

Nuclear cloud

Unrealistic targets, accident liability issues, a concern

The Centre’s keenness on increasing the share of nuclear power in India’s energy mix, as evidenced by the Finance Minister mentioning it in two successive Budget speeches, is laudable. However, the manner in which the Centre is going about this task brings several aspects of it into question.



The government’s target of 100 GW by 2047 makes one wonder if it is a well-thought-out goal or purely aspirational, considering that the interim target for 2031-32 is 22,480 MW. India’s track record in nuclear power capacity building does not inspire confidence that 77,520 MW of capacity can be built in about 15 years — after all, even after 75 years of Independence, India has so far built only 8,180 MW of nuclear power capacity, of which 2000 MW has been built with Russian reactors.

The government’s target for nuclear capacity has been as though it was anchored in shifting sands. The target for 2032 moved from 60 GW under the UPA government, to ‘63 GW by 2032’ under the NDA government and remained there till about 2016, before it was suddenly hammered down to 22,480 MW, alongside a new goal of 100 GW by 2047. One understands that the nuclear power sector is fraught with uncertainties, in terms of siting and fuel, but the regrettable aspect of the moving goalposts is that there is no explanation from the government. In fact, the entire nuclear sector is very opaque with no explanations offered for decades-long delays suffered by various projects, such as Prototype Fast Breeder Reactor, Advanced Heavy Water Reactor, Accelerated Driven Subcritical System and Indian High Temperature Reactor, each of which is of critical importance to the country. The PFBR was originally scheduled to be commissioned in 2011. Against this backdrop, a high target of 100 GW by 2047 appears unrealistic.

The Budget speech mentions that amendments to the Atomic Energy Act and Civil Liability for Nuclear Damage Act will be taken up. Some provisions of the latter Act have been largely responsible for no foreign investments coming in despite the Indo-US nuclear agreement sealed in 2008. Amending the Atomic Energy Act to let in private players may not pose a challenge but the same cannot be said of sprucing up the contentious Civil Liability for Nuclear Damage Act, which deals with fixing liability if there is a nuclear accident — the plant operator, equipment supplier or the government. Suppliers are troubled by Sec 46, which holds that the Act is “in addition to and not in derogation of” any other law in force, such as the law of torts. Also, suppliers worry about having to assume liability for any defects in the components made by vendors. There are questions over government’s powers to reset operators’ liability. Above all, the government should do everything possible to fast-track into thorium, a material that India has in abundance, and can guarantee unlimited supply of green energy.

OTHER VOICES.

The New York Times

Shopping for arms? Ukraine may soon be your best bet
One of the first computers in Europe was invented in a bombed-out inn on the outskirts of Kyiv in 1951, when Ukraine was part of the Soviet Union. The inventors were forbidden to read Western journals, but were nonetheless tasked with matching the computing machines that the Americans and the Britons had just built. The against-all-odds tale of that invention, captured in the book “Innovation in Isolation: The Story of Ukrainian IT from the 1940s to the Present,” helps explain why Ukraine has so many successful tech start-ups today — such as the writing assistant Grammarly and the home security system Ajax. That scrappy culture of innovation, once key to so many Soviet technological breakthroughs, is a big part of why Ukraine is still standing three years after a merciless Russian assault. (NEW YORK, FEBRUARY 4)



US’ protectionism, isolationism will not bring it benefit
China remains consistent in both its openness to promote healthy development of Sino-US relations, and its resoluteness to safeguard its core interests. The series of trade-related moves targeting the United States that Beijing made public on Tuesday are countermeasures against the 10 per cent additional tariffs the US levied on all imports from China on the same day on the pretext that Beijing is not doing enough to help address the US’ fantanyl crisis. The carefully-selected list of US imports these Chinese measures target, and the mineral resources that it has strengthened its export controls on, are tailored to avoid hurting the overall Sino-US economic relations. And its filing a case against the US tariff measures under the WTO’s dispute settlement mechanism on the basis that the US move is of a “malicious nature” shows Beijing’s resolve to protect the country’s interests.(BEIJING, FEBRUARY 4)

Budget with a governance focus

GROWTH DRIVERS. Measures relating to MSMEs, agriculture, ease of doing business, and export promotion stand out



R GOPALAN MC SINGHI

Budget 2025-26 is a mix of short-term measures for improving growth and medium-term measures for building expectations. The proposed development measures cover 10 broad areas focusing on *garib*, youth, *annadata* and *nari* through agriculture, MSMEs, investments and exports with citizen-centric initiatives for empowerment, capacity building and building trust. Considering the structural slowdown in the economy, the government must focus additionally on increasing employment of people at low income levels, manage inflation, increase productivity and promote new tech opportunities.

Personal income tax relief may lead to 0.3-0.5 per cent growth in consumption and around 20-30 basis points (bps) increase in growth of GDP if the entire benefit is used for consumption. Estimates are around 50 per cent of the relief amount will be saved. Given the moderation in growth in the current year and the expectation of continuation of the observed decadal trend rate of growth, we may still continue to see stickiness in growth. Nominal GDP growth assumed in the Budget is 10.1 per cent for 2025-26. If it holds, with WPI converging to CPI core and food inflation not showing signs of moderation, GDP deflator may end up close to 4 per cent reducing GDP growth to around 6 per cent.

The Budget skilfully manages the fisc, capital outlay and income tax cuts. Central debt levels are projected to come down by 0.7 per cent of GDP in 2025-26. Personal income tax collections are somewhat overstated after factoring in tax cuts. One hopes that the axe does not fall on capital outlay in the end to maintain the fiscal deficit target. Effective capital expenditure outlay makes a healthy increase from 13.2 per cent (RE 2024-25) to 15.5 per cent of GDP. Dividend assumption from the RBI looks optimistic. Probably Available Realised Equity as percentage of RBI balance sheet will be reduced this year.



Interest payments to Revenue increases by 0.4 per cent. Monetisation is in focus again, but the stated target looks ambitious. Disinvestment numbers remain sticky.

INFRA OUTLAY
To improve defence preparedness, defence capital outlay has gone up by 12.5 per cent (over RE). Outlay on health and education shows an increase that is more than the rate of overall increase in expenditure. Shift of expenditure to primary healthcare and literacy and numeracy outcomes should take place. Outlay on railways, roads and rural development seems to be governed by the ability of these departments to absorb the outlay.

PPPs (public-private partnerships) have resurfaced, but require the government’s ability to allocate risks in a manner that is equitable and which the private sector can afford. Outlay on airports, shipbuilding, ship breaking, labour intensive sectors, tourism, funds for start-ups along with the Manufacturing Mission could catalyse investments in these sectors. Jal Jeevan

Personal income tax collections are somewhat overstated.
One hopes that the axe does not fall on capital outlay to maintain the fiscal deficit target

Mission badly underperformed this year. The government should focus on reenergising this initiative.

Finally, the government has accepted that trust based economic governance is more important. It has decided to form a high-level committee to review regulations, certifications and licences. The Economic Survey had focused on this issue. This will enable the private sector (foreign investors also) to invest more in the country. By this, the government adds further to the ‘ease of doing business’. If the additional known risks to private investment are removed, private capex can improve significantly.

The decision to offer support to integration with global supply chains is significant. A review of our current position on tariffs and FTAs (free trade agreements) is required — perhaps, after an equilibrium is reached in the ensuing tariff war. Trade defence mechanism, as per WTO, requires to be strengthened. But steps proposed in the Budget on export promotion are not a day too late.

The focus on skill development must be even sharper. Some progress is seen in trying to make vocational training part of curriculum in schools. Why the private sector is not active in investing and managing ITIs, as expected, requires some soul-searching. Skills in tourism, construction and rural enterprises are lacking.

INCENTIVISING SMALL UNITS
The Budget proposes to incentivise MSMEs, by providing greater access to

credit, technology upgradation, easing their compliance burden and other support measures. All India Survey of Unincorporated Enterprises indicates that more than seven crore unincorporated enterprises are employing nearly 12 crore persons (self-employed as entrepreneurs and hired workers). Only one-fifth of these are covered by any normal channel of institutional credit or are on the radar of public agencies. Access to institutional credit, which was destroyed during the pandemic, must be provided — at least for those enterprises which have bank accounts and hence their cash-flows are known. Such capital must be collateral free and guaranteed by the government. To begin with at least one million such enterprises can be covered. The current programmes do not cover this set of entrepreneurs.

The focus of the Budget on agriculture is well-articulated. Renewed focus on R&D, extension, freedom to move perishables across the country and removing controls on export and stock-holding is critical. To technically upgrade rural industries, linkage with nearby ITIs is required. CSR resources must be used to ensure efficient marketing of rural products. The government should catalyse creating marketing structures like AMUL in perishables to enable the non-farm sector to improve their incomes.

Gopalan is former Secretary, Economic Affairs, and Singhi is former Senior Economic Adviser, Ministry of Finance. Views are personal

Proposals that can catalyse reforms in education

The Budget captures the educational value chain that begins with knowledge creation and goes up to vocational education



S VAIDHYASUBRAMANIAM

The record eighth full Budget of Finance Minister Nirmala Sitharaman is not only the most consecutive presentations by an FM but also comprehensively inclusive, responsive and exhaustive. This trinity of sorts makes Budget 2025-26 a springboard for economic activism, driven by encouraging consumerism, stimulating private investments, skilling the youth, creating new knowledge besides various other people-centric schemes to generate jobs and wealth. As an academic, my eyes roll down to the numbers that script a giant story with some interesting nuggets on education and its derivatives.

The financial prudence with which the Finance Minister has approached the major outlays need special mention. The capex story is not that of an isolated reductionist but of a collective expansionist with capex being 22 per cent of the total expenditure. This is a steady growth from 2015 Budget, which had a 14 per cent capex share of total expenditure.

This significant capex of ₹11.21 lakh crore towards public infrastructure shall create jobs to create consumer demand for businesses to increase their capex. The fiscal consolidation through an estimated fiscal deficit of 4.4 per cent of GDP for 2025-26, reducing debt-GDP

ratio to 50 per cent by 2031 and the zero personal income tax for annual income up to ₹12 lakh to boost consumption along with other sectoral benefits, make this Budget a unique partnership between government and citizens for the nation’s progress.

Goddess Lakshmi’s slant on Goddess Saraswathi is visible with the Ministry of Education pushed upwards and ranked ninth (single digit rank in recent times) in terms of percentage of total government expenditure. The ₹1.28 lakh crore for Education Ministry is a 12.8 per cent increase over the revised estimates for 2024-25, making it the largest proportionate increase amongst all ministries.

One might still argue that it’s low when compared to global standards. The fact of the matter is that education continues to be close to the ministry’s heart despite it being in the Concurrent List.

MULTIPLIER EFFECT
With school education being the primary task of government, the 7.7 per cent increase in higher education is less than education’s overall 12.8 per cent and understandable. However, the multiplier effect that the collaborative potential with other agencies can create is the foundational investment for knowledge and skill-based growth in India’s socio-economic wealth. The special budgetary provision of ₹20,000 crore through the Department of Science & Technology to promote research and innovation through private partnership and the Prime Minister’s



A BOOSTER. For education ecosystem

Research Fellowship of ₹600 crore (doubled) to create 10,000 research fellows in IITs & IISc (could have been in top 100 NIRF institutions) catalyse new knowledge creation.

The ₹1,000 crore increase in various research and innovation schemes, infrastructure expansion plans and student-aid increase gradual enrolment and output.

The ₹500 crore for establishing a Center for Excellence in AI education is hopefully geared towards building capacity to train learners on the use of AI in life and business. Hopefully, this is not spent on R&D as ₹500 crore is insignificant for any new capability building.

The ₹1,180 crore allocation (almost a 200 per cent increase) for apprenticeship training and the proposed five national centres of skilling excellence coupled with Ministry of Skill & Entrepreneurship Development’s ITI upgradation budget of ₹3,000 crore (300 per cent increase), and the PM

Internship Scheme through the Corporate Affairs Ministry with an allocation of ₹10,800crore (almost 500 per cent increase), propel India’s youth to the ideals of ‘Make for India, Make for the World’ initiative.

The Budget value chain insofar as education is concerned transcends ministries and stretches from new knowledge creation to vocational education for skilling. While the NEP 2020 aims at multidisciplinary education, the Budget has aimed at multi-ministerial allocation for education, which has other partner ministries from which it can draw finances through various schemes that define the future of work, education, livelihood and life.

The World Economic Forum’s Future of Jobs report 2025 has identified AI and information processing technologies, robots and autonomous systems, energy generation, storage and distribution, new materials and composites and semiconductors and computing as the top five technologies that shall drive business transformation necessitating new-age workplace skills.

The Budget seems to be mindful of this with the right allocation to education. Education 1.0 budget during NDA 1.0 was a ‘re-organiser’ and Education 2.0 budget during NDA 2.0 was a ‘re-imaginer’. This Education 3.0 budget for Industry 4.0 has the potential to be a game-changer.

The writer is Vice-Chancellor & Tata Sons Chair Professor of Management, SASTRA University. Views are personal

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Effect of US tariffs
This refers to ‘US’ tariff onslaught calls for a considered response’ (February 4). The decision to impose import tariffs on goods from Mexico, Canada, and China — while sparing India for the time being — does not bode well for the growth of global trade. This move may strengthen the US dollar at the expense of emerging market currencies, which could face sharp depreciation. With the rupee breaching the 87 mark, India’s crude oil bill is set to rise further, especially with tightening sanctions against Russia, compelling India to rely more on suppliers like

Saudi Arabia and thereby reducing its bargaining power. While the US may experience a temporary reduction in its trade deficit with the affected countries, potential retaliatory measures could trigger volatility in the dollar.
Srinivasan Velamur
Chennai

Funding of Railways
Apropos ‘Rlys cuts investments by 20%, focuses on streamlining’ (February 4), when the Railways is set on expansion mode, keeping the budgetary support at the same level of last year raises many questions on

the timely completion of the ongoing infrastructure projects. The drop in investment in the Dedicated Freight Corridor could have been allotted to key traffic-borne routes. Also, implementation of Kavach across railway networks appears to be lagging.
RV Baskaran
Chennai

Transparency of AIFs
With reference to ‘Tax clarity on AIFs, a good start’ (February 4), the Budget provisions of tax treatment of venture capital income as capital gains at lower tax rates would

definitely be an incentive for PE investors. However, in view of investor preferences over rate and distribution of returns, adjustment of various charges and complex distribution structures, the AIF structure needs to be more transparent and SEBI must work in this direction.
Sitaram Popuri
Bengaluru

Delhi elections
The posters of broken promises scattered across Delhi’s streets are fading, the blaring microphones have fallen silent, and the fingers once

raised on the stage now await a decision. This is no coincidence but democracy’s defining moment — where speeches will no longer rule, but the people’s fingers will decide. The leaders who once showered assurances are now silent, yet this is not their defeat but a sign of the people’s awakening. Now, this finger will not just scroll but press the EVM to shape the future. The decision is in the hands of the people — will change arrive, or will old promises return?
RK Jain Arijet
Barwani, MP

GST decisions, a worry

Budget announcements raise questions for taxpayers

Mohan R Lavi

As is the case every year, the build-up to Budget 2025 was filled with expectations. The Economic Survey made a clear statement that the government should focus on deregulation and allow businesses to be run as businesses.

The first part of the Finance Minister's speech raised hopes that the recommendations of the Economic Survey would be implemented. The Budget speech added to the sense of anticipation by reserving the best for the last — increasing the threshold exemption limit with rebate to ₹12 lakh. Changes were made to rates for tax deduction at source to ensure that there is more money in the hands of the middle-class taxpayer.

However, at the end of the Budget speech, one felt that much more could have been done on the recommendations of the Economic Survey in terms of opening up the economy. A question that arises is: Should the Economic Survey be presented a bit earlier so that the Government has time to implement some of the recommendations in the annual Budget?

The changes in income tax provisions could put some additional money in the hands of the taxpayer. However, it is widely felt that for there to be a 360 degree impact on consumption and investment, GST rates should also be made conducive. Budget 2025 has focused on settling GST-linked administrative issues. Some decisions here are slightly questionable.

GST PROVISIONS

When introduced in 2017, GST laws prevented availing input tax credit on construction services unless the output service was also a construction service. In 2018, the Orissa High Court permitted availing credit forcing the department to knock on the doors of the Supreme Court. In October 2024, in what can be called a landmark judgment, the Supreme Court ruled that credit could be claimed if the functionality test is satisfied. The apex court based its

GST Tribunals are still a work-in-progress and are going to be flooded with a plethora of appeals when fully functional



GST APPEALS. Likely to rise

reasoning on the fact that plant and machinery would meet the test of functionality in a mall. The GST Council decided to contest this decision on all fronts — a review petition was filed before the Supreme Court in December and at the 55th meeting of the GST Council held in December, and it was proposed to amend Section 17(S)(d) which blocked such credits by including the word “Plant and Machinery”. Budget 2025 has executed the decision of the GST Council by proposing the amendment with retrospective effect from July 2017.

The provision makes it clear that the government does not agree with the decision of the Supreme Court on this clause and is hence overriding the decision. Taxpayers would be getting worried about such unbridled powers with the government and the lack of alternatives for appeals. GST Tribunals are still a work-in-progress and are going to be flooded with a plethora of appeals when fully functional.

Another proposal in the Budget that is detrimental to the taxpayer is the provision to make a mandatory pre-deposit of 10 per cent of the penalty in cases where only the penalty levied is being appealed against. This proviso is also applicable at appeals that are scheduled to be filed at the Tribunal level.

The Economic Survey noted that “Implementation of GST generated a host of positive externalities through enhancement in ease of doing business, giving impetus to digitalisation, fostering economic integration via the creation of a single market, and adding to the buoyancy of revenue generation and collection”.

It also stated that for 23 States in the country, GST was the main source of revenue. While the Income Tax Act could be simplified, GST laws would continue to throw up frequent surprises.

The writer is a chartered accountant



**RAM SINGH
TUHEENA MUKHERJEE**

With Donald Trump sworn in as the 47th President of the US, world capitals brace for an era of bold and disruptive leadership. His approach, marked by transactional diplomacy, economic protectionism, and an unpredictable demeanour, presents both challenges and opportunities for India. With the proposed visit of Prime Minister Narendra Modi to the US, we must balance strategic pragmatism with firm negotiating stances, leveraging economic, geostrategic, defence, and diplomatic ties, anchored on individualistic negotiation style.

By carefully managing divergences and capitalizing on convergences, India can maximize geo-economic gains while mitigating risks associated with Trump's leadership style.

TRUMP'S PERSONALITY

Trump's presidency operates under the 'America First' doctrine, prioritising US economic interests, trade deficits, and geostrategic outreach with enhanced sales of US defence armada. His leadership is bold, disruptive and naturally unconventional, often bypassing bureaucratic processes in favour of direct leader-to-leader diplomacy. He thrives on unpredictability as a negotiation tactic and is highly transactional, keeping both allies and adversaries on edge.

Nursing a feeling that the US is being used or exploited by others geo-economically, geo-strategically and geopolitically, Trump is vindictive and solicits greater economic gains even from strategic partners. His decision-making style is marked by a preference for swift action over institutional consensus, reshaping global diplomatic and economic dynamics.

Correspondingly, we can recalibrate our approach on trade, tariff, defence, and other geostrategic policies, on-boarding 'America First' policy with our Make-in-India policy. Consequently, Trump's transactional mindset requires India to engage with targeted strategies that satisfy his short-term objectives while ensuring long-term benefits. Moreover, he emphasises redefined alliances, favouring bilateral deals over multilateral commitments, creating



How to push ahead with Trump

WAY FORWARD. India did achieve a measure of success under Trump 1.0.

A 'mini trade deal' approach that does not affect other ties will help

room for India to secure favourable trade agreements and strategic defence collaborations, provided it fits with his personal cues and tough stance.

Recounting how Trump's relentless focus on trade deficits led India to lose the Generalized System of Preferences (GSP) status in 2019, impacting \$6 billion worth of duty-free exports, we can adopt a measured response to his spontaneous overtures on BRICS currency, tariffs, illegal migration and enhanced market access. India strategically avoided a full-fledged trade war with US under Trump 1.0 and pushed a 'mini-trade deal' by granting selective market access in energy, retail, defence and agriculture while simultaneously safeguarding India's economic interest in key sectors like pharmaceuticals, e-commerce, and digital services.

We must argue win-win in India-US relationship, soliciting revival of a mini-trade deal along with nuanced energy and defence diplomacy to

counterbalance trade deficits. While scaling and synergising India-US economic relations, let us leverage individualistic bargains, thus keeping our economic relations in the evolving global order completely cushioned.

Correspondingly, while increasing our energy trade with the US, let us be cautious of our evolving relations with trusted and proven trade partners. Such an approach will not only address US trade imbalances but also strengthen India's bargaining position in future economic engagements.

GEOSTRATEGY IN DEFENCE

India's defence procurements under Trump 1.0 were centred on boosting bilateral relations through arms deals, particularly with an emphasis on enhancing India's defence capabilities. This included defence purchases under a packaged deal (Seahawk, Apache, Chinook helicopter, Poseidon, Globemaster aircraft, etc.) which Trump loved, while spontaneously strengthening India's geostrategic outreach with three defence cooperation agreements, namely LEMOA, COMCASA and BECA.

Let us scale this to sectors such as critical minerals, extending maritime zones, exploring the blue economy and deep-sea resources, space and digital

trade economy. While addressing concerns on illegal migration, we must accentuate the role of Indian Americans in the economic and geostrategic destiny of today's America. Leaving aside Trump's plan on greater America, we can emphasise how the US can economically gain in defence exports to India, capitalising on our shared stance on counterbalancing China's influence in the Indo-Pacific region. The approach fits well with his transactional style, with a focus on economic and geopolitical advantages for both parties.

