised to run public campaigns to spread awareness. Better food choices will also help reduce the pressure on health systems.

The other issue is to tightly regulate what goes into packaged food. This is where the food regulator needs to be more active. For instance, Indians got to know that popular spice brands had harmful substances only when they were tested in foreign countries. It was exposed by a foreign non-governmental organisation that a popular brand of baby food was using extra sugar in developing countries like India. It was only after an internet influencer's revelation that e-commerce websites were advised not to list certain brands in the health drink category. Thus, it is critical that the food regulator not only make it clear as to what is permissible but also ensure that all companies in the food business follow the guidelines. The regulator needs to ensure all companies play by the rules of the game. This is not only critical for public health in India, but processed food and related items can be a big export opportunity, which will benefit the entire value chain and help create employment. The percentage share of processed food in total agriculture food exports nearly doubled between 2014-15 and 2022-23 to about 26 per cent. Following global standards in food regulation will increase opportunities.

French revolution

Hung Parliament points to turmoil ahead

French President Emmanuel Macron's gamble to call snap elections following the far-right National Rally Alliance's strong showing in the European parliamentary elections last month has thrown France into turmoil. In a record turnout for a runoff election, French voters unexpectedly relegated Marine Le Pen's far-right National Rally Alliance, or RN, to third place, instead of the majority it had anticipated after the first round of voting. The RN's predicament was courtesy a pre-electoral arrangement of convenience between Mr Macron's centrist Ensemble coalition and the left alliance, the Nouveau Front Populaire (NFP). To stop the RN in its tracks, the centrists and leftists withdrew some 200 candidates in seats where both were competing to give their rivals a better chance of beating the RN candidate. But the upshot is a hung Parliament with no bloc passing the 289-seat mark in the 577-seat Assemblée Nationale, although the RN has emerged as the biggest single party in its own right. With all the key coalitions falling short of the majority by about 200 seats, the final tally points to political turmoil in the European Union's second-largest economy.

The New Popular Front (NFP), a coalition of the radical France Unbowed, Greens, Socialists, Communists, and Trotskyists won the highest number of seats at 182, followed by the Ensemble alliance at 168, and RN at 143. The NFP is led by Jean-Luc Melenchon, 71, a fiery tax-and-spend leader of France Unbowed who has spooked investors in the past with his anti-market rhetoric, penchant for Latin American dictators, and anti-Semitism. A three-time presidential candidate, his alliance has promised an expansion of public spending, higher minimum wages, and a cut in the retirement age, measures antithetical to Mr Macron's agenda so far. Problems in this disparate grouping of centrists and leftists are already evident. Mr Melenchon has declared that President Macron had to call on the NFP to govern, though France Unbowed has said it would not work with the President's liberals in "any arrangement of convenience"; Mr Macron's Prime Minister and the leader of his party have both declined to work with Mr Melenchon.

The constitution of the Fifth Republic says the President gets to pick the Prime Minister. But whoever he chooses as Prime Minister needs to win parliamentary approval, a tough proposition given the widely varying agendas of the non-right parties in the Assemblée. Meanwhile, Mr Macron has asked incumbent Gabriel Attal, who resigned on Sunday evening, to remain in office temporarily to ensure stability, with the Paris Olympics scheduled later this month. Although there is no constitutional deadline for forming a government, all legislative and regulatory initiatives will be stuck in an institutional deadlock until the major players agree to a governing mechanism. It is possible for a government to function without the explicit support of an absolute majority in Parliament, but this requires passing legislation on a case-by-case basis, which has happened in the past two years. The other option is to trigger an article in the Constitution that allows the government to force passage of a law without a vote. The latter procedure, however, allows members of Parliament to table a motion of no-confidence within 24 hours, a bet that Mr Macron will certainly hesitate to take now.

MNC selldowns

As multinational corporations capitalise on India's valuation premium, there are reasons for caution as well



ILLUSTRATION: BINAY SINHA

I have been investing in the Indian markets for multiple decades. Throughout this time, we have consistently seen global companies continuously increase their stakes in their Indian operation. Multinational corporations (MNCs) have consistently looked for opportunities to increase their economic ownership or take their Indian subsidiaries fully private, either through mergers with private companies, stock buybacks, or preferential allotments. The higher the stakes, the better, with full ownership of the Indian business as the ultimate goal. Many increased their stakes at a premium to the then-prevailing market price, implicitly signalling that markets were underestimating the long-term prospects of their Indian business.

In the last 12 months, this pattern has changed. We now have numerous MNCs monetising their stakes and listing or selling part stakes in their Indian operations. Whirlpool, Timken, and ZF are examples of global MNCs selling down stakes and monetising their high valuations. Hyundai Motors is the most visible example of a global MNC playing valuation arbitrage and listing its Indian subsidiary. The sums being talked of are large even by global standards. Hyundai may raise over \$3 billion, the largest initial public offering (IPO) in Indian history. Whirlpool raised nearly \$500 million, selling down from 75 per cent to 51 per cent. The money is being raised to deleverage global balance sheets or to raise capital for investments into new areas like electric vehicles. According to bankers, this trend seems to be just beginning, and we may see many more MNC monetisation events over the coming months. Many more companies with large Indian businesses may follow Hyundai's example. When you can list for a multiple of 20-25 times earnings in India com-

pared to a price-to-earnings (PE) multiple of five in your home market, and you need equity capital, the temptation is obvious. You can raise a large amount of capital while still maintaining control of the local business by retaining majority ownership.

What should one make of this trend? Good? Shall we worry? Is it a sign of a top in the markets? First of all, this is a clear sign of the maturation and size of the Indian capital markets. India has a market capitalisation of over \$5 trillion, the fourth-largest in the world. Average daily trading volumes have now surpassed those of Hong Kong. Less than five years ago, India had a weighting of only 10 per cent in the MSCI emerging market index, while China was near 40 per cent. Today, India is close to a 20 per cent weighting in the indices (second-highest), with China just ahead at 24 per cent. Any global equity mandate excluding the US has a 5 per cent India weighting. The country is no longer marginal. Our capital markets are one of a handful that can support a multibillion-dollar issuance.

Given that we have a \$4 trillion gross domestic product (GDP) and a household savings rate of 20 per cent, these savings, restricted to Indian assets, are increasingly going into equities, making India a very favourable place to list. Even on an absolute basis, this is a very attractive and growing savings pool.

In a world where investors complain of closed IPO markets and a lack of listings, the Indian markets stand out in terms of receptivity to new listings. All types of companies across industries, business models and of differing maturity can list. We are seeing multiple IPOs and secondary sales every day. This vibrancy also strengthens the startup ecosystem as



AKASH PRAKASH

Data analysis and GST policy

Data, it is said, is the new oil. One can argue that data is the nectar that policymakers must drink and digest to make good policy. The recent magisterial study by Arvind Subramanian and his team has brought out the veracity of this assertion on the seventh anniversary of the introduction of the goods and services tax (GST).

One of the findings is that GST revenue performance has been overstated because of considering gross revenues instead of net revenues, given the significant proportion of integrated GST (IGST) refunds paid to exporters (0.7 per cent to 0.8 per cent of gross domestic product, or GDP). Therefore, the GST-to-GDP ratio reached the pre-GST level of 6.1 per cent only in 2023-24. This is a sobering truth. If this had been known earlier, perhaps the GST rate reduction exercise in 2017-2018 and 2018-2019 would have been more tempered, with rate cuts balanced by increases in certain items to maintain revenue neutrality.

The study results bring out one important fact: We have not utilised the rich vein of GST data. It is time now to open this up to all private research outfits and public finance groups in our universities. What are the important areas of research with implications for policymaking?

First, there is the important area of inter-state trade. When GST implementation was debated, it was claimed that by the abolition of entry tax and octroi, the so-called "border taxes", inter-state trade would increase. *The Economist* in a recent special report said that inter-state trade as a proportion of GDP rose from 23 per cent to 31 per cent between 2017 and 2021. We need to dive deep into this claim using IGST data and other proxy datasets. It is important to know whether the Indian market has expanded post-GST, and which states have gained.

Another crucial area is the impact of GST on small businesses and the whole process of formalising the economy. Small businesses are not one uniform category, as it is often made out to be. In fact, GST reforms should have boosted the fortunes

of all small services companies that would have had the opportunity to utilise blocked credits on taxes paid on capital goods.

While policymakers await this analysis, the question is: How do we bring this "happy ending" to fruition?

First, there is an urgent need for rate rationalisation to improve the buoyancy of GST. The GST study suggests the retention of the cess on "sin goods" by incorporating them within the GST rate structure. The government has constituted a Group of Ministers (GoM) Committee, now headed by Bihar finance minister. The Committee has a difficult task ahead, for it has to balance the twin objectives of maintaining "revenue neutrality" and avoiding "inflationary pressures". Here are some concrete ideas for the Committee's consideration.

First, the standard GST rate must be brought down from 18 per cent to 16 per cent. This will be an important signal that the government seeks to bring down the cost for both the manufacturing and services sectors. It is important to recognise that in order to reduce the standard rate, the rate on products at both ends of the spectrum must be enhanced.

For example, the rate on sin goods, which contribute 16 per cent of GST revenue, must go up from 28 per cent to 40 per cent after absorbing the cess. The 12 per cent rate may have to be merged with the 16 per cent slab with certain exceptions for textiles and pharmaceuticals. In the case of pharmaceuticals, the rate can be brought down from 12 per cent to 8 per cent, and for textiles, from 5/12 per cent to a uniform rate of 8 per cent. The special rate on gold and jewellery could go up from 3 per cent to 6 per cent to offset losses from reducing the standard rate.

All exemptions have to be phased out and these goods will have to be placed in the 8 per cent rate slab, except for those goods that were value-added tax exempt in the pre-GST era.

Finally, there is a case for reducing the exemption limit for all units under GST. This may sound coun-

terintuitive, but it needs to be understood that exemptions are "poison not panacea" in the GST universe because they deprive businesses of input tax credits.

One other benefit would be the reduction in evasion, for it has been found that fake invoices are often issued in the name of exempted units. Thus, a three-tier GST structure with 8 per cent, 16 per cent, and 40 per cent slabs with fewer exemptions would boost GST revenues and stimulate manufacturing on the demand side through the reduction in the standard rate.

This rate rationalisation exercise would need to be complemented on the supply side by a restructured tariff policy. It is imperative, as mentioned by all leading economists, that the incidence of Customs duty must be brought down from the present level of 18 per cent to 10 per cent or below. Within this, we could have a three-tier structure with the lowest rate on raw materials/components, a slightly higher rate on intermediates, and the highest for finished goods. This will rectify the inverted duty structure and make available critical raw materials and components to our manufacturing industries. These customs tariff changes can be made in the upcoming Union Budget itself.

The GST rate reforms, if done accordingly, can boost the tax-to-GDP ratio from the present level of 18 per cent to 20 per cent (through a combination of rate increase, better compliance and expanded base). The improved tax-to-GDP ratio will help the government boost its expenditure on priority sectors like health and education.

In conclusion, the GST's "happy ending" would be possible if appropriate policy reforms are put in place. It would also spark a manufacturing renaissance, especially in labour-intensive manufacturing, provided that foreign direct investment is encouraged to flow into areas like textiles, footwear, light engineering, and food processing. This could create the Maruti moment in these sectors. Only then can we reap the demographic dividend. Our policymakers owe this to the youth of this country.

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The Nagarwala scandal, unreconstructed



BOOK REVIEW

SHREEKANT SAMBRANI

On 24 May 1971, Ved Prakash Malhotra, then the chief cashier at the Parliament Street, New Delhi, branch of State Bank of India, took out ₹60 lakh from the cash vault to deliver it to a courier on the basis of what he claimed were instructions from the then Prime Minister of India, Indira Gandhi and her secretary, P N Haksar. He believed both of them had talked directly to him. He delivered the money to someone later identified as Rustam Sohrab Nagarwala and went to the Prime Minister's residence to collect the cheque for the money taken out. He could not meet either Haksar or Mrs

Gandhi. He then realised he had been duped and registered a complaint with the Parliament Street police station.

The police followed the information Malhotra had provided and apprehended Nagarwala later in the day at the Delhi Parsi dharamshala in Daryaganj. By late evening, they recovered all but ₹6,000 of the amount taken out of the bank, and arrested Nagarwala. Three days later, in what has been claimed as a lightning quick trial based on Nagarwala's voluntary but unverified confession, he was convicted and sentenced to four years of imprisonment. Assistant Superintendent D K Kashyap, an officer of the Indian Police Service, led the investigation.

Nagarwala then recanted the confession and appealed his conviction. He remained in Tihar Jail, refusing offers of friends to bail him out. A lawyer connected with the Samajwadi leader Raj Narain (who was to successfully challenge Gandhi's selection from Raebareilly in 1971), R C Maheshwari, represented Nagarwala,

but the two never trusted each other. Kashyap died in a road accident in November 1971. Nagarwala suffered a cardiac infarction in early 1972 and was in and out of Lord Irwin hospital. He died on March 22, 1972, his fiftieth birthday.

A host of conspiracy theories followed, involving Gandhi, her younger son Sanjay, his favourite small car project, secret funding of the Bangladesh Mukti Bahini and even the Central Intelligence Agency of the United States. The Morarji Desai government, which assumed office in 1977, appointed several commissions of inquiry to investigate the affairs of the Gandhi government and the Emergency (1975-77). Retired Supreme Court Justice P Jagannathan Reddy looked into the Nagarwala case. His voluminous report found fault with many aspects of the investigation and court proceedings, State Bank procedures, official replies, but never could find whodunit nor whydunit. Justice Reddy even likened the case to Winston Churchill's oft-quoted 1939 description of the Soviet

Union as "a riddle wrapped in a mystery inside an enigma."

That is where the matter remains today. Now journalists Prakash Patra and Rasheed Kidwai have made bold to write the book under review, *The Scam That Shook India* (*Scam*) hereafter on this long-forgotten affair, after studying the declassified files of the Reddy Commission and other documents.

A reader would be justified in thinking that such an effort would be based on the discovery of some hitherto unknown or ignored clue or a new hypothesis. *Scam*, however, would be a disappointment for such a reader, for it does neither. It is, instead, a tiresome regurgitation, and repetitive at that, of what we already know about the murky affair and have been none the

wiser for it. The authors try to create atmospherics by mentioning even the most irrelevant details (the rift between Kashyap's family and the in-laws), names and places that have only the remotest connections to the case, long asides on the political situation from 1947 to 1980 (and beyond, at times) in language that can only be called police procedure prose. *Scam* places remarks of long-dead people within quotation marks, giving the



THE SCAM THAT SHOOK INDIA: The Nagarwala Scandal
Author: Prakash Patra & Rasheed Kidwai
Publisher: HarperCollins
Pages: xii+264
Price: ₹399

impression that the authors have interviewed the people being cited. But all that they have done is paraphrase the Reddy Commission report. Shoddy editing, evident throughout the book, further mars it: Delhi has a powerful Parsi lobby;

Nagarwala was in college for four years, and left it when he was 18; he was a collegemate of the late Brigadier N B Grant, who was an engineer (but Nagarwala was not); Poona/Pune and Bombay/Mumbai appear

interchangeably; the wife of the Parsi dharamshala's manager "feels a tingle" of alarm. This is but a tiny sampler.

Over the last 70-odd years, I have read countless books in different languages. Choosing the best among them would be an impossible task. But I can say with certainty that *Scam* is the worst of the lot. I have taught courses on written communication at premier institutions. Should I ever have another opportunity to do so, *Scam* would be required reading to demonstrate how not to write.

The author duo, however, are not the only ones responsible for foisting this book on us. Anyone with pretensions to writing (this reviewer included) believes that every pearl of his wisdom must see the light of the day in the form of a book. Presumably, publishers, especially reputed ones such as HarperCollins, have mechanisms in place to weed out sub-standard material from all the manuscripts they are offered. In this case, that mechanism is prominent by its absence. One mourns the felling of all the trees to enable the publication of this book.

The reviewer is an economist based in Baroda

OUR VIEW



Assure investors of tax certainty as a principle

Like Mercedes, which wants GST on EVs held steady, other global investors seek tax stability too. The best assurance to offer is that India's tax reforms will be guided by canons of taxation

Last checked, US-based Tesla had not taken the bait of India's policy package unveiled in March to attract global makers of electric vehicles (EVs), though Vietnam's VinFast may qualify for its benefits—which include low-tariff imports of EVs worth under \$35,000 apiece for five years—and Germany's famous Mercedes-Benz has it under consideration. As reported, Mercedes India's CEO Santosh Iyer has said the car-maker is ready to invest \$500 million, the qualifying minimum, if it could be certain that today's 5% GST rate for EVs stays in place for at least a decade. In itself, this is not an unreasonable ask. But is it likely? Since GST is in need of a slab overhaul, apart from the fact that the GST Council can and does tweak its details, an exact rate prevailing for 10 years cannot be assured. But to the extent that a 'merit' slab has bipartisan favour, an especially light levy on EVs could be taken for granted. It's a fair bet that this policy is subject more to climate than political change, so a single-digit GST should hold. What may prove less steady is how hybrid cars are taxed. As we could speed up our drive for cleaner transport by lessening their current GST overload, EV makers can't rule out stiffer price rivalry brought about by hybrids getting re-slotted as 'merit' products. All this spells what's often called 'tax uncertainty.' Neither precise nor relative GST rates can be forecast. Yet, it's not just global investors who seek tax stability. Everyone does. What India can—and ought to—promise everyone is that Indian tax policy will aim to satisfy what the world's early economists called "canons of taxation."

Under the basic tax principles laid down by Adam Smith (1723-1790), among others, for a tax system to be sound and effective, it must be

marked by equity, certainty, simplicity, convenience, economy, flexibility and neutrality. Each of these canons has a clear rationale. Equity upholds fairness as an ideal, and among other aspects of it, all burdens placed on people must be proportional to their ability to pay. It also asks states to rely more on direct taxes like income tax for revenues than on indirect ones like GST—which burdens all consumers alike, rich or poor, who make the same purchase. Overall, the hard-up must not pay a bigger slice of their earnings than the well-off. The canon of certainty asks for taxpayer awareness of what they owe, by when, and how to pay up. It can be interpreted to include tax stability, as taxpayers should not be forced to keep track of frequent tweaks. Not only does instability expose people to error risk, it makes it harder to do business, as strategic decisions often need to be taken on the basis of future costs. Clarity clearly aids an economy. Hence the next canon—of simplicity. Any tax must be easy to comply with. It reduces the risk of unfair penalties for easily made oversights and fosters better compliance. There are also the trio of convenience, asking for easy-to-pay taxes; economy, seeking minimal cost-of-taxation for both the state and its assessee; and flexibility, requiring a regime that can adapt to evolving conditions. Last but not least is the ideal of neutrality, which asks tax policy not to distort an economy, an effect that can arise if taxes warp market forces of demand and supply so badly that they skew economic behaviour and risk resource misallocation.

Lofty as these principles are, how India fares on them is a good question, with countless examples of misalignment. What we can—and must—do is commit our tax reforms to their broad guidance. This can assure investors too.

RAHUL JACOB



is a Mint columnist and a former Financial Times foreign correspondent.

Consider a country whose economy has suffered due to years of lower productivity growth than its peers, high inequality and low private investment. To compound its problems, it is not part of dynamic free-trade zones, which would lower its tariffs, push its industry to be more competitive and reduce friction for goods crossing borders. This is the huge to-do-list that Keir Starmer faces as the new Prime Minister of UK, but it is also more or less the challenge that New Delhi confronts.

Starmer's is harder, though. Unlike in India, expectations of public services are high, especially of its National Health Service, whose backlog of appointments is a staggering 7.6 million. In addition, years of misguided austerity when interest rates were low mean that the UK's public investment since 2000 lags its OECD peers by a cumulative £500 billion of what it should have been to keep pace, according to Resolution Foundation, a think tank. "Labour productivity grew by just 0.4% a year in the

UK in the 12 years following the global financial crisis, half the rate of the 25 richest OECD countries. The UK's productivity gap with France, Germany and the US has doubled since 2008 to an estimated 18%. Weak productivity growth has fed directly into flatlining wages and sluggish income growth. Fifteen years of lost wage growth have cost the average worker £10,700 a year," the Foundation notes in a report.

As in India, an urgent need to create remunerative jobs for young people is an uppermost concern. Young folks entering the British workforce have not seen wages move up (unlike in the US, for instance) and have the added problem of facing even higher costs if they want to buy new homes. As Bill Emmott, a former editor of *The Economist*, noted in a *Financial Times* article this weekend, average wages for the entire workforce adjusted for inflation in 2023 were below what they were in 2008. Starmer's new Labour government promises to enable the country to build 1.5 million new homes, but this requires both a private sector willing to invest to that extent and major changes in British planning permissions. Of course, raising both the ambition and ability of the private sector is a task beyond the direct reach of most governments. And relative to

the US or even France, it is hard to think of UK companies that have a global footprint. British Airways' high flight cancellations this year because of multiple infotech issues is emblematic of the problem.

But the greatest challenge that Starmer faces is an erosion of public trust in government and politicians. This problem is compounded by a decade of bungling and scandals during the Conservative Party's rule, especially by the Boris Johnson and Liz Truss governments, and media scrutiny so intense that it resembles governing live on a reality TV show. A sense of national stagnation, since Brexit is widely seen to have hurt the UK's economic prospects, is felt both by Britons who wanted to remain part of the EU and those who voted to leave. For all the talk of a Global Britain to replace it, London's inability to sign free trade agreements (FTAs) with the US and India (less consequentially) underlines the UK's diminished place in the world. It is significant that as Starmer assumes

office, 45% of the population says they would "almost never" trust leaders to put the country ahead of political calculations and as many as 71% believe the country is worse-off after Brexit, according to a report quoted by the *Financial Times* on Monday.

Facing this wall of cynicism as he campaigned, Starmer emphasized his working-class family background and bared his soul on occasion. Remarkably, in a long *FT* interview, he admitted to regrets about what he didn't say to his father as he was dying and spoke movingly of his mother's health challenges. But, on policy, Labour and Starmer tried to remain as bland as possible—and succeeded almost too well. In the days leading up to the 4 July election, I was surprised to learn that four of my close friends in London, who I would have thought were natural Starmer supporters, were voting instead for the Liberal Democrats or the Greens. They found Starmer's inability to take a clear stand on issues in the campaign disquieting; one had changed her

mind after Starmer took a strong stand last week to rule out rejoining the EU. This may be practical as well as tactical. It is not clear if the EU would let the UK rejoin. The best that can be hoped for are new agreements with the EU that would allow freer exports of certain goods from the UK. On immigration, while the new government moved quickly to abandon the hare-brained idea to fly illegal immigrants to Rwanda, it is not clear that it will succeed in significantly slowing the number of immigrants coming to the UK even with better border controls.

Yet, the new Labour government has much going for it, starting with Starmer's seriousness of purpose. Having assumed office on Friday, he was already travelling to improve relations with regional governments in Wales and Scotland on the weekend. Unlike during the past 11 years of Tory rule, his cabinet is filled with capable people who went to government schools rather than posh private boarding schools, and also many women. As in France, the hypernationalism of the right has been stopped in its tracks. The new government's apparent discipline is a welcome change from the last one's infighting. If Britons suspend their cynicism for a while, Starmer could yet prove that hard work trumps charisma.

GUEST VIEW

The government's stake-selling agenda: If not now, then when?

The market rally in PSU shares offers it a fine opportunity to raise resources by offloading its equity



SACHCHIDANAND SHUKLA is group chief economist at Larsen & Toubro.

Markets have been hitting new highs almost every week and the total wealth in equity assets has also risen to all-time highs. Not surprisingly, promoters are set for record stock dilution. As per media reports, promoters of over 200 companies have cumulatively sold stock worth around \$4 billion in the last two months alone, taking advantage of richer valuations and cashing-in on the equity they hold.