Soliciting US strong support on Quad, we can pursue 'Indo-Pacific' strategy. Moreover, we must explore common ground on tech war(s), free and open shipping lanes, and a war and sanctions free world where respect for human values is supreme, syncing well with Trump's stand on Gaza, Russia-Ukraine conflict, and an inclusive financial and security architecture.

A blend of economic-pragmatism, defence-cooperation, and personal-diplomacy are key. Nuclear cooperation, double standards on terrorism, separatists' movements in India, and human rights issues are important.

Ram is Professor & Head, and Tuheena is AP (OB/HRM), IIFT New Delhi. Views are personal

thehindubusinessline.

TWENTY YEARS AGO TODAY.

February 5, 2005

Hutch consolidates operations

The Hutchison Essar group has consolidated its mobile interests under a single entity Hutchison Max Telecom Ltd in preparation for an initial public offer later this year. Although this has happened hot on the heels of the hike in FDI cap in the telecom sector two days ago, the consolidation had already happened a day earlier, on February 1.

Corporates prefer rupee term loans to ECBs

Despite the sovereign rating upgrade by international rating agency Standard and Poor's corporates are expected to remain wary of foreign currency borrowing. Banking sources said foreign currency borrowings are already available at low spreads, less than 100 basis points, over London Interbank Offered Rate LIBOR. Till about two weeks ago, several foreign banks have hawked external commercial borrowings at spreads as low as 75 basis points.

Hind Motors drives new strategy

Hindustan Motors is currently busy working out a short-cut strategy to boost growth. It has lined up low-priced variants of Lancer and Pajero and is aiming to launch another Mitsubishi product to fill the price gap between the two.

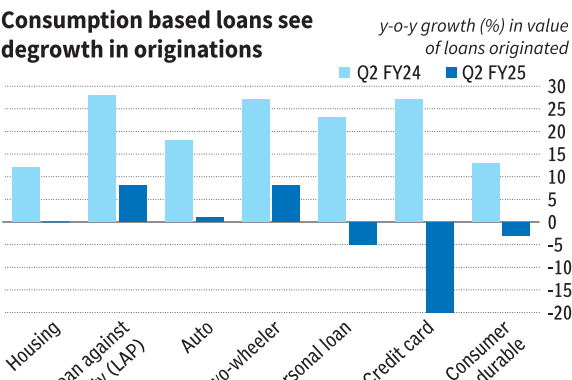
STATISTALK.

Compiled **Nishanth Gopalakrishnan** | Graphic **Visveswaran V**

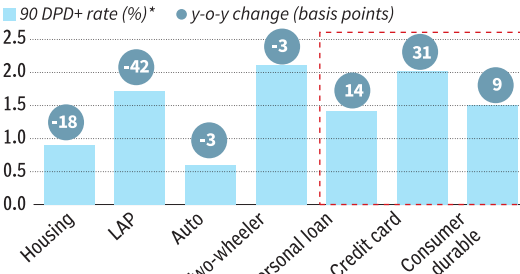
Lenders cut back on consumption based loans as pain worsens

A recent TransUnion CIBIL report lucidly visualises the ongoing pain in the financial sector. Delinquencies worsen in consumption based loan products, namely, personal loans, credit cards and consumer durable loans. While vintage delinquencies have largely improved, it is not so in the case of consumer durable loans and two-wheeler loans, signalling stress emerging there. As a result, financial institutions scaled back on origination of these loans. Originations to new-to-credit (NTC) and sub-prime borrowers too have dropped.

Consumption based loans see degrowth in originations

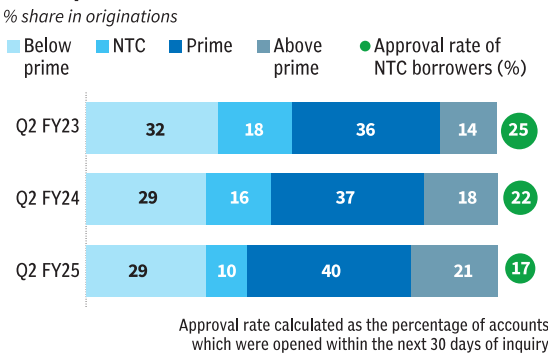


Asset quality of consumption based loans worsens



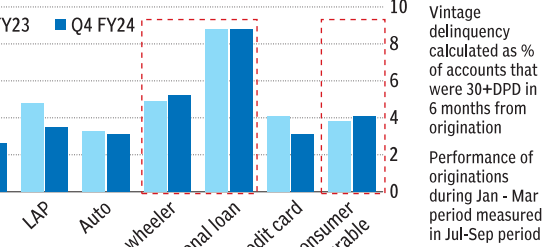
* as of Q2 FY25. DPD - days past due
Source: TransUnion CIBIL Credit Market Indicator report - Jan-25 edition

Lenders tighten screws on lending to sub-prime and NTC customers



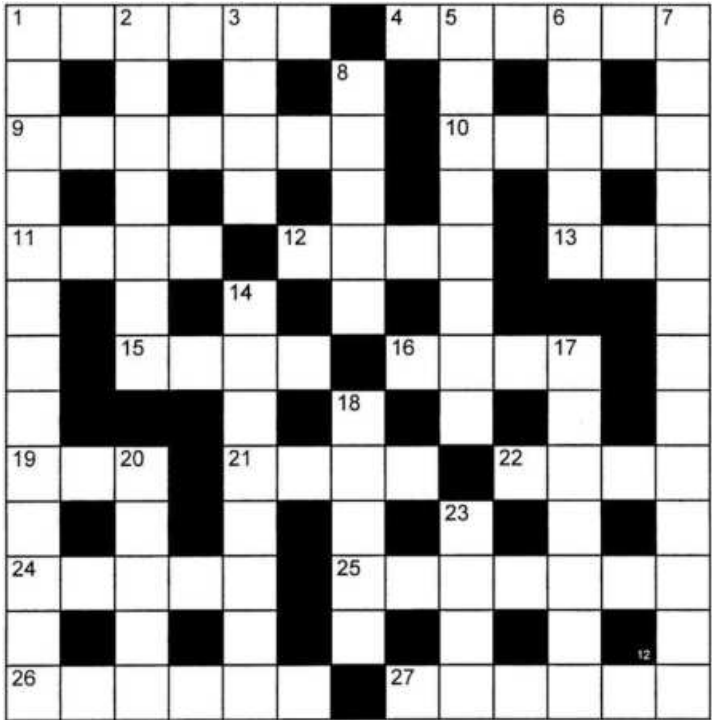
Approval rate calculated as the percentage of accounts which were opened within the next 30 days of inquiry

Early signs of stress seen in consumer durable and 2-wheeler loans



Vintage delinquency calculated as % of accounts that were 30+DPD in 6 months from origination
Performance of originations during Jan - Mar period measured in Jul-Sep period

BL TWO-WAY CROSSWORD 2625



EASY

ACROSS

- Vicar's assistant (6)
- Sort of acid from lemon, lime (6)
- Ointment (7)
- Native of New Zealand (5)
- Clip into shape (4)
- Vex, irritate (4)
- Spent bark (3)
- Be at the top (4)
- Amphibian (4)
- Go out, as tide (3)
- Skilfully (4)
- Vast sum of money (4)
- Fatigued (5)
- Furious, wild (7)
- Withdraw from contest (6)
- Mixes in smoothly (6)

DOWN

- Forger (13)
- Mischievous, waggish (7)
- Rank, layer (4)
- Not fully grown (8)
- Sleeping-place (5)
- Tall smoke outlets (13)
- Tale (5)
- One roving in quest of plunder (8)
- Shine wetly (7)
- Rough and hearty (5)
- Military cap (5)
- Prove deficient (4)

NOT SO EASY

ACROSS

- At taking the remedy round to the churchman (6)
- Sort of acid that appears to upset the critic (6)
- Get the United Nations repeatedly to dish out the balm (7)
- He's a New Zealander, or am I mistaken? (5)
- Neat way to get the balance right (4)
- Worry about what is fingered by an instrumentalist (4)
- Browning - can you beat it? (3)
- Chief who was compelled to surround the East (4)
- How could he a-wooing go with this in his throat? (4)
- Browning's wife initially was in decline (3)
- Probably it's only half in an efficient way (4)
- Make the coinage flavoursome (4)
- Tried to reform, being weary (5)
- Frenzied, a rift can be caused like this (7)
- Leave one's work and go to bed (6)
- Mixes the corners taken when about fifty (6)

DOWN

- He strikes a false note (13)
- Arch, the way I gush - or mix it! (7)
- It turns up with the Queen to row (4)
- I am grown up - but this isn't (8)
- At which one may be perched on one's bed (5)
- Heaps that go up with smoke inside them (13)
- Something told to the South by a Conservative (5)
- One on a raid may spoil a rude assembly (8)
- Sit about in a narrow valley, and shine (7)
- Fifty in a state of nudity will try to take one in (5)
- What may be seen ahead is about to be seen in a flutter (5)
- To plough and be ill, having started loudly (4)

SOLUTION: BL TWO-WAY CROSSWORD 2624

ACROSS 1. Rampaged 7. Sousa 8. Whistle 9. Nettled 10. Nibs 12. Silence 14. Rescuer 17. Mire 18. Vantage 21. Fanfare 22. Evoke 23. Greenery

DOWN 1. Rowing 2. Mailbags 3. Acts 4. Events 5. Bull 6. Paddle 7. Settled 11. Crusade 13. Nominate 14. Review 15. Reefer 19. Neon 20. Once

ILLUSTRATION: BINAY SINHA



The upside of Trump's disruptions

The US President has sent shockwaves through the world with his actions, but perhaps these are shocks we need to come up with better alternatives

A 78-year-old man living in a white building is sending shockwaves through his own country as well as the rest of the world. In just over a fortnight since assuming office as US President, Donald Trump is packing off illegal migrants by the thousand every day, has scrapped affirmative action programmes in federal institutions, withdrawn from the Paris Climate Accord and the World Health Organization, suspended aid to developing countries, sacked thousands of federal employees, and imposed massive tariffs on trade partners (Canada and Mexico) and rivals (China). And this is just the beginning.

India will come on his radar soon, but while we wait for Mr Trump's other disruptive shoes to drop, taking a helicopter view of his actions serves us better than reacting in a knee-jerk fashion. Unlike last time, Mr Trump has been a blur of action precisely because he understands that many of his decisions will eventually be challenged and neutered by the "system." His window for action is three to six months, after which the courts, the Democratic opposition, and others impacted by his policies will push back hard. Also, as someone who believes in deal-making, his initial posture may simply be a bargaining chip (the Mexico and Canada tariffs are already temporarily suspended after back-channel talks). But, above all, Mr Trump is sending a message to his voters that he is doing everything he promised, even if some of it later comes unstuck. Failures can always be blamed on his enemies.

Despite short-term disruptions, it is premature to conclude that Mr Trump will do more harm than good. Some disruption is needed right now to get both

geopolitics and economics back into some kind of commonsensical framework. We in India need to also begin conversations on difficult topics that we have avoided so far, thanks largely to a left-liberal consensus on how the world should be run. That world was make-believe, and had begun crashing all around us — if only we had cared to notice.

Consider the scenario before Mr Trump. We have had two costly wars going on, globalisation is falling apart, illegal immigration is getting out of hand and damaging social cohesion, and the only way of keeping economies ticking is by printing more money and raising unsustainable debt. Business as usual will not deliver.

Thanks to Mr Trump, we can talk about nationalism without being apologetic, we can question blind assumptions about climate change and net-zero targets, weigh the advantages and disadvantages of mindless affirmative action in education and jobs, dispute the benefits of globalisation and free trade, and discuss the negative potential of too much immigration in too short a time. We need to discuss the tradeoffs we ignored and the negative externalities we created while willy-nilly accepting the old policy consensus.

My conclusions about the Trump effect are given below in bullet points, with some explanations.

One, *America First* means the US will adopt a more isolationist stance, and the strategic focus will be on dominating the Americas, north and south. Mr Trump is effectively harking back to the 19th-century James Monroe Doctrine, under which the US designated the Americas as Uncle Sam's backyard. Hence the threats



BEYOND IDEOLOGY

R JAGANNATHAN

Looking beyond Budget to fund defence

The second Budget of the Modi government's third term allocated ₹6.81 trillion to defence, marking a 9.5 per cent increase from the ₹6.21 trillion allocated in the July 2024-25 Budget. However, with an allocation of ₹4.88 trillion, revenue expenditure—covering salaries, pensions, maintenance, repairs, and infrastructure—constitutes 71.75 per cent of the total defence budget.

The impact of the latest Budget indicates that the pension bill, which is covered under the head of revenue expenditure, witnessed a 13.8 per cent increase from ₹1.41 trillion in 2024-25 to ₹1.60 trillion in 2025-26. Pensions have generally exceeded 20 per cent or more of the annual defence budget for several years in succession. This large increase in the pension bill is largely due to the government's implementation of the One Rank One Pension (OROP) scheme in 2015, with pension amounts revised upward every five years. Consequently, as a result, the resource allocations made by the government create distortions in the defence budget, skewing spending towards revenue expenditure at the expense of capital expenditure.

The government cannot entirely overlook the need to evaluate and determine expenditure based on the military threats and capabilities of China and Pakistan, as well as their military expenditures relative to India's. There are several ways in which the government can address its budgetary shortfall for capital allocations to modernise India's armed forces to make up for the gap in capabilities between India and its adversaries.

A crucial way to proceed is by adopting at least partially the recommendations of the 15th Finance

Commission, which called for reducing pension and salary liabilities. In June 2022, the Modi government introduced the Agniveer scheme, which sought to limit recruitment into the armed services to four years. The 15th Finance Commission's work did not, per se, include recommendations on the Agniveer scheme, which seeks to cap the retention rate in the regular cadre of the armed services for Agniveer personnel at 25 per cent following a four-year stint. Those who are not retained receive a payout of ₹11 lakh following their four-year service tenure.

Although currently the retention rate is still being finalised and proving to be more contentious than expected, with the Indian Army still deliberating and consulting with stakeholders on whether it should be raised above 25 per cent. If successfully implemented, the Agniveer scheme could bring down the pension liabilities incurred under defence revenue budget. One of the pitfalls of raising the retention rate to a much higher percentage is that it risks diluting the cost-saving benefits of the scheme or even defeating its purpose—to limit the salary and pension liabilities, which have surged significantly. In any case, the savings on costs and payoffs from the Agniveer scheme will not materialise until well into the 2030s, making it imperative to begin its implementation as soon as possible.

However, the 15th Finance Commission made several recommendations based on inputs from the Ministry of Defence (MoD) that the government needs to seriously consider implementing, at least in part. The first is the sale, or at least the lease, of defence properties.



HARSH V PANT & KARTIK BOMMAKANTI

Debt management

India needs sustained fiscal consolidation

One of the highlights of the Union Budget 2025-26, presented by Finance Minister Nirmala Sitharaman last week, was the continuance of credible fiscal management. The government aims to restrict the fiscal deficit to 4.8 per cent of gross domestic product (GDP) this financial year, improving upon the Budget Estimate of 4.9 per cent, despite lower than expected nominal GDP growth. While it is correct that a lower outgo on capital expenditure, partly because of the restrictions related to the general elections, helped contain the deficit, it must be recognised that capex is at a much higher level than in the pre-Covid period. Even for next financial year, it is budgeted at 3.1 per cent of GDP. Ms Sitharaman had announced in the 2021-22 Budget that the government intended to attain a fiscal deficit below 4.5 per cent of GDP by 2025-26. Since the government has projected a fiscal deficit of 4.4 per cent for next financial year, it must be commended for that commitment. The fiscal deficit in 2020-21 had expanded to 9.2 per cent of GDP because of the pandemic-related disruption.

Although the government has done well in recent years, sustained efforts will be required in this area for a long period. In this regard, the finance minister had announced in the July 2024 Budget that from 2026-27 onwards, the government would keep the fiscal deficit every year at a level that central-government debt as a percentage of GDP remained on a declining path. The Statements of Fiscal Policy, presented along with the Budget for 2025-26, has details. According to the statement, the government will aim to attain a debt-to-GDP ratio of 50 per cent, with a band of 1 percentage point on either side, by March 2031. The idea is to avoid being constrained by a specific fiscal-deficit target each year to improve operational flexibility. The projections in the statement show that with 10 per cent nominal GDP growth and mild fiscal consolidation, the debt-to-GDP ratio will decline from 57.1 per cent in 2024-25 to 52 per cent by 2030-31. If the economy grows at 11 per cent nominally and the government adopts a high degree of consolidation, the debt stock will decline to 47.5 per cent of GDP during the same period. Assuming the government achieves the target of 50 per cent by 2031, it would still be on the higher side.

It is worth noting that the FRBM Act was amended in 2018 to adopt both fiscal-deficit and debt targets. The target for central-government debt was set at 40 per cent of GDP to be achieved by 2024-25, while the fiscal deficit was to be reduced to 3 per cent of GDP by 2020-21. Based on the recommendation of the FRBM review panel, the target for general government debt was set at 60 per cent of GDP. State-government debt is at about 28 per cent of GDP. Assuming some consolidation in the coming years, general government debt at the end of 2030-31 would still be 70-75 per cent of GDP, which will be on the higher side and remain a source of vulnerability in the given uncertain economic environment. High levels of debt will also continue to pre-empt resources and affect development expenditure. In the coming year, for example, the interest-payment burden of the Union government will be worth over 3.5 per cent of GDP. Although public debt has gone up across the world after the pandemic, it is in India's interests to reduce it to a more manageable level.

Increasing threshold

More people should pay income tax

The decision, announced in the Union Budget, to change income-tax slabs and rebates such that no tax will be due on an income of ₹12 lakh and below has been widely welcomed. While the change in tax slabs and rates also means that those with higher taxes will have their burden reduced, the highlight is the fact that those earning ₹1 lakh a month in regular income — a little more for salaried workers, thanks to the standard deduction of ₹75,000 a year — will no longer be required to pay income tax. The government has presented this as a sign of faith in the middle class. Other commentators view it as a mechanism for reviving consumer demand and growth in the economy. Yet there are certain basic questions that must be asked about these changes, and about the logic behind them.

The most important question is this: In a country at India's income level, is it right or wise to exempt those earning ₹12 lakh a year from the income-tax net? This may not be considered a particularly high income by global standards. But those are not the standards that should be taken into account when setting Indian tax requirements. In India, it is hard to argue that this does not count as the upper end of the income spectrum. In 2022-23, net national income at current prices per capita was about ₹1.7 lakh. Private final consumption expenditure per capita was in fact below ₹1.2 lakh. In other words, a salaried income of ₹12.75 lakh per annum is 10.6 times per capita private consumption expenditure. This is a remarkably high threshold, by global standards for exemption from income taxes.

While it is obviously the case that those earning even higher incomes must shoulder a disproportionate share of the direct tax kitty, creating such a high bar for exemption has its own problems and creates its own injustice. The tax forgone, of ₹1 trillion, will have to be made up for by other sources — and indirect taxes are notoriously regressive as compared to direct taxes. In other words, those earning 10 times per capita private consumption expenditure will be subsidised by those earning far less — for example, through their payments into the goods and services tax pool. It is also unwise to effectively narrow the tax base; more people should grow accustomed to the idea of paying income tax, even a small or nominal amount. The government should aim to collect small amounts of tax from a large number of people, not the other way around.

Meanwhile, if the object of these tax changes is to stimulate certain changes in consumer behaviour, it too should be reconsidered. Theoretically, there is no reason to assume that tax cuts will cause consumption growth at the required level instead of increased savings or inflationary pressure in supply-constrained sectors. Practically, the recent experience of corporate tax breaks — which cost ₹1.8 trillion or so in revenue forgone — did not lead to increased investment, as many hoped. The government has promised to come up with a new, simplified tax law soon. This is an important first step towards further broadening the direct-tax base. Hopefully, after that, a more rational approach to income-tax exemption levels will become possible.

Ode to Bengaluru



BOOK REVIEW

NEHA KIRPAL

After 12 years of living in various cities across the world, third-generation Banglorean Roopa Pai returned to her beloved city in 2004 as a "sort of outsider." "My laid-back city had exploded, embraced capitalism with a vengeance and made space for the tens of thousands of dreamers newly arrived at her gates," she recalls. Over the next two decades, Ms Pai explored her hometown, leading children and adults on heritage walks around the city and state, as part of her work with BangaloreWalks, the city's first heritage walks company that she co-founded with her husband.

In a sense, she rediscovered her city by researching its history, walking its

neighbourhoods, exploring its restaurants and cafes, and meeting its people. Filled with historical anecdotes and insightful observations, the essays in this collection are an outcome of this, capturing the unique essence of Bengaluru, and its evolution from being a small 16th-century settlement on a hill to the global metropolis that it is today.

One of the first things that strikes visitors about Bengaluru is its pleasant climate through most of the year. Despite the traffic, the heart of the city has two large public parks, both of which are over 150 years old. In 1760, Hyder Ali set up Lalbagh, a botanical garden that continues to be a popular spot in the city. Then, British army officer Sir Mark Cubbon founded the Agri-horticultural Society in 1839 and Sir Richard Hieraam Sankey designed Cubbon Park. Further, John Cameron, known as the father of horticulture in Karnataka, introduced apple cultivation to the city in 1887.

Through the ages, rulers and administrators brought in expert gardeners, botanists and administrators

to grow several varieties of flowers, fruit and vegetables. Not only did they plant native flora, they also imported exotic species from around the world, many of which still thrive over the centuries. In fact, it was German horticultural legend Hermann Krumbiege's idea of "serial blossoming" that has ensured that there are always trees in bloom on Bengaluru's streets, no matter what the season. "To this day, despite untrammelled growth and urbanisation, the city remains defiantly verdant," writes Ms Pai.

The book brings to light several interesting facts and trivia, such as the fact that Bengaluru became one of the first cities in India and Asia to receive electric light in 1905. In 2023, the almost century-old palatial Russell Market was restored, in time for Ugadi, which marks the spring season, and is celebrated annually as New Year's Day, in Bengaluru. "A one-stop shop for flowers, exotic 'English' fruits and vegetables, meat and fish to serve British homes and kitchens," it was conceived by T B Russell, the municipal commissioner at the time. Merchant-philanthropist Sir Ismail Sait has a hospital, street and one of the city's best-known mosques named after him, all located in the Fraser Town neighbourhood. Sait went on to

establish a successful store, The English Warehouse, on St Mark's Road, selling all kinds of goods imported from England.

Possibly two of Bengaluru's most famous citizens are its homegrown infotech pioneer N R Narayana Murthy and his wife, bestselling-author Sudha Murty. Ms Pai dedicates a chapter to them, narrating their love story. "There is something very Bengalurean about the fact that it was books that brought the two together," she writes. Ms Pai goes on to explain how libraries, book launches, author talks, book clubs and bookstores are all such an intrinsic part of the city's culture. With a steady decline in reading habits across the country, it's heartening to learn that in Bengaluru, both large chains and even independent bookstores, such as Atta Galatta, Champaca, Bahuroopi, Ankita Pustaka, Hariyu Books, Lightroom and Funky Rainbow, continue to blossom.

Ms Pai dedicates an entire chapter to

the many sporting legends that have emerged from the city over the years, such as Rohan Bopanna, Rahul Dravid, Anil Kumble, Mahesh Bhupathi and Prakash Padukone. She also points out that Bengaluru has more Olympic-sized pools than any other Indian city. No surprise then that many of the country's 28 Olympians, including Nisha Millet, Shikha Tandon and Rehan Poncha are natives of the city. "Bengalurean engagement with sport, whether as players, audiences, patrons, coaches, enablers, or administrators, continues to grow, aided in large part by its beloved champion sportspersons, who invest time, money and talent in their own training centres of sporting excellence across the city," she writes.

Along the way, Ms Pai also salutes other well-known personalities who hail from the city, such as Udipi Ramachandra Rao, Sir Mirza Ismail and

Dr Rajkumar. During the course of the book, she also pays tribute to various iconic institutions in the city, such as the M Chinnaswamy Stadium, the Kanteerava Stadium, the Indian Space Research Organisation, National Aerospace Laboratories, Hindustan Aeronautics Limited, the Indian Institute of Science and the UR Rao Satellite Centre.

Known today as a hub for pubs, cafes and restaurants, the first outlet of Cafe Coffee Day too opened in Bengaluru in 1996. "Years later, CCD would be hailed as the pioneer of Bengalure's booming cafe society," writes Ms Pai. However, few people probably know that Koshy's or Parade Cafe, founded way back in 1952, was the city's original Indian-owned cafe. Ms Pai also discusses Bengaluru's homegrown newspaper *Deccan Herald*, which was founded in 1948, relating her special relationship with the daily where she got her first byline at the age of 17. In other essays, she talks about the rising trend of board game cafes in the city, the Bangalore Press and the vibrant Bangalore Literature Festival.

The reviewer is a freelance writer based in New Delhi



Vote that matters beyond Delhi

Assembly poll results will resonate nationally, influence shape of Opposition coalitions

When Delhi heads to the polling booths today, at stake will be far more than the keys to governing India's Capital. For the Aam Aadmi Party (AAP), these elections are a referendum of sorts and represent the most fiercely fought polls in the young outfit's existence. It won a handsome victory in 2020 but then spent the last five years battling corruption charges with virtually its entire frontline leadership behind bars. Other parties have caught up with their signature welfare promises and anti-incumbency sentiment is hurting the party in several seats, prompting the leadership to drop a third of sitting lawmakers. The AAP's campaign has focussed on its core constituency of poor people and slum dwellers to beat back a fierce challenge from the Bharatiya Janata Party (BJP), and underlining the appeal of former chief minister Arvind Kejriwal.

The BJP's campaign looks unlike any of its previous outings in Delhi. The party has largely steered away from incendiary communal rhetoric and sought to pin the AAP on civic malaise and anti-incumbency. Buoyed by its handsome victories in Haryana and Maharashtra, the party is keen to begin 2025 on a winning note. The formidable electoral machine and financial resources of the party are also being used to hive off support from the AAP; in this case, the tax breaks in the budget and the setting up of the new pay commission might play a key role in wooing the salaried class that is a far larger chunk in Delhi than anywhere else in the country. Reduced to a marginal force, the Congress has run a diffident campaign that has shown energy in spurts. Its impact, if at all, is likely to be limited to a few seats and if the polls turn out to be a tight triangular contest.

For a city-state with a modest electorate, Delhi has always commanded outsized heft on the national stage. This time, too, the polls will have a direct bearing on national politics. This is a key test for the AAP and Kejriwal, who has lost some of his anti-corruption sheen but has pitched the elections as a verdict on his popularity. Any result will influence the workings of the INDIA bloc and AAP's national ambitions. For the BJP, keeping up the momentum of its assembly elections victory is crucial to maintaining its political capital and capacity to push through big-bang ideological projects. A favourable result will also help paint the subpar showing in the 2024 general elections as an aberration. Delhi's voice is set to ring far beyond the Capital.

A dialogue of three musical streams

Chandrika Krishnamoorthy Tandon, despite early schooling in music, came into the limelight as a musician rather late. That's only because the Chennai-born American musician was carving out her niche as a businessperson — she was the first Indian American woman partner at McKinsey, the global consultancy firm. *Triveni*, the album that has fetched her a Grammy for Best New Age, Ambient or Chant Album, is a collaborative effort with South African flautist Wouter Kellerman and Japanese-origin cellist Eru Matsumoto. This is the first Grammy for 71-year-old Tandon. *Triveni*, a seven-track album, offers an elevating yet calming soundscape built around Eru's cello notes punctuated by Kellerman's flute and Tandon's soaring voice that recites "shanthi mantras" from *Taittiriya*, *Isavasya*, and *Brihadaranyaka upanishads*. Celebrated verses from the eastern philosophical tradition that speak about the non-duality of the being and the material world and pray for the well-being of the whole collective embellish the cello and flute drawing inspiration from the western classical tradition.

Triveni is in the best traditions of crossover music that transcends borders of classical and grammar. The Recording Academy (which gives the Grammys), of course, has recognised this world music, as the genre is popularly called, by showering awards on legends such as Ravi Shankar and Zakir Hussain. Since the time the sitar maestro introduced the Hindustani musical tradition to America by playing at Woodstock in 1969, or the Beatles dabbled with transcendental meditation in Rishikesh the previous year, Indian classical music traditions have become a source for creative journeys among western musicians. Teachers such as the sarod maestro Ali Akbar Khan have further deepened the resonance of Indian sounds in the West; so much so that a sitar, sarod or table today does not stand apart in an ensemble of piano, cello or violins. Indic chants and *swaras*, where sound and meaning exist in a non-dual manner, make a perfect match in this mix. *Triveni* exemplifies the possibilities in such musical dialogues.

When America goes to war against itself

Donald Trump is attacking the US State's ideology and institutions. The destruction is clear; the regeneration is to be seen

Since World War II, the United States (US) has only won one major war; the First Gulf War of 1990-1991. It didn't win in Korea. It was utterly humiliated in Vietnam. Its invasion of Iraq was based on a lie and hurt US security. And it lost so badly in Afghanistan that the force it vanquished emerged victorious and took over Kabul on the very day US troops left.

While the wars extracted a heavy cost, none of these external setbacks dented America's comprehensive national power. It remained the world's most powerful country. Clearly, if you have internal political, economic, military, technological and social resilience, even defeats don't devastate you.

But what happens when you wage a war against yourself, and when that war is not fought in distant fields but in the homeland? For that is the only way to make sense of what the US has been doing to itself in the past fortnight.

Americans elected Donald Trump, who was transparent about his intentions. His diagnosis was that America is sick and old. His prescription was a radical surgery. His action plan was to

take the body parts out, without quite revealing what would replace them. Americans knew there was the risk of self-harm in such an operation, at the hands of a man not quite known for his fine touch, but they chose him. And true to the mandate, in merely two weeks, Trump has decided to take a torch to America's governing ideology, its State apparatus, its personnel and its political character.

Trump's first war is against the ideology of inclusion that has governed the US internally since the civil rights movement. The identity of a State is often defined by the social group that constructed the State. But the character of a State is defined by how much room the dominant group yields to other groups in the power structure and how flexible and inclusive is the idea of nationhood.

This is done not out of charity but self-interest. Inclusion is insurance against political shocks. It also strengthens national unity. The US State was White-dominant, of course, but affirmative action, civil rights legislation, voting reforms, immigration-friendly policies, and a conscious attempt to correct historical wrongs through diversity initiatives made it the most open multi-racial country in the world.

But the insecurity of the majority and the excess of advocates of inclusion in seeing individuals only through the identity lens sparked a

backlash, one that grew after the Black Lives Matter movement and eventually propelled Trump.

Trump's executive orders against diversity, equity, and inclusion (DEI), his attack on South Africa for what he thought was its treatment of White farmers (a startling new diplomatic feature where the US has appointed itself the defender of White people), and his base's visceral hatred of immigration (it isn't a surprise that the same person, Stephen Miller, is both the architect of the anti-diversity and anti-immigrant campaign) are all a part of this war against inclusion, a war to Make America White Again.

Trump's second war is against the ideology of a broadly rules-based international order that defined the US's external role since World War II. The US gave the world — through multilateral institutions, the human rights declaration, development assistance, and financial aid — a normative framework. To be sure, the hypocrisies were glaring, from America's wars to interventions in Latin America to covert operations to complicity in mass killings. But for the rest of the world, it was useful to have a normative framework to hold the US to those standards, shame it, and understand the choices available when other powers advertised their totalitarian visions. For the US, this framework built legitimacy and soft power, offset



Prashant Jha



Trump's executive orders against diversity, equity, and inclusion are a part of the war against inclusion. REUTERS

the anger against its hegemony and generated goodwill and influence. But the American electorate was tired of the costs of external entanglements, which tied neatly with Trump's belief that the world had taken America for a ride and the US was losing its sovereignty.

Trump's actions and threats against foreign aid (both the dismantling of the USAID and suspension of foreign assistance), foreign trade (including the use of tariffs), foreign institutions and covenants (the United Nations, the World Health Organization, the Paris Agreement, Human Rights Council), foreign lands (Greenland and Panama), and foreign allies (Canada and Mexico and Europe) all stem from this war against what he calls "globalism". There is, as the political scientist Divesh Kapur said, only one framework left: Might is right.

Trump's third war is against the institutions that keep these ideologies alive. Trump regrets his failure to control all levers of power in Washington DC in his first term. The fact that the American Constitution designed the system precisely to have these checks and balances is an inconvenient detail.

Trump's now-reversed suspension

of federal funding in violation of Congressional authority, and his open threats to legislators to toe the executive's line and confirm his nominees, is a part of the White House's war to control Capitol Hill.

The free run to Elon Musk to access government institutions and eliminate programmes; the letter to the entire federal workforce to quit immediately with temporary benefits or live with the fear of being sacked; Trump's hollowing out of the regulatory State; his takeover of the previously autonomous justice department; and his systematic attack on the legacy media are all a part of this war against America's autonomous institutions, a war for total control.

Wars are sometimes good for the economy. Wars can sometimes stir social solidarity. Wars can sometimes realign politics for the better. Wars can sometimes even be regenerative. But wars are always, without exception, destructive.

As the US wages a war against itself, Trump will leave a trail of destruction at home and abroad. Whether it also regenerates America, and whether it was worth the costs, is to be seen.

The views expressed are personal

India needs to be agile on self-reliance in aerospace

The unveiling of J-36, a sixth-generation fighter aircraft by China late last year, probably came as a Sputnik moment in its contest for air dominance with the US. The race to dominate Artificial Intelligence (AI) — think Deep Seek vs OpenAI — included, the intensification of the frontier-tech contest between the two becomes clear. The J-36, with a tailless delta platform that combines stealth design with an apparently large payload capacity for both air-to-air and air-to-ground missions, seems ready to be inducted into active service with the People's Liberation Army Air Force (PLAAF) while the Next Generation Air Dominance (NGAD) sixth generation fighter of the United States (US) is nowhere on the horizon. The launch of Sputnik, the world's first space satellite, by the erstwhile Soviet Union, took the US by surprise in 1957 leading to the space race.

While the US-China contest escalates, India should be deeply concerned with the developments across its northern borders as its depleting fighter aircraft inventory is likely to limit its aerospace power, a key element of the national security matrix. The journey towards *aatmanirbharta* or self-reliance in fighter aircraft design, development and manufacturing has been arduous yet satiating, with the development of the Light Combat Aircraft (LCA) Tejas Mk1 that has entered active service with the Indian Air Force.

The question, however, is whether it is enough, and if not, then what needs to be done so that national security is not compromised. The Indian Air Force (IAF) has reposed trust in the national aerospace design and manufacturing ecosystem; however, the response has been found wanting. Production of the Tejas MK1A, which was supposed to culminate in the delivery of 12 aircraft in FY25, is yet to see even the first aircraft being delivered. The design and development of the Tejas Mk2 and the Indian fifth-generation Advanced Medium Combat Aircraft (AMCA) at the current pace are unlikely to fructify in the coming decade. The aero engine, a critical component, needs to be imported or co-developed with a foreign Original Equipment Manufacturer (OEM) for

which the details are yet to be worked out. The GE-F404 engine that powers the LCA Tejas Mk1 and Mk1A is facing production issues due to global supply chain disruption and the matter has been taken up by the Indian government with the US at the highest level. The agreement for the joint production of the GE-F414 engines with the transfer of technology is yet to be signed between Hindustan Aeronautics Limited and GE Aerospace despite the MoU that was signed between the two during Prime Minister Narendra Modi's visit to the US in June 2023.

There are only a handful of countries like the United Kingdom, the US, Russia, France, and China that possess the capability to manufacture jet engines. The Kaveri engine programme could not succeed due to a variety of reasons. India, therefore, needs to collaborate with one of these countries by getting into a strategic partnership that would entail transfer of technology and joint production

of aero engines. Airframes are normally designed and built around a proven engine and India faces the challenge of fitting an engine around the LCA Tejas airframe. The design development and production of the Tejas Mk2 and the AMCA needs to be pursued in parallel along with the production and deliveries of the Tejas Mk1A. This can only happen once the engine deal is

finalised as delays are going to be counter-productive to national security. Even the Tejas Mk2 would give the IAF only 4.5 generation technology while our adversaries ramp up the production of fifth-generation fighters.

The expenditure by India on aero engines alone is likely to go up to \$40 billion by 2040. The maintenance life cycle cost goes up to 35% of the cost of a fighter aircraft. If India needs to spend to develop an aero engine with a reliable strategic partner the time to act is now, and it needs to be done in mission mode with all stakeholders coming together as a single entity to ensure that it happens. The market will be available within the country apart from export options in the future. The private industry within the country needs to be encouraged to collaborate in this venture which would take at least 8-10 years for the return on investment to be ploughed back. This unshackling of the domestic industry with a robust indigenous demand and global competition for exports would create a win-win situation for the country.

The fact that the government has formed a committee under the stewardship of the defence secretary to look into the capability gap of the IAF only vindicates the belief that we have a problem at hand. China has a system of civil-military fusion that needs to be studied to understand how China has advanced so fast. The way ahead probably would be to appoint a team with responsibility and accountability that would ensure that its recommendations are pursued in earnest within realistic time frames. This team needs to be led by a dynamic individual not necessarily from the ministry of defence. The government would need to act post haste with a deliberately crafted strategy to ensure *aatmanirbharta* in the aerospace domain.



Anil Golani



The Indian Air Force has reposed trust in the national aerospace design and manufacturing ecosystem; however, the response has been found wanting. BLOOMBERG

Anil Golani retired as Air Vice Marshal and is presently director-general, Centre for Air Power Studies. The views expressed are personal

{ BENJAMIN NETANYAHU } PRIME MINISTER OF ISRAEL

Israel's wars with Hamas, Hezbollah and its confrontations with Iran had redrawn the map in the Middle East. But by working closely with President Trump we can redraw it even further, and for the better

Budget promise on BITs calls for five key changes

In her budget speech, finance minister Nirmala Sitharaman announced an important update regarding bilateral investment treaties (BITs). She stated, "To encourage sustained foreign investment and in the spirit of 'first develop India', the current model BIT will be revamped to be more investor-friendly." This declaration carries three significant messages. First, it acknowledges that signing BITs can help India attract higher levels of foreign direct investment. Second, the government recognises that the current Model BIT, which was adopted in 2015, is not particularly favourable to foreign investors. Third, and most importantly, India will update its existing Model BIT to make it more accommodating for investors.

A typical BIT should balance two competing objectives: protecting foreign investments and safeguarding the state's right to regulate in the public interest. India's older BITs prioritised investment protection, while the 2015 Model BIT shifted too far towards state interests, neglecting foreign investors. We need a comprehensive overhaul of the Model BIT to find a middle ground. The following key changes should be implemented.

First, the most concerning aspect of the Model BIT is the requirement that foreign investors must exhaust local remedies at least for a period of five years before they can pursue treaty-based claims in international arbitration tribunals, also known as investor-State dispute settlement (ISDS). Given the strain on India's judiciary, it is unlikely that disputes will be resolved within this five-year time frame, which could lead to significant delays for foreign investors. This mandatory five-year waiting period should be eliminated, allowing foreign investors the option to choose between litigating claims in domestic courts or pursuing international treaty-based arbitration. Once a choice is made, it should be final and irrevocable.

Second, the Model BIT should simplify the entire ISDS mechanism given in Chapter IV. There should not be undue restrictions imposed on the jurisdiction of ISDS tribunals such as barring them from reviewing the "merits" of a decision made by the domestic court without defining what "merits" means. Likewise, the timelines available to foreign investors to approach an ISDS tribunal should be reasonable.

Third, the new Model BIT should include a clearly defined fair and equitable treatment (FET) provision to replace the current Article 3 in the 2015 Model, which references customary international law (CIL) in foreign investment.

The lack of a universally accepted CIL definition in the treatment of foreign investment grants ISDS tribunals significant discretion. A narrowly defined FET provision, similar to that in the European Union's new-generation investment treaties, would better balance investor and state rights by outlawing arbitrary state behaviour.

Fourth, another disquieting feature of the Model BIT is the exclusion of the most-favoured nation (MFN) provision, which is a core non-discrimination standard in international investment relations. This omission means that investors lack recourse against state discrimination under the BIT. This hugely dampens the spirit of foreign investors. If India fears misuse of the MFN provision for treaty shopping, it can address this by limiting its scope, as other countries have done. Rather than excluding the MFN provision entirely, Model BIT 2.0 should include it with appropriate qualifications.

The fifth change needed is to remove the exclusion of tax-related regulatory measures from the BIT, as stated in Article 2.4(ii) of the 2015 Model BIT. While governments want to maintain control over tax measures, excluding them undermines foreign investor confidence, particularly given the number of tax-related disputes between foreign investors and the Indian government. There's no need for India to unduly worry on this front because ISDS tribunals generally show deference to states in tax disputes, intervening only when tax measures are abusive or discriminatory.

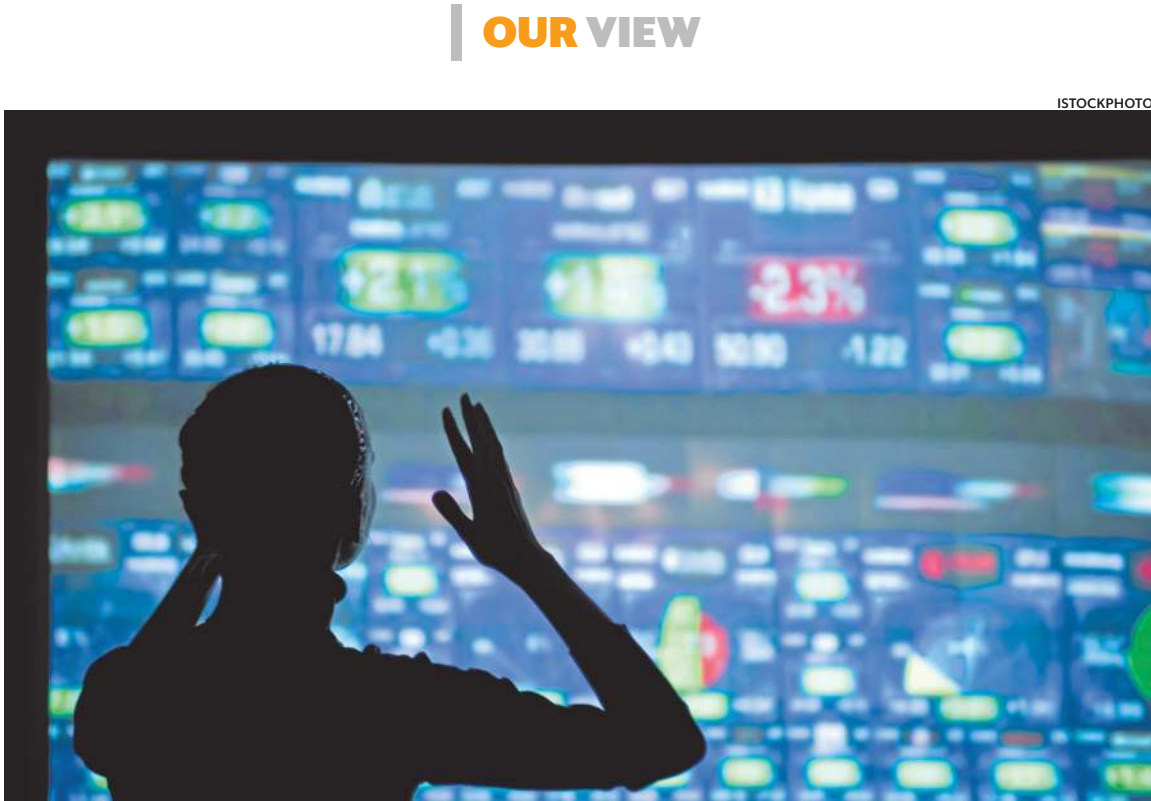
The 2015 Model BIT was drafted with a very defensive approach, granting limited rights to foreign investors. The objective seems to be to minimise the risk of ISDS claims. However, for a nation aiming to achieve developed status by 2047, there should be a greater sense of confidence in its legal framework. Instead of focusing solely on minimising ISDS claims, the emphasis should be on enhancing good governance and reinforcing the rule of law. This approach would naturally decrease the likelihood of ISDS claims.