In this context, it is pertinent to note that the market capitalization of public sector undertakings (PSUs) has almost doubled from about \$404 billion in 2022-23 to \$804 billion currently. To put this number in context, total budgeted expenditure in the 2024-25 interim budget is about \$560 billion. PSUs have attained record high returns on equity and PSU profits are expected to be around 2% of gross domestic product (GDP). Almost every PSU and public sector bank (PSB) stock has seen a humongous rally, with these stocks significantly outperforming their private peers as well as the market.

This must be a rather pleasant outcome for the Government of India, which, as a 'promoter' in a different class altogether, has reaped the benefits so far in the form of chunky dividends, but needs far more money to create infrastructure, generate jobs and strengthen economic engines. Not very long ago, the country was trapped in a

vicious cycle of a twin-balance-sheet crisis, with the finances of corporates and banks both under stress. PSBs were reeling under a mountain of non-performing loans, with a few even being 'technically bankrupt'.

This prompted the government to initiate measures such as its 4'R's strategy of recognizing non-performing assets (NPAs) transparently, resolving and recovering value from stressed accounts, recapitalizing banks and reforming banks through an agenda of PSB reforms. Governance moves, capital infusion and bank mergers helped restore their financial health, though it took huge dollops of taxpayer money (over \$35 billion) and plenty of time to heal balance sheets. But it eventually helped improve confidence, shore up their capital base and reduce operational costs.

The big turnaround in PSU fortunes has been rewarded with the sharp rally in their stock prices and presents a ripe opportunity for the monetization of government stakes and putting the money back to work productively in the economy. The rally should also be attributed to massive governmental efforts that improved PSU financial performance. Monetization will help the fisc and generate resources to build growth-supportive infrastructure assets, a process that is known to have a high multiplier effect and create jobs in larger numbers—a key imperative in the current context.

Moreover, it will also improve liquidity in markets. We have seen a surge in market capitalization, but public shareholding in PSU stocks has remained low. This scenario provides an opportunity for state-held entities that still haven't met the market regulator's minimum public shareholding (MPS) norm to comply. The government's stake in many PSBs exceeds 75%, although Sebi requires the proportion to be reduced below that mark. In fact, a few banks such as Indian Overseas Bank, UCO Bank and Central Bank of

India have state shareholdings as high as 96%, 95% and 93%, respectively.

There are well known difficulties involved in the disinvestment process, including the involvement of multiple stakeholders, extended regulatory processes, global economic volatility, political opposition and accusations of the 'family silver' being sold off.

To overcome these challenges, market experts point out other ways of off-loading stakes. For example, using the offer-for-sale (OFS) mechanism available to promoters, which could entail shorter time periods if done through a special window at stock exchanges. The government could also consider selling chunky stakes via block deals. Or it could explore selling small quantities in the secondary market. Of the \$50 billion odd that has been raised in the last 10 years from divestments, \$37.5 billion came from minority stake sales.

The government has set a divestment target of about \$6 billion for 2024-25, which is 67% higher than its revised target of \$3.6 billion for 2023-24. Note, the government's "miscellaneous capital receipts," which include realizations from disinvestment and other forms of asset monetization, exceeded the revised estimate of \$3.4 billion in 2023-24, of which proceeds from disinvestment totalled \$1.95 billion.

Interestingly, the interim budget did not classify disinvestment receipts as a separate head under the broad category of miscellaneous capital receipts. While this may be a procedural or classification shift, India's strategy to generate resources needs a quick qualitative swing to seize the moment. The Centre should not be content with just PSU dividends. Its revitalization of these entities was hard-earned. Stakes need to be sold. The government would also do well to use this as a signalling device to affirm the economic principle that the government should not be in the business of running businesses, especially non-strategic ones.

These are the author's personal views.



JUST A THOUGHT

Taxation is the art of taking money from the pockets of the people without putting them in a position to refuse.

JEAN-BAPTISTE COLBERT

MY VIEW | WORLD APART

Starmer could prove that hard work trumps charisma

RAHUL JACOB



is a Mint columnist and a former Financial Times foreign correspondent.

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Rescuing the UK economy from a long slump isn't easy, so Britons shouldn't rush to judge his government



THEIR VIEW

MINT CURATOR

Budget: Balance fiscal prudence with support for GDP expansion

A fiscally prudent budget is an important aim but the government must create fiscal space for growth-boosting expenditure



CHANDRAJIT BANERJEE
is director general, Confederation of Indian Industry (CII).

Fiscal prudence, along with the implementation of difficult reforms to modernize the economy, has been the hallmark of this government. In its third term in power, it could further focus on some of its priorities, such as a productive workforce and the competitiveness of Indian products and services. The Union Budget will need to create fiscal space for supporting these priorities while at the same time continuing with fiscal consolidation. The Confederation of Indian Industry (CII) has made its recommendations keeping these priorities in mind.

For fiscal consolidation, the practice of publishing deficit indicators for the medium term in the Union Budget should be revived, offering medium to long-term visibility on the government's fiscal planning. The Fiscal Responsibility and Budget Management Act could also be reviewed and updated, as suggested by the 15th Finance Commission. A robust fiscal framework would be positive for India's credit rating. The recent upgrade in S&P's outlook for India's credit rating was based on the country's robust economic growth, significant enhancements in the quality of government expenditure and the administration's commitment to fiscal consolidation.

While pursuing fiscal consolidation, the government needs to enhance its expenditure in critical areas which would boost productivity. The need of the hour would be to boost the country's focus on health and education by increasing public spending on schools/colleges and hospitals. CII has recommended that the combined (Centre plus states) expenditure on healthcare be stepped up to 3% of GDP by 2030-31, while spending on education be increased to 6% of GDP. This would not only make people's lives more comfortable, but also improve productivity across the economy.

As far as budget calculations go, a choice of consolidation versus spending has received much attention in view of the windfall received by the government in terms of a large dividend from the Reserve Bank of India. A dividend of ₹2.1 trillion received in May 2024 has significantly eased the government's fiscal constraint for the fiscal year 2024-25. CII has recommended that a part of this windfall be used for boosting capital spending by 25% over the revised figure for 2023-24. This would help maintain the upward trajectory of public capital expenditure and help crowd in private investment.

The government may look at raising money through disinvestment and asset monetization. It is likely that setting an achievable target is difficult, since the outcome is dependent on market forces that are not always predictable. CII has therefore recommended that a demand-based approach be



followed for the selection of public sector enterprises (PSEs) to be divested by the government. Based on investor interest, the government should come up with a medium-term schedule for PSE disinvestment, say for the next three years.

The government's asset monetization programme can be intensified by providing support to ministries and state governments on aspects such as identification of assets, regulatory design and execution. A dedicated cell either in the Niti Aayog or ministry of finance can be set up for this purpose. The receipts from disinvestment and asset monetization should be used to either retire debt or create new assets.

To create fiscal space for stepping up expenditure on critical areas, the government will need to enhance tax collections. As a proportion of GDP, the Centre's gross tax revenue has remained around 11.5% for the last four years. According to the 15th Finance Commission, India's total tax collections (Central and states combined) are around 4 percentage points below their potential. The time is now ripe to increase tax buoyancy through rationalization and simplification of the tax structure, wherever possible.

Since its introduction in 2017, the Goods and Services Tax (GST) has considerably simplified the tax structure by using the principle of 'One Nation, One Tax.' However, this tax regime is still beset with a plethora of rates and exemptions, leaving considerable scope for simplification. CII has recommended a move towards a three-rate structure along with a moderation in rates. Also, goods and

services that are currently outside the ambit of GST, such as petroleum products and electricity, should be brought in. Given that these are widely used inputs, the availability of input credit would immediately reduce the cost of doing business.

While the Union Budget cannot implement GST reforms, it can give directional guidance to the GST Council on this issue. These actions would go a long way in preventing leakage and ensuring buoyancy of revenues.

Also in need of simplification are India's customs tariffs, which need to move to more competitive levels. CII has recommended that a graded roadmap be announced to rationalize duty rates over time, so that domestic manufacturers have time to adjust. Further, continuous improvements are required in compliance procedures as well as dispute resolution and grievance redressal. Measures to facilitate the ease of doing business along with simplification of tax structures would greatly improve tax buoyancy.

Following the surge in government expenditure during 2020-21, when the country was affected by the covid pandemic, the government has had its task cut out in getting the fiscal deficit in control. Indeed, it has made remarkable progress in reducing the deficit from 9.2% of GDP in 2020-21 to 5.6% in 2023-24, a reduction of 3.6 percentage points in a matter of three years.

Going forward, a considered view needs to be taken on the pace of deficit reduction, so that the country's need for fiscal consolidation is balanced with the need to support economic growth.

Singapore's openness to talent from abroad seems in decline

It scores political points but hits the country's business reputation



KARISHMA YASWANI
is a Bloomberg Opinion columnist covering Asia politics with a special focus on China

It is employment-pass renewal season in Singapore and the new regime dominates after-work conversation on Fridays. From September, overseas employees on a work visa will need to fulfil the city-state's new points-based system, and earn a minimum salary threshold to stay in their jobs. While this mirrors what happens in other countries, it risks turning foreign companies away and could tarnish the nation's image as a global business hub.

The scheme was announced in 2022 to assess an employment pass's complementarity with the local workforce. Points are awarded for how a candidate's salary compares to Singaporean peers, along with their education and skills, and whether their nationality improves the diversity of the firm. It puts the onus on employers to prove why they need to hire foreigners.

The government knows that catering to the local population on jobs is important. In 2020, resentment over foreign workers led to the worst showing since independence for the ruling People's Action Party. It is undergoing the biggest leadership transition in its history, and elections are expected by the end of the year. The issue is a vote winner, a convenient political tactic that both the opposition and ruling party raise whenever polls come around.

Safeguarding jobs for citizens is not unusual. Many countries do this to strike a balance between the foreign and local workforce. For many sectors, it makes sense to hire Singaporeans. The population is well-educated and regularly scores among the highest in the world in math, reading and science. It has struggled with instilling a culture of creativity in the exam-driven curriculum, but there are efforts to change that. Still, for a government that trumpets an open and free economy, the perception that it's restricting jobs for foreigners, after a history of being relatively easy, could do more harm than good.

The new rules are more transparent, says Hsien-Hsien Lei, CEO of the American Chamber of Commerce in Singapore, though she cautions that they have made it harder for US firms to find suitable candidates. "At times we do feel that the talent in Singapore may not be ready for senior level jobs," she told me. "Those require different levels of exposure and specific skill sets. It's a small country, with a limited and shrinking workforce." Data from AmCham's 2023 Manpower survey supports this. The new framework provides predictability, certainty and transparency, the survey notes, but companies have expressed lower confidence and increased uncertainty



Singapore has made it tougher for firms to recruit foreign nationals

about whether it will allow them to access the talent they need.

There are other factors to consider. The new regulations could have an impact on companies making a decision to set up their regional headquarters here, recruitment firms have told me. Singapore is also no longer a place where foreign talent can start or develop their careers, the way it used to be about a decade ago. Entry-level and mid-market jobs are being reserved for the resident population.

For many locals, this is long overdue. Some have told me they have felt like second-class citizens in their own country, passed over for jobs they know they are capable of doing. There has been rising frustration with what is seen as a preference to recruit foreigners. Many want the government to implement policies that encourage hiring Singaporeans and see the new guidelines as way to address this discontent and growing income disparity.

The changes seem to be working. In the first quarter of 2024, employment growth for residents was higher than in previous quarters, and non-resident employment contracted for the first time since the third quarter of 2021, driven mainly by jobs in construction and manufacturing sectors.

It is a tricky balance for the government to get right. It must keep the economy open, yet also help the local workforce achieve their career aspirations. The ministry of Manpower, in an email statement, pointed to the number of work permits that are available for foreign staff, including the Overseas Networks and Expertise Pass, created for what it calls top talent. It also notes the number of people granted the permission to work has continued to grow, as has overseas investment and the number of foreign firms looking to set up regional headquarters.

The government's focus on foreign talent will probably soon fade. It is an easy fix for a ruling party that has enjoyed enviable political support over almost six decades since Singapore's independence. Citizens could instead ask that their leaders address the higher cost of living, income inequality and a brutally competitive education system. The bogeyman of overseas talent may well win votes, but in the longer term, it won't fix fundamental issues within Singaporean society.

MY VIEW | IT MATTERS

AI leaders are hogging energy in spite of net-zero aims

SIDDHARTH PAI



is co-founder of Siana Capital, a venture fund manager.

There was news recently that Luiz Amaral, CEO of Science Based Targets Initiative (SBTi), has announced he will resign soon. This followed a staff revolt at the organization after it said it would let the companies it oversees use 'carbon credits' to offset pollution caused by their operations or supply chains. Initiatives like tree planting generate carbon credits, which, if bought, would allow companies to use these without cleaning up their act. Verification by SBTi will enable companies to say their climate plans align with science and the goals of the Paris Agreement to limit global warming. The market for carbon credits is already murky, and this fillip to its commercial use by companies was too much for SBTi's staff to endure. For his part, Amaral said he was resigning for personal reasons and did not refer to the uproar that resulted from a reversal of the long-held position that SBTi had taken.

While manufacturing and burning fossil fuels usually get the rap for environmentally

unfriendly practices, the real culprits may soon turn out to be Big Tech companies instead. While it is difficult to prise out exactly how much carbon dioxide they add to the atmosphere, according to Goldman Sachs, at least in the US, electricity use by data centres is projected to more than double, rising to 8% by 2030, up from just 3% in 2022. ([bit.ly/3XLxUNz](https://www.golmansachs.com/insights/ai-data-centers)).

The International Energy Agency (IEA) says electricity consumption by cryptocurrencies, data centres and artificial intelligence (AI) could reach double their 2022 levels by as soon as 2026. ([bit.ly/3RX5Hiz](https://www.iea.org/reports/ai-energy)). There is a wide band around the IEA's projections, however, and the report says that data centres, cryptocurrencies and AI together are likely adding "at least one Sweden or at most one Germany" to global electricity demand. There is a vast difference between the power consumption of those two countries, but even the smaller number being added is frightening enough.

Around the same time as Amaral's resignation, there was news that Google Inc, a large supplier/user of AI, has seen its emissions climb by nearly 50% in five years due to demand for its Artificial Intelligence (AI) projects, which has now been put on steroids by the race for Generative AI (GenAI)

success. In Google's case, its emissions in 2023 have risen to 14.3 million metric tonnes, as per its 2024 annual *Environmental Report* ([bit.ly/3zu5IUv](https://www.google.com/sustainability/reports/2024)); this rise of almost 50% since 2019, the base year for the company to reach 'net zero' by 2030, which would mean removing as much carbon dioxide as it emits, is startling. It now says its net-zero goal by 2030 is "extremely ambitious" and "won't be easy."

Meanwhile, Microsoft has seen an increase in carbon emissions by 30% since 2020, as this company has steadily increased its investments in AI, both directly and through its large investment in OpenAI.

AI was already hogging enough, but the rise of GenAI has launched these companies' energy needs into the stratosphere. The generation of text, songs, images and video clips can slurp up many megawatts very quickly. Especially hard on the grid are GenAI applications that generate images and video; text is relatively less power hun-

gry. And companies like Microsoft are now beginning to sound warnings that they may backtrack on their carbon goals.

Microsoft had promised four years ago that it would bring its carbon emissions down to zero (or even lower) by the end of this decade. But now, in an interview with

Bloomberg, Brad Smith, president of Microsoft, said, "In 2020, we unveiled what we called our carbon moonshot. That was before the explosion in artificial intelligence." Further: "So, in many ways, the moon is five times as far away as it was in 2020 if you just think of our own forecast for the expansion of AI and its electrical needs." ([bloom.bg/3RWgEBw](https://www.bloomberglive.com/news/microsoft-carbon-moonshot-2024)). Five times as far away? That's quite a long way to slip back

in just four years.

At least on paper, Microsoft buys renewable-energy carbon credits to make its drive for clean energy usage look credible. But renewable energy certificates are like a shell game. Let's say company X is a renewable energy company (one using wind or solar

sources). It sells its electricity to consumers like you and me and companies like Microsoft and makes money from that sale. In addition, it sells the 'green-ness' or the 'renewable-ness' of that electricity to individual or corporate buyers through renewable energy credits (RECs). So, when a corporation says it's buying renewable energy, that doesn't automatically mean it's using renewable energy; it's likely that most of the time, it's just buying RECs. In Microsoft's case, the *Bloomberg* article points out that it planned to spend \$50 billion on new data centres worldwide (including India) between July 2023 and June 2024 to accommodate increased demand for its technology products.

Building data centres doesn't just mean buying computers. It means people, land acquisition, construction costs, renovations and so on, adding more concrete to our neighbourhoods. In all likelihood, that \$50 billion number will go even higher over the next twelve months. At Microsoft's earnings call in April, its CEO Satya Nadella said, "We have been doing what is essentially capital allocation to be a leader in AI for multiple years now."

One now begins to see why staffers at SBTi were so unhappy.

GenAI models are so power hungry that goals of carbon neutrality have begun to stretch credibility



WORDLY WISE
EVERY WORD HAS CONSEQUENCES.
EVERY SILENCE, TOO.
— JEAN-PAUL SARTRE

The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

The test in Tehran

Pezeshkian's reformist reputation could help Iran in posturing to global audiences. But can he bring change?



RAMIN JAHANBEGLOO

FINALLY, MANIPUR

PM speaking on besieged state in Rajya Sabha, LoP's visit, are welcome. Governments at state and Centre must follow up

ON JULY 1, in his first speech in Lok Sabha, Inner Manipur MP A Bimol Akojiam put forward an impassioned question: "Is this silence communicating to the people of the Northeast, and particularly Manipur, that you do not matter in the Indian state's scheme of things?" Silence and tokenism have seemed to be the leitmotif of the reaction of the Centre and state to the over-a-year-long ethnic violence in Manipur that has claimed over 200 lives and displaced more than 60,000. The Prime Minister's acknowledgement of the crisis in the state in the Rajya Sabha (RS) — a day after Akojiam spoke — and his outlining of the restorative action being undertaken, therefore, marked a welcome and long-overdue step forward. Now the visit of Congress leader Rahul Gandhi to the Northeast, including in the affected districts of Jiribam, Churachandpur and Bishnupur in Manipur — his first as the Leader of Opposition (LoP) — must reinforce the imperative for greater urgency and sensitivity by Delhi towards Manipur.

Of course, Manipur's descent into crisis is not the function of a year's strife alone. It is the result of larger patterns of administrative negligence that have chipped away at its potential, exacerbating ethnic tensions between the state's Meiteis and Kuki-Zos; the pockmarks created by the dipping indices of employment, education, healthcare and infrastructure, a more virulent strain of identity politics filling them. Since the outbreak of the recent crisis, which began with the Meitei demand for ST status and a Kuki-Zo counter that it would further marginalise them economically, the Centre and the N Biren Singh-led state administration have repeatedly blamed "outsiders" for the violence, framing it as a law-and-order situation to be reined by the deployment of central forces. They have refused to acknowledge criticism that not enough was being done for a mediated rapprochement, dismissing visits by Opposition leaders or the flagging off of Gandhi's Bharat Jodo Nyay Yatra from Thoubal in January as gimmicks. It is only recently, after the outcome of the Lok Sabha elections, that the CM has acknowledged his government's failure in containing the situation.

In his RS speech, the PM rightly spoke of the necessity to "go beyond politics and bring peace and stability" to the state. Building consensus takes time and the pragmatism to acknowledge mistakes. It also requires the ability to replace silences with conversations and a willingness to learn from the missteps of others. Through his tenure, in his engagement with the Northeast, the PM has been proactive. It is, therefore, only befitting that he follows the LoP's lead and remedies his absence from the state. Manipur needs all the attention it can get — it is only through participation and engagement that a solution that holds can emerge.

MACRON'S GAMBLE

French president's decision to call snap polls has yielded mixed results. He must learn the art of negotiation

THERE IS LITTLE doubt that French President Emmanuel Macron — and the centrist, pro-market politics he represents — will have to navigate a political minefield in the months to come. The just-concluded parliamentary elections in France have delivered a deeply fractured mandate. The New Popular Front (NFP) — a hastily-formed alliance of Left and Green parties after the first round of voting last week — emerged as the surprising frontrunner with 182 seats in the 577-strong assembly. Macron's Together coalition came in second with 163 MPs and the far-Right National Rally (RN) came in third — after being the single largest bloc in the first round and in the European elections — with 143 seats. It might be tempting to claim, with hindsight, that Macron's gamble of calling snap polls after the EU election results has succeeded in keeping the RN at bay. Such a view, however, ignores both the nature of the mandate and its implications for France, Europe and the global order.

The fact is that it took last-minute alliances and calls for "tactical voting" to keep the RN in third place. Even so, it reached its current tally from 89 seats in the last election. Marine Le Pen has succeeded in mainstreaming the Far Right, even though the young star of her party, 28-year-old Jordan Bardella, will not be PM, as was widely expected after the first round. In turn, the NFP is riddled with internal contradictions, especially between the more centrist socialists and the radical Jean-Luc Mélenchon's France Unbowed. On issues like religious identity and migrant rights, the Far Right will step up its efforts at polarisation, while Macron's pro-market "reforms" will come up against an empowered Left. In Europe, there is relief at the verdict as the RN is widely seen as close to Russia and may have pushed for reduced support to Ukraine. However, voices on the Left, too, have been calling for a negotiated end to the war.

It is clear, then, that rather than empowering him, Macron's gamble has left him weaker. The French president has played hardball with protesters on issues like raising the retirement age and broad discontent over the economy seen in the Yellow Jacket protests. His policies and politics must take at least some blame for the most fractured election result since Charles de Gaulle ushered in the Fifth Republic. Macron's record thus far has been mixed. He must now step up and learn the art of negotiation and coalitions — largely alien to France's recent history. He must work with those on the Left and Right who lean towards the centre. Else, the hindsight at the end of his tenure might provide a clear — and clearly negative — picture of his presidency.

THE CHIEF MOUSER

Despite frequently napping on the job, Larry the cat remains the most popular figure in British politics

A MAJOR TAKEAWAY from the recent UK elections is the serious crisis of faith in mainstream politics — consider the voter turnout which, at just below 60 per cent, was the second-lowest since 1885. Consider also the fact that, on the day of the elections, an opinion poll revealed that compared to the 34 per cent respondents who plumped for Keir Starmer as Prime Minister and 22 per cent who thought that Tory leader Rishi Sunak should stay on at Number 10, Downing Street, 44 per cent believed that the best man for the job was, in fact, a cat named Larry.

At first glance, Larry's resume is impressive. After a rough early life on the streets, where he is said to have developed a particular skill for hunting rats, the tabby — then four — was adopted by the staff at Number 10 in 2011 to address a vermin problem. He has occupied the office of Chief Mouser to the Cabinet since then, in addition to, as per the Downing Street website, taking on the tasks of "greeting guests, inspecting defences and testing the furniture for napping quality". Yet, it is also true that a life of privilege softened Larry. He's been frequently caught doing anything but attending to his KRAs: Photobombing dignitaries, fighting with other feline civil servants and exchanging rude words with the canine variety, and carousing with a lady friend. It got to the point where former PM David Cameron had to throw a fork at a passing mouse because Larry was, quite literally, napping on the job.

Why does Larry remain such a popular figure? It comes down, quite simply, to the fact that amidst all the political churn and uncertainty, the British public knows that catching sight of his furry figure at Number 10 is the one thing they can count on. In the last 13 years, five PMs have come and gone — Starmer is Larry's sixth housemate — but Larry, reliably, stays on, a symbol of stability.