Thus, a new Model BIT 2.0 is urgently needed, and the finance minister deserves recognition for initiating this reform. It is now crucial to see this initiative through to its logical conclusion. Assembling a team of independent international investment law experts to advise the government in this matter will be a critical first step.

Prabhash Ranjan is professor and director, Centre for International Investment and Trade Laws, Jindal Global Law School. The views expressed are personal



Prabhash Ranjan



Our Economic Surveys deserve more attention

The note of caution issued against the dangers of excessive financialization in the 2024-25 Economic Survey needs to be mulled over. Financial sector excesses can hit the real economy

Economic Surveys tend to have a short shelf life. This could be because they are seen as the handiwork of technocrats, led by the chief economic advisor, and often read like academic wish-lists, devoid of the political economy considerations that determine whether governments take their advice. It could also be because the Union budget follows soon after, taking everyone's attention away. Whatever the reason, Economic Surveys rarely enjoy more than a brief moment in the sun. This is unfortunate. Many of the ideas that helped lift India's trajectory of economic growth—such as the case for lower tariffs and privatization—were first mooted by these surveys. All of which means that the views expressed in the *Economic Survey 2024-25* deserve careful consideration. The latest survey cautions against the “risk of financialisation”—or the “dominance of financial markets in shaping policy and macroeconomic outcomes”—and of “asset price bubbles that are now endemic in the West.” It argues that some of the measures taken by regulators were not only designed to ensure systemic stability, but were akin to “welfare measures” aimed at “reining in excessive and financially ruinous speculation.”

Stock market aficionados might see that as an attempt to curb speculative activity, an integral part of the price-discovery process in a free-market economy. But that would miss the wood for the trees. The survey does not seek to end speculation, but rather to ensure that it does not run ahead of the real economy. Capital markets must remain rooted in macro fundamentals. These markets, it notes, are central to India's growth story, catalysing capital formation for real economic activity, enhancing the financial-

ization of domestic savings and enabling wealth creation. Taken to an excess, however, it can hurt the economy. An example is the financial overrun that led to the global financial crisis of 2008-09. Its key cause was “uninhibited financial sector growth,” thanks to the wisdom of the day that finance as a sector performs best when it is left largely to its own devices. To sustain the sector's growth without engendering a crisis, it argues that regulators must be sensitive to the nuanced relationship between this growth and the real economy. A well developed financial system reduces transaction costs, lets prices emerge efficiently and channels the flow of capital into innovative and risky ventures. But there is an “inflection point at which financial development switches from propelling growth to holding it back.”

Research by the Bank for International Settlements (BIS), for instance, shows how Ireland's steep rise in the ratio of private credit-to-GDP from 90% in the 1990s to 150% in 2007 shaved 0.5 percentage points off its productivity growth. This holds clear parallels with India, where household debt has been steadily rising. It rose to 42.9% of GDP in the second quarter of 2024, as against an average of below 37.5% of GDP from 2007 to 2024, according to the BIS. True, we are nowhere near Irish levels, but then, low incomes across India mean lower pay-back capacity, which results in greater vulnerability to debt traps. In the survey's view, we must strive for a finely held balance between financial-sector development and growth on one hand and financialization on the other, with the financial savings of households, our needs of investment and levels of literacy on matters of finance all kept firmly in mind. Now, that's sound advice.

MY VIEW | ON THE OTHER HAND

Does the budget signal a change in the Centre's growth strategy?

There's a shift in emphasis from infrastructure to consumption but it doesn't solve our core problems



VIVEK KAUL is the author of 'Bad Money'.

sumption to some extent and helping companies operating in that space.

Second, India's household financial savings stood at 7.9% of GDP in 2018-19 and have fallen since. In 2023-24, they stood at 5.3%. It's likely that households will want to repair their balance sheets, and hence, some of the tax cut will find its way into savings. This can provide something of a cushion to the stock market amid all the selling by foreign institutional investors.

Third, a cut in indirect taxes—like a cut in excise duty on petrol and diesel—would have put money in the hands of more people and been a fairer way to go about things. Nonetheless, a fall in fuel prices by a few rupees per litre wouldn't have been as much of a WhatsApp event as the income-tax cut has been.

Fourth, the budgeted capital expenditure of ₹11.2 trillion in 2025-26 is more or less similar to the budgeted figure of ₹11.1 trillion in 2024-25. With low-hanging fruit having been plucked, the government now has fewer opportunities to expand such spending. Also, the tax cut forces it to rein in some other expenses like major subsidies. So, there seems to be a change in strategy to drive economic growth. In the last few years, the government's capital expenditure has been a major part of it. Along with that, it has tried to encourage private investment through incentives and a lower corporate tax rate. But this hasn't really worked. Given this, there seems to be a fresh focus on the Indian consumer. The hope possibly is that a pickup in private consumption might motivate companies to invest and expand.

Fifth, while the government might have adopted a new strategy, the impact of tax cuts on the overall economy might be limited. Why? The total expenditure of the government in 2025-26 is budgeted at ₹50.7 trillion or 14.2% of GDP. In 2024-25, it's at ₹47.2 trillion or 14.6% of GDP. So, spending will proportionally shrink at a time when the economy is not in the best shape. Of course, this is in line with the

Centre's efforts to cut its fiscal deficit.

Sixth, India's number of income tax-payers will fall further to around 15 million. These are people who pay a bulk of the country's income tax collections.

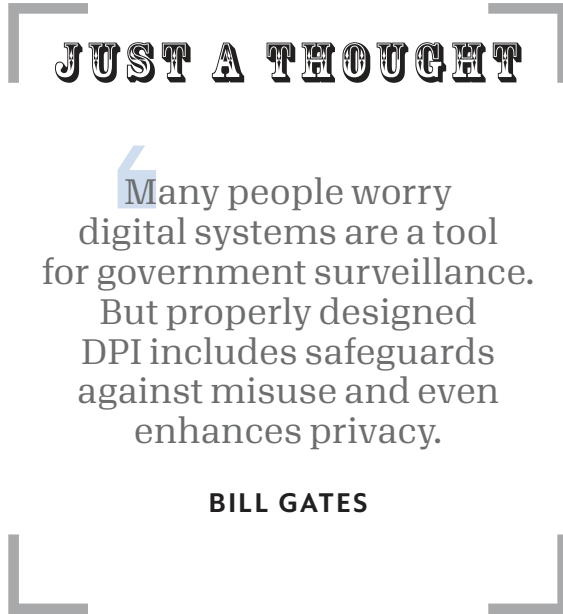
In 2025-26, the government expects to earn ₹14.4 trillion through income tax, or 14% more than ₹12.6 trillion in 2024-25. Is this too optimistic? The income tax mop-up in 2024-25 is expected to be around 20% higher. One reason is that the booming stock market until September boosted securities transaction tax (STT) collections, which are expected to rise 63% to ₹55,000 crore in 2024-25.

The government expects the stock market to keep filling its coffers, with the STT collections expected to go up 42% to ₹78,000 crore next year, at a time when trading volumes are falling. Also, given that a smaller number of tax-payers have to fund this growth, the assumption seems to be that their earnings will rise strongly. For this to happen, India Inc has to do well, but corporate sales growth has been stagnating.

Seventh, the burden on income tax-payers to fund the government's expenditure has gone up. In 2024-25 and 2025-26, corporate tax will form a fourth of the gross tax revenue, while the expected proportion of income tax has risen from 32.6% to 33.7%.

Eighth, the Indian economy's basic problem remains. As the *Economic Survey* says: “India will... need to create 78.5 lakh new non-farm jobs annually till 2030.” This, at a point when the proportion of our workforce working on farms has actually gone up.

There is only so much a government's budget can do about this. For non-farm jobs to be created, small firms need to grow bigger and the private sector has to take the lead. Or, as the survey puts it, governments in India need to “get out of the way.” But will they? They are busy micro-managing goods and services tax rates applicable to different kinds of popcorn. How does one solve a problem like that?



MY VIEW | ECO SQUARE

Economic Survey: Why play down the climate crisis?

LEENA SRIVASTAVA



is an independent expert on climate change and clean energy.

In my critique of the *Economic Survey* of 2023-24, I had highlighted how little justice it does to the climate imperatives India is facing. The *Economic Survey* of 2024-25 offers convoluted arguments that read as an apology for the progress made on mitigation measures and seem to confuse normal development initiatives and resilience-building measures with adaptation imperatives. The survey, preceding as it does the annual budget, is a document of the government's outlook on economic matters. As such, it is important that a subject as critical as climate change does not receive short shrift. Some of the reasons for my disappointment with the survey's treatment of climate change-related challenges are:

The apparent dismissal of mitigation: Stressing that India's aspiration for low carbon growth presents trade-offs, the survey essentially dismisses the progress made on renewable energy by admitting that “effectively harnessing and scaling these resources remains challenging due to the lack of

viable storage technologies and limited access to essential minerals.” Nothing wrong with this, *per se*, but why use it as a lead-up to an adaptation focus in the survey's chapter on climate? If anything, it highlights the need for taking a holistic approach to problem-solving by addressing all aspects of any given value chain, *a priori*, as well as evaluating the range of low-carbon pathways available to the country in a systemic manner.

Adaptation is an indispensable part of a climate action strategy for any country. India is no exception. Given our massive population and highly skewed income distribution, it is true that the larger part of India does not have the resilience to deal with any shocks. And, while various measures being taken by the government to make India a developed country by 2047, like investing in mobility infrastructure, facilitating access to markets, etc, could help build this resilience, ensuring equitable access to the fruits of these efforts up-front will go a long way in building resilience. It will also take time, while climate change is already upon us, with 2024 being the first full year to surpass the world's 1.5° Celsius temperature-rise cap. We're already experiencing the impact of extreme events, as is the rest of the world. So, building adaptive capacity and putting in place adaptation

measures are urgent needs. For this, we need an action plan to build capacity in and strengthen our public institutions, support and build on the good work being done by grassroots NGOs, and identify vulnerabilities at an appropriate geographical scale so that strategies can be developed to address them, among many other actions. Resilience in general can be created by various developmental initiatives. But resilience to climate change has to be built even in the world's most developed countries. We need to clearly articulate these concepts and design interventions, including capital allocations, appropriately.

Urban resilience: India's cities are challenged by inadequate spatial planning, unplanned-for growth driven by a migrant influx, poor infrastructure and services, ghettoization and suchlike. Their environmental footprints are large and growing due to inadequate planning and waste-disposal provisions. The survey has rightly focussed on this subject, but has only

listed various government programmes under this heading. It doesn't explain the difference these initiatives have made or the scale of the remaining challenge. Building climate resilience is not about providing basic services that should have been part of urban planning and development anyway. It is about the impacts of extreme events: increasing heat waves, over and above our already hot climate worsened by severe heat-island effects, the routine deluge suffered by cities unable to cope with normal rainfall, the health effects of climate events that remain undocumented, and so on.

Agriculture: The chapter on agriculture and food management too does little to address the vulnerabilities created by climate-related extreme events. Apart from a listing of initiatives, it curiously references a few academic papers. There is no reference to the urgency of stemming runaway land degradation where it addresses the need to increase the productivity of land, nor any practical reference to

addressing the challenges of food waste or indeed crop damage from climate events.

Energy transition: While learning from international experiences is a good practice, it is important to use an appropriate set of countries as benchmarks. India's energy context is very different from that of most developed countries, including our resource endowments. India needs its own solutions to problems of energy access that developed countries do not face. The failure of developed countries to transition away from fossil fuels does not justify our continued dependence on fossil energy. We have our own set of opportunities provided by our resource endowments—including biomass, flexibility on path dependency, demographics, etc—based on which we have to chart our future energy-development course. We need to explicitly recognize the long-term implications and vulnerabilities of choices made today and not be cavalier about it.

There is much that remains to be said, but most importantly, it would help if the team behind the *Economic Survey* took some time to pause and reflect upon the purpose and utility of the document in the climate context and the criticality of crystal-gazing through current complexities for clarity on the future we seek to create.

The document would do justice to the challenge if it did crystal ball gazing for clarity on what's really needed



The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

RBI's NEXT MOVE

Central bank should allow the rupee to adjust, ease policy rates to support growth

IN RECENT DAYS, the rupee has come under increased pressure, but the Indian currency is no exception. US President Donald Trump's executive orders imposing additional tariffs on Canada, Mexico and China have roiled markets. On Monday, investor sentiment soured in most markets across the world and major currencies were strained. The Sensex ended the day down 0.4 per cent while the rupee fell to an all-time low of 87.29 against the dollar during the day, closing at 87.19. On Tuesday, some of the lost ground was regained. The Sensex rose 1.8 per cent, while the rupee ended the day around 87.07. Investors are, however, bracing themselves for a period of uncertainty.

It is difficult to see how this trade war will play out. Trump has now decided to delay the imposition of tariffs on both Mexico and Canada for one month after speaking with the leaders of the two countries and extracting concessions. However, on Tuesday, China announced tariffs on select imports from the US beginning February 10. Trump has now indicated that the EU could be the next target. During this period of unpredictability, preference for a safe haven, the dollar, will only increase. Uncertainty over Trump's policies may also force the US Federal Reserve to keep rates unchanged in the near term. This will only strengthen the dollar. On Monday, the dollar index — which measures the value of the greenback against euro, yen, pound, Swiss franc, Swedish krona and the Canadian dollar — rose to 109.84, up 1.24 per cent, even as on Tuesday, it was hovering around 108.5. In January, foreign investors withdrew more than \$9 billion from Indian markets. In fact, February 3 was the 23rd consecutive day of FII outflows — the longest stretch at least in the past decade, as per a report by Axis Capital.

Last year, the RBI had intervened heavily in currency markets to stem the rupee's decline. Between September 27 and December 6, foreign exchange reserves fell by around \$50 billion. While part of the decline could be on account of revaluation losses, this fall provides some indication of the extent of the central bank's intervention. However, in recent weeks, the rupee has been allowed to adjust. With the pressure on the currency unlikely to abate, the RBI should allow the rupee to adjust, and intervene only to smoothen out excess volatility. There are concerns that a sharp depreciation of the currency will have an impact on inflation — as per some estimates, a 5 per cent depreciation could push up headline inflation by 35 basis points over some quarters. The central bank will have to be careful as it navigates an increasingly uncertain global and domestic environment. Considering the slowdown in the economic growth momentum, and with the government delivering on fiscal consolidation — budgeting to bring down its fiscal deficit from 4.8 per cent of GDP in 2024-25 to 4.4 per cent in 2025-26 — the RBI must move to ease policy rates.

SEIZE THE LULL

Centre must expedite efforts to bring back social harmony, Manipur cannot afford to slide back into conflict

IT HAS BEEN 21 months since ethnic violence erupted in Manipur, straining its social fabric. In the past few weeks, an uneasy calm has been maintained in the northeastern state, where faultlines have deepened between the Meiteis and the Kukis. The most severe episode of violence in recent months occurred in November 2024, when 22 people were killed over 11 days, the majority in Jiribam district — reassuringly, no casualties have been reported since then. The last major face-off was a shootout in the Kadangband area of Imphal West district, just hours after Chief Minister N Biren Singh's New Year eve apology for the ongoing crisis. A day earlier, on December 31, a group of protesting Kuki women clashed with the CRPF, followed by a mob attack on the SP's office in Kangpokpi district. Since then, Manipur has seen a lull in ethnic violence.

Meanwhile, an escalation of conflict in Myanmar's Sagaing region, not far from Manipur's Kamjong district, has sparked concerns about a potential spillover. Manipur shares a 400-km-long border with Myanmar to its south and east. The military and community ties between insurgents in both regions sharpen these fears. Amid airstrikes by the Burmese military and retaliation from rebel forces, more than 200 refugees from Myanmar have reportedly taken shelter near the Moreh border in Manipur's Tengnoupal district since January 27. There have also been reports of deaths of Meiteis and Kukis fighting in Myanmar, with the former groups fighting alongside the junta, the latter with the rebels.

As security forces combat the border threat, both the central and state governments should seize the lull as an opportunity to initiate meaningful reconciliation efforts. Peace is not merely the absence of war; Manipur remains a deeply divided state. The valley has been emptied of its last Kuki residents, just as the Kuki-dominated hills have seen the exodus of the Meiteis. The trust deficit between the two communities remains unaddressed, making the prospect of either group returning to their homes seem distant. Efforts towards normalcy must begin at the highest levels of leadership. The absence of any mention of Manipur in the President's Address in the Lok Sabha this week signals a troubling lack of urgency. The Prime Minister is yet to visit Manipur since the ethnic conflict started on May 3, 2023. The Supreme Court is awaiting a forensic analysis of the audio tapes regarding Chief Minister Biren Singh's alleged role in exacerbating the violence. None of this bodes well for trust-building. The Centre must expedite its efforts to bring back social harmony, Manipur cannot be allowed to slide back into the vicious circle of conflict.

PLAYING LIKE HER

India's U19 World Cup triumph may tell a larger story — women's cricket is seeing aspiration meet a nurturing system

INDIA'S U19 WORLD Cup cricket triumph brings a dash of optimism to women's cricket. By drubbing South Africa in the finals, the Indian team displayed an infectious ambition, dominating the tournament. It augurs well for the future of women's cricket in India. Though Australia, England and New Zealand barely take juniors cricket seriously, the Indian U19 triumph will ignite hopes of a seniors trophy. It can safely be said that India has unearthed a superstar talent in Gongadi Trisha, an all-rounder and prolific batter from the World Cup.

Trisha set the batting charts on fire, scoring the only century of the tournament and notching consistent scores, four of the highest innings from the Top 15. But cricket triumphs are always team efforts and India can be said to have located other stars like batter and compulsive boundary-hitter Kamalini, and bowlers Vaishnavi Sharma and Aayushi Shukla. Trisha, though, remains the story of the tournament. The youngster from Hyderabad was given a plastic bat at age two by her father and raised to become a formidable cricketer, skilling her to hit sixes, score mountains of runs and take crucial wickets.

Women's cricket in India has earned its rightful privileges — equal match fee, a cash-rich franchise league, and a broad-based, even if rudimentary, domestic set-up, where new names are cropping up who could become India's future post Harmanpreet Kaur and Smriti Mandhana, who have carried the burden for the last few years after Mithali Raj and Jhulan Goswami. The spot belonging to Shafali Verma, part of a project of regeneration of women's cricket, has many more contenders now like Pratika Rawal, and Trisha will begin pushing for the opening position soon. Women's cricket is seeing aspiration meet a nurturing system. With franchise facilities and local academies mushrooming for girls, the future can only be bright. Beating Australia to a seniors crown remains the final frontier for Indian women. Trisha & Co showed that that too can be done.

Trump is not transactional



PRATAP BHANU MEHTA

His objective, for himself and America, is to show who the boss is. We ignore this at our peril

DONALD TRUMP IS often described as transactional. He is a deal maker. The fiery bluster is really exercising the art of leverage. This combination makes him effective. The bluster also satiates his core constituency. Learn to make deals with him, play the leverage game, and you can do business with him. Just see the most recent episode. No sooner had Trump announced tariffs on Mexico and Canada, they struck a provisional deal: Leverage and deal-making in action. But to think of Trump as "transactional" is a serious mistake. Instead, this is a world view made of elements that are the contrary of transactional, an uncompromising commitment to American supremacy we ignore at our peril.

Trump's personal political style is one that demands domination and submission. It is a governing philosophy that demands total loyalty. It is, as Russell Muirhead and Nancy Rosenblum recently pointed out in an article in *Foreign Affairs*, unmaking institutions and un-governing in the name of loyalty. This does not mean that he cannot achieve a few important things. But the essence of this world remains the exercise of personal power, and governing through its logic.

Trump's ambition for America is similar. He is touted as an anti-imperialist president, not interested in starting the wars that liberal internationalism dragged America into. He is anti-globalisation. He wants to return to a world of relatively higher tariffs and bring manufacturing to America. He has none of the universalist pretensions of liberals, using human rights as a pretext, or thinking that a single neo-liberal order of free exchange and interdependence is desirable. He also realises the limits of American power. This might make for a different world with more room for manoeuvre: More uncertain but also transactional.