THE IRANIAN PRESIDENTIAL election, the results of which were declared on July 6, was a contest between two loyalists of the Islamic Republic's theocratic establishment. The candidates who participated in the second round on June 5 were former health minister, Masoud Pezeshkian, reputed to be a moderate, and the ultra-conservative Saeed Jalili, who was deputy minister of Foreign Affairs of Iran from 2005 to 2007. The inability of any candidate to win at least 50 per cent of the votes in the first round triggered the run-off.

Before Friday, only one of the 14 presidential elections held since the Islamic Revolution of 1979 had gone into a second round. The authorities had hoped for a high turnout. However, the elections had the lowest turnout since the early days of the Islamic regime. About 61 million Iranians were eligible to cast their votes for the second round on Friday. More than half of them chose to stay away.

The Iranian government claimed a 40 per cent participation rate in the first round and a voter turnout of 49.8 per cent in the second round. The truth is that, in recent times, there has been a decline in meaningful public engagement in elections in the country. In the parliamentary elections of 2019, the participation rate was reported at 42 per cent. Similarly, 41 per cent cast their votes in last year's parliamentary and Assembly of Experts elections. Nearly 77 per cent of the voters in the Iranian capital, Tehran, reportedly did not vote for the presidential candidates. An official vote count put Pezeshkian as the winner with 16.3 million ballots against Jalili's 13.5 million.

The most significant factor in Iran's politics today is the civil disobedience in the country. Despite the establishment's efforts to revive the old dichotomy between the ultra-conservative and moderate sections of the population, the bitter memories of the 2022 Mahsa Amini anti-government protests is still fresh among the younger generation of Iranians, who shape 65 to 70 per cent of the country's population. One of the popular slogans on social media during the presidential elections was 'Hard-liner, reformist, your time is up, the game is over'.

The voter reaction is linked to the discontent with the economic and political situation in the country. Elections have had limited repercussions on the way Iranian politics operates. The President has limited powers. As the head of the government, the President merely spearheads the implementation of the broad political guidelines laid down by the Supreme Guide, the Head of State. Supreme Leader Ayatollah Ali Khamenei said a boycott campaign led by Iran's "enemies" was defeated and Pezeshkian must now focus on improving the country and preserving the establishment. Iran's allies have congratulated Pezeshkian, but Western leaders have been comparatively muted in their response.

The elections were hastily organised after the death of the conservative President Ebrahim Raisi in a helicopter crash on May 19. In the normal course, they would have taken place in 2025. The Raisi government's failure to solve the Islamic Republic's problems seems to have been a major cause for the disaffection. And if the voter turnout is any indication, only a small percentage of Iranians appear to believe that the new president could create short-term stability to prepare for the succession of the Supreme Leader Ayatollah Khamenei. Pezeshkian's first task would be to assure the Iranian theologians and the paramilitary that he is the right man to implement their decisions amidst the domestic crisis and rising tensions with Israel.

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tra-conservative and moderate sections of the population, the bitter memories of the 2022 Mahsa Amini anti-government protests is still fresh among the younger generation of Iranians, who shape 65 to 70 per cent of the country's population. One of the popular slogans on social media during the presidential elections was "Hard-liner, reformist, your time is up, the game is over". The so-called "reformist", Pezeshkian, played a key role in introducing the compulsory hijab for nurses and women patients in hospitals in the early years of the Islamic Revolution. According to several observers and analysts, Pezeshkian's victory could help in posturing to the global audience — an attempt to ease the pressure from the West — but does not mean much in terms of real change.

The elections were overshadowed by the growing legitimacy crisis of Iran's Islamic regime and the battle of succession for the 85-year-old Khamenei. Raisi's untimely death did ignite a small power contest linked to the succession battle. But the Supreme Leader and Iran's Islamic Revolutionary Guards Corp (IRGC) managed to run the show to their advantage. The Supreme Leader and the IRGC head are trying to create an illusion that a "reformist" president would stand Tehran in good stead in its engagement with the West and maintain Iran's hegemony in the Middle East. Only time will tell how long this Machiavellian game will last.

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RAJESH AGGARWAL

TRADE POLICY NEEDS A RESET

It is time India breaks away from its traditional defensive positions at WTO

INDIA'S RESISTANCE TO the expansion of the World Trade Organisation's negotiation agenda, especially in domains such as e-commerce, trade, climate change, and investment facilitation, has consistently ignited fervent debate. The country's stance is primarily rooted in preserving policy flexibility for its economic development strategies. While this approach suits traditional sectors like agriculture and fisheries, it may hinder seizing new opportunities in emerging fields such as the digital economy and high-tech manufacturing, which are the signature strategies of its Vikas Bharat vision. The vision 2047 seeks to outline a comprehensive roadmap for the country's development. It envisions India as a technology-driven economy, with an ambitious goal of catapulting into a developed economy within the next 25 years.

The rules of global economic governance are being reshaped in a world moulded by geoeconomics and emerging technologies, resilient global value chains and environmental sustainability. India, as a rising economy, has substantial stakes in this new paradigm. Achieving a new equilibrium of global rules will not be frictionless, yet India's rising global stature demands that it plays a constructive role and projects its distinct personality in managing differences amidst changing dynamics.

India's evolving domestic policy reforms are designed to promote its global integration by aiming to foster technology-driven and environmentally sustainable economic growth. The country is a favoured choice for global investors. It secured the third position in attracting FDI in 2022, after the US and China. It aims to boost goods exports to \$1 trillion by 2030, positioning itself as a manufacturing powerhouse. Simultaneously, its e-commerce market is set to surge to an as-

ounding \$350 billion by 2030. However, the current e-commerce routed exports of \$3.0-3.5 billion constitute only 1 per cent of total exports. Globally, e-commerce routed exports are predicted to reach \$2 trillion by 2030, offering India a substantial opportunity for export growth.

The desire to seize the opportunity presented by e-commerce has played a pivotal role in driving regulatory reforms in India by promoting digitisation, transparency, and operational efficiency within the business landscape. These initiatives have led to reforms in critical areas such as data protection, consumer rights, competition and taxation, fostering a more conducive ecosystem for e-commerce enterprises to thrive. India's data protection regulations aim to align with global standards. The country, aiming for a low-carbon, resilient, and equitable transition, has committed to achieving net zero carbon emissions by 2070, and has made significant achievements in improving energy access and reducing greenhouse gas emissions.

India's active participation in the WTO discussions is crucial, even for successful bilateral engagement subsequently with major markets. Participation in these discussions will also allow India to build a leadership position in the Global South. The country's lack of engagement, in any case, has not deterred other interested nations from forging a consensus among major economies.

In the present context, India must adeptly manage its growth trajectory, emphasising digitisation, sustainable development, and resilient value chains to bolster its manufacturing sector. Seeking international consensus on rules and disciplines related to emerging economic issues and navigating the evolving geo-economic landscape is in the country's best interest.

India's active participation in the WTO discussions is crucial, even for successful bilateral engagement subsequently with major markets. Participation in these discussions will also allow India to build a leadership position in the Global South. The country's lack of engagement, in any case, has not deterred other interested nations from forging a consensus among major economies regarding new regulations in the realm of disruptive technologies or formulating unilateral carbon border adjustment measures inimical to Indian business interests.

Going forward, it is time India breaks away from its traditionally held defensive positions. Between 2000 and 2007, India's trade-to-GDP ratio surged from 12 per cent to 23 per cent, stabilising at this level. To achieve the ambitious export targets and accelerate GDP growth, the country aims for a higher trade-to-GDP ratio (ideally 30-35 per cent). India's forward-looking approach to shaping multilateral disciplines in trade and investment matters has been demonstrated vividly through its active participation in G20 forums and bilateral trade and investment negotiations with economically advanced nations. A similar proactive engagement strategy should also be extended to WTO negotiations. It will be pivotal to achieving its national economic development objectives.

The historical context that initially shaped this strategy differs significantly from today's landscape. The policy reforms taken in the wake of the 1991 economic crisis broke down trade barriers, attracted foreign investments, and fuelled economic expansion.

The writer is visiting professor, ICRIER



JULY 9, 1984, FORTY YEARS AGO

MEDIA COOPERATION

INDIA AND PAKISTAN took a major step in media cooperation by choosing to eschew hostile propaganda and decided to exchange broadcast programmes. The Information and Broadcasting minister, H K L Bhagat, assured his Pakistani counterpart that India wished for the stability and prosperity of Pakistan. The officials will meet every three months to monitor official media organisations.

CURFEW IN SRINAGAR

THE POLICE FORCES fired teargas to deter youths who were violating the imposed cur-

few in downtown Srinagar on July 8. Curfew restrictions were not relaxed, unlike the week before — vehicles were not allowed to ply, press, and curfew passes were declared invalid. The police also encountered a stone-throwing mob near Habba Kadal and arrested 13 individuals. Ousted chief minister Farooq Abdullah's public address at the Khanqah-e-Moula didn't occur.

IA HIJACKERS' FATE

EXTERNAL AFFAIRS MINISTER, P V Narasimha Rao, will discuss the issue of the hijackers' return when he meets Pakistan's Foreign Minister, Yakub Khan. This will be

the first high-level direct contact between the two countries, since the July 5 hijacking of the Indian Airlines Airbus. Pakistani authorities have already conducted a preliminary interrogation of the accused.

J&K CRACKDOWN

The Jammu & Kashmir government has cracked down on Sikh extremists from Punjab, who have been hiding out in the state. 150 individuals have been arrested over three days, soon after the hijacking of the IA Airbus. The Sikh youths have sought the assistance of the Jamaat-i-Islami and other secessionist organisations, to fight against the state's repression.

11 THE IDEAS PAGE

Why NEET does not work

Alternatives need to be explored. States need to be taken into confidence before framing admission processes, especially in institutions controlled by the state government



SAKTHIRAJAN RAMANATHAN AND SUNDARESAN CHELLAMUTHU

SINCE ITS INCEPTION about a decade ago, the National Eligibility cum Entrance Test (NEET) has been a politically contentious issue in Tamil Nadu. The recent turn of events has made it a national issue. NEET was originally conceptualised to ensure merit-based selection to medical schools and standardise the medical entrance process. It was seen as a solution to the problem of high capitation fees being charged by private medical institutions. Has the examination achieved its intended goal? Has NEET curbed the commercialisation of medical education?

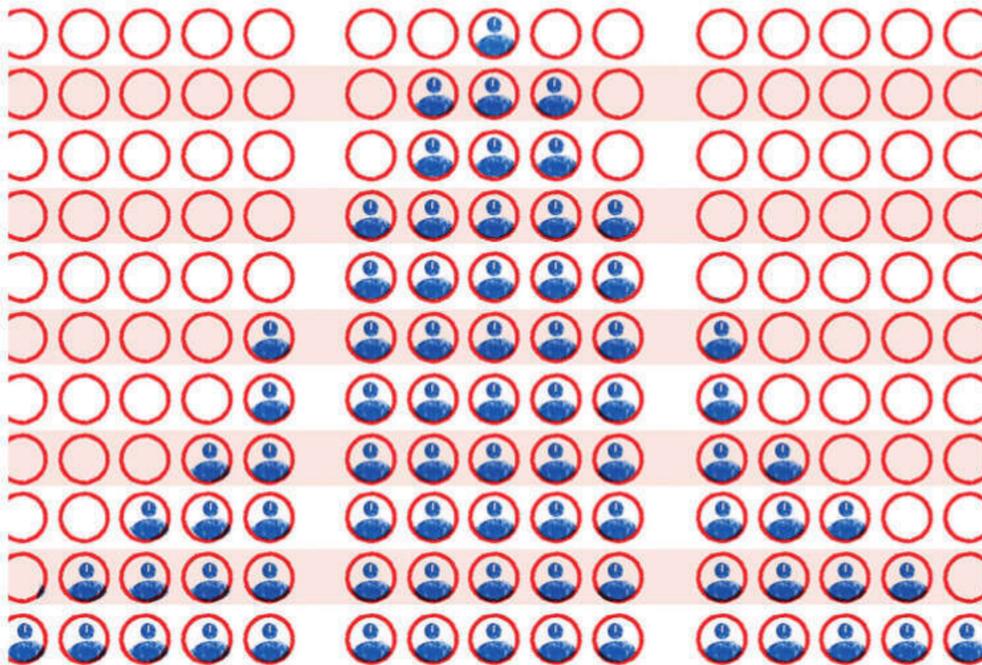
This year, more than 24 lakh candidates sat for the NEET after paying application fees ranging between Rs 1,000 to Rs 1,700. The application charges alone give a revenue of about Rs 337 crore to the testing agency. Moreover an individual candidate spends a few lakhs at coaching centres to prepare for the test.

The initial eligibility for qualification, 50 percentile, was diluted to 30 percentile in 2020 and further to zero percentile in 2023. The reason cited was that several seats are vacant in private medical colleges. However, after the 60,000 seats in government medical colleges are filled up, people's paying capacity plays a big role in filling up the remaining 50,000 seats in private colleges. This makes the MBBS dream virtually unattainable for students of the economically weak strata, despite scoring high marks in NEET. Nearly half of the MBBS seats become a virtual preserve of the wealthy, making a mockery of the objective of rewarding merit.

NEET is one of the several alterations in the country's medical education ecosystem in the past decade. The other changes include the dissolution of the Medical Council of India after the agency faced corruption charges, a reduction in the faculty student ratio from 1:1 to 1:3 and public private partnership model (PPP) for developing medical colleges in each district with the entire district hospital handed over to a private player. The medical sector has also seen reforms, including the Ayushman Bharat insurance scheme that allows people below the poverty line to access tertiary care and re-naming the primary health centres as Ayushman Arogya Mandir with private partnership. Medical education, and healthcare in general, which was a service sector in the hands of the government, has gradually changed to a commodity with the increased participation of private players.

How does NEET compare with exams like the UCAT in the UK and MCAT in the US? These tests allow only students with excellent grades in higher secondary education to take the exams. In contrast, a NEET applicant only requires to pass the higher secondary school.

This low entry requirement can undermine the importance of excelling in high school. This, in turn, lowers the standard of



CR Sasikumar

school education. The state government and their education ministries do not have any say in the selection process of future doctors in their states. Finally, incidents such as paper leaks and allocation of grace marks, without formal approval of a competent committee, have eroded trust in NEET and the National Testing Agency (NTA).

Tamil Nadu has conducted several experiments in the entrance system and professional courses, starting from an interview system in the 1970s to the entrance examinations in 1983 along with 2/3rd weightage to marks in concerned subjects in the higher secondary education exam.

Following recommendations from the Anandakrishnan Committee, the state abolished entrance exams and conducted admissions to medical and engineering colleges solely on the basis of higher secondary marks. This method is still followed in admissions to engineering institutes in the state. Even after the introduction of NEET, the government ensured social equality and inclusivity, to an extent, by providing reservation to government school students as per the recommendations of P Kalaiyaran and AK Rajan committees.

Tamil Nadu's experiences over five decades demonstrate that factors such as infrastructure, faculty numbers and the extent of patient care services determine the quality of young doctors. These factors play a far more decisive role compared to entrance examinations. The exam-based selection criteria is merely a gate-pass. Moreover, as American educationists William Sedlacek and Sue H Kim note, "If different people have different cultural and racial experiences and present their abilities differently, it is unlikely that a single measure could be developed that would work equally well for all". Testing the faculties of students who come from different backgrounds in a country with myriad diversities is not a justifiable method.

NEET needs to be reevaluated. Public health is a state subject and education is part of the concurrent list. All states need to be taken into confidence, before framing the ad-

mission processes, especially in institutions controlled by the state government. The debate on NEET touches on broader issues such as educational equity and federalism. The debate on the examination is not just an academic issue but a deeply political one.

If NEET is riddled with problems, what are the alternatives? Instead of a single cross-sectional assessment, a summative assessment over two to three years of performance in school education along with a general aptitude test might improve the selection process. This along with existing caste-based reservation and quotas for government school students will make the entrance process more inclusive. Keeping the number of repeaters to a fixed percentage and allocating 15 per cent seats for candidates from the rest of the country would be a fair system in a state. Allocation of a small percentage of seats to allied health sciences candidates — nursing, for instance — will create a lateral entry system, similar to engineering and polytechnic courses. Objective type questions can be added in the high school board examinations, the scores of which can be used to decide the best candidate in case of a tie between candidates.

The primary objective of refining the medical entrance process is to ensure that students with high average marks gain admission not only to government-run medical colleges but also that the admission criteria of private institutions are safeguarded to admit only those with significantly higher scores, while simultaneously providing adequate support to students from marginalised communities. The goal should be to ensure that people from disadvantaged sections are adequately represented in the medical field and they can contribute to making healthcare accessible to their communities.

Ramanathan is assistant professor of Nephrology, Madras Medical College and Chellamuthu is associate professor of Radiation Oncology, Madras Medical College and state president, Government All Doctors Association (GADA)

WHAT THE OTHERS SAY

"Pezeshkian's victory suggest[s] that the regime and people may have seized the opportunity offered by Raisi's death: The former, to re-engage a disaffected population, and perhaps stabilise relations with the west; the latter, hoping to improve living standards and regain a little of breathing space." — THE GUARDIAN

Joblessness & the skill gap

To address urban unemployment, a mass-scale vocational educational programme, with links to apprenticeship, needs to be started



PRANAB BARDHAN

MOST ECONOMISTS AGREE that a lack of good-quality jobs, particularly for India's burgeoning young population, is one of the urgent priorities to address. It is also generally perceived that in the recent elections, joblessness was a critical issue. Election results in some states show that welfarism is not enough to placate large sections of the electorate. Although the pre-election Congress manifesto had shown a bit more sensitivity to the job issue than that of other parties and came up with some concrete suggestions (though not fully worked out), it is well-known that joblessness has been a persistent problem over many decades and across all regimes. Those who think growth will automatically solve the job problem overlook that 50 years of national surveys on employment and unemployment have made it clear that India's job availability has not, in general, kept pace with the rate of economic growth. If left unattended, this is a socially explosive problem. It is high time that all political parties, both at the Centre and the states, give concentrated attention to details of design, cost-effectiveness and implementation issues for different types of job-promoting policies. I shall give some examples of possible policies and draw attention to the experience available in India and other developing countries.

Of course, we now have some accumulated experience of running rural employment guarantee schemes introduced at the central level in 2005. These schemes are for manual, often back-breaking, work, under a scorching sun for the very poor. But even here, parts of the original law remain as yet largely unimplemented — such as the worker rarely receiving unemployment benefits if the job is not provided within 15 days, or the inordinate delays in wage payments; in most cases, work has been provided on average for much less than the stipulated 100 days per household, and so on.

There has been talk of having such a central programme of employment guarantee in the urban sector (beyond scattered attempts in some states). This requires serious consideration — there has been some discussion around a proposal on this by Jean Dreze titled "Decentralised Urban Employment and Training" (DUET) scheme. One may particularly think of ways of putting people to work on improving urban infrastructure, water and other environmental resources. It'll be, of course, costly; estimates for giving jobs to 20 million urban casual workers easily run to above Rs 1 trillion. (But to get an idea of comparative magnitude, in September 2019, the Ministry of Finance, in a single stroke, substantially reduced the corporate tax rate that amounted to a revenue loss of Rs 1.84 trillion over the next two years.)

But such rural and urban employment guarantee schemes are mainly concerned with relief or "distress" employment, however necessary, for the poor. We actually need, on a long-term basis, an array of sus-

tainable programmes of reasonably good jobs which go beyond short-run relief. Let me suggest four such areas which may have a lot of potential.

A part of our unemployment problem is really a problem of employability at the current level of low skills and training. A mass-scale vocational educational programme with links to apprenticeship in business firms needs to be started on a war footing to make up for decades of negligence. There are a great deal of successful cases to learn from: The German case, where potential employers contribute to vocational programmes into which school-leavers stream, saving worker-screening costs for those employers, or the California community college-cum-vocational system working in partnership with local firms. Even in developing countries, there are now relatively successful cases like the Kenya Youth Employment and Opportunities Project, Generation India programme, Youth Building the Future Programme in Colombia, the Harambee Youth Employment Accelerator projects in several African countries, etc. Coordination between firms, local governments, business associations and civic organisations are essential in most cases.

In India, there is a plethora of capital subsidies in different sectors in the name of encouraging investment. They distort investment in a labour-replacing capital-intensive direction. We should take stock of these capital subsidies and replace many of them with wage subsidies, particularly for large firms in the organised sectors on the condition that they create new regular jobs.

We are familiar with agricultural extension services, but now we should pay equal attention to technical assistance and extension services (including management training) to non-farm household enterprises to help them in productive job-creating directions. There have been similar cases of helping community health and caregiving workers (like the case of software aid to ASHA workers in some districts of UP).

Finally, much of the usual discussion on job promotion seriously ignores the demand deficiency problem that our private investors face in the mass consumer market. This problem has been accentuated by our large income and wealth inequality, where the benefits of growth are concentrated at the top and people at the bottom suffer from stagnant wages and employment. Raising incomes of these latter sections will boost demand and thus create more jobs on a large scale, and one relatively efficient way to do it is to give all such groups (not just the farmers) a basic income supplement. A minimum income also gives a poor worker trapped in a "bad" job the means to seek better jobs.

Where will the money come from? A modest basic income supplement can be funded by drastically reducing the direct and indirect subsidies that the government currently gives to the better-off. This can be supplemented by more taxation of the rich. In India, a land of hereditary plutocracy, where data shows that wealth inequality is galloping, inheritance and wealth taxes are zero and the capital gains tax rate is much lower than in the US. Of course, action here will require political courage and imagination.

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The problem is psychobabble

Is pathologising ourselves and others with the language of therapy the only way?



ANN PHILLOPSE

THE RECENT PROLIFERATION of therapy-speak has been remarkable. In the last few years terms like "trauma", "narcissism", and "toxic" have woven themselves into everyday conversation. It feels like I wake up to a newly-minted mental health category every day. The ease and confidence with which I hear people diagnose others and themselves both amuses and annoys me. I fear the increase in psychological content on social media and the chunk of space it occupies in our lives is reflective of our waning mental health.

A lot of what appears to be therapy on social media may feel gratifying and validating in the short run (perhaps, it may even feel like it's satisfying some curiosity within us), but unfortunately, in the long run, it is not useful. Further, in the social media landscape, knowledge and advice are often dispensed by "spiritual healers", "energy workers" and "trauma coaches", and not trained psychologists or psychotherapists (though a few are offering insightful content).

Most such persons on social media do better (read: Gain more followers) when they neatly package human emotions into terms with which we can diagnose ourselves or others conveniently, and then accept or dismiss any relationship or interaction in our lives with that as a valid basis. We bear the cost of missing out on nuance and context by creating more isolation for ourselves, contrary to feeling the espoused empowerment. There is a misinformation overload which we deal with

by isolating ourselves from information and people that don't suit us exactly.

Let's be clear: Everything is not a trauma response; everyone you have an aversion to is not a narcissist; every experience of feeling angry or petrified is not triggering; and someone who disagrees with you is not toxic or gaslighting you.

This isn't new, though. Psychological diagnoses have been woven into pop culture and language for a while now. Anyone finicky was branded "OCD"; someone emotional was "bipolar". Psychology is about making sense of people's inner lives, so how can the language not make its way into everyday parlance?

The problem occurs when it is misused. In this case, the language that masquerades itself as therapy or therapeutic insight deviates widely from its essence. Therapy is intimate and relational, keeping the client at the centre. Social media content, on the other hand, ensures the content creator is the centre of focus and encourages overgeneralised diagnoses, akin to reading a horoscope — applicable to everyone. Therapy's purpose is to peel back a person's layers and make one's own experience knowable and not shroud it in technical jargon and ambiguity. More than anything, therapy isn't easy. It's deep, emotional work that doesn't neatly package your inner world for you.