But this superficially appealing narrative underestimates the supremacism behind Trump's world view. Trump's diagnosis of why America got into wars or let Russia-Ukraine-type wars happen is because America did not act strongly enough. Liberal internationalism was the worst possible combination of expansive aims with power badly used. The premise of the "reluctance to war" ideology is overwhelming strength.

But this is premised on preserving unchallenged American supremacy. No one dare be disloyal or not submissive to it. The precondition for securing peace is the acknowledgement of unchallenged American power.

Trump's personal political style is one that demands domination and submission. It is a governing philosophy that demands total loyalty. It is, as Russell Muirhead and Nancy Rosenblum recently pointed out in an article in 'Foreign Affairs', unmaking institutions and un-governing in the name of loyalty. This does not mean that he cannot achieve a few important things. But the essence of this world remains the exercise of personal power, and governing through its logic.

tion for securing peace is the acknowledgement of unchallenged American power. American power may aspire to be non-imperial. But it still has to be the big boss. Liberal internationalism was imperial power without America exercising its full power to be big boss. Now it will be big boss without the imperial pretension. But this does not necessarily make for a more stable world.

For one thing, it induces everyone else to amass power as well, creating a potentially risky cycle of escalation. But being boss, making supremacy manifest, like being imperial, also require demonstrations of power. The power will have to be made visible, so this is not necessarily an eschewing of war. America just ordered airstrikes in Somalia. The real test will be Gaza, where the question is what follows the temporary ceasefire. America will remain aligned with Benjamin Netanyahu and Israel, perhaps even going as far as endorsing the cleansing of Gaza. The logic of supremacy will be as confrontational, perhaps even more, than previous imperial logic.

The second presumption is that what is loosely called the neo-liberal order constrained the rest of the world, particularly in its ideological propensity to impose relatively uniform rules. It curtailed independent space for different models of development. Activists railed against the WTO. Would not a more autarkic world create more opportunities for each country to chart its own industrial policy? But here again you see the duality of Trump: He wants onshoring for America, but he also wants to open the world for American products. The claim is that America has been taken advantage of; neoliberalism, like liberalism, was an example of America not exercising leverage. Now America will demand the strictest reciprocity.

It is a quest to open up the world, not through negotiated rules, but individual bilateral bargains. The advantage of such bargains is that in that negotiating context, America has more leverage. There are no possible coalitions arrayed against it. So, if you think the WTO was an exercise in American hegemony, bilateral negotiations will be harder for countries like India. Trump's industrial policy is preventing India from having one, by preemptively asking for lower tariffs, promising to buy defence products from the US and so forth. Trump's tariffs are not in the aid of a more diverse and equal world.

They are in the aid of supremacy and will look for trade submission from others. This is why the world requires collective action on trade policy.

The third objection against the liberal order was its sanctimoniousness, its aspirations to regime change, its hypocritical use of human rights standards, its attempt to shape global civil society. But it would be a mistake to think that Trump's jettisoning of those pretexts actually makes for a non-interventionist world. In some ways, Elon Musk's daily comments on policies from South Africa to Germany are not isolated or idiosyncratic interventions. They are announcing that the world is on notice, each country's policies are answerable to the US, on its own terms.

And finally, there is the incredible combination that Trump displays of American victimhood and innocence — the rest of the world has taken advantage of America. There is a genuine issue of drugs and fentanyl in the US. But the use of tariffs to get that problem addressed by Canada might seem strange. Weren't tariffs supposed to be about industrial policy and reciprocity? Is Canada even that big a threat? America's drug problem was as much a homegrown one, with the complicity of many respectable companies, and even the consulting establishment that used America's hyper-capitalism and corruption to push its addictions. But fentanyl as a foreigners' problem helps with both America's innocence and victimhood.

So, this is not an era of transactionalism. It is the reinventing of American supremacy by weaponising the discontent with the current order. Its objective is not to cut deals but to show who the boss is. Trump's hero William McKinley, believing himself to be someone who wanted to avoid war, ended up as both imperialist and racial Darwinist. Trump may not be a racial Darwinist, but for him international relations are not transactional. It will be a raw struggle for power. Whether his personal propensity to demand total loyalty and submission is compatible with building a great and effective nation remains an open question. But make no mistake. That is what he will demand for himself and for America.

The writer is contributing editor, The Indian Express

LEARNING WITH AI

Schools must find ways to use it to assist, not replace, natural learning



AMEETA MULLA WATTAL

THE OVERARCHING THEME at the recently concluded World Economic Forum in Davos was "Collaboration for the Intelligent Age". What does this mean in the context of educating children? The idea of humanity, nature, and AI in harmony at a platform like Davos can create transformative opportunities when we apply them to schools.

The challenges that confront societies today are existential. Are the learning systems in schools nurturing students to find their highest potential, which will help resolve these challenges? Schools need to embrace equity, ecosystemic understanding, and AI awareness and enablement. This goes beyond future readiness and even literacy.

Eckhart Tolle has written of the flowering of human consciousness through a shift in education, where we should combine intelligence and consciousness. Intelligence is the ability that helps us apply knowledge, solve problems, and adapt to new situations. It also enhances reasoning, decision-making, and memory; in fact, it is a blend of artificial and biological (human) intelligence systems. Consciousness brings in metacognition, introspection, imagination, emotions, and sensory perceptions, which are tied to humans.

Schools have to ensure that human consciousness becomes integral to the connections between intelligence and learning. Only then will we be able to develop a shared understanding of citizenship, interdependence, and mutual interest.

Educators have anticipated the importance of AI for over a decade, but the impact in schools was felt only with the launch of ChatGPT. Students showed great enthusiasm for the opportunities the tool offered. The response of educators to this has been slow and hesitant because the technology carries immense implications in the space of learning.

derstanding of citizenship, interdependence, and mutual interest. This will build cohesive societies, bring in social and economic institutions, and integrate universal values and processes, which can only be learnt in a school.

AI has forced itself into the education agenda as never before, and the responses are still emergent and unclear. What is clear is that every child, irrespective of place or status, must have access to adaptive learning and AI. Educators have anticipated the importance of AI for over a decade, but the actual impact in schools was felt only with the launch of ChatGPT. Students showed great enthusiasm for the opportunities the tool offered — using it to support homework, research papers, projects, case studies, and other academic tasks. They were able to make submissions without any effort or understanding. The response of educators has been slow and hesitant because the technology carries immense implications in the space of learning. Teachers are particularly nervous about AI hallucinations.

It is clear from UNESCO's reviews that very little work has been done to reassess the competencies needed by teachers to understand and use AI for teaching and learning, personalising data for their professional growth, determining how students are learning, and identifying content that excites or disengages them. We need to create learning ecosystems by fostering collaborative relationships with

the surrounding community, especially parents and other government agencies. For this we must unlock the learning assets of communities and engage with stakeholders beyond the education sector.

In order to prepare for a brittle, anxious, nonlinear, and incomprehensible (BANI) future — as formulated by anthropologist and futurist Jamais Cascio — schools will have to do scenario planning without making a commitment to any particular prediction. We must imagine several futures simultaneously. All will be plausible. Let us equip ourselves to make decisions that will be robust no matter what future comes to pass.

The real hope for enduring change in schools lies with students. They are connected to the future in ways that no adult is, for in the words of Khalil Gibran, "Their thoughts dwell in the house of tomorrow, which you cannot visit, not even in your dreams."

As we move forward as educators, let us continue to refine our vision and get a clearer awareness of a constantly changing reality. We have to evolve institutions and practices that assist, not replace, the natural learning process through collaborative intelligence.

The writer is chairperson and executive director, Education, Innovations, and Training, DLF Foundation Schools and scholarship programmes

FEBRUARY 5, 1985, FORTY YEARS AGO

CM SHAH'S CONDITIONS

J&KCM GM Shah, offered to reunite with the Farooq faction of the National Conference and patch up with his brother-in-law if the latter accepted five conditions including "total and permanent friendship with the Congress-I". The other conditions are: No confrontation with the Centre, nobody from the Sheikh family to be the CM or minister in the state cabinet; ditto for the Shah family; and retention of the present ministers.

REAGAN'S BUDGET

US PRESIDENT RONALD Reagan asked

Congress to exhibit political courage and adopt a low-growth \$973.7 billion budget that calls for big domestic cuts and increased military spending. The budget proposes a \$30 billion increase in defence spending — guaranteed to provoke congressional criticism — including more than doubling spending on Reagan's controversial "star wars" programme and hikes in nuclear weapons spending.

MHATRE KILLERS

TWO KASHMIRI SEPARATISTS were convicted of kidnapping and killing Ravindra Mhatre, an Indian diplomat in Britain, in February 1984. Abdul Raja, 28, and Mohammed Riaz, 23, were

found guilty at Birmingham Crown court of the unlawful imprisonment and murder of Mhatre, 47, an assistant commissioner at the Indian consulate in Birmingham.

COOMAR, THE SPY

COOMAR NARAIN, THE alleged kingpin of the espionage ring busted by intelligence agencies last month, named France, Poland and the German Democratic Republic as the countries to which he had been passing top secrets. Narain also confessed to the metropolitan magistrate in a 15-page statement that he had been in the business for the past 25 years.



A nuclear recharge

Budget decision to amend the laws governing atomic energy was overdue. It is an opportunity to open up the sector and exploit its potential



RAJA-MANDALA
BY C RAJA MOHAN

IN HER BUDGET speech on Saturday, Finance Minister (FM) Nirmala Sitharaman announced the decision to amend the two atomic Acts that have paralysed the prospects of nuclear power in India. The long-overdue decision has not come a day too soon, as the world moves towards reviving the nuclear energy industry.

The story of India's atomic slide is a tragic one. It is impossible to believe that India was the second Asian nation to build a nuclear power plant in 1969 at Tarapur — just after Japan and long before China. It also built up an impressive nuclear research and development programme in the 1950s and 1960s with significant assistance from its Western partners. At the peak of nuclear optimism in 1970, India hoped to generate 10,000 MW of atomic power by 2000. Twenty-five years after that deadline, India's nuclear power sector is limping along at about 8,200 MW. China's installed nuclear capacity today is about 58,000 MW. South Korea has 32,000 MW. China and South Korea are now major exporters of nuclear reactors. The UAE, which launched its nuclear power programme less than a decade ago, has 5,200 GW of nuclear capacity, centred around South Korean reactors.

Through the last decade, Delhi has repeatedly revised the targets for nuclear capacity but could not realise them. The FM has now set a new target of 1,00,000 MW by 2047. She was realistic enough to recognise that this is not possible without rewriting the two atomic Acts that provide the legal framework for nuclear energy in India: The Atomic Energy Act (1962) and the Civil Liability for Nuclear Damage Act (CLNDA) of 2010.

If early policy moves in the late 1940s and 1950s laid the foundation for the development of nuclear energy in India, unfortunate developments — external and internal — as well as major political bumbles have helped create the current nuclear impasse.

The private funding from the Tatas, at the request of Homi Bhabha, set the stage for nuclear research in the early 1940s even before the atomic age dawned formally with the bombing of Hiroshima and Nagasaki. The policy of creating internal capacities through foreign collaboration gave India a head start in atomic energy development in the 1950s. From the turn of the 1970s, India's atomic problems began to multiply.

One part of the problem was the change in the global order on nuclear energy cooperation when the Nuclear Non-Proliferation Treaty came into force in 1970. The NPT froze the number of nuclear-weapon states at five (those who had already tested atomic weapons before 1967) and began to impose restrictions on the transfer of nuclear technologies to the rest of the world. If India's nuclear adventure flourished in the era of atomic internationalism, it began to wilt under external pressures from the 1970s. If India had done a nuclear test before January 1967, it would have been on the right side of



CR Sasikumar

the nuclear divide. But the inability or unwillingness to become a nuclear-weapon power put it on the wrong side. (There are reports that US President John F Kennedy had offered to help India conduct a nuclear weapon test in 1963, but Nehru had turned him down.)

When India did conduct a nuclear test in 1974, it made matters worse for itself. Delhi's too-clever-by-half claim that its nuclear test was for peaceful purposes did not impress its hostile neighbours — Pakistan and China. The latter intensified its atomic collaboration with the former. The result: Pakistan's nuclear arsenal built with Chinese cooperation. The rest of the world tightened nuclear sanctions against India, which was seen as a major threat for nuclear proliferation.

India's ideological and policy confusions put it in the worst of all worlds — it was neither a "nuclear" fish nor a "non-nuclear" fowl. It took another quarter of a century for India to break out of this nowhere land.

India finally conducted five nuclear tests in May 1998 and declared itself a nuclear-weapon power. Although they brought a new set of sanctions, the tests opened the door for a reconciliation with the US and the global nuclear order. After initial anger, Washington began to explore the prospects for nuclear accommodation with Delhi. During 2005-08, the George W Bush administration helped craft a framework in which India could keep its nuclear weapons and resume civilian nuclear cooperation, which it had been denied since 1970. The US had to do some heavy lifting to change the domestic non-proliferation law and international norms to facilitate India's release from the nuclear jailhouse. But before India could celebrate, its political class, in a spectacular act of collective self-harm, shot itself in the foot by passing the CLNDA in 2010. If the civil nuclear initiative created conditions for rapid renewal of nuclear power generation, the liability act made it impossible for domestic private investment and foreign collaborations.

The global norms mandate that all liability in the event of an accident should be channelled to the plant operator to ensure swift compensation to the victims. The CLNDA, in contrast, enshrined the operator's right to legal recourse against component and equipment suppliers in the event of an accident. The Modi government, which came to power in

The global norms mandate that all liability in the event of an accident should be channelled to the plant operator to ensure swift compensation to the victims. The CLNDA, in contrast, enshrined the operator's right to legal recourse against component and equipment suppliers in the event of an accident. The Modi government, which came to power in 2014, sought to provide some solution to finesse the problem, but it has not attracted foreign and domestic capital to participate in India's nuclear power programme. Over the last decade, it has become increasingly clear that without amendments to the CLNDA, there is little prospect for an expanded contribution of nuclear power to India's energy needs and a smooth green transition.

2014, sought to provide some solution to finesse the problem, but it has not attracted foreign and domestic capital to participate in India's nuclear power programme. Over the last decade, it has become increasingly clear that without amendments to the CLNDA, there is little prospect for an expanded contribution of nuclear power to India's energy needs and a smooth green transition.

Beyond the civil liability act, there is a deeper structural problem ailing the Indian atomic energy programme. It is the fact that atomic energy activity is a government monopoly under the Atomic Energy Act of 1962. Total government control of atomic energy development might have made sense in 1962, but it does not anymore. The monopoly makes it impossible to generate the necessary capital for a massive expansion of nuclear power generation in India. Today, the Department of Atomic Energy (DAE) relies entirely on government funding.

It also prevents the creation of a nuclear ecosystem that can drive innovation, create economies of scale and develop networks of global collaboration to accelerate atomic power generation in India. Over the last seven decades, private- and public-sector companies like Tata, Godrej, L&T, Walchandnagar and BHEL have contributed by supplying critical equipment for atomic power plants. Today, they are in a position to take charge of building power plants on their own while relying on the DAE to provide some of the technologies.

The lessons from the recent reform of the space sector are instructive. Even a limited liberalisation of the regulations has seen a massive outburst of private-sector activity in the space domain. Something similar could take place in the atomic energy sector if private players are allowed to enter it.

Amendments to the Atomic Energy Act should create a broad new template for India's technological evolution. Government agencies like the DAE, ISRO and DRDO should focus on research and cede the production of equipment and related industrial activity to the private sector. These science-and-technology monopolies have outlived their utility and have become a drag on the prospects for India's technological transformation.

The writer is a contributing editor on international affairs for The Indian Express

WHAT THE OTHERS SAY

"Trump would be better off trying to extract symbolic concessions from the other countries, declaring victory and ending the tariffs before they really hurt." —THE WASHINGTON POST

Art fair, outside the frame

The art biennales of the world are also famous for the tangibles they leave behind. India must catch up



RAJEEV SETHI

AFTER FIVE DECADES of struggle serving creative and cultural industries, I find that the best patrons for the arts in the subcontinent are the artists themselves. Patronage requires becoming one with a creative spirit. Culture can't be owned. Museums are hothouses collecting trophies. Corporates celebrating heritage create branded properties — not people or communities. The commerce of art mostly needs the artist as a part of its sales talk. The government subsidises culture to exercise control without ensuring quality. Very few appreciate that the art survives as long as the artist does. Otherwise, artworks are simply commodities and the rarer they become — the better for those who treat them like high-priced merchandise — much in demand, less in supply.

That is why living craft traditions that are prolific have a more difficult future. Survival means more than financial exigency. If handicraft production becomes easily replicable and skills are conserved for mere nostalgia, new-age machines will soon replace all that the hands can make. To remain authentic, each brush stroke, each chisel, each stitch, each pattern, each form has to reflect that fine moment when the "eye-hand" and spirit conjoin to celebrate variation.

Economic indices may position India as poor, but it's very rich in its heritage of legacy enterprises represented by the informal sector. Our education remains indifferent to skills that have made India famous but have left its protagonists very poor. Few applaud traditional knowledge systems in this age of hyper-AL. Yet, skills manifested by our fine artists cannot be the only future of work. India Art Fairs now include designs and crafts to make art sexier. But a seamless celebration of transdisciplinary interface is the key to India's new creative edge.

India must also recognise its pivotal position concerning peace in the beleaguered neighbourhood of South Asia. How about a South Asian art fair? What art can do, politics can't. Bade Ghulam Ali Khan often used to say that one musician in each family would be the end of war and violence. Likewise, the meditative quality of hand-spinning remains more critical than Khadi's commercial logistics. Our tragedy is that in the name of modernity and economic viability, we have chosen to marginalise the indigenous and belittle the tenacity of the self-organised as unorganised. As "home-

made" becomes more impractical and "handmade" more expensive, they cannot become a panacea for unemployment.

Instead, for slow growth to nurture more livelihoods, we would need a huge investment in fostering a learning environment. Art education is a big, growing business — like healing arts — that requires a complete commitment to becoming self-sustaining and answerable to some standards. Recognition of artistic heirlooms, separating them from the industry of "fakes", will also require rigorous and inclusive schooling at all levels of pedagogy. Art fairs may offer only a glamorous tip of what is visible but can go a long way to break a jaded perception of what is unique to South Asia. The business of art requires its own evolving ecosystem — but not everything in it leaves me comfortable right now.

Art galleries are essential mediators and must empower themselves to carve a niche. They will jostle style and taste to dictate the needs of an emerging market. However, their primary task is to find and support the creative urge of unknown artists amplifying our creative vocabularies. As important stakeholders, they must reposition artworks that will lead to sensitising the young new patrons. Extra care must be taken not to sideline the empowerment of the protagonist. While the top doesn't erode easily, it's the base of the pyramid that requires rigorous enhancement. This means taking art out of strongrooms and repositioning and commissioning them for the public domain.

Content must not be compromised with what sells to match rich interiors. One goes to the art fair to see how artists and their galleries have catalysed new issues, skills and materials with dynamic scenography, redefining public engagement. Social media dominates the experience of Rasa. Culture today is consumed — no doubt collectively — through a palm device. What is made palatable becomes the trend, and the biggest truth can become the biggest lie. An art fair does not measure either the width or the depth of the talent struggling to be noticed.

Despite the algorithms of reels and their autonomous, unbribed innovation, the grassroots with phones in hand are thirstier and more powerful than the thousands that throng a few hangers with hundred booths inside and state-of-the-art Audis parked outside. The art biennales of the world are also famous for the tangibles they leave behind once the manifestation is over. Be it urban renewal, the revival of languishing assets or the conservation of derelict neighbourhoods and monuments, the publicity and goodwill art fairs carry can also end up being more than just putting up a bazaar of the few, by the fewer and for the fewest.

The writer is the founder-trustee and chairman of Asian Heritage Foundation

LETTERS TO THE EDITOR

EGG POLITICS

THIS REFERS TO the editorial, 'Not without egg' (IE, February 4). The Maharashtra government's decision to withdraw eggs from schools' midday meal menu is without rhyme or reason. NFHS-V revealed large-scale undernutrition, particularly among children from marginalised groups. The positive impact of eggs as a source of protein to counter nutritional deficiencies is scientifically documented. Withdrawing this crucial intervention will adversely impact children's health in many dimensions. The excuse that there is a lack of funds is untenable when the government is spending so much on "freebies" for political dividends. Those exerting pressure based on caste-linked dietary habits mustn't be placated at the cost of the nation's future.

L R Murmu, New Delhi

PROTECTED SPEECH

THIS REFERS TO the editorial, 'Un-American' (IE, February 4). Trump's executive order paved the way for the deportation of foreign students in the name of combating antisemitism on campus. The legal questions are complicated. But the ethical question is clear: Does the US want deportation to be a consequence for expressing political views disfavoured by the White House? Trump's order violates the First Amendment to the US Constitution, which protects free speech and the right to assembly. Deporting non-citizens on the basis of their political speech would be unconstitutional. If Trump were serious about combating antisemitism, he would distance himself from groups like the far-right Proud Boys.

SS Paul, Nadi

SKewed SYSTEM

THIS REFERS TO the article, 'A shadow as legacy' (IE, February 4). The Election Commission's credibility as an independent and unbiased institution can only be guaranteed if election commissioners are appointed in a free and fair manner. By having two members from the government and one from the Opposition, the system remains heavily skewed in favour of the ruling dispensation, allowing it to impose its choices. Such election commissioners will fail to inspire confidence in the electorate. Thus, the panel must consist of the PM, the Leader of the Opposition and the Chief Justice of India, ending the doubts and suspicions of both the treasury and opposition benches.