Take, for example, boundaries. Good mental health involves having a sense of self and purpose along with healthy social connections

— not one at the cost of the other. But how do we achieve this when we are advised to hold "firm boundaries", often taken to mean cutting someone inconvenient out of your life? This binary view fails to communicate that a boundary is interrelational; it means taking into account your needs and the needs of the other. Meaningful therapy will help you create awareness with compassion for the self and the other and find ways to live that support you in navigating the complex relationships that make up the richness of our lives. There is space to hold multiple perspectives and not just be wedded to the singular idea of our own healing self.

Therapy-speak only confirms our yearning to know ourselves and the worlds we inhabit, and our discomfort with uncertainties and hence, our scramble for the labels of certainty. I wonder: How else can we talk about the things that leave us feeling confused, vulnerable, scared, fragile, alone and entirely human? How else can we ask for connection? Is pathologising ourselves and others with psychological lexicon the only way?

We need to build our vocabulary of emotional language. We have this great advantage as Indians where most of us speak more than one language — I wonder if we could make use of our bilingualism to nuance and contextualise our unique range of experiences.

I have struggled to know my position when confronted with this — meet it daily in the therapy room when clients bring in their

knowledge and diagnoses from social media. However, as I step away from my concerns and reflect on the larger societal structures, I recognise something. Mental health has been steeped in silence and stigma for years. I believe this excessive therapy-speak is the pendulum swinging the other way, and perhaps inevitably so, before we can find a middle ground. Given that mental health is still largely minimised and caricaturised, it might be a while before we come to adopt psychological language more meaningfully and usefully.

I hope that as more trained therapists and therapeutic services become accessible and affordable, our conversations will reflect this change. I hope that we reach out to those who are suffering, with generosity and compassion, not judgement and labels. I hope that we learn to go deeper into our understanding of the self and not just skim the surface. I hope we recognise that explanations offered as generalisations in places like social media do not define us and how life needs to be. I hope they help us, instead, resolve or learn something about ourselves in a way that allows us to make choices that lead to a robust sense of well-being in this world. I hope that we recognise that healing will not happen between us and a screen. It will happen when we examine who we wish to be and act accordingly.

The writer is a senior psychologist and couples/family therapist practising in Delhi/NCR

LETTERS TO THE EDITOR

WINDS OF CHANGE

THIS REFERS TO the editorial, 'Return of reformists' (IE, July 8). Masoud Pezeshkian's victory shows that the Islamic Republic, cursed by economic and social woes, can still surprise us. Until recently, Iran's executive, legislature and judiciary were controlled by the so-called "principalists". Now, the Islamic Republic has elected a candidate who calls for change. It is yet to be seen how far he can go in a system tightly controlled by the Shia clergy.

Sanjay Chopra, Mohali

CHALLENGES IN BAKU

THIS REFERS TO the article, 'Hoping for a miracle at COP29' (IE, July 8). It took years for developed nations to agree to a Loss and Damage fund, to alleviate the distress of lesser nations. Sadly, this urgently needed initiative has so far remained non-functional. This proved a major issue of conflict in COP28 too and yet, in hubris, the summit planned to triple renewable energy production within this decade. Beyond leveraging the carbon slogan, nations do not grapple with the core issue, that of collective onus, even as nature responds with an accelerated loss of ice cover.

Janaki R Narayanan, Mumbai

THIS REFERS TO the article, 'Hoping for a miracle at COP29' (IE, July 8). A continuing lack of consensus regarding resources transfer for climate change for over 15 years, which is to be taken up again at COP29 in Baku in November, seems to ignore the warnings by the latest report of the Intergovernmental Panel on Climate Change (IPCC). There is risk of irreversible damage by impending extreme weather events like floods, droughts, heatwaves and their impacts on ecosystems essential for the health of all life forms.

LR Murmu, New Delhi

EQUAL BEFORE LAW

THIS REFERS TO the report, 'BMW with son of Shinde Sena leader at wheel mows down woman: Police' (IE, July 8). It is outrageous that the son of a powerful politician drove his vehicle allegedly drunk and hit a two-wheeler, killing a woman and injuring her husband. The police must be left free to do its job. A fair and impartial investigation requires that the father of the accused, being a powerful politician, does not come in its way. The Maharashtra government must dispel the perception that the progeny of politicians can get away with drunk driving and killing people.

SH Quadri, Bikaner

How last-minute left-centre deal thwarted French far right

ARJUN SENGUPTA
 NEW DELHI, JULY 8

THE NEW Popular Front (NPF) coalition of left-wing parties has won the most seats (188) in the 577-member lower house of parliament in France, dealing an unexpected blow to the far right National Rally (RN) of Marine Le Pen, which secured 142 seats and fell behind even the centrist Ensemble alliance (161).

After the first round of voting on June 30, RN was in pole position to be the largest party, and possibly even secure a majority. The far right has been thwarted at the cost of a hung parliament, and significant political uncertainty ahead.

Tactical withdrawals
 Supporters of the left and centrist parties thronged the streets of Paris on Sunday night

chanting "No pasarán! (They shall not pass)", the anti-fascist slogan during the Spanish Civil War, to convey their determination to keep the far right out of power.

The NFP and centrists led by President Emmanuel Macron buried their differences to join hands during the second round of voting — 130 NFP candidates and 82 from Ensemble dropped out of the race to ensure the anti-RN vote did not split.

All 577 constituencies vote in round one of the election, and candidates who secure more than 50% of the voteshare, and a vote total greater than 25% of the strength of the electorate in a constituency, are directly elected. RN had the decisive edge after the first round on June 30, getting more than 300 seats by some projections.

But more than 500 seats were still up for grabs, 300 of which were three-way battles among Ensemble, the NFP and RN. Tactical withdrawals converted these contests into

straight fights between a leftist/centrist candidate and a far right one in round two, as voter turnout touched a four-decade high.

The emergence of the anti-right alliance was not unexpected.

Such "republican fronts" have emerged several times since 1955. Most recently in 2002, then incumbent President Jacques Chirac fought off a challenge from Jean-Marie Le Pen, father of Marine Le Pen and leader of the far right National Front, the RN's predecessor party, with support from a coalition that included some of Chirac's worst detractors.

"Vote for the crook, not for the fascist," went the popular slogan in 2002. This time, both Macron and left-wing leaders such as Jean-Luc Mélenchon have framed their entente as one aimed at avoiding the "worst-case scenario" and preserving the republic.

Uncertainty ahead
 The NPF is about 100 seats short of the majority mark of 289, which foretells a phase of political uncertainty, avoiding which was Macron's stated objective when he called snap elections in May.

"France is entering a long crisis full of uncertainties and political instability. Macron has lost his bet for clarification from the electorate," Gérard Araud, a distinguished fellow at the Atlantic Council's Europe Center and a former ambassador of France to the United States, said.

The first task will be to pick a new Prime Minister. Macron on Monday asked incumbent Gabriel Attal, who belongs to the President's Renaissance party, to stay in the post for the sake of "stability". But Mélenchon has staked the left's claim to prime ministership. "The President has the power and the

duty to call the NPF to govern," he said after Sunday's result.

This is the first of many political questions that the centrists and leftists will have to negotiate. The success — or failure — of their co-operation will resonate across Europe. There are also divisions within the NPF — the hard left positions of Mélenchon's France Unbowed (LFI), which dominates the group, will make it difficult for the centrists to find common ground.

"Centre-left forces in the NPF alone won't bring enough votes and heft to form a stable centrist coalition with Macron's Ensemble and the centre-right Republicans, if the latter are even reliable partners for such a coalition," Jörn Fleck, senior director of the Atlantic Council's Europe Center, said.

What the results mean
 For the left in France, the outcome is an endorsement of the strength of the public

opinion against the populist right.

Macron and the centrists have avoided the worst-case scenario, but the election outcome has dealt a significant blow to Ensemble, which has lost 76 seats from its 2022 tally. Ahead of the presidential election of 2027, the centrists will have to make up for lost ground as a consolidation takes place at both ends of the political spectrum.

For RN, the results are likely a temporary setback. The party and its allies received 37% of the vote share in round two, the highest among all blocs, and gained 53 seats on their 2022 tally, turning in its best ever performance. Some 10 million French voters have supported the party's anti-immigration, ultra-nationalist politics at the ballot box.

The factors underlying RN's surge will not go away easily, and all signs point to Le Pen being one of the frontrunners to be President in 2027. "Our victory has been merely delayed," she said on Sunday.

EXPLAINED HEALTH

WHAT IS A COGNITIVE TEST, WHICH MANY WANT JOE BIDEN TO TAKE?

ANKITA UPADHYAY
 NEW DELHI, JULY 8

AMID CONCERN over 81-year-old Joe Biden's fitness to stay in the race for the White House, there have been calls for the President to take a cognitive test to determine the level of his mental acuity.

Biden, who many feel is too old for the physical and mental demands of the world's toughest job, has remained adamant in the face of an increasingly urgent campaign to have him step aside.

In his June 27 debate with Donald Trump and in recent speeches and interviews, Biden has been faltering and incoherent, spoken haltingly in a raspy voice, and demonstrated an absence of facial animation, resulting at times in a flat, open-mouthed expression.



President Joe Biden has refused to walk away from the race. Reuters

tia and pseudo dementia, and to suggest interventions for cognitive rehabilitation. "For us, doing cognitive function tests is a very regular thing," Dr Praveen Gupta, principal director and unit head of neurology at Fortis Hospital, Gurgaon, said.

What is a cognitive test?
 A cognitive test checks for problems with cognition, which includes brain functions such as thinking, learning, remembering, and using judgment and language. Problems with cognition are described as cognitive impairment.

Cognitive testing is a structured and validated process that seeks to identify deficits, the reasons for their occurrence, and the spheres of the subject's brain they affect. On the basis of the test results, a diagnosis is reached on whether the subject has cognitive impairment, dementia, or pseudo dementia, and interventions — including behaviour therapies and cognitive therapies — are decided.

Is this a test for only older people?
 Age is a significant factor in cognitive decline: the risk of dementia increases in every decade after 60, and becomes very significant after age 75. Dr Gupta said Biden is of an age at which the risk of cognitive impairment is particularly high.

Biden has, however, refused to undergo any kind of neurological examination, including a cognitive test. Being President and running for re-election are cognitive tests in themselves, he has said.

Some younger people also show signs because of stress, overwork and multitasking, Dr Gupta said. "Those people also take these tests to differentiate between early onset of dementia and cognitive impairment, and pseudo dementia," he said.

For whom is this test recommended?
 People who have memory deficits, or who think they are losing memory or becoming forgetful, have difficulty in focusing or in judgment, or whose mind is not working as they think it should be working, should take the test.

The test is frequently given by doctors in order to differentiate among demen-

EXPLAINED GLOBAL

Behind Russia's high income

World Bank has upgraded Russia from an 'upper-middle income' country to a 'high-income' one, a status it last had in 2014. How is the ranking determined; what's behind Russia's resilience in face of sanctions?

ANIL SASI
 NEW DELHI, JULY 8

ALMOST TWO and a half years after the imposition of wide-ranging Western sanctions, how is Russia's economy doing? Unexpectedly well, global data sets suggest.

Earlier this month, the World Bank upgraded Russia from an "upper-middle income" country to a "high-income" one, a status it last had in 2014. The ranking was boosted by growth in trade (+6.8%), the financial sector (+8.7%), and construction (+6.6%), which led to increases in both the real (3.6%) and nominal (10.9%) GDP.

The improvement, however, is on account of the war economy, and is unlikely to endure, according to most experts. "Economic activity in Russia was influenced by a large increase in military-related activity in 2023," the World Bank said on Monday.

In its country assessment in May, the International Monetary Fund (IMF) had flagged "some signs of overheating" in the Russian economy.

Russia and the ranking
 The World Bank classifies economies into four groups based on per-capita gross national income (GNI) in US dollars: low, lower-middle, upper-middle, and high. The Bank's 2024-25 classification for high-income countries raised the threshold to \$14,005 or more.

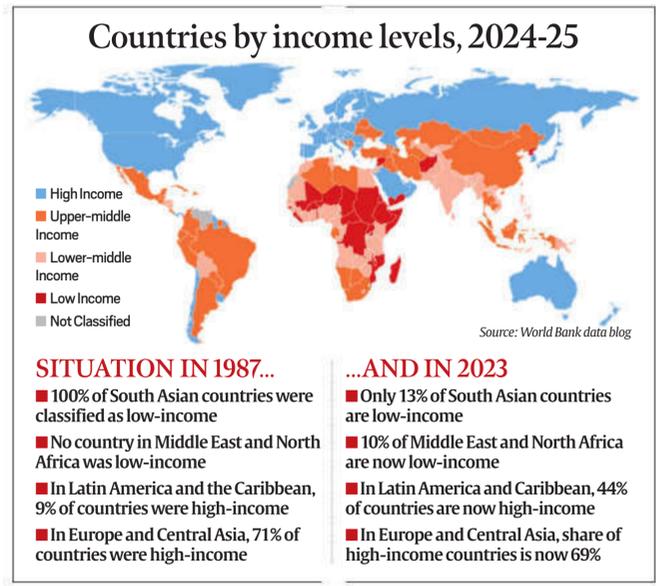
Last year, Russians earned \$14,250 per person on a gross national income basis, the Bank estimated. Bulgaria and Palau joined Russia in becoming "high-income economies" with \$14,460 and \$14,250 per-capita GNI respectively, the Bank said.

In nominal terms, Russia ranks 72nd globally in per-capita GNI and 53rd in purchasing power parity.

Ukraine too rises in ranking
 Ukraine, which has been fighting Russia's invasion since February 2022, too has got an upgrade. Ukraine improved its status from a lower-middle-income country to an upper-middle-income one after economic growth resumed in 2023, the Bank said.

However, this was purely on account of the base effect, and a resumption of economic activity in the country's western and northern parts, also due in part to the war.

"Ukraine's upward change in classification resulted from a resumption of economic growth in 2023 (real GDP grew 5.3%, follow-



Why curbs haven't worked
OIL: The sanctions on Russia's energy sector are not as tight as the ones that were imposed on Venezuela or Iran. The West designed the sanctions keeping in mind its own interests, to ensure that Russia would continue to produce fossil fuels, and there would be no significant surge in oil prices. The sanctions, and subsequent price caps, were loosely designed.

While Russian fossil fuel exports to most of Western Europe has fallen, overall export volumes have remained relatively steady. This is because the oil that used to go to Europe is now being absorbed elsewhere, especially China and India.

With global oil prices still elevated and the discount on Russian oil now lower than at the beginning of the war despite the \$60 per barrel price cap, Moscow's oil export revenues remain high and bolster the economy, according to the IMF.

INVESTMENTS: Corporate investment has recovered since 2022, adding an estimated 4.5 percentage points to the growth in GDP in 2023. Investment is flowing to Russia's defence and manufacturing sectors.

Western sanctions have made retooling of the economy necessary. The IMF has highlighted that some imports are being substituted by domestic goods, resulting in investments in new production facilities.

Also, some multinational corporations have stayed back, hoping that the war would end and sanctions would be lifted.

CONSUMPTION: Private consumption has recovered strongly, adding 2.9 percentage points to GDP growth. This is being driven by buoyant credit and a strong labour market, with record low unemployment of just 3%, and a general rise in wages. The largely voluntary military recruitment model, using monetary incentives, has allowed sections of consumers to continue spending.

Government spending too has added to growth, with the fiscal impulse estimated at 1.2 percentage points of GDP in 2023. Defence spending has been ramped up to an estimated 7% of GDP. Despite the large increase in military spending, overall government spending has increased, though not as much in real terms, according to economists.

Also, some sanctions had been imposed in 2014 after Russia annexed Crimea, and those had already been factored in the cost. Economic policy mandarins in Moscow have learnt to work around these measures over time.

ing a drop of 28.8% in 2022) along with a continued decline in population, which has fallen more than 15% since the invasion from Russia began," the Bank said.

"These factors were further amplified by price increases of domestically produced goods and services to result in a large increase in nominal Atlas GNI per capita of 18.5%. While Ukraine's economy was significantly impaired by Russia's invasion, real growth in 2023 was driven by construction activity (24.6%), reflecting a sizable increase in investment spending (52.9%)..." it said.

(In order to reduce the impact of exchange rate fluctuations in cross-country comparisons, the World Bank uses the 'Atlas' conversion factor, which averages exchange rates over three years.)

Algeria, Iran, and Mongolia too, have moved up from the lower-middle income to the upper-middle income category.

The resilience of Russia
 The resilience of Russia, which is now under more individual sanctions than Iran, Cuba, and North Korea combined, has come as a surprise. "After the initial recessionary impact of sanctions in 2022, the (Russian) economy has

returned to growth in 2023, supported by fiscal stimulus including military spending and credit expansion, and by successfully mitigating the impact of the sanctions.

"Restrictions on trade and financing from the G7 countries and EU resulted in trade diversion to China, India, Türkiye, Central Asia and the South Caucasus, and investment in new infrastructure and logistics," the Bank noted.

Matching this process, the share of Russia's external trade transactions in the currencies of countries that imposed sanctions fell from about 80% in 2021 to less than 30% in 2023.

Indeed, things are much better than they might have been. Russia's job market is strong, unemployment is at a record low, and rising wages continue to propel consumer spending. Following a relatively small contraction of 1.2% in 2022, the economy outperformed expectations in 2023, growing by 3.6%.

However, the medium to long-term economic prospects remain dull.

Businesses and households in Russia face great uncertainty, with sweeping restrictions on exports, crucial and persistent gaps in the supply of technological equipment, and higher trade costs.

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How climate change fuelled Hurricane Beryl's record early intensification

ALIND CHAUHAN
 NEW DELHI, JULY 8

HURRICANE BERYL became the earliest storm on record during the Atlantic hurricane season to have reached the highest Category 5 classification.

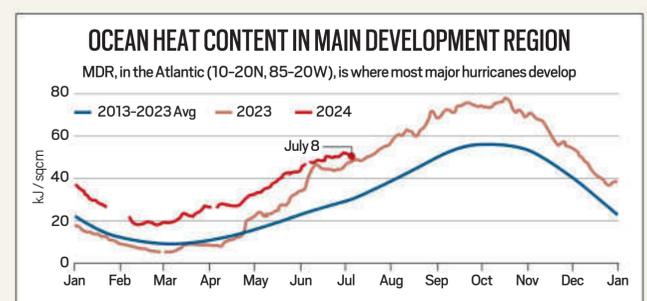
The storm, which tore through the Caribbean islands earlier this month, killed at least 11 people after triggering intense floods and dangerous winds in Jamaica, Grenada, Saint Vincent and the Grenadines, and northern

becomes warm and moist.

As warm, moist air rises, it cools down, and the water in the air forms clouds and thunderstorms. This whole system of clouds and winds gains strength and momentum using the ocean's heat, and the water that evaporates from its surface. Storm systems with wind speeds of 119 kmph and above are classified as hurricanes.

Hurricanes are classified using the Saffir-Simpson Hurricane Wind Scale into five categories (Category 1 to Category 5) based on their sustained wind speeds. While Category 1 hurricanes bring winds of 119 to 153 kmph, Category 5 hurricanes, which are the strongest, have winds of 252 kmph or higher. Storms that reach Category 3 and higher are considered major hurricanes due to their potential to inflict significant damage.

How did Beryl become a Category storm?
 Within 24 hours of emerging as a tropical depression with winds of 56.3 kmph on June 28, Beryl transformed into a hurricane. Over the next 24 hours, it rapidly intensified to become a Category 4 hurricane. At that



point, Beryl was the first Category 4 hurricane to form in June, according to National Oceanic and Atmospheric Administration (NOAA). The earliest emergence of a Category 4 hurricane was previously seen in the case of Hurricane Dennis on July 8, 2005.

On July 1, Beryl made landfall on Grenada's Carriacou Island as a Category 4 hurricane with sustained winds of over 241 kmph. As it travelled through the Caribbean Sea, it continued to gain strength, and became a Category 5 hurricane on July 2. This

made it the earliest Category 5 hurricane seen during the Atlantic hurricane season on record. In fact, the Atlantic has only seen one Category 5 hurricane on record in July — Hurricane Emily, on July 16, 2005.

Beryl was also the strongest July Atlantic hurricane on record, with winds of 265.5 kmph, according to NOAA.

Why did Beryl become a Category 5 hurricane so early?
 The hurricane season in the Atlantic be-

gins in June and lasts until November. Generally, the first major hurricanes do not form until September. This is because till that time, the ocean is not warm enough either at the surface, or deeper down to fuel such strong hurricanes, according to NOAA.

This is what makes Beryl so unprecedented. Although it is difficult to attribute a specific hurricane to global warming, scientists see unusually warmer oceans as the primary reason behind Beryl turning into a powerful storm this early in the season.

Since last year, ocean temperatures in the Atlantic — and across the world — have mostly been in record-breaking territory. Not only are sea surface temperatures rising, ocean heat content (OHC) — a measure of the amount of heat present in ocean water — is also soaring, which is a bigger worry. The graph shows that this year's OHC (in red), for the area of the Atlantic Ocean where most major hurricanes like Beryl form, has been far above the 2013-2023 average (in blue).

"For storms like Beryl... if it were moving over a part of the ocean where the warm water was skin deep, it would easily churn up cooler water to the surface, [which can reduce its intensity]... But in this case... the

warm water is so deep, it's just going to churn up more warm water. The hot water goes down to probably about 100 to 125 meters deep... It is pretty crazy," Brian McNoldy, an atmospheric scientist at the University of Miami, told Science News last week.

What happens next?
 Scientists are still debating over how exactly climate change impacts hurricanes. There is agreement, however, that at the very least, climate change makes hurricanes more prone to rapid intensification — where maximum wind speeds increase very quickly.

The frequency and magnitude of these rapid intensification events in the Atlantic seems to have spiked between 1971 and 2020, according to a 2023 study published in the journal Nature.

Therefore, as the world and its oceans continue to become warmer, scientists are concerned that even more powerful hurricanes could form in the near future.

"We're essentially 'stacking the deck' of extreme events against ourselves, making events like Hurricane Beryl not only possible, but more likely," Andra Garner, an assistant professor at Rowan University, told the BBC.

Opinion

TUESDAY, JULY 9, 2024

CONSERVATION CHALLENGE

President Droupadi Murmu

“There are two ways, I believe, to meet the challenge of protection and conservation of the environment; broader steps that can come from governments and international organisations, and smaller, local steps that we can take as citizens

Bountiful rains

Above-normal showers this month augur well for sowing kharif season crops in the countryside

THE GOOD NEWS is the revival of the southwest monsoon — after a week-long pause in June — which has covered the entire country ahead of schedule, boosting kharif sowing operations in the countryside. The fortunes of India's agricultural sector, if not the economy, depend on the rhythms of the southwest monsoon. From below-normal rainfall last month, there is a likelihood of copious rainfall this month and the rest of the season till September. June and July are crucial months for sowing operations for kharif or summer season crops like paddy, coarse cereals, pulses, and soya bean. The India Meteorological Department has predicted above-normal rainfall of 106% of the long period average this year, with the second half being better than the first half. Normal means that rainfall from June to September is between 96 and 104% of the long period average of 868.6 mm.

All of this augurs well for kharif food grain production that has been targeted at 160 million tonnes (mt) in 2024-25 (July-June), up by 2.1% from 156.7 mt in 2023-24 according to the third advance estimates of crop production of the Union agricultural ministry. Kharif tidings so far are favourable with a brisk start to sowing operations. Although the latest sowing data have not been released, indications are that area under paddy, the most important kharif crop, was at the same level last year. Farmers are also responding to price signals. With higher minimum support prices than a year ago for pulses such as arhar (pigeon pea), urad (black matpe), maize, and soya bean, farmers are increasingly preferring these crops this season. Sowing operations are expected to continue till the middle of August. Good rains have boosted sowing operations also for onion, tomato, and potato, prices of which have spiked of late. The kharif onion crop accounts for 30% of the total annual onion production and once this crop starts arriving in the market by end-October, prices are bound to significantly decline.