Gurnoor Grewal, Chandigarh.

POLICY SILOS

THIS REFERS TO the article, 'Stopping short of the farm' (IE, February 3). The budget heavily tilts towards a numbers game, increasing allocations for various agriculture-related sectors. However, it fails to consider them in real terms rather than nominal valuations, ignoring Y-o-Y inflation. Agriculture has huge potential in terms of employment, manufacturing, exports and the overall economy. However, since independence, governments have failed to take a holistic approach, and instead addressed different areas — production, pricing, processing, supply chain management — in silos. The Union and state governments must address the pending issues of pricing and credit availability so as to boost rural consumption and ensure food security and farmers' welfare.

Sagar Borade, Jagdalpur



ABHINAV CHANDRACHUD

Ours to keep

Why India's Constitution thrives after 75 years of scrutiny

ON NOVEMBER 17, 1949, the draft Constitution was taken up for its third and final reading in the Constituent Assembly of India. Over the next few days, members of the Assembly harshly criticised the document. Three arguments were particularly striking: That the new Constitution was far too long, that it contained nothing original and that it was not Indian enough. Seth Govind Das, a Congressman who had been imprisoned during the freedom movement and who would serve as an MP for nearly five decades (between 1923 and 1970), highlighted how some felt that the Constitution contained "too many articles as also many details which could well have been left out". Perhaps the most trenchant criticism came from K Hanumanthaiya, a lawyer who later became chief minister of Mysore state and Union minister of law and railways. Hanumanthaiya said that many members of the drafting committee had never been a part of the freedom movement, and their draft Constitution lacked a certain Indianness. "It is something like this," he said, "we wanted the music of veena or sitar, but here we have the music of an English band".

Many of these criticisms were not entirely unjustified. With 395 articles and eight schedules, the original Constitution was perhaps the longest in the world. By November 1949, it had been debated over 165 days and 7,635 amendments had been suggested to it. In places, it contained seemingly banal details. Large chunks of the Constitution heavily bor-

rowed from the Government of India Act, 1935, the last constitution of colonial India. Parts of the Constitution had also been inspired by constitutions across the globe. In 1946, the constitutional adviser to the Constituent Assembly, B N Rau, prepared a 115-page dossier containing extracts from the constitutions of Lithuania, Hungary, Peru, Syria, South Africa, Sweden, Switzerland, Canada and soon. It proved to be quite useful. The words "equal protection of the laws" in Article 14 were copied from the 14th amendment to the US constitution. In Article 19(2), the framers of India's Constitution decided to adopt the Irish example of setting out the exceptions to the freedom of speech and expression in the text of the Constitution itself. The phrase "procedure established by law" in Article 21 was borrowed from Article 31 of the Japanese constitution.

Perhaps the best answer to these criticisms came from two speeches delivered by BR Ambedkar, chairman of the drafting committee, in the Constituent Assembly. In the first, in November 1948, Ambedkar addressed the argument that the Constitution was unoriginal. "I make no apologies", he said, because "[t]here is nothing to be ashamed of in borrowing. It involves no plagiarism. Nobody holds any patent rights in the fundamental ideas of a constitution." India's culture has never been shy of borrowed wisdom either. *Roses in December* (1973), the autobiography of Chief Justice M C Chagla of the

Bombay High Court, begins with a quotation from the Rig Veda, "Let noble thoughts come to us from every side".

Ambedkar agreed that the Constitution contained far too many administrative details, but felt that it had been necessitated by the fact that India lacked a culture of constitutionalism, which he called "constitutional morality". Ambedkar, who had taken a course called "History 121" at Columbia University in the US in 1914-15, quoted a 19th-century British historian called George Grote. In his 12-volume history of Greece, which he had prepared without ever visiting that country, Grote wrote that "constitutional morality" was "the indispensable condition of government at once free and peaceable". Ambedkar explained that it was only once India had internalised a culture of constitutionalism that banal details could be left out of the Constitution — at the time, however, constitutional morality in India was "not a natural sentiment", it had to be "cultivated", because democracy was "only a top-dressing on an Indian soil, which is essentially undemocratic".

Though the Constitution borrowed a phrase here and a word there, it was certainly not an unthinking reproduction. In Article 21, for example, the framers avoided the American phrase "due process of law" because they did not want to give courts the power to strike down social welfare legislation like the US Supreme Court had done during the Great Depression. The exceptions to free speech in

Article 19(2), though modelled on the Irish constitution, were drawn from India's unique history and circumstances. For instance, Syama Prasad Mookerjee's demands for the forcible reunification of India and Pakistan gave rise to the words "friendly relations with foreign states" in the Constitution — an exception to free speech. The provisions in India's Constitution for quota-based reservations in legislative bodies, government jobs and educational institutions are also uniquely Indian.

But it was perhaps in his next speech, on November 25, 1949, that Ambedkar made the most important point. "[H]owever good a Constitution may be," he said, "it is sure to turn out bad because those who are called to work it, happen to be a bad lot". Equally, he added, "[h]owever bad a Constitution may be, it may turn out to be good if those who are called to work it, happen to be a good lot." This speech is reminiscent of Benjamin Franklin's famous words, uttered on the last day of the Philadelphia convention at which the US constitution was drafted. On September 17, 1787, a woman by the name of Elizabeth Willing Powel asked Franklin, "Well, doctor, what have we got — a republic or a monarchy?" Franklin replied, "A republic — if you can keep it." The draftsmen of our Constituent Assembly gave us the Constitution. It is for us to keep it.

The writer is an advocate at the Bombay High Court

Shrinking share

Budget’s lower agriculture outlays in both absolute and real terms are puzzling

AS BUDGET 2025 PRIORITISED agriculture as the first engine of growth, the expectation clearly was that outlays would boost productivity and resilience in this sector that contributes 18% of the country’s gross value added (GVA) and supports less than half of the population. The nation’s food security depends on this sector which also supports overall economic growth. Since the ruling National Democratic Alliance regime first came to power in 2014, agricultural growth has averaged 3.7% per annum while growth in overall GVA was 5.8%. This far-from-buoyant growth performance has been strongly influenced by the southwest monsoon, which has become highly wayward due to climate change. If growth is raised to 5% and the sector’s share is 20% of overall GVA, agriculture will contribute 1% growth to GVA, according to the latest Economic Survey. The policy imperative must accordingly be to prioritise investments in infrastructure like irrigation and water management facilities, and develop heat-resistant crops by investing more in research and development (R&D) for a more climate-resilient agriculture.

For such reasons, it is far from obvious why Budget 2025’s outlays for the ministry of agriculture and farmers’ welfare at ₹1.38 trillion or 2.7% of total expenditures represent a shrinking share from 5% in Budget 2019. The budgeted outlays are lower by 2.5% when compared to the revised estimates of ₹1.41 lakh crore for the current fiscal. The ministry has two departments — agriculture and farmers’ welfare, and agricultural research and education (DARE). The allocation for the department of agriculture and farmers’ welfare at ₹1.27 lakh crore is lower by 3% from the revised estimates this fiscal. There are no allocations for the Prime Minister Dhan Dhanya Krishi Yojana covering 100 districts with low productivity, moderate crop intensity and below average credit parameters helping 17 million farmers. But there are modest provisions for budgetary schemes announced for self-sufficiency in pulses, fruits and vegetables, missions on hybrid seeds and cotton technology, and the makhana board in Bihar. DARE’s outlays at ₹10,466 crore are only 3% higher than the revised estimates this fiscal, representing a decline in real terms.

Every rupee spent on agri-R&D yields better returns than a rupee spent on subsidies and contributes to sustainable agriculture. Agricultural economists like Ashok Gulati have forcefully underscored the need to double the budgeted spend on DARE. Given the impact of weather on agricultural output, the Economic Survey stressed that research into climate-resistant seeds is a priority, adding that 2,177 of the 2,593 new varieties released since 2014 specifically address this challenge; and that in regions such as northwestern India heat-tolerant varieties have seen widespread adoption. Above all, policy must ensure that agriculture does not remain hostage to the monsoon’s vagaries by building more irrigation facilities, 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. Jharkhand and Assam also lag significantly. However, considering the shrinking share in budgetary expenditures and lower real R&D expenditures, there are no prizes for guessing why those who live off the land will be disappointed with the incremental approach to deal with a priority growth engine in Budget 2025.

Trump's tariffs are even worse than imagined

I USED TO think I was a pessimist about how far President Donald Trump would go in imposing import tariffs on America’s trading partners.

It’s worse than I thought. Last month, I speculated that Trump would increase tariffs much more than during his first term — to 10% of aggregate imports, from 3%. Temporary reprieves notwithstanding, he has already blown past that with the looming 25% tariffs on Canada and Mexico, together with the 10% imposed on China, and he’s not looking done. He has promised to go further if anyone retaliates, as China has started to do. And he has said that other regions, such as Europe, are next.

Tariffs can make sense in a narrow set of circumstances: to protect domestic suppliers of critical inputs, such as rare earth metals, that would otherwise be available only from a few unfriendly countries; to help nascent industries gain the scale needed to compete internationally; to pressure countries to end unfair trade practices, such as subsidies and currency manipulation. Imposing tariffs on Canada and Mexico serves none of these purposes. Instead, it will deeply damage an economic ecosystem that has helped the US remain globally competitive.

The three countries form a mutually beneficial free-trade zone. Broadly speaking, Canada provides a lot of commodity inputs, Mexico provides low-cost labour and US companies coordinate a complex web of activity across the two borders. Tariffs throw a wrench into this growth engine. At a micro level, they’ll disrupt supply chains and alter the relative competitiveness of industries and firms throughout North America. At a macro level, they’ll push up US prices, depress consumption and inhibit investment.

Specifically, assuming the 25% tariffs go into effect, I expect US consumer prices to increase by an additional percentage point or so. This is particularly problematic at a time when inflation has been stubbornly stuck above the Federal Reserve’s 2% objective for the past four years. The effect on economic growth is harder to assess. It depends, among other things, on whether tax cuts offset the restrictive fiscal impact, and on how much businesses curtail investment as they try to understand how permanent the tariffs will be.

Financial markets will suffer. Higher inflation and slower growth should hurt equity valuations. Investors will demand more compensation for risk: This is a dangerous game, and nobody knows where it will go. The stock market’s reaction so far suggests some hope Trump is just bluffing. I think that’s wrong. The president genuinely believes tariffs will strengthen US competitiveness and generate significant revenue.

The outlook for bonds is more complicated. Much will depend on how the Fed reacts. If inflationary expectations creep upward, the central bank will have to keep interest rates higher for much longer. If they don’t — that is, if households and businesses see added price increases as a one-time blip — the Fed can still cut rates to support growth. In Trump’s first term, the one-time-blip view dominated. But the circumstances were different: The tariff increases were much smaller and inflation was generally running below the Fed’s target.

To gauge the potential impact, I’ll be watching two things. First, Trump’s commitment: How far will he go in playing the game of tit-for-tat tariffs with Canada, Mexico, and China? Second, measures of longer-run inflationary expectations, including household surveys by the University of Michigan and the Federal Reserve Bank of New York, and market indicators such as the yield spread between regular and inflation-protected Treasury securities of the same maturities.

It’s depressing to see how willingly Trump is risking all the progress achieved in the North American Free Trade Agreement and its successor treaty, the United States-Mexico-Canada Agreement (which Trump negotiated during his first term). This doesn’t bode well for the US economy or financial markets.

MACRO BACKDROP IS FAVOURABLE FOR A NUDGE FROM MONETARY POLICY

Ripe for rate easing

SAMIRAN CHAKRABORTY

Chief economist India, Citigroup Global Markets

18% in the October-December quarter. Also, there appears to be a distinction between demand for goods and demand for services with the latter holding up better.

Given our understanding of the macro backdrop and the fiscal policy steps which are already in motion, we think that at this point a “policy nudge” from the MPC might be good enough to bring the economy back on track rather than a big “policy boost”. Monetary policy is mostly a cyclical tool and at this juncture should be employed to arrest any risk of an early cycle slowdown from decelerating further. A relatively conservative fiscal policy stance of the government also provides the space for monetary easing.

On top of that, January inflation is tracking at comfortably below 4.5% given the steep drop in vegetable prices and some broad-based decline in other food items like milk/edible oils/sugar/pulses. There is now a small downside risk to the RBI’s January-March quarter inflation forecast. We expect FY26 average headline consumer price index (CPI) at 4.2%, especially if oil prices moderate further. It appears that the RBI would have better visibility of headline CPI aligning towards the 4% medium-term target which would be a key factor behind

policy easing.

Monetary policy easing could potentially happen through four steps — liquidity, rates, macro prudential measures, and some exchange rate depreciation. Out of these, the last one on currency depreciation is already on its way, both in terms of nominal as well as real valuation adjustments.

For better transmission of monetary policy, the RBI has already announced some durable liquidity infusion measures including open market operation purchase, FX swaps, and longer-duration variable rate repo. These interventions will be commensurate with the RBI’s current “neutral” monetary policy stance. The nature of the liquidity announcement measures — diversified and providing predictability — makes us hopeful that

the RBI will proactively avoid another situation of durable liquidity turning negative. As such, they also indicate that the RBI is creating the right preconditions for rate easing. Consequently, in our base case, we see a possibility of further liquidity infusion by the RBI in late February/early March, with the quantum dependent on how the balance of payments situation turns out to be. Theoretically, it is the correct position that in an inflation targeting regime with interest rate being

If monetary policy can spur growth expectations now with modest easing, then in turn it can encourage equity inflows and support the currency

Nudging private investments



N CHANDRA MOHAN

The writer is an economic and business commentator based in New Delhi

The unfinished agenda of eight consecutive Budgets presented by Union finance minister Nirmala Sitharaman pertains to kick-starting a virtuous spiral of private capex-led growth

MOST BUDGETS SEEK to balance different objectives like boosting growth, higher spending on social objectives like improving farmer welfare, providing housing, drinking water and healthcare for all, etc. while remaining fiscally responsible. Union finance minister Nirmala Sitharaman’s eighth consecutive Budget is no different in this regard. To address a sharp slowdown in growth to 6.4% this fiscal according to the first advance estimate from 8.2% in FY24, Budget 2025 unveiled massive tax reliefs for the urban middle class to stimulate higher consumption alongside a continuing thrust on capital expenditures to maintain the current growth momentum while reducing the fiscal deficit to 4.4% of GDP next fiscal.

The tax relief has no doubt provided a feel-good factor but there are serious questions whether it would provide the boost to consumption demand that would stimulate higher private investments and bolster growth. Fast-moving consumer goods companies, for instance, feel that only half the tax savings will be spent on essential and discretionary purchases as the middle class utilises the savings to pay off loans or save. Corporates are not driving the growth story because there is still a lot of excess capacity. In manufacturing, capacity utilisation rates fell to 74% in Q1FY25 from 76.8% in the previous quarter. They need to go up much further to a point where private industry requires additional capacity. This can hap-

pen only if demand uncertainty reduces.

Not surprisingly, the stock markets have responded listlessly to the tax reliefs, but they have been rattled by the prospects of a looming trade war that can upend Budget 2025’s projections on growth and inflation. US President Donald Trump imposed 25% tariffs on Mexico and Canada — provoking retaliatory tariffs — but paused them for a month following last-minute negotiations with both nations. The 10% levy on China has kicked

Despite exhortations at the highest levels for India Inc to overcome its hesitancy to invest, a virtuous spiral has been elusive as investors face serious difficulties

in and the dragon has retaliated. The European Union is next in line. So is India. Trade wars are bad news for the markets as they negatively impact global trade and GDP which have knock-on effects on the Indian economy. A further slowdown in growth will hit tax revenues and derail efforts to keep the fiscal deficit as per the budgetary target.

Although the tax reliefs represent a “Hail Mary pass” of sorts to nudge an upswing in private investment-led growth, this objective remains an unfinished agenda of Sitharaman’s eight Budgets. Domestic investments were tepid even when she first presented Budget 2019. Despite exhortations at the highest levels for India Inc to overcome its hesitancy to invest, a virtuous spiral has been elusive as investors face serious difficul-

ties in doing business on the ground, especially in the various states. They need more stable policies and regulations. To rekindle their depressed animal spirits, reforms that free up land and labour markets must be implemented. “Getting out of the way” is imperative, to borrow an expression of the latest Economic Survey.

Sitharaman’s maiden Budget proposed a number of initiatives as part of a framework of “kick-starting a virtuous cycle of domestic and foreign investments”.

Budget 2023 even sounded Keynesian when she stated that a “virtuous cycle of investment requires public investment to crowd in private investment. At this stage, private investments seem to require that support to rise to their potential and to the needs of the economy. Public investment must continue to take the lead and pump-prime the private investment and demand.” The provenance of this sort of thinking goes back to the first Economic Survey when the National Democratic Alliance regime came to power in 2014 which argued that an increase in public investments will not crowd out private investments.

The Union finance minister accordingly sought to provide a strong public capex push — with spending doubling from 1.7% of GDP in Budget 2019 to a high of 3.4% in Budget 2024, which was

the operating tool, the RBI shouldn’t have an independent liquidity target. In practice, without visibility on durable liquidity, the transmission of monetary policy might be delayed.

Apart from the liquidity infusion, rate easing cycle could be started with a 25 basis point (bps) repo rate cut in the February policy. The government’s fiscal consolidation path is likely to lead to 20-30 bps negative fiscal impulse according to our estimates, and hence there is space for monetary policy to be supportive. Forward-looking inflation is appearing to be aligning with the 4% target more comfortably now, giving us scope to start easing even before actual inflation prints drop to 4%.

While it might be too early to relax the counter-cyclical macro prudential measures formally, it might be comforting for the markets if the RBI can signal that its concern around the higher than usual credit growth in certain pockets has moderated.

The focus on the February policy will also be on assessing the quantum of rate cuts expected in this cycle. In that context, markets would like to glean from the statement whether there are any changes in the RBI’s views around issues like weightage of inflation and growth in deciding the policy outcome, core versus headline inflation, and the neutral policy rate.

One of the arguments against monetary policy easing at this juncture has been the risk of further depreciation pressure on the currency. We think that capital flows into India are more growth-sensitive than interest rate-sensitive. Hence, if monetary policy can spur growth expectations now with modest easing, then in turn it can encourage equity inflows and support the currency. At this juncture, investors acknowledge that there is space for policy easing and believe that it will not destabilise our hard-earned macro stability.



BILL DUDLEY

Bloomberg

stock market’s reaction so far suggests some hope Trump is just bluffing. I think that’s wrong. The president genuinely believes tariffs will strengthen US competitiveness and generate significant revenue.

The outlook for bonds is more complicated. Much will depend on how the Fed reacts. If inflationary expectations creep upward, the central bank will have to keep interest rates higher for much longer. If they don’t — that is, if households and businesses see added price increases as a one-time blip — the Fed can still cut rates to support growth. In Trump’s first term, the one-time-blip view dominated. But the circumstances were different: The tariff increases were much smaller and inflation was generally running below the Fed’s target.

To gauge the potential impact, I’ll be watching two things. First, Trump’s commitment: How far will he go in playing the game of tit-for-tat tariffs with Canada, Mexico, and China? Second, measures of longer-run inflationary expectations, including household surveys by the University of Michigan and the Federal Reserve Bank of New York, and market indicators such as the yield spread between regular and inflation-protected Treasury securities of the same maturities.

It’s depressing to see how willingly Trump is risking all the progress achieved in the North American Free Trade Agreement and its successor treaty, the United States-Mexico-Canada Agreement (which Trump negotiated during his first term). This doesn’t bode well for the US economy or financial markets.

Views are personal

LETTERS TO THE EDITOR

Tax regime fine print

Even though the simplified tax regime is a welcome departure from the complexities of deductions and compliance offering relief for salaried individuals, a critical appraisal reveals a gloomy picture of the government neglecting core areas concerning the welfare of lower classes. Having less income taxpayers means less revenue, and thus less money for capital expenditure. It implies that a large

section of the non-tax paying population will not benefit until food prices reduce and more jobs are created. Moreover, real economic growth of the economy hinges on sustained rise in incomes, inflation control, an expanded tax base, and social security net for retirees, which is almost zero in the private sector. In the absence of these, financial pressure will persist despite the temporary relief. —Vijay Singh Adhikari, Nainital

Tread cautiously with Trump the disruptor

Apropos of “Dealing with a maverick” (FE, February 4), Donald Trump is a disruptor and unpredictability is his middle name. Trump did not waste any time in slapping tariffs on Canada and Mexico. But he had a change of heart when America’s two largest trading partners took steps to appease his concerns about border security and drug trafficking, and

pushed the pause button for 30 days. As far as India is concerned, so far it has tactfully negotiated Trump’s protectionist storm by reducing peak tariffs from 150 to 70%. This move seems to have averted immediate US trade retaliation and opened a window for trade negotiations. But in general India needs to tread cautiously. —Bal Govind, Noida

●Write to us at feletters@expressindia.com

TRUMP BACKS DOWN ON SOME TARIFFS, BUT VOLATILITY PERSISTS

It was a manic Monday for global markets as Donald Trump kept his promise of imposing new tariffs on China, Mexico and Canada. The European Union is under threat, too. The fear of a global trade war and a slowdown in manufacturing roiled sentiments everywhere. The Sensex slumped 750 points before recovering to close 319 points down; Asian stocks fell the most in nearly six months. The rupee fell to a lifetime low of 87.185 against the US dollar, while the Canadian dollar sank to its weakest since 2003. Chip exporters and Japanese carmakers were among the biggest losers. Oil prices jumped on the disruptive news.