Above-normal rainfall not only boosts kharif production but also ensures sufficient moisture for the ensuing rabi season. This would also improve average water levels in the 150 major reservoirs of the country, which as of July 4 were 21% less than a year ago and 9.8% less than the decadal average. While the monsoon prospects so far are good, its behaviour has been highly erratic due to climate change. For normal or above-normal rainfall to translate into prosperity in the countryside, it should have a better spatial and temporal spread. However, predicting this is a daunting challenge even with sophisticated weather models. While the number of rainy days is declining, the incidence of very heavy and extremely heavy rainfall events — 115.6 to 204.4 mm and above 204.4 mm respectively — has been rising.

The policy imperative must be to ensure that agriculture does not remain hostage to the monsoon's vagaries. The need is to build more irrigation facilities to reduce monsoon dependence, especially for small and marginal farmers in peninsular India. This is perhaps less of a concern in the vanguard agrarian states of Punjab, Haryana, and western Uttar Pradesh which have access to canal irrigation. In fact, the share of irrigation in paddy-growing states like Punjab is as high as 99.7% but as low as 31.5% in Odisha. Above all, contingency plans must be to minimise distress among small and marginal farmers if the rains play truant.

Machines aren't coming for the lords of finance, yet

CENTRAL BANKERS AREN'T born as chronic worriers, but they quickly acquire the trait. They are now spending considerable time fretting about artificial intelligence: Its ability to play havoc with prices, jobs, and the security of banking. As gut-wrenching as the meltdown of 2008 was, imagine if a rogue machine turbocharged a market rout.

It's not quite a doomsday scenario where AI runs amok and destroys the Earth, said Eddie Yue of the Hong Kong Monetary Authority at a recent conference. But there are plenty of dangers emerging, he added. Yue's counterpart in Singapore warned of the potential for fraud and cyber attacks. American and UK officials are fearful that algorithms will be used to curtail lending to minorities. While acknowledging the benefits of rapid technological advances to the overall economy, most are wary.

One thing the lords of finance shouldn't stress about is dilution of their power. Sure, the legions of PhD economists that staff central banks may thin. New algorithms that sift real-time data on everything from car sales to foot traffic at malls will rightly push analysts to think about how their roles will transform. But rather than make the men and women who actually set interest rates redundant, AI could make them mightier citizens.

The Bank for International Settlements declared as much, saying that the most basic of tasks, deciding borrowing costs, will still be done by mortals. HAL, the computer that assumes God-like qualities in the film *2001: A Space Odyssey*, isn't coming for the Federal Open Market Committee and its global peers. The importance of Federal Reserve Chair Jerome Powell and his cohort may only grow. As retailers develop applications to keep ever closer tabs on competitors and broader markets, the price of milk in Denmark, for example, may fluctuate during a press conference by Powell, argues Lars Christensen, an associate professor at the Copenhagen Business School. When OPEC raises or cuts oil production, that's very quickly reflected in the price of gasoline at the roadside.

“In many high-income countries, we already have electronic price tags,” he told me. “You might as well plug them into an algorithm. I don't think my example of standing in a supermarket watching the price of milk change on the screen as Powell announces rates is unrealistic. For practical reasons, we might change the price only when the supermarket closes or you might have a mechanism that says the price can't be increased while the customer is in the store. The concept is there.”

Utterances from a generation ago can be resurrected to provide bond-market signals, thanks to a ChatGPT-based language model. JPMorgan Chase & Co. built a programme that uses speech-dating back decades to detect the evolution of policy signals. The bank's economists discovered that when the model showed a rise in inflation concern among Fed speakers between meetings, the following FOMC statement had grown more hawkish. The opposite is also true. Turn that into a trading strategy and the opportunities for a payday are plenty. Initially tracking the Fed, European Central Bank and Bank of England, JPMorgan expanded the method to 10 major developed-market central banks.

There's always room for nuance and considered opinion. Sometimes the signals aren't especially clear. A career Bundesbank policymaker might be less inclined to ease than, say, someone from the Bank of France. Bank of Japan Governor Kazuo Ueda can veer off on tangents. His predecessor delighted in surprising investors.

AI works best when complementing human judgement. In some arenas, there is no substitute for experience. The machines helping reduce tax evasion in Turkey perform a public service, for example. Still, nobody would consider the country a gold standard for performance: Inflation is a stratospheric 72%. There needs to be a combination of electrons and brain waves. The employment mandate of central bankers themselves is unlikely to disappear. If Donald Trump wins this year's presidential election, he's pledged not to re-appoint Powell, who may not even want a third term. Safe to say HAL won't make the shortlist — this time.

NEED TO PRIORITISE AGRI-DEVELOPMENT BY ENSURING ADEQUATE IRRIGATION AND DRAINAGE

Monsoon anxiety of farmers

ONE OF THE more enduring images from the iconic film from the 1950s, *Do Bigha Zameen*, was its poster showing the family of a marginal farmer looking anxiously at the sky hoping that rains would save his tiny holding, their only source of livelihood, from being appropriated by the landlord.

Seven decades later, the importance of timely rains remains critical for the survival of the millions of small and marginal farmers in India, especially for those who are dependent on the kharif (summer) crops. Therefore, year after year, the progress of monsoon continues to be watched with much anxiety.

In April, the India Meteorological Department (IMD) had made favourable predictions about this year's monsoon rains. It predicted that in the 2024 southwest monsoon season, rainfall will be 106% of the “long period average” of 87 cm, based on rainfall data during 1971-2020.

This scenario was based on the assessments made by the World Meteorological Organization (WMO) in March that the El Niño climate pattern occurring in the Pacific Ocean that adversely affects, among other things, rainfall in several regions including South Asia was at the end of its 2023-24 cycle. Further, the La Niña climate pattern bringing favourable weather was likely to take effect from July-August.

A more precise reading of the WMO assessment meant that India would experience favourable weather conditions, implying better rains, in the later phase of monsoon.

However, three months after the WMO's assessment, it appears that the effect of El Niño has been slow to wear off. The onset of the monsoon has been delayed in large parts of the country.

The monsoon usually sets in around June 1 in the southern states and spreads nationwide by the first week of July. This

BISWAJIT DHAR

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allows farmers to plant the kharif crops, including the most important staple, rice, besides millets, cotton, maize, pulses, soya bean, and sugar cane.

This year, the monsoon arrived in Kerala two days early but its progress slowed resulting in insufficient coverage by mid-June. Consequently, the planting of the kharif crops was delayed.

In June, IMD's assessment on the progress of the monsoon said that rainfall was “64.5 mm which was 20% less than its long period average (LPA) of 80.6 mm”. Most regions had moderate to high levels of rain deficiency, the worst affected being the Northwest region with 70% deficiency. These regions were not only extremely low on precipitation, but they also suffered from extreme heatwaves, making conditions worse for farmers to begin planting once the rains arrived. The states most affected by deficient rains account for more than a quarter of the total rice production in India and are also major producers of millets, soya bean, sugar cane, and pulses.

By early July, the situation changed almost completely with the spread of monsoon throughout the country resulting in two developments. First, the rainfall deficiency in the entire country had declined to 4%, and the

Northwest region has a deficit of 21%. Secondly, the week ending July 3 saw excess rainfall of 32%, with the Northwest receiving an excess of 38%. Thus, if June brought fears for the major kharif crop due to insufficient rainfall, a month later there remain concerns arising from excess rainfall.

But even if the monsoon continues to play truant, adversely affecting the production of rice, two developments may help the government tide over short-term domestic rice supply constraints. One, the Food Corporation of India currently holds 50 million tonnes (mt) rice, which is nearly four-fold above the buffer of 13.5 mt for July 1. Secondly, the government had imposed a ban on non-basmati rice exports in July 2023 to prevent domestic supply shortages and to keep prices in check.

However, at the same time, the government allowed limited exports to certain countries to meet their food security needs. According to data provided by the department of commerce, government of India, this caused the rice exports in 2023-24 to fall by nearly 26% (6 mt) as compared to a year before. Indications are that the export ban will continue in the current financial year as well.

Finally, one may ask why a large section of India's farmers continue to

One may ask why a large section of India's farmers continue to depend on the monsoon. It is because irrigation facilities in the country remain significantly inadequate in several states

depend on the monsoon. The reason is that irrigation facilities in the country remain significantly inadequate in several states more than five decades after the Green Revolution was introduced.

In 2019-20, the latest year for which data are available, 65% of rice production was under irrigation (shorturl.at/YUFWW). This figure is deceptive since there were considerable variations among states regarding the availability of irrigation facilities. The largest rice-producing state, West Bengal, has 51% of area under irrigation, while two other major rice-producing states, Chhattisgarh and Odisha, have 37% and 32% respectively.

The National Democratic Alliance government has been popularising the consumption of millets, but the major varieties of millets grown in India, jowar and bajra, have extremely low irrigation facilities. In 2019-20, only 11% of jowar production was under irrigation, while for bajra, it was a little higher at 15%.

The deficiency of irrigation facilities in the country is the result of inadequate infrastructure supporting agriculture. This is a consequence of decades of neglect. Over the decades, agriculture has received a progressively smaller share in the country's overall investment. In the 1950s, agriculture's share was nearly 25%, but four decades later the share had halved (rb.gy/rjryroh).

After 1991, the share of investment in agriculture has consistently remained in single digits. In 2021-22, the latest year for which this figure is available, agriculture's share was below 6%.

Unless the government shows the political will to prioritise the development of agriculture by ensuring that irrigation facilities together with adequate drainage are provided, uncertainties of the monsoon will continue to adversely affect the economic well-being of India's farmers.

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India needs a green computing infra



A DAMODARAN

Senior visiting professor, ICRIER, New Delhi, and Ahmedabad University. Views are personal

With green energy likely to drive the hi-tech sector, such an infrastructure could transform cities that are facing water shortages into water-positive ecosystems

WITH THE NATIONAL Democratic Alliance once again back in power at the Centre, it is more or less clear that India's tech destiny in the coming years will be guided by the triad of semiconductors, artificial intelligence (AI), and quantum computing (QC). However, for the three-pronged push to be sustainable, the country needs a robust green computing infrastructure (GCI) which saves energy costs and uses water economically.

According to Climaqtiq, carbon emissions from cloud computing account for 2.5-3.7% of global greenhouse gas emissions. Given our progress in renewable energy, it is reasonable to assume that India's hi-tech sector will be largely driven by green energy in the coming years. Nevertheless, we face formidable challenges when it comes to water resources. Semiconductor fab units, on average, require two million gallons of water per day for washing and rinsing operations. Data centres (DCs), which are crucial ecosystems for QC and AI, consume, on average, 5-20 million litres of water per day depending on where they are located. A bulk of the water resources consumed by DCs is utilised for cooling operations.

India's average annual water availability stood at 1,123 billion cubic metres in 2020. This works out to be 13% of that of Brazil, the country with the largest endowment of renewable water resources in the world. Given our high water consumption levels, we have limited elbow room for taking up water-intensive projects, unless we

undertake a massive drive to recycle and augment freshwater resources. India's premier tech city, Bengaluru, faces a serious shortage of water resources. As recent reports indicate, the National Capital Region is also in the throes of a major water crisis.

Data centre boom in India

India's emergence as a global data centre hub has been, by and large, fuelled by the country's big push on the digital public infrastructure front. With the Union Budget in 2022 granting “infrastructure” status to data centres, a healthy pipeline of long-term funds is expected to flow into this buoyant sector. Governments in states such as Tamil Nadu, Uttar Pradesh, Telangana, and Maharashtra have come forward with assured power and round-the-clock water supplies to attract DCs. With the sector expected to expand at 18% compound annual growth rate in the coming six years, demand for power and water would increase substantially in India's tech cities.

Water-positive data centres

In the US, hyperscale data centres operated by Google, Meta, and Microsoft use recycled water for cooling purposes. These entities have also

taken up research projects to replace water-based cooling with air cooling systems. A few “co-location” data centres in the US have come up with interesting innovations to minimise freshwater use in operations.

It is noteworthy that data centres owned by Microsoft and Meta in the US have declared that they will be water-positive by 2030. They propose to achieve this by contributing to the revival of degraded wetlands in the localities in which they operate. With the help of algorithmically managed Internet of Things devices, everyday tasks at the data centre such as patching, monitoring, updating, scheduling, and configuration can all be managed remotely. Similarly, with the help of AI, data centre operators can improve monitoring of operations.

India's green computing infrastructure

Apart from promoting sustainable computing in DCs, AI, and QC units, India's GCI needs to be designed as innovation centres that test and calibrate water use technologies in a way that is appropriate for high ambient temperature. The focus should be on customising specific technologies such as “closed loop” and “direct chip cooling” to suit India's environmen-

tal conditions. More significantly, GCI units should facilitate the rehabilitation of degraded wetlands and lakes in water-deficient urban centres, thereby enhancing the supply of local public goods.

Climate imperative

A more fundamental imperative for having a robust GCI in India is the growing emphasis on freshwater sustainability in the climate convention scheme of things.

One of the interesting adjuncts of the Conference of the Parties (COP) 28 held last December in Dubai was the “Freshwater Challenge” unveiled at an event with 15 ministers, hosted by the COP28 presidency. They joined the six countries that launched the initiative at the United Nations 2023 Water Conference in New York — Colombia, Democratic Republic of the Congo, Ecuador, Gabon, Mexico, and Zambia. The Freshwater Challenge aims to ensure that 300,000 km of degraded rivers and 350 million hectares of degraded wetlands are committed to restoration by 2030, and to protect freshwater ecosystems. In the wake of COP28, member countries of the convention have been placing emphasis on water conservation projects in nationally determined contributions.

Perhaps a more fundamental justification for having GCI units in India is their potential contribution to transform our hi-tech cities into water-positive ecosystems.

LETTERS TO THE EDITOR

Navigating entrepreneurship

Apropos of “Mind over matter” (FE, July 8), the shuttering of Koo, a home-grown microblogging platform, highlights essential lessons for aspiring entrepreneurs. Koo's attempt to replicate Twitter's success fell short due to a lack of innovation and market differentiation. In a competitive landscape, entrepreneurs must carve their own niche by addressing unique

problems and offering distinct functionalities. Being the first mover in a new market space is advantageous, but it's crucial to ensure your product resonates with the target audience.

Koo's nationalistic appeal limited its broad market affinity, alienating potential users. True success lies in creating inclusive products that cater to diverse needs. Building vibrant communities is vital for social media platforms. Entrepreneurs should conduct thorough market research to

ensure product-market fit and develop sustainable revenue models to attract investors and ensure long-term viability.

—Amarjeet Kumar, Hazaribagh

A ray of hope

In a world beset by geopolitical tensions, the election of moderate leader Masoud Pezeshkian as Iran's president comes as a ray of hope. It is hoped that he will mend fences with the West in a spirit of cooperation.

There are doubts that the Supreme leader of Iran will allow him the luxury of taking decisions which may hurt religious sensibilities. Until a few years ago, Iran was a modern prosperous nation and a leading light to the other Arab nations surrounding it. This can be an example to those who support religion to take over the reins of the nation.

—Anthony Henriques, Maharashtra

Write to us at feletters@expressindia.com



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

— Rammath Goenka

DAUNTING TASK AHEAD FOR IRAN'S REFORMIST PRESIDENT-ELECT

DESPITE apprehension of a staged presidential election in Iran with candidates picked by a small, opaque panel loyal to supreme leader Ayatollah Ali Khamenei, reformist Masoud Pezeshkian won the runoff by an impressive margin of 2.8 crore votes. At 49.8 percent, the polling percentage, too, was 10 points higher than in the first round, indicating people's yearning for a moderate regime. The turnout in the first phase included as many as 10 lakh invalid votes, often seen by analysts as an indication of voter disillusionment. That Pezeshkian was allowed to contest in the first place—wannabe reformists were weeded out in the last presidential race in 2021—indicated Khamenei was aware of the national pulse and let it find expression as a safety valve, since the remote control was anyway in his hands. National unrest had peaked under the watch of hardliner Ebrahim Raisi, who had won in 2021. His death in a helicopter crash last May forced the snap election.

Pezeshkian knows he will have little say in foreign policy to begin with, as it is controlled by Khamenei. So, arming Hezbollah guerrillas in Lebanon, Hamas in Israel and Houthis in Yemen to wage a proxy war for Shia supremacy may continue. Iran is also supplying drones to Russia to fight Ukraine. Besides, the country has eased ties with Saudi Arabia and China. Yet, the president-elect wants to re-engage with the West as Iranian inflation is at a whopping 40 percent because of the crippling sanctions. He has the support of pragmatic, seasoned politicians like former foreign minister Javad Zarif, who successfully negotiated the nuclear deal with US President Barack Obama's regime in 2015. However, his diplomatic outreach could flounder if Donald Trump returns as president. As for India, ties are expected to flourish seamlessly, with infrastructure projects like the Chabahar port continuing unimpeded.

The visible change would be at home, where the despicable hijab policing will definitely be eased, letting women choose their attire. Similarly, internet clampdown could be relaxed to allow some freedom of expression. Police repression against protesters may also end. However, Pezeshkian's ability to quickly release political prisoners would test his clout. The president-elect is a cardiac surgeon by training. Whether he can ease the stress on the nation's heart by removing debilitating blocks in its arteries and making it more humane remains to be seen.

USE OF ODISIA IN GOVT WORK LONG OVERDUE

AFTER Odisha Chief Minister Mohan Charan Majhi began officiating from the state secretariat following a ritualistic entry last week, his first direction was to use Odia language in all official work. It was an order—and a message, too. The state's first BJP government rode to power by placing 'Odia Asmita' and language pride at the core of the people's identity. Majhi's instruction was clear—Odia will be the language for administration, and if necessary, the Odisha Official Language Act will be amended to implement the order. Use of the regional language is not only a definitive symbol of identity, but also helps in making governance more accessible to the people, empowering them to voice opinions without a linguistic barrier.

Odisha achieved its provincial status in 1936 purely on linguistic basis. Yet, the state has struggled to use Odia as its official language even 77 years after independence. It was among the earliest states to have an official language legislation in 1954, which has been amended at least five times. The previous Naveen Patnaik government that ruled the state for 24 years was at a loss to explain its stand on not using Odia for all administrative work despite being a regional party. This was successfully used against it during the recent elections.

It would be prudent to go back to the history of the Odisha Official Language Act to know why it has faced an undercurrent of resistance. Language historians have pointed out that when Nabakrushna Choudhuri, the state's first elected chief minister, mooted the plan, the opposition was from the top bureaucracy. The Gandhian freedom fighter, though, was not one to be deterred and pushed ahead with the legislation in 1954. Over the years, the resistance kept rearing its head through different amendments. The law was amended in 1963 to allow the use of English for transactions in the state legislature. In 1985, another amendment barred the use of Odia numerals and permitted the international form of Indian numerals. The latest change in 2018 introduced both reward for officials using Odia and punishment for those who did not; but it never laid out a clear framework for enforcement, making it ineffective. In his push for Odia, Majhi has to do two things—amend the law if needed and ensure his bureaucracy is ready for the change.

QUICK TAKE

MAKE STREET FOOD SAFER

IVIC authorities in Bengaluru and Chennai have started cracking down on street food vendors who use unsafe colouring agents and avoid hygienic practices. The Mumbai municipality has warned citizens to avoid eating pani puri made with bare hands and using overly-coloured water. Some of these colouring agents can cause cancer or lead to kidney failure, the authorities warn. The risk isn't limited to metros. The ministry of urban poverty alleviation estimates there are at least 20 lakh street food vendors across India. The Food Safety and Standards Authority must revive its Clean Street Food project. Educating vendors and customers needs to be a regular exercise, not a one-off campaign.

ONE of my favourite pastimes while visiting the UAE is to meet some of the Pakistani cab drivers who abound in Dubai; wonderful, feisty people who have no qualms about speaking to Indians. Many come from the Khyber Pakhtunkhwa province of Pakistan and if questioned appropriately, without obvious malice, they are always willing to tell you of things back home; especially those related to the scourge of terrorism that has hit their homeland and refuses to go away.

They talk of the Pakistan Army's methodology of conducting counter-terrorist operations in the areas of their homeland after the Lal Masjid incident of 2007. Post that operation, the terrorist group Tehreek-e-Taliban Pakistan (TTP) was formed with the aim to establish Sharia law in Pakistan and overthrow the government. The TTP's ideology blends militant jihadism with a desire to impose strict Islamic governance.

It was a virtual blowback from the policy Pakistan had followed of promoting a violent form of political Islam that could be exploited in conjunction with the sentiments associated with those of the trans-national *mujahideen* who fought and defeated the Soviets in Afghanistan in 1981-89. The target had been India and more specifically Jammu & Kashmir (J&K), but that is a different story. The blowback led the Pakistan Army to use heavy ground and air weapons during its operations. That resulted in enormous collateral damage. The killing of innocent people, including women and children, the destruction of educational institutions as a result of these operations, together with the casualties inflicted by suicide attacks by terrorists, had wide ramifications on internal security.

Those I spoke to rued the idea that the Pakistan Army was doing this for their security. They were unequivocal that the last 'militant', as per them, was impossible to eliminate because waiting in the lines were thousands of young men who were sufficiently motivated to avenge what they had witnessed. When I spoke to them of the Indian Army's record in J&K and elsewhere, and informed them that no Indian aircraft had ever flown with weapons aboard to support our army, they actually expressed their appreciation.

In the gory world of terrorism, things come a full circle. Pakistan has been through a spiral of terrorist violence, both sectarian and political, for over 20 years. There was no one sponsoring this violence, it was all home grown as a result of

Our neighbour has been through an upward spiral of terrorism for over two decades. With Tehreek-e-Taliban Pakistan rearing its head again, the region is in for more turbulence

THE KILLING FIELDS OF PAKISTAN

LT GEN SYED ATA HASNAIN (RETD)



Former Commander, Srinagar-based 15 Corps. Now Chancellor, Central University of Kashmir



MANDAR PARODKAR

intense mishandling. Like the Israeli Defence Forces, the Pakistan Army's concept of counter-terror (CT) operations has all along been the eventual crushing of the movement by eliminating the last terrorist. The professionals there do not believe this is something possible and a far better way is to control the violence, eliminate the root causes, reach out to the people to 'on board' them and promote welfare and development to remove the antipathy they carry. This of course would accompany a strong campaign of counter radicalisation. The irony in Pakistan and its army is that there are more people ready to promote radicalisation than to counter it.

On June 22, 2024, Prime Minister Shehbaz Sharif announced the launch of yet another operation (Operation

Azm-e-Istehkam) to neutralise the menace that the TTP and other cohorts have created. The TTP had apparently been neutralised by a series of operations ending with the four-year-old Operation Zarb-e-Azb (2014-18) after Operation Rah-e-Nijat (2009) had failed to deliver. Ironically, there was a time in 2007-08 that Pakistan's Frontier Corps launched in CT operations had company-size strength of soldiers being captured by terrorists. The US provided Pakistan a \$750-million package for equipping and arming the Frontier Corps, which eventually turned a new leaf and started to deliver results. At one time, one-third of the Pakistan Army's regular formations were on CT operations, some of them redeployed even from the J&K LoC, which is always a priority sector. By 2018,

WHY SOCIETY TURNS TO MIRACLE WORKERS

C P SURENDRAN



Poet, novelist, and screenplay writer. His latest novel is *One Love and the Many Lives of Osip B*

SOME 121 people, mostly women and children, died at Hathras last fortnight in a stampede at a congregation presided over by Bhole Baba. Neither the gods nor the Baba himself could prevent their painful deaths. Besides wars and rail accidents, superstition is possibly one of India's biggest killers.

Was the belief in Bhole Baba's miraculous powers a superstition?

Of course. Close to three decades ago, Bhole Baba was Suraj Pal Singh, a constable with the UP police and a Dalit. When enlightenment arrives, it does so with a change of name. Suraj Singh changed his name to Narayan Sakar Hari, and took to wearing white to symbolise the eternal sunshine of his spotless mind. His blessings brought fortunes to his followers. He, too, was blessed in return. He amassed wealth. It was a miracle—certainly for the Baba.

The Hathras satsang last fortnight attracted a 200,000-strong crowd. The event was managed by Baba's private security team, which media reports as numbering under 20. They were not up to the job of handling the stampede. Normally, a crowd this big would need the state government's help. There was none. The criminal negligence that Baba and his aides have been accused of would therefore need to be shared by the state government, too.

In any case, crowd management is not just about the number of security men deployed. It is about how to enforce discipline by organising queues, entries and exits, seating arrangements, and keeping emergency measures in place.

Soon after the Hathras disaster, the public reception of the World Cup-winning Indian cricket team took place in Mumbai, and the crowd numbered over 300,000. Had things gone sideways, no number of policemen deployed would have helped. Fortunately, nothing untoward happened. And the celebration did not metamorphose into a tragedy.

The Hathras crowd went out of control when Baba left the stage. A tidal wave of humans surged to collect the dust that Baba trampled. Since this involved bending down and pausing in that position, the onward movement of the crowd behind knocked the supplicants over and crushed them.

The number of temple and ashram-related stampedes is substantial. A few recent instances: Mandhardevi temple,

291 killed (2005); Naina Devi temple, 146 (2008); Kumbh Mela, 7 (2010); Kripalu Maharaja ashram, 63 (2010); Sabarimala, 102 (2011); Kumbh Mela, 36 (2013); Ratangarh temple, 115 (2013); Puttingal Devi temple, 106 (2016).

There have been other temple and ashram stampedes in recent years too numerous to mention. You cannot but won-



Deadly stampedes like the one at Hathras are not new in India. The devotees were there in the hope of worrying a little less about their lives. We must ask why so many of us turn to babas and believe in their claims of having miraculous powers

der if faith is indeed not a mass killer. To believe that a statue in stone, or an ex-costable in a white suit and blue shades will work the magic and haul us out of our sea of troubles is not just superstition. It is a measure of our desperation. And we die right before our gods, at their feet, and they are unable to help us. We die of hope.

Our painful lack of trust in the fairness of our social system has a correlation to our superstitious deaths. To be an average Indian is to live with the all-too-real possibility that the window will close before our turn comes. The bus will leave before we board. The ration shop will run out of rice before we open our bags. The Indian must live with a certain congenital lack. Indeed, the essential Indian is

defined by a condition of anxiety.

This explains our enduring faith in miracles, our obsession with gods and godmen. No amount of fake patriotism and chest-thumping will wipe this sad reality away. Contrast the situation with, say, Nordic Europe. Gods and churches are at an all-time low because social justice is delivering at an all-time high.

Consider the matrix of our politics. It fundamentally revolves around our gods. The BJP tries to galvanise its core constituency on the back of gods, at times new and improved with larger biceps. The opposition shows pictures of the same gods and says they are peaceniks, with some fake theories about Shiva's iconography by way of intellectual argument. Rahul Gandhi is bringing gods into parliament simply out of a need: he cannot be seen by his potential voters as a non-believer. He must sound sufficiently superstitious.

A political discourse of this nature has no choice but to be non-secular and irrational. No country spends so much time debating temples, dead Mughal kings, and the terrible things they did in the name of their gods a millennium ago. Indian politics continues to polarise around the attributes of the supernatural.

Naturally, people tend to believe in miracles. Naturally, temples and ashrams are overcrowded, too. The less the efficacy of governance, the more the stampedes like Hathras.

The mothers who died at Hathras were not looking for paradise for their children and husbands in afterlife. They were praying for a break in their daily lives. To worry a little less at daybreak. To afford basic comforts for their kids. To sleep a little rested at sunset.

It is this utter uncertainty in the typical Indian life that is driving society to babas and gurus, to superstition and miracles. The uncertainty principle that works the miracle of turning a Dalit police constable into a deity in a white suit, white shoes and blue shades. When societies fail, communities turn to cults.

(Views are personal) (cpsurendran@gmail.com)

the Pakistan Army leadership claimed to have broken the TTP's back. Right through this period, the Afghan Taliban desisted from openly assisting the TTP; it anyway did not have the resources to do much.

However, since 2021, after the US withdrawal from Afghanistan, the Afghan Taliban assumed a different strategy. It contests the Durand Line as the Afghanistan-Pakistan border and quite transparently supports the TTP. Imran Khan in his heyday attempted to negotiate with TTP, hoping to bring about a cessation of violent activity and release of detainees. It did not fructify.

The TTP has returned with Afghan support to once again cause mayhem. In 2023 alone, 1,524 violence-related fatalities and 1,463 injuries from 789 terror attacks occurred. Many of these are in Baluchistan and have specifically targeted Chinese workers and staff on various projects of the China-Pakistan Economic Corridor (CPEC).

After a recent visit to China by PM Sharif, apparently a form of displeasure was conveyed to him regarding the insufficiency of effort by Pakistan to secure the CPEC projects. With a combination of Chinese concerns and the rising graph of terror spiralling out of control, the Pakistan Army appears to have few options. The Afghan Taliban is no longer under its control. It's quite the opposite, in fact, and they are exercising muscle power to wrest control of the Af-Pak region considered so important for the spread of political Islam.

The US is worried too, as it depends upon Pakistan to prevent a surge in the Taliban's influence. Internally, there are objections from different political quarters and for good reason, because the Pakistan Army's methods are unlikely to resolve the issues. Under Chinese pressure, some results will accrue in terms of neutralisation of a few terrorists. With TTP under full support of the Afghan Taliban and the Pakistan defence minister indicating even hot pursuit could be on the cards against terrorists crossing the Af-Pak border; this subregion is likely to see a fair amount of turbulence.

The Pakistan Army could be pulled into this in a far bigger way than it has imagined. It is also seeking financial assistance and weaponry to pursue what it projects as US and Chinese interests. With this, Pakistan is likely to be torn between its eastern and western borders, with its internal region not free from threats either. Dubai's cabbies will have more to tell us the next time.

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Prioritise harmony

Ref: *A persisting confusion over identity* (Jul 8). The author seems to be blissfully amiss about the contractions present in the BJP as well. One cannot forget the comment made by Narendra Modi during campaigning, when he said the Congress intended to distribute people's wealth to "infiltrators". In a country with myriad religious identities, harmony must take precedence over the voice that preaches for uniformity. **Harini Sankar, Chennai**

Objectionable comments

Rahul Gandhi's remark on who is a Hindu has ridiculed an entire community. Coming as it did inside parliament, aimed at the prime minister and his colleagues, makes it even more objectionable. The fact remains that Rahul hasn't yet grown up as a national leader and no one in his party dares tell him that. **Sanath Kumar T S, Thrissur**

Constitutional ethos

The purport of Rahul's speech lay in his profound anguish that the BJP, a party that claims to represent the interests of the Hindu faith, rides roughshod over the ideals of Hinduism. The party is unabashed about enforcing 'uniformity' instead of 'harmony'. It is nobody's argument that the Congress was never a party to violence and hate. But it should not be inferred that Rahul has no right to point out the ruling party's lapses in its commitment to the constitutional ethos of inclusiveness and pluralism. **S Balu, Madurai**

Girls' safety

Ref: *Co-ed schools need more push* (Jul 8). Aping the West in everything is not progressive. Already, in Kerala, there are a lot of cases of abuse of girl children that we hear about. Uniforms in Kerala are gender-neutral. A girl in such a uniform could be a target. Tradition is to be followed strictly for the safety of our female children. **Ganesan Balambal, Chennai**

Muharram fasts

Ref: *The history of the 'Hijri' lunar calendar* (Jul 8). The article gave a wonderful narrative about the Islamic calendar just as Muharram began. Normally, Muslims observe two days of fasting on the 9th and 10th days of Muharram, which falls on July 16 and 17 this time. **A Kaja Nazimudeen, Eruvadi**

Eroding system

The history of irregularities in entrance and job recruitments is not new to us. The recent allegations against the NTA in this regard is a grim reminder of our eroding system. **Sharat Chandra Pradhan, Barpali**

Label-Playing Field Welcome in F&B

Lower sugar, salt content, healthier bottom lines

The country's food regulator has sought extra emphasis in labelling packaged food about sugar, salt and fat content. This is a smaller ask than an earlier plan to have visual interpretation of healthy and unhealthy food on packaging. It even undershoots a proposal to have the sugar-salt-fat declaration on the front of the pack. Critics argue the measure will serve little information purpose if it allows companies to cloud the message through recommended dietary allowance. Food companies are, however, lowering sugar and salt content in food and drinks — and are reporting healthier bottom lines in the process. The Indian consumer may actually be ahead of the food labelling authority over healthy eating and drinking.

The declining incidence of poverty allows a larger section of the population to secure its energy needs from unprocessed foods. Processed food companies see the business logic in offering more than an instant energy pick-me-up to consumers. This aligns their ingredient mix closer to international norms despite Indian rules that are yet to catch up. Food companies can now take the healthy consumption game to a higher level by raising awareness through labelling. Some of them are doing that, alongside reductions in ingredients that are known to cause non-communicable diseases such as diabetes and hypertension. The new food labelling rules are a step towards getting the rest of them to fall in line.

Awareness alone won't swing it, until the link between health and profits is better established. Since the big players, with international presence, are pushing the envelope, the processed food industry as a whole will have to change course. The size of the Indian market doesn't permit indefinite regulatory arbitrage. The incentive for self-regulation is gaining momentum, which allows GoI to go easy on intervention. Critics of the watered-down labelling rules are being too harsh, given the penetration of packaged food in the country. They are correct in seeking progressively tighter rules as consumption rises.

Something Better Than Nothing in Iran

Iran may have the world's shallowest deep state. While the true power centre of the clergy is, indeed, headed by Ayatollah Ali Khamenei, last week's presidential election that brought Masoud Pezeshkian to the top 'secular' post is more than plain optics. The former health minister's reformist credentials are relative, sure. But West Asia in general, and Iran in particular, could do with some relative progress. Pezeshkian has stated he wants to improve relations with the West. He has spoken about the need to loosen civic orthodoxy, and publicly has opposed the mandatory nature of the hijab rule. How far he will succeed will depend on his relations with head of state Khamenei, and response from the West.

The US, as part of knee-jerk diplomacy, has described the elections as not being free, making the new Iranian president fruit of a poisonous tree in Washington's eye. Neither have other Western/G7 countries welcomed the new president. Elections in Iran are, indeed, a controlled affair: Candidates are approved by the Guardian Council, a body of clerics and jurists mostly appointed by the supreme leader. The council rejected the candidacy of reformists like the popular Mahmoud Sadeghi, a Khamenei critic. That Pezeshkian's candidature was approved, after being rejected for the 2021 elections, is indicative of a bigger play.

The next four years are important. Khamenei, 85, will have to name a successor soon. With a shallow bench to choose from, ending Iran's isolation is likely to worsen under a possible US president Donald Trump. The EU, working with partners like India, can open up communication lines. Engaging with a not-so-perfect Tehran makes more sense than being incommunicado. It could stop pushing Iran closer into China-Russia's arms.

JUST IN JEST
Keir Starmer's ability to say the obvious is refreshingly Labour-ed

Phew, Politics Not As a Force of Evil

The world, always a strange place, just got stranger: On Sunday, Britain's new occupant of the same 10ld Downing St tweeted, 'My government will restore politics as a force for good.' This comes with a video showing him chatting with — unlike Boris Johnson, not chatting up — national and international leaders, radiating man-in-charge vibes. Keir Starmer's 'straight talking' may sound rather obvious. After all, who would want people to believe that his government won't restore politics as a force of good, or will seek out to restore politics as a force of evil? Lord Vader from the shadow cabinet, perhaps.

For some, however, such literal virtue-signalling seems to have backfired. Across the Chanel No. 1, Emmanuel Macron is grappling with the fallout of being too blunt. He took a gamble by calling a snap election after the far-right gained ground in the EU election last month, thinking 'Now, before they get too uppity...' Monsieur Macron is now attempting to juggle flaming torches while riding a unicycle — impressive if it works but, if not, well... ça ne va pas. What's surprising about Starmer's statement is the idea of 'politics being a force for good' needs saying. One doesn't recall even the Führer admitting he may be on to something bad. Will Starmer now go on to remind people that water is wet and Labour is for... well, that is a tricky one.

EYES WIDE SHUT Incentivise use of dehydrated onions to mitigate seasonal price hikes

Don't Cry Over Onion Prices



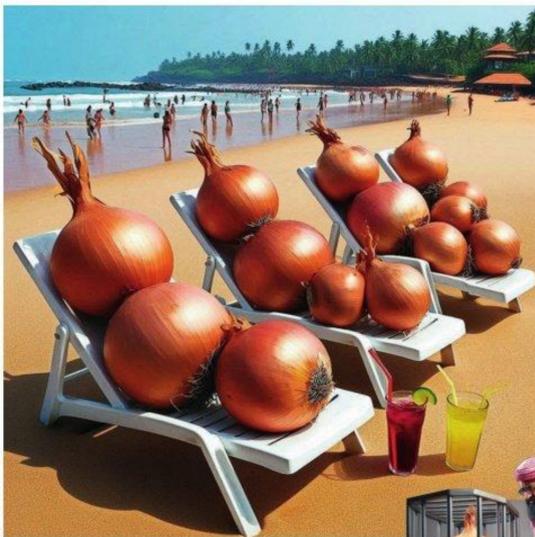
Neeraj Kaushal

Here's a simple solution to the problem of expensive onions: replace them with dried onions for cooking. This week, dried (dehydrated) onions were available online at almost a fifth of the all-India average retail price of fresh onions. The price is likely to be even lower at your nearest grocery store.

Dried onion is a win-win. It saves money, of course. It saves cooking time by at least 10%. No need to peel in the sweltering heat. When cooked, dried onion is as good as fresh. Restaurants shift to dried onion when fresh onion prices increase. The economics of dried onion is so evident that restaurants can't ignore the savings.

So, dear reader, it is quite likely that your favourite cuisine at your favourite restaurant was made from dried onion. But, of course, you did not guess it because when cooked, dried onion brings the same aroma and taste as fresh onion.

Onion prices, just like prices of other goods, depend on demand and supply. When the price of fresh onion increases, if consumers shift en masse to less-expensive dried onion in their cooking, the demand will go down, and so will the price. In the long run, when wholesalers realise that the consumer has figured out the onion market, they will find that hoarding the succulent bulb is not profitable. Consumers need to adjust demand to meet the price, and the seasonal rollercoaster



Peel the pressure, dry and chill

of onion prices will become history. People also eat raw onion in a salad, which cannot be replaced with dried onion. However, that is a small proportion of the overall onion demand and plays a minor role in determining price.

Do not expect the government — this or any future one — to solve the problem of price fluctuations. Expensive onion is a vote-killer. So, GoI has a vested interest, besides increasing public welfare, in keeping the price of onion low and stable.

Alas, most of what it does is counterproductive. Wholesale traders can perfectly guess the government's next move, and they begin to hoard onion stocks in advance, further reducing supply and increasing the price. Worse, governmental in-

terventions have consequences that bring distortions in onion-cropping patterns, influencing onion production and price the following year.

When GoI intervenes in the onion trade market by banning exports or increasing export duty, it disincentivises its production and sends signals to farmers that have long-term effects. GoI has often tried to influence onion prices with imports through state agencies. But even that has often been futile.

For instance, in 2019, when the price of the vegetable skyrocketed to ₹160/kg, the state-owned trading firm MMTC imported 14,000 tonnes. But by the time the imported onion arrived in January 2020, the price of onion in major mandis had slumped to ₹20-25/kg. Naturally, no state government would buy onion from MMTC at ₹50/kg. In the end, GoI sold the im-

ported onion at highly subsidised prices to avoid rotting at the ports.

So, the best thing the government can do to stabilise onion prices is to:
▶ Incentivise dehydration of onion.
▶ Improve availability of dried onions in govt-run retail stores and Mother Dairy outlets.
▶ Increase awareness of dried onion through advertising.

The seasonal fluctuations in the price of onion in India are baffling. Globalisation, falling transportation costs, cold storage and food processing have reduced seasonal fluctuations in the prices of most perishable fruit and vegetables. In fact, they have eliminated seasonality from availability of perishable fruit and vegetables in most countries. However, the Indian onion market remains oblivious to this development.

Onion is 90% water. Fresh onion has a life of 1-3 months. Dehydrated onions in sealed packs can be stored for at least two years. Once outside

the packet, dried onion has a life of at least 6 months. India is a major producer of dried onion, but 85% of the production gets exported.

The economics of onion makes it an ideal vegetable to be dried and stored. However, its use has not caught on with Indian consumers. As a result, its prices remain exceptionally volatile. Over the past two decades, seasonal fluctuations in retail prices have varied from ₹10-15/kg to ₹160/kg or even higher in certain markets.

As a result, in some months of the year, onion becomes the main ingredient in a poor woman's kitchen. And, in some months, it's a luxury on which even middle-income households economise. It doesn't have to be so if Indian consumers judiciously replace fresh onion with dried ones when the price of fresh onion skyrockets.

The writer is professor of social policy, Columbia University, US



THE SPEAKING TREE

Rid Yourself Of Prejudice

SUMIT PAUL

The readers must have encountered the phrase 'curate's egg' — something that's neither good nor bad. Nothing in this world is completely good or bad. There are shades and hues in between. There's a famous Swedish proverb, 'There's nothing so bad that there's not some good in it.' This must be taken as a metaphor. Life could be wholesome if we develop this attitude of seeing the good side of even a seemingly bad thing.

We often suffer and crib because we only look at the bad things, aspects and facets. This makes us negative and fills our hearts with depressing thoughts. Never forget that there's a silver lining to every cloud. Moreover, nature hasn't made anyone or anything absolutely bad.

When Arjun approached the dying Bhishm and requested the grand patriarch to give him some wisdom, Bhishm told his favourite great-grandson to look at all possible dimensions of a person and situation.

When we look at things holistically, we encounter good, bad, not-so-good and not-so-bad. That makes us liberal and open-minded. Expecting only the good qualities in a person may disillusion us in the long run. Likewise, expecting only the bad things might prevent us from going for something or someone that might eventually prove far better.

Good might turn out to be bad, and vice versa. Day and night, black and white, left and right, friendship and fight are juxtaposed. Broaden your vision to accept all without a scintilla of prejudice and presuppositions.

Don't Hold Your Breath, Electrify!



Amitabh Kant

According to the World Air Quality Report 2023, India ranks among the top three countries with the highest PM2.5 levels. The report identifies Delhi as the capital with the poorest air quality, and highlights that the country is home to 42 cities among the top 50 with the worst air quality. Transportation emissions, accounting for 14% of CO₂ emissions, are among the top contributors to air pollution.

According to the Lawrence Berkeley National Lab, achieving a clean energy transition necessitates a significant overhaul of our energy mix, including a 30-fold increase in solar, onshore and offshore wind capacity from current levels.

It's critical to transform the transportation sector to reduce oil dependence, given that road transport accounts for 50% of crude oil imports. Full electrification of road transport by 2030 could yield savings of up to \$10 bn by 2030, and more than \$80 bn by 2050.

Although EV adoption is accelerating, it remains slower compared to other major markets. About 5 mn

EVs were sold globally in Q4 2024, with China leading with a 60% share, followed by Europe at 25% and the US at 10%. In contrast, India lags at 1%, with EVs accounting for only 5% of vehicle sales in FY24.

There's a need to develop a new strategy that can help accelerate the EV transition by 2030. This transition should focus on electrifying India's 50 most polluted cities by 2030.

▶ **EV Electrify 2-wheelers, 3-wheelers, LMVs and buses**, as they are key contributors to tailpipe emissions. These 50 cities account for over 40% of India's vehicle registrations. If these cities can achieve 100% electrification in new vehicle sales by 2030, India will be well on its way to sharply reducing its oil needs.

EV market, valued at \$5.61 bn in 2023, is expected to reach \$50 bn by 2030, potentially generating at least 5 mn direct and 50 mn indirect jobs.

Technological advances have lowered costs for batteries and EV tech. OEMs have invested over \$6 bn in EV tech and manufacturing plants, introducing more than 200 e-2/3-wheeler models. Battery manufacturers aim to achieve a 50 GWh capacity by 2030. Startups in this sector have surged from 15 in 2012 to 1,883 in 2023. These trends indicate that the supply side will be prepared to meet ambitious electrification targets if demand rema-



Think long-term

ins clear:
▶ **Phase out the old** Within the next 24 months, these 50 cities should retire, or retrofit, old ICE vehicles. In Delhi, this could create demand for 2 mn EVs. Also, stringent pollution checks and penalties for polluting vehicles should be enforced, and taxes levied on commercial ICE vehicles to incentivise cleaner alternatives. States must mandate zero-emission vehicles for all new registrations of autos, LCVs, taxis and last-mile delivery vehicles over the next two years.

▶ **Reduce prices** Promoting bulk procurement tenders drives down prices. Focusing on electrifying school buses, private buses, airport taxis, autorickshaws and 2-wheelers for government and institutional employees can accelerate price reductions. Mandating full electrification of government fleet will stimulate strong EV demand and establish a replicable model for the

private and industrial sectors, delivering financial benefits for the exchequer.

▶ **Incentivise** Fiscal incentives will be crucial for purchasing new EVs and retrofitting existing vehicles. Extending FAME and state EV policies with predictability and consistency for the next five years, along with providing concessional finance and creating innovative risk-sharing instruments, will support this transition. Financial institutions must introduce EV financing schemes, offering favourable rates to NBFCs and leveraging partnerships with philanthropic foundations and multilateral development banks to mitigate risks.

This transition presents India with an opportunity to emerge as a global leader in manufacturing new-age EVs. With the right signals in the forthcoming Union budget, increased domestic demand will enhance industry readiness, attract investments and advance technology, paving the way for entry into export markets and positioning India as an EV export hub globally.

The ripple effects of this shift will profoundly impact our environment, economy and society, reshaping the future of global transportation. Ultimately, this transformation will significantly reduce pollution levels, and enhance the well-being of millions.

The writer is India's G20 sherpa

Get AI's Mojo Back Intelligently



Jaspreet Bindra

AI entered the world accompanied by optimism. But, soon, the narrative took a darker turn. There were rumblings around AI safety and explainability, data privacy, and deepfakes, and pundits began to warn us about an AI putting humankind's existence at peril. To realise AI's positive potential, we must return to the days of hope, joy and curiosity we all felt when creating new science and tech.

To go back to those wonder years, we need to address the fears and, as humanity, re-experience its joy. Here's my Make AI Great Again (Maiga) manifesto:

▶ **Focus on BHAG** World must put its best scientists, dollars and terabytes to focus on Big Hairy Audacious Goals like solving global warming, achieving nuclear fusion or realising the UN Sustainable Development Goals, instead of creating only cute emojis from text prompts or stimulating our dopamine release

when we see likes on our posts.
▶ **Upskill everyone** AI has created disproportionate concern among people that their jobs may go. It is time to start national and international skilling missions.

▶ **Prepare for AGI** The jury is out on whether this elusive goal will ever be achieved. It is a cause of concern for citizens and governments, and the best way to deal with trepidation is to prepare, assuming it will come. Start the conversation, build regulations and create the right environment for using it well and mitigating harm.

▶ **Empower universities** A cause for alarm and negativity is the ex-

cessive centralisation of AI research and development among a few Big Tech companies and a handful of startups. The excellent research universities have been left out in the AI game. This is primarily due to the computing costs associated with AI, the flight of top talent to well-paid corporations and the scarcity of public data. Governments must reverse this and create regulations and infra to give universities equal footing. This will ensure unbiased research and the creation of the right ethical and safety guard rails.