By Tuesday, when the new tariffs were to kick in, the mood had changed. Trump, after all the sabre-rattling, opted for some midway deals. The markets celebrated by shooting up. After a call with Mexico's President Claudia Sheinbaum, Trump announced he was pausing the 25 percent tariff on her country for a month in exchange for Mexican national guards preventing fentanyl from crossing the border. Canada, too, agreed to push harder against drug cartels. Panama, under threat of losing its canal to the US's might, said it would give free passage to American ships and exit China's Belt and Road Initiative. It dawned on many that Trump's punitive measures were not written in stone; they were to be used as fungible bargaining chips.

Perhaps there is some sobering rethink in the Trump administration too, after both Chinese President Xi Jinping and American chambers of commerce warned that there are no winners in a trade war. The US imports 40 percent of its needs from the three target countries—China, Mexico and Canada; and all three have pledged to impose matching tariffs on US goods. One way or another, Americans would end up paying more for common items including fruits, meat, cars, toys and clothes. Trump seems to be listening to his constituents who are against such price rises. But the tariff war is not yet over. In retaliation to the 10 percent tariff on Chinese goods, Beijing has announced levies on US coal, oil, liquefied gas and luxury cars. Only the first few shots have been fired in this escalation. Amid such unpredictability, it is best if India plans well into the future to guard against supply and currency disruptions.

FINANCE, FORMAT KEY TO HOCKEY LEAGUE'S FUTURE

There is a certain kind of romance around hockey. Medals at the last two Olympics have only fortified that aura, not to mention the women's team's incredible journey to the fourth place in Tokyo in 2021. Hockey India has tried to cash in on this rising popularity. The federation has been trying to bring in more professionalism and money into the game so that the players benefit. One such move was the revival of the Hockey India League (HIL) after seven years. Though HIL president Dilip Tirkey would have loved to organise it in a home-and-away format, this time it was concentrated around Rourkela for men and Ranchi for women. It culminated in a pulsating men's final that saw the Bengal Tigers claw past the Hyderabad Toofans 4-3 at the Birsa Munda Stadium on Sunday. Even though things went smoothly, there is scope to transform HIL into a much more sustainable product.

Perhaps the tournament can be more attractive in the home-and-away format, something avoided this time because of logistical issues. For some players, spending all the time at the same venue turned a tad boring; so much so that some even took mini-breaks between matches. Some coaches also pointed out that the gap between matches could have been shorter for each team. HIL also needs to work on its auction, so that foreign players do not skip the tournament as they did this time. The purse, too, can do with an increase.

The financial viability of the league needs to be assessed first. Franchises should be able to recover the money they have spent, or at least have a clear pathway to it. Basically, the returns should be enough to run the team. A little more marketing would help catch more eyeballs. Getting strong financial partners will help sustain the league. The poor quality of refereeing was another talking point during the competition, which is an old sore point. It's time the HIL introduced an efficient training and evaluation programme for the referees. Senior players have always agreed to one thing—the league helped Indian players grow by allowing them to shed any inhibition for playing against players from the top European players. The HIL has made the essential restart; the challenge now is to sustain it.

QUICK TAKE

WHERE THERE'S A WILL, DIGITISE IT

UTTARAKHAND'S uniform civil code duplicates Section 65 of the Indian Succession Act relating to 'privileged wills' facilities for soldiers and mariners. It has nothing to do with religion but is about relaxing formalities, making it easier for soldiers and mariners facing life-and-death situations to write wills. The facility must extend through free legal aid to poor farmers and direct cash transfer beneficiaries, especially women. They face much litigation trying to protect and distribute their meagre assets. Digital India should popularise electronic wills. It can begin by giving digital signatures for wills the same legal status as handwritten signatures under the Information Technology Act of 2000.

In the last two decades, the Karnataka unit of the BJP has consistently delivered seats and vote share in both assembly and parliamentary polls. After the assembly polls of 2008, when they nearly equalled the Congress vote share in the state, they have never really slipped.

The state unit's Lok Sabha performance in 2024, with 17 seats out of 28, had ensured that Narendra Modi's position in New Delhi was not in peril. Its delivery of 25 seats in 2019 was extraordinary. What was till recently perceived to be a rather robust unit—one of its kind in southern India—has suddenly sunk into a crisis.

The state BJP's caste base, public confidence and leadership quality has seen enormous flux in recent months. But it remains a mystery why the BJP high command has allowed this drift that is being spoken about loudly. One is not sure if they are allowing a short-term combustion in the party unit to introduce long-term changes. Or, is it disinterest in a unit that has behaved more or less autonomously, and has been wrapped in complexity for its northern Indian handlers?

Some would argue that the decline in the local unit started in 2021 after B S Yediyurappa stepped down as chief minister, and Basavaraj Bommai was allowed a certain administrative wilfulness. Others would insist that the dissonance began after Yediyurappa's son, B Y Vijayendra, took over as state president, which gathered momentum after the Lok Sabha elections. The dissidents, it is said, had held their fire until Modi was ensconced in Delhi. That was their clever way of signalling that their anger was against the local leadership, not against the central leadership or the party at large.

No past leader appointed by the central leadership, much less a president, has been subjected to such bitter treatment as Vijayendra has been accorded. The humiliation and abuse heaped on him have had a quotidian frequency, and his chief tormentor has been Basangouda Patil Yatnal, a state legislator and former Union minister. Yatnal has an unblemished record as a loose cannon, and has tried to presidentially position himself as an 'uncompromising' party loyalist.

Yatnal's ceaseless diatribes and innuendoes against Vijayendra, his father and their ilk is about an alleged cosy game of compromise they play with Karnataka's Congress leaders to protect

Karnataka BJP's state leadership and caste representation are being challenged from within. Why is the party's high command allowing the factionalism to play out?

BJP'S SOUTHERN FORT BESIEGED FROM WITHIN

SUGATA SRINIVASARAJU

Senior journalist and author of *Strange Burdens: The Politics and Predicaments of Rahul Gandhi*



MANDAR PARODKAR

their private interests and political turfs. He has attempted to paint Vijayendra as part of the BJP's old establishment that prioritises its self-interest.

The bitter implication of Yatnal speaking out frequently is that it has played up the disunity within the party's Lingayat base, which has till now chiefly contributed to its success. Yatnal hails from the largest sub-sect among the Lingayats, which has fought in recent years for larger political representation. So, his fight has been about grabbing the leadership of the community as well as the state BJP from the Yediyurappa family.

Furthering this intent, Yatnal has made it known that he wants to contest against Vijayendra in the election to be announced soon for the state presidency.

If a poll that was meant to be a formality indeed sees a contest, it will be a direct challenge to not just the authority of the Yediyurappa family, but also to the central leadership that picked Vijayendra.

In politics, it is another matter that one who twists the knife may never get to wear the crown. But Yatnal's words and actions would have helped dismantle a certain old guard in the state party. This possibility begs the question if the BJP high command's disinterest in taking action against Yatnal, despite his provocations, is about recognising the latent utility of his actions in making way for fresh faces in the state unit at an appropriate time. We have seen this happen in other BJP-dominant states such as Rajasthan, Madhya Pradesh, Chhattisgarh, Harya-

BRINGING YOUNG INDIANS TO CORRIDORS OF POWER

With energy, creativity and an inherent drive to challenge the *status quo*, young Indians hold the key to the future that would reflect their aspirations. Yet, for far too long, their voices have been marginalised in the corridors of power, their potential confined to the peripheries of decision-making.

Prime Minister Narendra Modi's recent call to invite one lakh young individuals without political backgrounds to actively participate in politics marks a watershed in Indian democracy. For the first time, the government may be opening doors for common young Indians to engage in policy making and governance. This initiative is a step toward inclusivity and decentralisation.

Traditionally, Indian politics has been dominated by seasoned leaders with decades of experience. While their wisdom and institutional knowledge are invaluable, the system often lacks the fresh perspectives that young minds can offer. Youth participation in politics is not merely an idealistic aspiration but a necessity in today's rapidly changing world. The challenges we face—from climate change and digital transformation to unemployment and inequality—demand bold and creative solutions.

By inviting youth into the political arena, we are not merely offering them a seat at the table, we are enabling them to reshape the table itself. Young leaders can bridge the gap between grassroots realities and policymaking. They can also leverage technology and social media to foster transparency, accountability and citizen engagement.

However, this is not without challenges. Are we, as a society, prepared to place our trust in young, relatively inexperienced leaders? Do our existing political frameworks provide enough mentorship and support to help them succeed?

The role of the youth, as we look ahead to the next century, is imperative to chart a long-term vision for India's development. What kind of nation do we want? How can today's youth contribute to this vision?

Our PM's dream of a socially inclusive India can be a cornerstone of this vision. Young leaders must champion policies that promote equitable access to education, healthcare and economic opportunities. The youth's innovative and adaptive mindset makes them uniquely positioned to lead the fight against climate change as



SHAURYA DOVAL

Member, Governing Council, India Foundation

well. By adopting sustainable practices and advocating for green policies, they can ensure a harmonious balance between development and conservation.

They are at the forefront of the digital revolution and can transform India into a global technological powerhouse. Initiatives like Digital India and Skill India need to be scaled up to prepare the next



XCOM

Youth participation in politics is a necessity today. They may be uniquely positioned to work on the challenges of climate action and digital transformation. This is why the prime minister's recent call to invite a lakh fresh young faces into politics can be a game-changer

generation for emerging industries. The involvement of young people in politics can invigorate India's democratic institutions. A politically aware and active youth can counterbalance the erosion of democratic norms, ensuring that governance remains transparent, accountable and people-centric.

As we embark on this journey of youth empowerment, it is crucial to engage in self-reflection. Are we doing enough to create an environment where young people feel encouraged to participate in politics? Do our educational institutions foster critical thinking and civic responsibility? Are we willing to accept the occasional failures and missteps that come with youthful experimentation?

na, Goa and Odisha, where the old BJP establishment was replaced with new leadership at an appropriate time; there, too, it had been worked out amid chaos created by the established players.

In Karnataka, there is not just the Yediyurappa family that is an old player; former chief ministers Sadananda Gowda, Jagadish Shettar and Basavaraj Bommai, too, have entrenched interests. They play a manipulative game without any real mass influence. Besides them, B S Sriramulu, C T Ravi, Ramesh Jarkiholi, Kumar Bangarappa, Annasaheb Jolle, Arvind Limbavali and G M Siddeshwara, all of them senior leaders representing a cross-section of communities, have turned against Vijayendra. They seem to have a tactical understanding with Yatnal.

It is also said that Yatnal has enjoyed immunity so far not because he is demanding justice, but is backed by B L Santhosh, BJP's national organising secretary, who has never kept his political ambition a secret. Hence, if Yatnal challenges Vijayendra with direct or indirect support from these people, it is only about splintering the old establishment that has held the party in its grips for the last 25 years. This makes it easy for the BJP high command to seek fresh changes in the party before Karnataka goes to the polls again in 2028.

When Vijayendra was installed as state president in November 2023, it was thought he would command the same influence and legitimacy as his father, but that goodwill and respect has not been transferred. He has increasingly come across as a factional leader, with his faction being made up of minions whose voices do not really count. This has hampered the agenda of putting the Congress-led state government in the dock despite its deep troubles on many fronts—the dire condition of the state's finances, the absence of any substantial infrastructure plans, the chief minister's name getting muddled in a land scam, and the unabashed jockeying for power at the Congress top rung.

The fact that a dynastic transfer within the BJP has not worked smoothly is an element the high command may relish and underline when it effects the changes. In the near future, the party may want to expand its base and escape its exclusive Lingayat branding to achieve a pan-caste and pan-class identity. This may demand the reordering or ejection of its old guard.

(Views are personal)
(Sugata@sugataraju.com)

MAILBAG

WRITE TO: letters@newindianexpress.com

Judicial backlog

Ref: *Appointing ad hoc judges could be a game-changer* (Feb 4). The initiative to appoint ad hoc judges is a significant step towards reducing the staggering backlog in our judicial system. It is encouraging to see mechanisms being implemented to address cases pending for over five years. Timely execution of this reform will strengthen public trust in the judiciary.
Muskan G, email

Middle-class mindset

Ref: *Using a tax prod to goad the great Indian middle class* (Feb 4). The article has made realistic points about the middle-class mindset. I am a pensioner and a beneficiary of a generous tax exemption announced by the finance minister. The extra surplus I get will be used by me for prepaying my debts.
Hemanth Bhide, Mangaluru

Circular logic

More money in the hands of the middle class may improve consumption in the market. It can work any way. Consumer products will be costly and it will offset the exemption.
Rajaram Bhat, Mysuru

Trump's tantrums

Ref: *Tariff for Mexico put on hold, no luck for China, Canada* (Feb 4). Donald Trump's tantrums over his triumph are destined to be short-lived in a globalised multipolar world where no nation can exist for long without cooperation from others. Tariff wars are sure to prompt new world alignments that will alienate the US towards a rethink before long.
Ullattil Pakiteeri Raghunathan, Thrissur

Connecting Odisha

The recent allocation of ₹10,599 crore for Odisha's railway development is a significant boost for the state's infrastructure. Such initiatives will strengthen Odisha's position in India's railway network and contribute to its economic growth.
Deepa Pandey, Bhubaneswar

Chandrika's Grammy

Ref: *Indra Nooyi's sis wins Grammy* (Feb 4). Three cheers to Chandrika Tandon, the elder sister of the illustrious Indra Nooyi, on winning the prestigious Grammy award for her album '*Triveni*'. Indra became famous as a businesswoman by rising to the top of PepsiCo. Chandrika, also a businesswoman, held music as her passion and rose high enough to get the coveted Grammy. I'm sure accolades will follow in India as well.
Raju Mathai, Kochi

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USAID Freeze Could Aid India in Region

To extend help, it will need a Saarc-like body

The Trump administration's decision to freeze USAID humanitarian assistance in South Asia is not a game changer because of the region's overdependence on debt, causing greater distress. As an emerging market region, South Asian governments collectively are among the most highly indebted. Almost half of the debt is owed to multilateral creditors, followed by bilateral creditors and bondholders. In comparison, multilateral and bilateral aid flows to the region have been relatively flat despite South Asia being the second-highest recipient globally. Within these broader trends, China has consistently increased its presence as a creditor, while US engagement has been sporadic. Donald Trump's effort to fold USAID into the state department will not destabilise the debt-aid dynamics of the region.

This is primarily due to India, which accounts for the biggest share of South Asian borrowings and led G20 efforts to reduce debt distress in the developing world after the pandemic. It is also among the top five creditor countries in South Asia. With Chinese debt service obligations reaching unmanageable proportions and the US aid spigot drying up periodically, India may have a constructive role to play. For that, it will need an instrument such as Saarc, which is in limbo.



Trump will work on all the levers of investment, trade, credit and aid to deliver US isolation. This will also have a bearing on South Asia, which receives a big part of its remittance flows from the US. But the region's surplus workforce creates a special place for it in a world economy increasingly dependent on migration. If it can operate within Trump's sensitivity to illegal immigration, tariffs and strategic alignments, South Asia can avoid some of the damage caused by trade fragmentation. New Delhi's engagement with Washington could chart out a beneficial outcome for South Asia. This would be another way to increase India's position in its neighbourhood, whose experience of conducting business with the world's biggest economies has been fraught.

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Finally, a Holistic Mission Minerals

It has been an important week for building the blocks of India's energy transition: a clear, holistic approach for a critical minerals policy. Just days ahead of budget, the Union Cabinet approved the ₹12,400 cr National Critical Minerals Mission (NCMM) that had been announced in the July 2024 budget. This was followed up by Nirmala Sitharaman announcing a tailings policy — set of guidelines for managing waste materials from mining operations — and duty exemptions for non-ferrous scrap as source of critical minerals.

A comprehensive approach on critical minerals was long overdue. Earlier efforts had been piecemeal, not building into clear policy and a roadmap. In 2019, a Nalco-HCL-MECL joint venture — Khanij Bidesh India Ltd (KABIL) — was set up to acquire critical mineral sources outside the country. It took another four years to identify 30 critical minerals. Two years later, policies and measures for securing long-term sustainable supply and strengthening value chains have been finalised. NCMM sets out the approach till 2030-31, addressing domestic production, acquisition of assets abroad, recycling of critical minerals as well as issues related to trade, R&D, HR and financing.

The mission must be reviewed regularly to remain fit for purpose. Augmenting production shouldn't impose undue environmental and biodiversity costs. Including the environment, forests and climate change ministry in the empowered committee will avoid this. To secure assets abroad, India should explore strategic partnerships, including local production and value addition, especially in other developing countries. The resource efficiency policy must be finalised to maximise use of critical minerals, their recovery from secondary sources and recycling.



Chronology Samajhiye, Uttarakhand-Style

You never know who's up to what these days. Which is why, the Uttarakhand government has listed 37 'prohibited relationships' each for men and women under the new UCC. These forbidden relationships include for men, mother's mother's father's widow (great-grandmum) and daughter's daughter's son's widow (great-grandbahu). For women, ha- raam hook-ups include father's father's mother's husband (great-granddad), and mother's father's mother's husband (another variation of great-granddad). It seems that Uttarakhand has wisely covered all bases, including theoretical ones.

We presume that readers of this paper may not have to refer to this list, considering most proscribed relations listed never entered your mind. But as a UCC rules committee member patiently explained, 'In the past, marriages took place at a very young age. So, we included them to cover any such cases that might still exist today.' Quite. One never knows who may get inspired by some old-fashioned, Amar Chitra Katha-style liaison. Uttarakhand's authorities certainly continue to live in potentially 'incesting' times. Even if child marriage has been outlawed, having a relatively young great-grandmother or a willing great-grandfather isn't beyond the realm of possibility for these guardians of relationships. They certainly give a new twist to the advice, 'Chronology samajhiye'.

CURSOR What if the exercise was about building a knowledge economy, not a skilling shop?

Variation in Budget Major



T K Arun

Instead of adding to the alphabet soup of government programmes, suppose the FM had used her budget speech to announce policy initiatives to address the challenges India confronts. What could she have said?

Australian Strategic Policy Institute (ASPI) tracks 64 critical technologies in nine clusters ranging from AI, advanced information & communications, advanced materials & manufacturing, biotech, vaccines, defence and space, to robotics and quantum. Its technology tracker quantifies the contributions of different nations to the development of these technologies, which together make for strategic domination. It concludes that, as of 2023, China was ahead of the US in 57 of the 64 technologies.

In other words, DeepSeek is no flash in the pan. It is gold spun out of the scholarship systematically nurtured from basic schooling through advanced research degrees. Not one member of the DeepSeek team has studied outside China.

India treasures strategic autonomy. For this, it is not enough to buy or even locally produce advanced weapons, and practise nifty foreign policy. It calls for competence in every critical tech and bleeding edge in quite a few.

India has the world's largest population, and the world's largest youth population. Our schools and colleges teach them to memorise stuff and cherish degrees, rather than value, pursue and create knowledge. The notion that the Vedas contain all the knowledge does serious harm. It conditions people to think knowledge is finite, and to be mastered, rather than created, extended, discredited, dumped and replaced with superior knowledge.



Knowledge is not to be mastered, rather, it's to be created, extended, discredited, dumped and replaced with superior knowledge



A different kind of performance, perhaps?

ge in a never-ending pursuit, which generates new insights, new technologies and new capabilities.

Some schools and colleges produce Abhijit Banerjees and Venki Ramakrishnas, as well as Satya Nadellas and Sundar Pichais. But most produce children only a quarter of whom can read at their level, or add or multiply. Division, of course, is something that politics takes care of later on.

The FM could announce incentives for states to kill the present system of schooling that does not educate, and replace it with a mastery model for elementary classes. No student should advance a grade without learning 100%, not 40%, of what she is supposed to learn at her level. This would ensure that a child won't struggle with multiplica-

tion before mastering addition. Or grapple with sine theta before understanding division or right angles.

Learning would become thorough, and children would learn that, if they apply themselves to something long and hard enough, they can master anything. That they are inferior to none.

Children who master the fundamentals and learn to *learn* will acquire skills as and when needed. The FM could incentivise cooperative federalism to set up advanced centres that develop every critical technology. Colleges and universities must focus on advancing knowledge, not imparting skills, a task best accomplished outside the university system.

The FM announced a corpus of ₹1 lakh cr for R&D in her last budget. Use the corpus to set up Indian Capability Centres (ICCs) that can undertake research for companies that identify critical problems and part-fund the research. Let some of Indian

talent slaving away to develop IP for MNCs in GCCs work in these ICCs.

Instead of using tax giveaways to divert attention from the budget's failure to address stalled growth, use them to incentivise retirement-savers to allocate a portion, say, 5%, of their corpus to venture-funding startups that put critical technologies to work. Such startups could fund some research in ICCs.

Instead of asking the states to put up 75% of urban projects to draw on a challenge fund, the FM could design policy for PPP to build, say, new towns that collectively span 1,000 sq km, to start with.

The world is 50% urban. China is where it is today because it is 66% urban. India has to urbanise, to grow fast and rich. If half of India's projected population in 2040 (150-160 cr) is to be urban, the population living in towns has to rise by 25-30 cr from the present level.

These additional hordes cannot crowd into existing towns without making them dysfunctional. India needs lots of new towns. At Delhi's population density, that would mean some 15,000 sq km of additional urban space.

Ask states to do the zoning, planning and laying out of infrastructure, besides connectivity to existing towns, for the new towns, and guarantee return of up to 15% of land that farmers release for building new towns as urban property. Let private developers build office blocks, nearby homes, schools, hospitals, entertainment hubs. Larger towns should come with a university and an airport attached, to nourish them with ideas, talent and connectivity.