▶ **Build thought diversity** Get much more diverse voices to shape AI — philosophers, historians, artists and the like. Humanities needs to make a comeback to humanise technology.

▶ **Rethink privacy, safety and ethics** It is impossible to achieve these things as we have defined them for centuries. Take privacy, for example, the 'right to be left alone' definition of privacy in the West is different from the idea of 'collective privacy' in the East. Most of us have traded some or all of our privacy for convenience and economic benefit. We need a much more nuanced, cultural and contextual view of these and then strive to make our technologies, including AI, achieve these.

▶ **Serve AI to the masses** AI needs

to leap over the digital divide to reach all 8 bn of us. We have an example in India, where DPI, served as public goods, has digitally transformed the lives of a billion-plus people. We need to use the same tenets to bring GenAI and its power to unleash creativity and productivity to everyone. It is a concept I call JanAI (People's AI), and we need governments to learn from India's DPI success and do the same to AI, especially GenAI.

What has defined humankind and made it the apex species is our intelligence and, with it, our sustained ability to create ever-new tech. Whether it was the agricultural and Green Revolution that feed 8 bn of us, the industrial revolution that clothes us and makes us traverse our planet, or the information revolution that puts the world's culture and language at our fingertips — these are all the miracles of technologies we created.

This inevitable AI revolution, promising an abundance of intelligence and making it available to everyone in the world, should be a cause for celebration, not the mourning we seem to be collectively descending into. The Maiga Manifesto will help us do so.

The writer is founder-MD, The Tech Whisperer



Make them chAImpions

Chat Room

Tariffs Should Rightly Feel Low

Apropos the Edit, 'Keep Fine-Tuning Those Customs Duties' (Jul 8), the advantages of a low-tariff regime are too well known. However, the textbook approach is more often shelved in the actual fixation of customs duty rates. The competing interests of local producers and consumers of goods require a delicate balance. History has it that while several expert committees and task forces have delved into the principles to be applied for fixing reasonable tariffs that enhance exports and, at the same time, provide adequate protection to the domestic producers, it is unwavering intent to implement that is often found missing. Still, signalling to move towards a low-tariff regime in the forthcoming budget is well-advised.

TR RUSTAGI

New Delhi

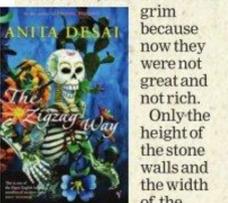


PARANORMAL ACTIVITY Paragraphs From Fiction

The Zigzag Way

Anita Desai

Coming out of the Cathedral, he had to steady himself at the top of the stairs before he could descend them: the afternoon light had struck him such a blow and blinded him too. The plaza was quiet at this hour, the white dust disturbed only by the wind that lifted and dispersed it. All around, the great houses of the rich stood, shut-faced and



grim because now they were not great and not rich. Only the height of the stone walls and the width of the doorways made them seem so, but the carved oak doors were gone and so were the shutters, their place taken by iron bars or wooden planks. Windows gaped and doors opened out to darkness now. Built to cast all other buildings into eclipse, they were themselves eclipsed, and the museum that supposedly recorded these vicissitudes was shut too — for the afternoon, or the holiday, or both.

There was no food to be had here and Eric felt in need of some, as did the thin, silent dog that had waited for him at the door and now followed him again with hopeful loyalty, to the nearby smaller plaza.



A thought for today

History has shown us that courage can be contagious, and hope can take a life of its own

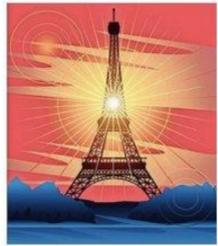
MICHELLE OBAMA

Oui The People

France's dramatic election shows the virtues of coalition dharma when faced with threat to core democratic values

French talk of French exceptionalism is food for many jokes around the world. But their dramatic parliamentary elections suggest there is indeed something *je ne sais quoi* different about them. In the first round it looked like Macron was a total mug for calling snap elections. And that Marine Le Pen's decade-long 'de-demonisation' rebranding would now deliver France its first far-right govt since World War II. Instead, a *front républicain* has put a sensational, last-minute pause on that scenario.

Extreme screams | The way in which centrists and leftists came together to hold the far-right at bay, has been called horse-trading. But that's an unfair label for a tactical voting pact that involved unusual levels of sacrifice. More than 200 candidates pulled out of the runoff, to help consolidate the anti-far-right vote. In India, of course, we well know the positive possibilities of coalition politics, including its check on both rightwing and leftwing extremes.



Running a coalition may be no easier than building it. It may be a laborious and fractious process. But the extensive consultations between different parties that it necessitates, can mean that the agreements have broader legitimacy not just across the aisle, but also across the country.

India's own parliamentary elections have given a solid thumbs-up to coalition politics. BJP couldn't have formed govt without its allies. Nor would Congress revival have been as substantive, without agonising compromises with its allies. Results like Uttar Pradesh's also underline how the cobbling of successful coalitions can mean that little-known but deep grievances get recognised.

Together bellwethers | It's also a fact that despite a record turnout for the final election, no party has an outright majority in France. This will mean a period of uncertainty, perhaps extending to the Olympics. Some of the elements on the far-left are also dodgy. Mélenchon, for example, has refused to call Hamas a terrorist organisation and flirts with antisemitism. A new govt will feel pressure from these even as the far-right keeps gnawing at it. Through all this, though, what will continue to give legitimacy to the anti-far-right coalition is that it has been supported by a solid French majority. No rebranding can disguise that Le Pen's party's core appeal lies in scapegoating minorities and migrants. It is because this toxic vision is on the rise elsewhere too, that the world's following all the French election drama, closely and seriously.

LUI Tragedies

Law (Enforcement) Under Influence: that's what tends to happen when rich/powerful drive drunk

Weeks after the terrible Porsche accident in Pune, a BMW driven by an allegedly drunk son of a Shiv Sena senior has claimed a life in Mumbai. Unlike Pune police, Mumbai police has acted swiftly and made arrests. However, the prime accused remains at large. Cops must not let his VIP son status get in the way of nabbing him and fast-tracking investigations.

Culture of impunity | But similarities in such accidents are too glaring to be missed: young men from powerful or wealthy families driving high-powered cars under the influence, often with fatal consequences for innocents. For instance, May saw three other accidents involving luxury cars, besides the Pune one. That power, hard or soft, has a role to play here is evident from Bengaluru's example. Despite witnessing several such crashes involving influential drivers over the last decade, it has witnessed conviction in just one case.

The Motor Vehicles (Amendment) Act, 2019 introduced a steep hike in fines for drunk driving. The newly introduced BNS's Section 106 has raised the punishment for acts of negligence that lead to death - to five years' RI.

But who is going to ensure these laws' effective implementation? **Law enforcement** | As things stand, a bribe to cops on duty is often all it takes for drunk drivers to get away. And in case of a serious accident, there is an entire system that connives to protect the powerful and wealthy, as was made evident by the Pune episode. As many as 1,68,491 lives were lost due to road accidents in India in 2022. And, per official data, 1,503 of those were due to drunk driving. Our new rules and laws are still not stringent enough by first world standards. But, more important, it is their shoddy implementation that leads to road tragedies like the one in Mumbai.



Bieber's boxers

Every Indian male is Captain Underpants at heart

Shinie Antony



Fashion may have begun with bark, foliage and animal skin as a simple matter of modesty and keeping warm, but is today a zillion-dollar industry with bling, bangs and thongs. Much before the first supermodel lifted an anorexic ankle to catwalk down Paris, Milan and London ramps, desi fashionistas dabbled in *ghungats, pallus, aanchals* and *dupattas*. For the prim and proper Indian men there was always the *baniyan*, which they wore under everything like a second skin. At roughly the time women adopted nighties as the national costume, sleeveless vests and large underpants became the go-to couture for men. They have been loitering in public spaces since then with their lower half decorated in floral prints, stripes or large checks.

Which is why Justin Bieber's performance at a recent *sangeet* in a *ganji* and peeping boxers so warmed the Indian heart. In the pics that followed, there he is, standing next to a brightly festive lot, in a state of undress. Victoria's Secret may have tried to replace granny pants with G-strings and elevated bras to bralettes and bustiers, and skirts may well catch on, but the day Bieber almost mooned us is when lingerie became evening wear.

Till the invention of sewing machines, unstitched garments were the norm. Old Bollywood widows who cleverly rid themselves of their kids in a *mela* - to reunite only when the latter were adults with monthly incomes - draped themselves in white *sisars*. Ditto female ghosts who sang their high-pitched songs in old *havelis*. While heroines wore thin chiffon saris on snowy mountains, heroes bundled up in sweaters and jackets. Then came Madonna's cone bras, Britney Spears' corsets, Lady Gaga's meat dress and the safety-pin gown of Elizabeth Hurley. Zendaya's see-through bot suit, Jared Leto dressed as Karl Lagerfeld's cat at the Met Gala, Salman Khan's Dragon Ball Z pants, Akshata Murty's choice of stripes in her by-bee appearance... Wardrobes go viral. With bracelets shaped as Sellotape and high-end pouches styled on garbage bags, trends rush in where mortals fear to tread. The one sustaining style statement across the country, however, has been its insistence on underwear as outerwear; every Indian is a Captain Underpants at heart. And Bieber has brought the *chaddi* to page 3. Indian men who traditionally team up monkey caps with their *baniyan* now feel ready to take on the world of high fashion.

Questions French Voters Asked

Yes, far-right was kept out of govt. But can mainstream parties work together to govern? Do they realise centralisation weakens democracies? That mimicking extremist politics is dangerous?

Gilles Verniers



Snap elections to France's National Assembly resulted in a hung parliament and a defeat of the far-right, which, just a week ago, delivered a historic performance in the first round of the legislative polls. Institutional and political barriers have stood, but barely. National Rally (NR) scored its best performance in National Assembly (135 seats), emerging as the first party in terms of votes (32%).

After the withdrawal of 220 candidates between the two rounds, held on June 30 and July 7, NR stood in 29 triangular contests and won 10 of them. That it won most of its seats in bipolar contests attests to the deepening of its support in French national politics. The good news is that despite such relative success, most French voters rejected the idea of the far-right in office. Most continue to see it for what it is: a racist, xenophobic, antisemitic party with a tainted history. A party which, during the campaign, raised doubts, among other things, about millions of French binationals' loyalty to the state.

The political landscape, however, remains fragmented between blocs that show no signs of wanting to work together to form a new govt. A minimum of seven parties need to come together to obtain a majority in parliament without NR. The centrist bloc, led by Macron's party Renaissance ('Rebirth'), has made it clear that it won't enter an alliance that includes Jean-Luc Mélenchon's very leftwing France Unbowed, which has been the president's constant critic. The remaining right parties adhere to this 'neither NR nor Mélenchon' position.

On the other hand, France Unbowed insists it won the election, if not in numbers, at least morally. That a govt minus the recently created New Popular Front wouldn't be legitimate. In the meantime, NR delights in the spectacle of a divided political elite.

It would be easy to blame France's woes on political fragmentation. But French parties can't work with each other because of two different reasons. First, they are used to bipartism and ideological polarisation. Second, political centralisation under Macron's presidency has shrunk space for negotiations.

France's long-standing left-right divide has undergone deep reconfiguration in recent times. While Macron attempted to create a strong centre organised around him, he failed to build a durable political organisation that could sustain it. This election reveals that ideological differences

between parties remain deep, which push them to adopt maximalist positions.

After losing his majority in 2022, Macron's minority govt pushed controversial legislation through a constitutional mechanism that enables it to bypass parliament. The routinisation of this technique removed the leverage opposition parties hoped to have after calling their supporters to support Macron in successive presidential elections against the far-right. In short, parties (and voters) who supported Macron to prevent the far-right from taking the reins got nothing

in return. Acrimony that characterises French domestic politics intensified.

This situation is not unique to France, and it bears lessons. First, political centralisation divides countries, especially when it comes at the cost of representative institutions. The political climate tends to be more temperate when power is shared between political forces that negotiate and cooperate within a functioning parliament.

France can now renew its acquaintance with parliamentary governance, provided key players agree to play by the rules. These include, among other things, willingness to debate, discuss, negotiate, and ultimately compromise, to produce legislation that may not satisfy entirely anyone but that, at least, doesn't pit parties and people into toxic binary confrontations.

In this election, the left led the way by putting aside its differences to create an effective alliance that defeated the far-right in many seats. Whether this alliance survives remains to be seen. Attempts will be made by other parties, including the president's, to split it.

The other lesson is that the meaning of electoral mandates gets blurred when voters engage in tactical voting to either punish an incumbent, as happened in UK recently, or to prevent a catastrophe - like the far-right in power. In the French two-round system, MPs are elected with votes that went to their opponents in the first round. Many New Popular Front candidates were elected with the support of centrist or right-leaning voters, who sought to prevent the election of a far-right candidate and vice versa. Electoral outcomes are, therefore, shaped as much by what voters wish to avoid as they are about parties and manifestos. This should create an obligation from representatives and party brass - who owe their share of power to other parties' supporters - to at least try to work together.

The most important lesson is that far-right success is propelled by a legitimacy deficit of democratic political forces. These often mimic the far-right's positions and ideas to retrieve voters who have drifted towards the far-right.

As the Tories in UK recently discovered, far-right mimicry leads voters to support the original rather than the copy. Regaining control of the terms of public debate, and not letting their contours get drawn by the far-right, would be a good place for mainstream parties to regain credibility and legitimacy.

The writer is Karl Loewenstein Fellow and Visiting Assistant Professor of Political Science at Amherst College. Views are personal



What Our Champion Cricketers Can Teach Us

- Being good enough isn't enough
- Beat others at their own game
- Teamwork before ego
- Merit over connections
- Be humble

Krishnamurthy Subramanian



Seeing the happiness over India's T20 World Cup victory pouring in the streets of Mumbai, I am motivated to reflect and ask: What can we all learn from our cricket team? As every Indian follows cricket so diligently, it's apt to imbibe lessons from the game.

The first and foremost lesson to imbibe is that of mindset. India were terrible travellers in the 1990s because that cricket team had the mindset that winning in India on tailor-made pitches was good enough. In contrast, every team that has followed since then, from Ganguly's to Dhoni's, Kohli's and Rohit's, has prioritised winning abroad. So, the key change after the 1990s era was the aspiration that "Good enough is not enough! We must be the best in the world."

The foremost lesson - especially for India Inc - to imbibe is: Aspire to be the best in the world. Can you name one Indian product that anyone anywhere in the world would certainly know of? A Windows, or an Apple, or an Amazon is a household name across the world. Bill Gates, Steve Jobs, and Jeff Bezos, who created these products, are also ordinary humans, but with an extraordinary mindset: to be the best in the world. As we expect the Indian team to beat the best in the world in their own shores, our industrialists must develop the same mindset: to be known across the world for their products and services.

We all can learn from the clash of egos between Babar Azam and Shaheen Afridi in the Pakistan cricket team leading to ruins. In contrast, despite their egos, Virat and Rohit coordinated to work for India's cause. They displayed the maturity to realise that Team India's glory will bring them individual glory and not the other way around. Similarly, despite all the odds and the turmoil engulfing them back home, the Afghanistan

team surprised everyone by reaching the World Cup semifinals. In fact, the Afghans ably demonstrated that "where there is a will, there is a way" is a cliché only because it is almost always true.

The contrast between the Indian and Afghanistan teams, on the one hand, and the Pakistani team, on the other hand, is thus instructive. In good teams, each stakeholder is willing to show the mirror to himself, thereby putting the focus on himself to improve his performance. When everyone focuses on his/her improvement without wasting time lamenting about what



others are doing, not only does every component of the team improve, but also the meritocratic culture enables the whole to become bigger than the sum of parts.

Like our cricketers, in all other fields India must cultivate skilled patriots who not only work hard to hone their expertise but also display the maturity to rise above their differences for the larger national cause. Here, Rahul Dravid, who has always placed the team's interest as paramount, must become a beacon of

inspiration for all other Indians.

Every Indian cricketer today makes it to the Indian team purely on merit. As every cricketer today is born in a poor or middle-class family, they reach the pinnacle by honing their talent with hours and hours of unsparing hard work. Our cricketers thus live the credo of "God helps those who help themselves." Our youngsters must, therefore, learn the importance of unrelenting hard work by observing our champion cricketers.

Yet, in their moment of triumph, the cricketers also display the humility to acknowledge that hard work is only necessary for success, not sufficient. Such humility enables one to tide over the vicissitudes of life.

I hope that a generation of youngsters - especially those appearing in competitive exams - learns that failure is just an event that can lead to success provided one takes the right lessons: "Get up after a fall, dust yourself and work hard again!" For every Nov 19, 2023 (ODI World Cup final), there can be a June 29, 2024 (T20 World Cup final) if one imbibes the right lessons.

The cynic would dismiss any/all of these lessons by retorting that our cricketers cannot be compared to others. The cynic must remember that our cricketers make it to the Indian team purely on merit. Of 200mn aspiring youngsters, about 20 get that privilege. Should we grudge the top 0.00001% deservedly earning in millions? No! But the passion to win the World Cup is motivated not by money but by the desire to leave an unmatched legacy - a motivation common across all professions.

As with cricket, so with any other profession. As the book *Talent Is Overrated* by Geoff Colvin illuminates, champions become champions because their mindset is different! For India to realise its unmatched potential in the next few decades, all of India must develop the champion's mindset that we so unforgettingly demand from the Indian cricket team.

The writer is an executive director, IMF

Calvin & Hobbes



Sacredspace

People normally cut reality into compartments and so are unable to see the interdependence of all phenomena. To see one in all and all in one is to break through the great barrier which narrows one's perception of reality.

Thich Nhat Hanh

The Bahá'í Vision For Global Civilisation

Dr AK Merchant

We remember many outstanding people's lives, services, and sacrifices every year. Among them is the prophet of the Bahá'í Faith, known as the Báb, which means the gate.

During the six years of his divine mission, the Báb had convinced thousands throughout West Asia that according to the sacred scriptures of all past religions, he had come to prepare the way for the advent of Bahá'u'lláh, the promised one, who would manifest in 1863 and inaugurate an era of righteousness and peace, the era of the 'planetisation of humankind'.

Even a cursory review of the happenings and events of the past 150 years would convince a sincere seeker that tremendous power is released when a human being sacrifices

something for the benefit of humanity motivated by the virtues of the Divine.

A practical example we observe in nature is a seed and the mighty tree. Not until a seed completely disintegrates under the soil can it produce a tree. It is then that an object as insignificant as a seed, by sacrificing itself completely, will be transformed into a mighty tree with branches, fruits and flowers.

The nearly eight-million-strong Bahá'í community is acutely aware of the most perilous hour in human history. How should we address the grave civilisational crises? What is our purpose here on earth? Why did the Báb and the thousands who followed him without fear of persecution and death uphold the truth of His message? The history of humankind presents us with many

soul-stirring episodes of supreme sacrifice. In like manner, the Báb responded to the organised forces of his enemies in Iran. Whether in the life of the individual or that of society, profound transformation calls for intense suffering.

Whatever our planet's future, Bahá'í believe that human beings, the most intelligent of all living creatures, are part of the larger scheme of things as conceived by the Creator: There are five critical elements in the writings of the Báb and Bahá'u'lláh: (i) the oneness of humankind

whereby all the peoples would have to shed their lesser identities and regard themselves as citizens of the world (ii) the rise of the feminine, namely the spread of women power who would successfully banish wars and conflicts

(iii) the spiritualisation of technology that would enable individuals, institutions and communities to harness its full potential for the betterment of life on earth (iv) a new pattern of education that would allow for universal accessibility of knowledge, generation of new knowledge and its application for solving the manifold challenges now afflicting the globe (v) the emergence of global governance system whereby individuals serving on a wide range of institutions responsible for managing the affairs of the society, the nation, severally or collectively, would be true servants of humankind. To this end, Bahá'í is around the globe, in a wide range of settings, are striving, inviting their fellow human beings to build a spiritually and materially prospering world civilisation.

The author is secretary, Bahá'í Spiritual Assembly of Delhi NCT



THE SPEAKING TREE



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PAPER WITH PASSION

Macron makes it

From the UK to Iran and now France, progressive voices and inclusive thinking is making a comeback

France has just about managed to keep the ultra-right at bay. ultra rightwingers have lost to the liberals in the snap poll ordered by French President Emmanuel Macron. France has a rich history of liberalism and social progressivism, yet in recent years, the country has seen a rise in far-right nationalism. However recent elections and political movements indicate a resurgence of progressive values. A left-wing alliance secured the most seats in the French parliament after tactical voting in Sunday's second-round election thwarted Marine Le Pen's far-right party. But the victory of the Left is not decisive. France now faces political uncertainty, as no party achieved an absolute majority in the National Assembly. President Emmanuel Macron's gamble seems to have worked as he had ordered a snap poll and decided to go to elections despite his waning popularity. He has championed a centrist approach that blends liberal economic policies with progressive social reforms. His administration has focused on addressing climate change, promoting gender equality, and fostering a more inclusive society. His surprise win, despite predictions to the contrary, suggests that people across the globe are moving towards liberal values and giving them prominence over reactionary forces.



This shift could have far-reaching implications for the European Union and beyond. However, to take a pragmatic approach, France has just about managed to defeat the far right who went on a rampage after the elections did not go in their favour as was widely expected. In the time to come, the challenges for President Macron may multiply as no one has secured a simple majority in the lower house of 577 seats. So now France enters the uncharted waters of coalition politics. The new government would be anything but stable and may give right-wingers a chance to discredit it. President Macron would face several significant challenges. Politically, he would need to navigate a fragmented landscape with diverse parties, address low public trust, and manage frequent protests. Economically, tackling inequality, unemployment, and high public debt while balancing social spending demands would be critical. Right now, France is struggling to pull back its economy from crisis. So far annual growth has been 0.7 per cent in 2024 after a significant slowdown in the second half of 2023 but may gain momentum in 2025 (1.3 per cent). Socially, issues like immigration integration, pension reforms, and the housing crisis would require careful attention. Finally, Macron would have to address sensitive cultural issues, including secularism, religious freedom, and debates around national identity and multiculturalism. To effectively tackle the far right, President Macron would have to focus on reducing socioeconomic disparities to address the economic grievances that fuel extremism.

PICTALK



The chariots of Lord Jagannath, Balabhadra and Devi Subhadra prepared for annual Rath Yatra festival, in Puri

Paving the way for India's own Green Silicon Valley

Climate change offers an opportunity to create an international market for green products, capital and goods through cooperation and collaboration

Growth, Employment and Climate Change, the trifecta of modern economic challenges, have rekindled the interest of policymakers in bringing back the craft of industrial policymaking right at the centre of the discussion table. Ominous estimates highlight climate change as a critical factor negatively impacting growth and employment, whereby ~18% of GDP and labour productivity equivalent to 72 million jobs might be lost, therefore the argument by Nicholas Stern and Joseph E. Stiglitz that "the only long-run growth trajectory is a green trajectory" echoes loudly for adaptation by industrial policymakers globally. Fashionably rechristened as Green Industrial Policy, the craft embeds within itself a series of government intervention measures (supply and demand focussed subsidies, regulations, incentives and standards) that aim at achieving economic development while simultaneously cutting greenhouse gas emissions. Globally leading nations have com-



combined different elements of the Green Industrial Policy craft for building national competitive advantage towards catalysing economic growth, increasing skilled employment and climate action: **Japan:** Introduced five policy tools of Grant funding, Tax incentive, Guidance policy on transition finance, Regulatory reforms and international collaboration, targeting over 18 trillion yen for fourteen green growth sectors such as wind power, nuclear power, mobility & battery etc. **The US:** manufacturing, strengthening national security through supply chain resilience and accelerating the energy transition by supply and demand side spending and tax cuts of ~\$400 billion that aims to create ~1.5 million jobs.

India has made some formidable moves towards a green future by focusing on domestic market formation and localization of components. Its Long Term-Low Emission Development Strategy submitted at COP27 articulates seven transitions to low-carbon development such as electricity systems, transport systems, sustainable urbanization etc. The production-linked incentive schemes in renewable energy equipment space and technology-focused national missions on hydrogen and energy storage are steps in the right direction that can be aptly followed by a broader green industrialisation policy for India. The broader green industrialisation policy by catalysing investments in manufacturing of decarbonisation technologies which are foundational in the short run can trigger the Schumpeterian process of innovation and discovery in the medium term towards high-carbon growth and employment. In this regard, the thrust on clean energy

entrepreneurship through industrial policy and a green R & D policy can foster breakthrough innovations and patents that can create and monetise new solutions. Japan and Korea have acknowledged this potential of startups as open innovation resources and introduced industrial policy support that encourages them to partner with larger conglomerates to propel the innovativeness of the economy at large and compete with their European, Chinese and American competitors. Green startups with their agility and Conglomerates with their market power and experience can aspire to create our own green Silicon Valley. Climate change offers an opportunity to create an international market for green products, capital and goods through international cooperation and collaboration. These initiatives can catalyse a virtuous cycle of growth, employment and carbon neutrality. (The writer is a Chevening Scholar and an International Development expert; views are personal)



SAIRAM SUBRAMANIAN

Indians dying on the Russian frontline

The presence of Indian nationals on the Russian side of the Ukraine conflict raises broader questions about the ethics of foreign combatant recruitment.



BHOPINDER SINGH

The issue of Indians fighting along with the Russian forces in the Ukraine War is particularly piquant, given India's historic relations with the Soviet Union earlier and Russia now. The fact that many had claimed to have been 'forced' to fight had forced the Indian Government to intervene. It is a claim that hasn't been conclusively confirmed as the Indian Embassy was aware of many Indians having signed up for support jobs in the Russian Army. Pending confirmation that their terms of service had been unfairly and involuntarily extended to fight on the frontline, the Indian authorities had formally sought their discharge. It further advised Indians to "exercise caution" and "stay away from this conflict" - diplomatese for dissuading Indians from joining any Russian Army, in any capacity, given the situation. But as it routinely happens e.g., as it happened with advisories to Indian students to leave Ukraine before the full-fledged assault, some heeded the call and some didn't, till the situation became desperate and inextricable for them. The Russians have been particularly keen to swell their ranks with foreigners given the heavy loss of lives in the bloody stalemate and the accompanying sense of fatigue and despondency amongst its combatants.

The inclusion of private militias like the 'Wagner Army' is under that impulse. But the inclusion of individual foreigners is a formalized initiative that can be traced back to Law 29 March 1998 'On Military Obligation and Military Service' - which has since then been made increasingly attractive and lenient to attract new intake. Talks of individuals from Central Asian Countries (for the Soviet Union), Cuba, Afghanistan, Nepal, Syria, Somalia etc., have been doing the rounds. For these foreign inductees, besides the relatively lucrative salary (\$2000-\$3000), the additional lure of Russian citizenship is dangled. Estimated to be numbering in thousands, BBC reported that as of last year's end, 254 foreigners had been killed in the conflict. How many of them had enlisted



for support jobs and how many were forcibly taken for active combat, remains a matter of conjecture. The tact of enlisting 'mercenaries' is an old and convenient practice, as besides the relatively low levels of accountability, they also come with the plausible option of deniability. Under the International Criminal Court and the International Humanitarian Law, the status of 'mercenary' does not constitute a specific crime. But they are not entitled to the status of 'prisoner of war' and its necessities. The idea is to discourage mercenaries as material greed-based and amoral entities as opposed to soldiers of the nation who are driven by a sense of national purpose, patriotism, and professional excellence. To qualify as 'mercenaries', six criteria need to be fulfilled. Firstly, the person is specially recruited internally/abroad. Secondly, the belligerent participants in conflict. Thirdly, he/she is motivated by private gain, as promised by one side in the conflict. Fourthly, they are not national, resident or interested party in the said conflict. Fifthly, they do not belong to the militaries of either side. Sixthly and lastly, they have not been sent by a non-interested state on any official duty as a member of their military. Therefore, it could be pre-



THE RUSSIANS HAVE BEEN PARTICULARLY KEEN TO SWELL THEIR RANKS WITH FOREIGNERS GIVEN THE HEAVY LOSS OF LIVES IN THE BLOODY STALEMATE AND THE ACCOMPANYING SENSE OF FATIGUE AND DESPONDENCY AMONGST ITS COMBATANTS

sumed some Indians who are unfortunately caught in a form of combat that they probably had not imagined whilst signing up, and may still qualify as 'mercenary'. Such a scenario does not reflect well on the nation as it is suggestive of limited job opportunities domestically and therefore suggests societal desperation which is understandable for broken nations like Somalia or Syria, but not India. Sadly, portents of 'cannon fodder' or even 'human trafficking' are rife, but given the opaqueness that surrounds the Russian reality, nothing can be confirmed. Such times birth human trafficking networks that paint a very different picture to recruit the gullible when the truth is starkly different. There have been gut-wrenching pleas from some Indians beseeching the Indian authorities to secure their release, with some losing their lives, soon after that. The Indian External Affairs Minister is believed to have reiterated his concern to his Russian counterpart during a recent bilateral in Astana, Kazakhstan. To the query, if S Jaishankar had taken up the issue of stranded Indians, he assured, "Very clearly and strongly... several Indians have been pressed into service with the Russian Army. Only when they come back will we know the full cir-

cumstances. But whatever the circumstances are, to us it is unacceptable that Indian citizens find themselves in the army of another country in a warzone. I told him that we seek their cooperation and that they are our friend and partners. We have to find a way so that these people can return to India as quickly and effectively as possible." Thankfully, despite the ostensibly pro-Ukraine position taken by Delhi, it has maintained a parallel and strong relation with Russia, replete with non-linear moves as part of its 'strategic independence'. However, while the government had initiated the needful from Russian authorities, there is a reciprocal expectation of Indians abroad to heed advisories, and not wait for situations to deteriorate. No right-thinking country would encourage its citizens to partake in conflicts given the diversity of complex geopolitical and societal ramifications, amongst which guaranteeing their safety would be paramount. For Russians, foreign recruitment makes practical sense - for Indians to be availing the same, reflects poorly. (The writer, a military veteran, is a former Lt Governor of Andaman & Nicobar Islands and Puducherry. The views expressed are personal)

LETTERS TO THE EDITOR

HOPE FOR INDIA'S FUTURE

Madam — Observing Rahul Gandhi's political trajectory reveals his focused objectives: welfare for the poor, social justice, MSME development, and job creation. Once dismissed with derisive labels, he now stands as a pivotal opposition figure and a national benefactor. In Parliament, he champions crucial issues like poverty rights, constitutional protection, and unemployment, spotlighting concerns from the Agniveer scheme to NEET. We trust he will persist in combating corruption for India's bright future. Rahul Gandhi's tenure as Leader of the Opposition has been marked by a transformation from skepticism to significance. Initially dismissed, he has emerged as a pivotal voice, advocating for the marginalized and pressing critical issues in Parliament. His agenda emphasizes welfare for the poor, social justice, MSME development, and job creation. Gandhi's relentless pursuit of transparency and accountability has kept the government accountable on issues ranging from poverty alleviation to constitutional protection. His proactive stance on national challenges like unemployment and inflation underscores his commitment to India's future, positioning him as a proactive and influential leader in the opposition ranks. Masood Ahmad |Barabanki

EXPECTATIONS FROM THE BUDGET

Madam — Amidst anticipation of the upcoming budget session, national attention is fixated on its contents. India Inc. hopes to retain production incentives, while salary earners seek raised exemption limits and improved tax slabs. The common man yearns for relief from economic hardships, and farmers seek guaranteed minimum returns. Senior citizens anticipate travel benefits and healthcare subsidies. Supporters are poised, their lists ready, crucial for the government's survival. The budget's essence lies in who gains and by how much from this vul-

Implications of Iran's election



The untimely demise of Iran's conservative President Ebrahim Raisi has necessitated an election amidst regional tensions,

exacerbated by the Gaza conflict and disputes over Iran's nuclear program. India anticipates evolving bilateral ties under reformist President-elect Pezeshkian. Despite historical ties spanning language, culture, and commerce, both nations face a crucial juncture. With shared roots and significant strategic interests, India and Iran navigate a relationship poised for new dynamics. The future of Iran under liberal leadership holds promise for significant domestic and international shifts. Potential reforms could ease tensions, particularly regarding Iran's nuclear program, fostering better relations with the West. Internally, liberal policies may encourage socio-economic progress and cultural openness, reshaping Iran's global image and regional dynamics. Dimple Wadhawan Kanpur

Dimple Wadhawan |Kanpur

nerable government.

The common man eagerly anticipates budgetary relief through increased exemption limits, revised tax slabs, and measures to alleviate everyday financial burdens. Expectations include provisions for healthcare subsidies, travel benefits for senior citizens, and incentives supporting livelihood stability, reflecting hopes for tangible improvements in quality of life. AG Rajmohan |Anantpur

KEIR STARMER'S VISION FOR CHANGE

Madam — Apropos, "Now we get to work, Starmer to cabinet," The Pioneer, July 7. The British election results that led to Labour leader Keir Starmer's entry into 10 Downing Street mark a pivotal moment in the country's politics, promising to steer the nation through the turbulent aftermath of 14 years of Conservative governance. The enormity of Labour's victory cannot be overstated. Achieving a massive majority in Parliament, Labour has been given a clear mandate to implement change. His

acknowledgment of the public's lack of trust in politics is a refreshing departure from the often defensive posture of recent administrations. His promise to heal this mistrust through actions rather than words is a step in the right direction. The British public has grown cynical after enduring repeated scandals, including the infamous Downing Street parties during the Covid-19 lockdowns, which eroded confidence in government integrity. Economically, Mr Starmer inherits a nation grappling with significant challenges. The tax burden is at its highest since the post-World War II era, and public services, particularly the National Health Service, are under immense strain. His government's ability to deliver on ambitious promises, such as green spending initiatives and public service improvements, will be a key measure of success. N Sadhasiva Reddy |Bengaluru

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FIRST COLUMN

CULTIVATING GRATITUDE

Embracing life's challenges with a grateful heart leads to a profound awakening



RAVI VALLURI

Almighty divinity, through the prowess of nature, and the resplendent and ever-mutating cosmos is eternally showering bounties on humans. However, the human mind is not wakeful or grateful to accept this materiality. A question of attitude is primarily and predominantly our attitude which reinforces gratitude within our personalities. The word gratitude strikes its roots in the word the Latin word gratis, meaning to be thankful. It is always sagacious to recite a short prayer before a meal. Language is no trammel. Annadata Sukhi Bhava. By remembrance of these lines (Sanskrit), we express our gratefulness and indebtedness to the agrarian community and the cook for producing and preparing the meal respectively. Body: a divine instrument Nature has gifted us with something incomparable and priceless, the human body. We have been provided with a supercomputer of a brain.

Prowess of the breath Next humans are blissfully unmindful of the power of our breath. It can be likened to a cell phone which nature has provided to connect us with divinity. Breath is perhaps the most potent form of effervescence and pizzazz of our personalities. Humans are insensible to the fact that ninety per cent of toxins get expatriated from our bodies through the potency of breath. If we delve deep into the ancient practices like pranayama or the unique rhythmic technique of Sudarshan Kriya (imparted in various bouquets of courses of the Art of Living) the primacy of breath is under-



stood by us. An inestimable nun Aeon ago lived an exalted and celebrated Zen nun. There were far and few like her. It was believed that few women could attain the venerable state like this pious lady. Once she had undertaken an arduous pilgrimage and arrived at a village as the sun sank in the horizon.

In all humility, she begged for lodgings for the night. However, the villagers slammed their doors and were unwilling to accommodate her in the village. They were opposed to the tenets of the Zen school of thought. They thought it to be exceedingly revolutionary. Thus, the clichéd and conformist individuals were unwilling to accept the nun into their fold even for a night. The traditionalists banished her from the village and she was compelled to wage the battle against inclement weather out in the cold. At the stroke of midnight, she woke up abruptly, unearthed the cherry tree which fed her ravenous body with sweet fruits, talking to the full moon which lightened up the sky.

Immediately she was engulfed with waves of emotions and suffused with love and affection for all those who had exiled and expatriated her from the village. She experienced the quintessential silence of an awakened one. She was extremely grateful to the villagers who had not accommodated her, to the cherry tree that fed her, the meditative silence that encompassed her body, all of which had wily nicely contributed to her awakening, an almost celestial spectacle. "Thus, a stock individual, a savant, a sage or a nun becomes a Buddha the moment he/she accepts all that life brings with its variegated, paradoxical situations.

The one who accepts these situations which gratitude and gratefulness, without admonishing anyone or carping verily becomes an awakened one." – The Buddha. "Good men and bad men differ radically. Bad men never appreciate kindness shown them, but wise men appreciate and are grateful. Wise men try to express their appreciation and gratitude by some return of kindness, not only to their benefactor, but to everyone else," said Gautama Buddha.

(The writer is the CEO of Chhattisgarh East Railway Ltd. and Chhattisgarh East West Railway Ltd. He is a faculty of the Art of Living)

The cost of freebies and the legal quagmire



UTTAM GUPTA

Despite a Supreme Court ruling highlighting the impact of freebies on election fairness, political parties continue to leverage public funds for electoral gain



In the Maharashtra Budget for 2024-25 presented by Deputy Chief Minister Ajit Pawar, the BJP-led MahaYuti has announced financial assistance of Rs 1,500 per month for eligible women between 21 to 60 years of age, a stipend up to Rs.10,000 per month for youth in industrial and non-industrial sectors, electricity bill waiver for farmers etc. Unambiguously, these are freebies – an acronym for something given by the State free of charge – aimed at garnering votes during the State assembly elections later this year.

In a July 2013 order in S Subramaniam Balaji vs Government of Tamil Nadu & Ors, the Supreme Court (SC) had said that the distribution of freebies of any kind influences all people; that "It shakes the root of free and fair elections to a large degree". Yet, it had held that promises in the election manifesto cannot be construed as "corrupt practice" under the Representation of People Act (RPA), or any other prevailing law and, hence, distribution of freebies can't be stopped when the ruling party uses public funds for this purpose through the passage of Appropriation Acts in the state assembly. In the same order, it directed the Election Commission of India (ECI) "to frame guidelines that could govern the contents of the election manifesto of all the recognized political parties as when it had acted while framing guidelines for general conduct of the candidates, meetings, processions, polling day, etc". Further "this can also be included in the model code of conduct – under a separate head for guidelines for election manifesto – for guidance of political parties and candidates". The ECI never came out with any such guidelines. Emboldened by ECI inaction, the political parties who in the past, were placing freebies in a corner of their manifestos, have started catapulting them to the centre stage.

Now, freebies hold the key to winning elections. In February 2020, the Aam Aadmi Party (AAP) led by Arvind Kejriwal mesmerized Delhi, voters, by promising free or heavily subsidized electricity and free water, free bus rides for women, free Wi-Fi, and so on. In 2022 in Punjab, AAP promised free electrici-



NOW, FREEBIES HOLD THE KEY TO WINNING ELECTIONS. IN FEBRUARY 2020, THE AAM AADMI PARTY (AAP) LED BY ARVIND KEJRIWAL MESMERISED DELHI, VOTERS, BY PROMISING FREE OR HEAVILY SUBSIDISED ELECTRICITY AND FREE WATER, FREE BUS RIDES FOR WOMEN, FREE WI-FI, AND SO ON

ty to each household for consumption up to 300 units per month, waiver of all outstanding power bills, Rs 1000 per month to every woman aged 18 or above etc. The party won the state with a thumping majority. In Uttar Pradesh also in 2022, BJP promised 20 million smartphones for poor students, two free LPG cylinders every year, Rs 100,000/- for the marriage of girls from poor families, and so on. Meanwhile, the matter came up before the SC through a public interest litigation (PIL). On January 25, 2022, it observed "This is no doubt a serious issue. Budget for freebies is going above the regular budget". It also reiterated that "this disturbs the level playing field". On August 3, 2022, it gave a sense that it is for Parliament, besides the ECI, to take the initiative to enact a law on curbing freebies. It also sought suggestions on the composition of a committee that could go into the issue "dispassionately" and make recommendations.

But, the above decisions haven't been acted upon. Although, on its part, the ECI had sent out questionnaires asking parties to give 'specifics' of what they intend to promise voters, financial impact and how this will be funded, there hasn't been any follow-up. Meanwhile, the freebies continue to proliferate. In Karnataka elections in May 2023, the grand old party (GOP) promised five guarantees viz. Gruha Jyoti, Gruha Lakshmi, Sakhi programme, Yuva Nidhi, and Anna Bhagya. The trend continued during elections in Madhya Pradesh (MP), Rajasthan, Chhattisgarh and Telangana held in November/December 2023. While, in Rajasthan, Congress promised Rs 10,000 every year to the female head of the family under the Gruha Lakshmi Yojana, in MP, BJP increased the grant to Rs 1,250 per month under Ladli

Behna Yojana; the amount to be hiked to Rs 3,000 per month. Additionally, in MP, under Ladli Lakshmi Yojana, the BJP promised girls Rs 200,000/- till they get married. In Chhattisgarh, it promised Rs 12,000 per year to married women under the 'Mahtari Vandan Scheme'. In Telangana, the GOP beat all promising 10 grams of gold besides Rs 100,000/- cash to women getting married. In the run-up to the general elections, even as Prime Minister Narendra Modi announced on December 23, 2023 supply of free foodgrain under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) to over 800 million persons, Congress gave ten guarantees in its manifesto "Nyay Patra" released in April, 2024. Meanwhile, in Delhi, Kejriwal promised Rs 1000 per month to all women above the age of 18 years under the Mukhyamantri Mahila Samman Yojana (MMSY). For State elections later this year, parties are readying to give another round of big doles.

As mentioned earlier, the BJP-led MahaYuti has already announced a bountiful package for Maharashtra. For others viz. Haryana, and Jharkhand, parties will follow suit. The SC assertion on January 25, 2022 "Budget for freebies is going above the regular budget" is confirmed by facts on ground zero. Whereas, in Delhi, these cost the exchequer around Rs 12,500 crore annually, in Punjab the impact is close to Rs 20,000 crore. In Karnataka, at over Rs 60,000 crore, the cost of five guarantees exceeds the existing fiscal deficit. Redeeming the guarantees promised in GOP's "Nyay Patra" could cost the Central Government a mammoth around Rs 46,00,000 crore. In Maharashtra, Rs 1,500 per month to eligible women alone

would cost Rs 46,000 crore a year. When the top court says freebies are bad, why doesn't it ban them? A big deterrent is none other than the SC order of July 2013 which says "... it can't be construed as corrupt practice..."

Within the meaning of section 123(1)(A) of the RPA, 1951, the expression 'bribery' has been defined to mean any gift, offer or promise by a candidate or his agent or by any other person with the consent of a candidate or his election agent of any gratification with the object of inducing an elector as a reward to his candidature. The irony is, that when a candidate uses his own pocket money to bribe the voter, it is treated as corrupt practice, but when the party on whose symbol he is seeking election bribes voters using 'public money', the top court doesn't treat it that way. The Union Government's standards of financial propriety lay down inter alia that "no authority shall exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly, to its advantage; and the expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people unless a claim for the amount could be enforced in a court of law or the expenditure is in pursuance of a recognized policy or custom". The reckless spending of the taxpayer's money on freebies is neither a recognized policy/custom nor it is sanctioned in a court of law. It is a blatant financial irregularity that amounts to bribing voters using public money solely to gain electoral advantage. The SC should change its stance to recognize this and force the Parliament to enact a law if it feels existing laws don't provide for it. (The writer is a policy analyst; views expressed are personal)

Transforming healthcare with digital technologies

The health-tech sector is poised for exponential growth, reshaping the future of healthcare for all its citizens

Digital technologies are anticipated to offer swift and personalized clinical services to each patient through their handheld devices. New Age Technologies (NATs), including Artificial Intelligence (AI), the Internet of Things (IoT), mobile technologies, cloud computing, Big Data, and 5G, are becoming essential tools in the realm of "Smart Health." Smart Health refers to an interconnected healthcare system that utilizes NATs for clinical analysis, treatment, medical setups, and hospital management.



CHARRU MALHOTRA

Healthcare systems provide real-time connectivity to doctors, reduce treatment costs, and offer predictive, personalized information to patients. For example, IoT-based wearable smart devices can track patients' progress, help manage medical emergencies, and promptly notify healthcare providers. India's National Health Policy 2017 aims to achieve "Universal Health Coverage for all citizens," grad-

ually transitioning from fragmented healthcare systems to a holistic approach using digital technologies. The Ayushman Bharat scheme, launched in September 2018, is a notable nationwide public health insurance program that provides health coverage of up to 5 lakh rupees per family per year for secondary and tertiary care hospitalization through the 'Abha-ID' for each patient. Additionally, the National Digital Health Mission (NDHM), launched on August 15, 2020, aims to create an integrated healthcare system linking practitioners and patients digitally, allowing real-time access to health records. Driven by these national initiatives, along with the rise of health startups, increased

healthcare spending, and growing demand for high-quality healthcare services, the health-tech sector in India is experiencing significant growth. According to recent reports, the health-tech industry in India is expected to reach \$6.5 billion by 2024 and \$78.4 billion by 2033, with a compound annual growth rate (CAGR) of 28.67% during this period. India has already implemented initiatives such as the National Health Portal and the Health Management Information System (HMIS), with several state-level initiatives as well. Programs like the CoWIN Vaccine Platform, the Aarogya Setu contact tracing app, and the eSanjeevani National Telemedicine Service Platform



deserve special mention. Following the COVID-19 pandemic, private equity firms are increasingly investing in health tech companies. The health startup ecosystem in India primarily consists of six segments: telemedicine, pharmacy, fitness, wellness, IT healthcare, and home healthcare. Leading telemedicine startups such as Practo, 1mg, mFine, iCliniq, Digi-Doctor, and myUpchar are reporting impressive increases in teleconsultations.

These systems provide information on health indicators, identify individuals, verify them, and connect their health records with informed consent. However, the adoption of these technologies presents significant technical, legal, and socio-economic challenges. There is a lack of a cohesive and robust legal and regulatory framework, particularly in the health-tech domain. Security in smart healthcare is crucial, as it is an ecosystem susceptible to attacks or infiltration by individuals or hackers. The privacy of patients' sensitive health data requires an extra layer of protection beyond what is currently available through India's Digital Personal Data Protection (DPDP) Act. Data interoperability and dig-

ital connectivity are essential for the seamless exchange of health data. The emerging 5G communication network in India can address this gap, but technological constraints hinder the widespread adoption of in-home health monitoring services. Healthcare specialists also face challenges such as limited access to and adaptability to digital technologies. These issues are further compounded by inadequate logistics support, a shortage of skilled manpower, and a tech-resistant attitude among various stakeholders. Drawing inspiration from the globally recognized Unified Payment Interface (UPI), a digital public infrastructure (DPI) for healthcare should be made accessible to all. Our anganwadi workers, in partic-

ular, should be supported by additional tech-savvy personnel. Capacity building for our healthcare providers and ensuring their access to digital devices and connectivity should be prioritized through common service centers (CSCs) and Public Health Centers (PHCs). Additionally, it is time for India to expand the scope of its Digital Personal Data Protection (DPDP) Act, 2023, by including special provisions for handling the sensitive health data of patients. With these efforts, every Indian will not only have easy access to but also trust the "Digital Doctor in their pocket."

(The writer is a professor at Indian Institute of Public Administration, New-Delhi; views are personal)