Let capital come from real estate investment trusts that could absorb global capital, apart from domestic savings currently pushing up stock valuations to unrealistic multiples of earnings. Let India's urbanisation story play out, driven essentially by private investment, with government investing in planning, zoning, contracting and funding universities, airports and connectivity to new towns.

Kalidasa once compared his poetic efforts to a dwarf reaching for luscious fruit on elevated branches. Let the Indian corporate chieftains who refuse to lift their eyes above the low branches strut around as Grumpy, Happy, Bashful, Dopey, Doc, Sneezey and Sleepy. Let policy create giants out of startups, including from the public sector.

Reacting Well to Real Challenges



Sumant Sinha

At its core, Budget 2025 continues GoI's investment boost in the short term, strengthens manufacturing competitiveness in the medium term, and sets the stage for India to become a developed economy in the long run.

The budget aims to achieve these objectives while keeping the fiscal deficit within the 4.4% target, ensuring macroeconomic stability. India's public debt-GDP ratio stands at about 83%. With over 60% of emerging economies and 40% of advanced economies nearing 100% debt-to-GDP levels, these nations face significant interest payments, limited space for development expenditure, and 'higher-for-longer' inflation.

Combined with the geopolitical instability and capital outflows to advanced economies, these countries face a high risk of slowdown and macroeconomic instability. India, however, remains in a more comfortable position. Nirmala Sitharaman's 6-year fiscal roadmap assures that the country is likely to maintain this stability. This budget outlines a 7% increase in

spending compared to the current year, signalling GoI's commitment to growth through strategic investments. The short-term priority is to stimulate consumption. The FM's aim is to unlock the potential for higher disposable incomes for a large portion of the population through a wholesale revision of I-T rates, enhanced credit flow to farmers, urban street vendors, fishermen and women entrepreneurs, as well as a strong package of measures to leverage the tourism sector.

A key growth driver and employment generator over the medium term is the clean energy sector. GoI has allocated ₹81k cr for the energy sector, a 31% increase from the current financial year's estimated expenditure. A significant portion of this is earmarked for clean energy, with around one-third allocated to the PM Surya Ghar Scheme. The budget maintains a sustained focus on clean energy manufacturing, supporting ecosystem development through the National Manufacturing Mission, and adjustments to taxes on batteries, solar modules and wind turbines. The electricity distribution sector also receives a reformist push with the announcement of an increase in the borrowing limit for states, enabling access to 50-year interest-free loans from GoI, if state governments undertake reforms.

This is a strategic step to ensure long-term energy security and a smooth transition to cleaner energy sources. GoI also announced plans to deploy five indigenous built small nuclear reactors by 2033, and allocated ₹20k cr for R&D. This forward-looking initiative is crucial for decarbonisation, as nuclear power offers 24x7 generation with zero carbon emissions.

With improved safety standards and advances in technology, such as the use of thorium instead of uranium, nuclear energy, in conjunction with renewables, is a viable alternative to coal.

There has been ongoing debate about whether India should prioritise manufacturing or services as its primary growth driver. Given India's success in electronics manufacturing and the software sector, both industries have significant growth potential. GoI has wisely pursued a balanced approach by announcing initiatives for both manufacturing and services, includ-

ing measures to support GCCs and the manufacturing sector. Incentives for capital goods manufacturing are particularly noteworthy. India needs to start producing machines that enable final-stage assembly in sectors such as pharmaceuticals, clean energy and auto.

Two other long-term focus areas in the budget are education and skilling. As highlighted by Economic Survey, India's demographic dividend offers a unique opportunity, with 65% of its population under 35 years and a median age of 28. However, it's essential to align skill development initiatives with evolving labour market demands.

GoI has allocated ₹1.28 lakh cr for education, accounting for 2.5% of total expenditure. Initiatives such as broadband connectivity for all government schools, collaboration between skill councils, and establishment of centres of excellence for skilling will help India make the most of its youthful workforce.

The budget's emphasis on boosting agriculture, unleashing entrepreneurship and manufacturing, increasing exports and undertaking critical reforms positions India well to navigate global economic challenges, while paving the way for future balanced growth. Budget 2025 sets a strong foundation for growth, innovation and resilience.

The writer is chairman-CEO, ReNew

In bloom

Keep Calm and Cut Interest Rates



Pranjul Bhandari

Two events over the last week — the budget, followed by a flurry of tariff announcements from the US — are likely to have given RBI pause for vipassana, thought and introspection. What has it gleaned from this news-heavy week, and what does the future hold as it emerges from a period of deep contemplation at its next MPC meeting this Friday?

Let's start with the budget, announced against a difficult economic backdrop. Global uncertainty warranted macro stability by sticking to the fiscal consolidation path, weak domestic growth called for policy stimulus. The budget tried to do it all.

It gave a meaningful consumer stimulus by lowering the I-T burden on the middle class, held on to the capex thrust (in percentage-of-GDP terms), and announced its intention to lower fiscal deficit. How did GoI fund the large tax cut? It cut current expenditure to fund the tax breaks. As the year progresses, capex could also turn out to be a shade lower.

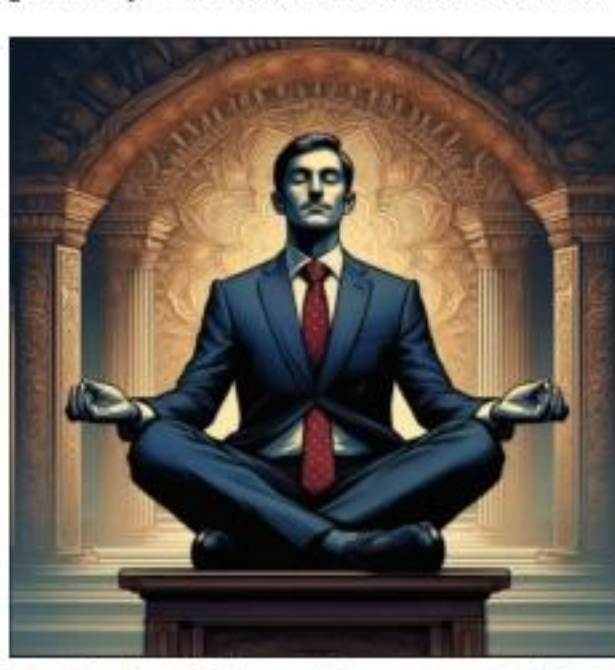
To cut a long story short, because fis-

cal deficit is being cut, consumption stimulus is being funded by an expenditure cut. This leaves us with a fiscal impulse that's neutral, at best. RBI is likely to see this clearly, but will ask itself whether it needs to do anything about it.

Which brings us to growth. The September quarter was a disappointment, with GDP growth slowing to 5.4%. Since then, there have been some improvements, and the December quarter growth is tracking at about 6%.

However, is this enough? India's ability to grow sustainably (potential growth) is higher, at 6.5%. And the current growth gap can be filled by cutting rates and easing liquidity.

RBI may want to tread carefully. Yes, it wants to support growth. But its primary mandate is inflation control.



Truth should be out there... on Friday

Luckily, a cool winter and full reservoirs promise a strong winter crop. In fact, January inflation is trending at around the target of 4%. So, yes, RBI has a green light to ease monetary policy and support growth. In fact, it took a slew of steps to ease liquidity.

But then came the tariffs. Over last weekend, Donald Trump announced tariffs on Mexico, Canada and China, which saw the dollar soar, putting emerging market currencies under pressure. The next day, some of these tariffs were put on hold and the dollar dropped. All of this can change by the day. The takeaway is that this is a period of volatility and uncertainty.

Should RBI wait for a period of financial market calm before cutting rates? No. It may end up being a long wait. Given that domestic fundamentals are supportive, it's best to cut rates soon. RBI could play a larger role than taking growth back to 6.5%. It can aid the process of driving up potential growth to about 7% levels, which India has seen before, but now seems rather illusive.

Fears of global tariffs could be disruptive in the short run. But they may be a growth opportunity over a longer period. During Trump's first term, China's exports to the US slowed, but its FDI to Asean rose. Asean's exports to the US soon rose sharply. India was not a key beneficiary here. While India may have received a chunk of FDI in hi-tech sectors, this was not the case

in the more labour-intensive mid-tech sectors like textiles, toys and furniture.

Nevertheless, a new opportunity may be opening. As global supply chains get rejigged once again, India can attempt to plug itself into mid-tech supply chains. However, this will only be possible if it dares to be different by choosing to remain open for business even as the world becomes more protectionist. This entails GoI keeping import tariffs low and stable, signing bilateral trade agreements with countries like the US, and being open to regional FDI.

RBI can also play an equally important role in keeping the rupee flexible. Benefits of freeing up interest rate policy to address growth, rather than to defend the currency, are well known. However, what is less appreciated is that a flexible exchange rate signals to manufacturers around the world that India's exports will remain competitive. It positions the country as an attractive destination to produce and export from.

So, should RBI cut rates when the rupee is weakening? Yes, it should. Lower rates and a competitive rupee are both needed for strong, sustainable and more diversified growth.

Many of those going into vipassana come back enlightened. No doubt, so will RBI.

The writer is chief India and Indonesia economist, HSBC



THE SPEAKING TREE

Challenge Yourself

SWAMI SWAROOPANANDA

Most people reach a stage in life — typically in their forties, fifties or sixties — when they have accomplished a lot and fulfilled many of their aspirations. They have reached the peak of their careers, built satisfying family lives and achieved various personal goals. At this crucial juncture, many begin to reflect on what lies ahead. It's a moment of introspection, sometimes even a mid-life crisis. However, this sense of uncertainty — 'What now?' or 'What's next?' — can, instead, be seen as an opportunity for growth.

There is no 'mid-life crisis' unless and until we have lost our enthusiasm or sense of direction. This phase can be seen as a chance to re-evaluate and enrich one's vision. As we move forward, we should strive to set ourselves higher goals, regardless of whether they are spiritual, material or personal in nature. Have confidence in yourself. There is much more to be achieved. Now is the time to expand your horizons and let your actions be driven by love — whether for society, your country or even your family.

When we think of achievement, it's often associated with financial success. However, personal and spiritual growth, knowledge, impact and influence in the world around us are equally, if not more, significant achievements. True fulfilment comes not just from striving for one's satisfaction but also from helping others attain contentment. Challenge yourself, broaden your perspective and embrace the unknown.



Every Photo Tells a Story

In a world flooded with mobile photography, the podcast 10FPS (Frames Per Second) offers a refreshing pause. Created by photojournalists, 10FPS delves into the craft and profession of photojournalism.

But here's the thing — it's not just for professionals. You can tune in to listen to ideas that drive photographers, struggles they face in getting the 'right' shot, how to avoid bringing biases to assignments, and more. Elena Volkova and JM Giordano helm this weekly podcast.

In the episode Sandra Stevenson (Photo Editor), the hosts talk to The Washington Post's deputy photo director. The conversation covers topics, ranging from trends in political photography to the future of freelance photographers. And, of course, the hottest topic of all: AI.


Stevenson shares three key takeaways. One, photography has a unique ability to capture emotions in ways words cannot. Two, photographers must embrace new platforms. Three, as tech evolves, maintaining ethical standards in photography will be a critical challenge.

Thankfully, this podcast is more about the art of photography and not which f-stop a photographer used, or why they prefer Canon over Nikon.

Chat Room

Growth Still a Developing Story

Apropos the news report, 'Economic Survey: India's Real GDP for FY26 Projected at 6.3-6.8%' (Jan 31), the Economic Survey for 2024-25 has pegged India's GDP growth at 6.3-6.8% in FY26, which is lower than last year's projection and the current year's estimated growth. The projection cannot be faulted considering elevated geopolitical and trade uncertainties, and possible commodity price shocks. While the fundamentals of the domestic economy remain robust with a strong external account, calibrated fiscal consolidation and stable private consumption, economic slowdown, slump in private investment and sluggish consumer demand are matters of major concern. With inflation still well above RBI's 4% target and GDP growth below 7%, the goal to make India a developed country by 2047 will be an uphill task. M Jayaram Sholavandan, Tamil Nadu



CONTRAPUNTO

The burden of citizenship is accepting that what is neither your fault nor your responsibility may be your problem

— ANAND GIRIDHARADAS

Plane Truth

Indian deportees arriving on a US military aircraft is embarrassing. GOI needs to target people traffickers

By the time you read this, a US military plane bringing 205 illegal Indian immigrants from San Antonio, Texas might have landed in Amritsar. Unlike Colombia and Mexico, India has not made a fuss about US deploying military aircraft to deport its citizens. The optics don't matter when you're staring at the prospect of receiving dozens of such flights over the coming months. US has a ready list of 1.5mn foreigners to deport – 18,000 of them reportedly Indian. And that's a tiny percentage of the 725,000 Indians staying illegally there. It's embarrassing, not so much because of the military planes as the fact that so many desperate Indians felt they couldn't realise their dreams in India. There are many more in Canada and Europe and West Asia, and some even on the Russia-Ukraine frontline now.

It's not the first time US has deported Indians. Last Oct, a chartered plane returned 100 to Punjab. Altogether, 1,100 were sent home quietly between Oct 1, 2023 and Sept 30, 2024. But Trump made illegal immigrants a poll issue and has kept the spotlight on it in his first two weeks as president. This hurts the almost 5mn ethnic Indians who are present in America legally and have built a reputation as a highly successful group. Two years ago, they had the highest median household income of \$145,000. They also had a very high proportion of college grads. Contrast that with the Hispanic population that had a median income of \$65,540 – less than half – in 2023. So, when a US military plane takes off for, say Guatemala, and another for India, the cost in terms of national image is not the same.

That's why it's vital for GOI to crack down on illegal immigration now. On average, over 90,000 Indians are caught trying to enter US illegally every year. In 2022-23, the number shot up to 96,917. Sometimes, these attempts end in tragedy, like the Gujarati family that froze to death on the US-Canada border in Jan 2022. But with the ongoing US crackdown, more and more will end in disappointment. Govt needs to target gangs that run illegal immigration networks and, at the same time, focus on creating opportunities. Only then will Indians think risk and ignominy abroad are not worth it.



Om Chanting Om

Grammy recognises a widespread meditative practice, much of whose cognitive potential is still unsung

Beyoncé won't expect a great post-award sales bump for *Cowboy Carter*, which won album of the year Grammy. Because she already has a mega market and routinely tops multi-country charts. The best New Age, Ambient or Chant album Grammy for *Triveni*, on the other hand, has gotten Indian-origin Chandrika Tandon and her collaborators their first front-page headlines and sent precious new listeners their way. Among these new listeners in India, many will wonder, what's the fuss about. Its *Om Sahana Vavatu* (Om, Together may we two be Protected) rendition, for example, is a close kin of the ambient sounds of our country.

It's all about context, though. What is quotidian in traditional Indian society can still be special to the West. But chanting isn't just an ancient practice across Hinduism, Buddhism, Sikhism, Sufism and yogic traditions. From Australian Aboriginals to American Navajos, Hebrew cantillation to Catholic Gregorian chants, it's been part of worship and mobilisation practices far beyond South Asia as well, a vast spread across space and time. Of course it occupies a profoundly separate mindscape than Beyoncé or the other big winners of Grammy night – like Kendrick Lamar and Chappell Roan. Chanting is associated with very different experiential outcomes than rap or country music or rock n roll or our own modern music. Many chants are on the mystical spectrum. There is also a lot of ongoing research into the other cognitive benefits of chanting, especially when it's practised with strong intentionality.

Ricky Kej is another Indian-origin person who's tasted success in this Grammy category. But the band that's perhaps done the most commercially triumphant (Gregorian) chanting, Enigma, has ironically never won a Grammy. Maybe because they are so irreverent. Their admixture of chanting with "the principles of lust" and Marquis de Sade is, however, indicative of how capacious chanting can be, in form and meaning.



Don's boomerang

Trump's weapon of tariffs against countries like China and India might well backfire on him

Jug Suraiya



The Australian boomerang is an effective weapon in the right hands. If when thrown it misses its target, it returns to the thrower, enabling a second try.

Has Donald Trump unintentionally invented an economic boomerang which, if it misses its intended objective and inexpertly handled, comes back to wallop him?

Trump won the presidential polls on the planks of curbing illegal immigration and combating the rising cost of living, which affects the lower income segments of the country, by imposing punitive tariffs on nations such as China, the biggest exporter to America.

Why should Americans have to pay income tax to Internal Revenue Service to keep the country solvent? Why not devise an External Revenue Service whereby countries, like China and to a lesser extent India, who make money by exporting their products to US are made to pay for the privilege? These countries would have to shell out large sums of money by way of tariffs to the US govt on their exports, which would ease the fiscal burden on the American taxpayer.

A truly MAGA idea. Except for one thing. By imposing high import duties on foreign goods it will make all those goods, from TVs to T-shirts, from cars to comestibles, even more expensive for American consumers, who are already feeling the pinch, or the punch, of rising prices.

Trump's tariffs could become Trump's boomerang, which could double back and knock the top hat off Uncle Sam's head.

America, the richest country on earth, earns largely through the sale of assorted weaponry in parts of the world riven by conflict, often stage-managed by US itself from the wings. It produces little by way of mass, everyday goods, for which it is dependent on external supply. Tax that supply, and you end up taxing the American household.

Undaunted by such an example of the law of unintended consequences, Trump seems bent on making good his threat to become a global tariff policeman. With tariffs being his key, Don could well have invented a new branch of economics called Donkeynomics.



secondopinion

Can RaGa Be In Tune?

His Monday LS speech had elements of good oppn politics. It avoided shrill anti-institutional rhetoric. But can he really stop being a political insurgent & focus consistently on issues like unemployment?

Asim Ali



Rahul Gandhi's address in Parliament on Monday was a glimpse of the politician the 54-year-old can be. He critiqued in a dramatic but measured manner successive govts' failure to tackle unemployment, the failure of "good idea" Make in India, failure to organise production "handing it over to the Chinese" and so on. His address was what is desired of a Leader of Opposition. Yet, this was but one speech. What is more on display, in Parliament and outside, is a constant combativeness.

At the inauguration of the new Congress headquarters, 'Indira Bhawan', Rahul Gandhi laid out an insurgent message before party brass: "Do not think we are fighting a fair fight...we are now fighting BJP, RSS and the Indian state itself." Ironically, the political legacy the Gandhi scion seemed to be channelling was not that of Indira Gandhi, but her bête noire Jayaprakash Narayan. An anti-institutional politics, draped in 'revolutionary' symbols, purporting to challenge a "corrupt" and "captured" prevailing order.

BJP, of course, had a field day trotting out its favourite themes of "urban naxal links" and "George Soros playbook" to cast the Congress politician as an agent of subversion bent on "breaking India and dividing our society".

For Rahul Gandhi, 2025 is a moment like 1975. The Constitution is under threat from excessive centralisation of authority. Ordinary people, especially the young, are chafing under high unemployment and persistent inflation. And the subaltern castes, especially Dalits, have begun breaking away from the firm grasp of the governing coalition. Is there merit to this argument?

There is a certain historical resonance here, yes. So why hasn't this insurgent message caught fire with the electorate over the last year; in Haryana and Maharashtra and as seen during campaigning, evidently in Delhi too? Or, to put it in another way, why does Rahul Gandhi make for a poor JP?

Forget personality differences. There is, above all, a quite straightforward reason.

Unlike the 1974-75 era of JP's 'Sampoorna Kranti', there is no united opposition behind the singular personality of Rahul Gandhi. In fact, the situation is starkly the opposite. Major opposition parties of INDIA bloc TMC, SP and UBT Sena are all backing Aam Aadmi

Party (AAP) in Delhi, not Congress of Rahul Gandhi. Even Tejashwi Yadav of RJD has questioned the continued existence of INDIA bloc, while allowing Congress a (junior) role in the upcoming Bihar election. As Rahul Gandhi flagged the Congress's 'Jai Babu, Jai Bhim, Jai Samvidhan' rally in Mhow earlier this month, there was hardly a speck of an ally



Uday Deb

The source of Rahul's charisma, to the extent we saw during Bharat Jodo Yatra, comes from his youth and vigour, and his hazy embodiment of an alternative future

in solidarity on stage.

The power of JP's message lay in his capacity to channel the voice of the entire opposition. Rahul Gandhi, meanwhile, is unable to credibly speak as the voice of his own party. Even as he promises a caste census in Delhi, his party's govt in Karnataka routinely

'I'm not scared of AI...But I'm disturbed by the deterioration of truth in public life...My driving force is curiosity'

Wim Wenders is a master of modern cinema. The 79-year-old German filmmaker's oeuvre includes *Paris, Texas* (1984), *Wings of Desire* (1987) and, more recently, *Perfect Days* (2023). Invited by Film Heritage Foundation, Wenders will be in India – his first trip here – today. In an email interview with Avijit Ghosh, he talks about the future of films and the artistic challenges before the visual art.

● You have been making films since 1967. You have made road movies, character-driven films, science fiction, music video, TV commercials, opera. *Perfect Days*, which maps the life of a public toilet cleaner in Tokyo, has been much-acclaimed. What is your driving force?

My driving force is curiosity and to pose, again and again, the burning question: "How should we live?" The conditions under which we live as humanity change constantly and fast. We're adjusting constantly. My films are not necessarily giving answers to that question, but they're constantly in search of possible answers. Maybe the most poignant one in that regard was *Until the End of the World*, a film that anticipated the impact of the digital revolution on our visual culture. It was shot in 1990 and tried to look 10 years ahead into the future; it takes place in the year 2000. Now that year is long gone, but the film still offers a powerful first look at what was going to happen to mankind.

● As a philosopher of cinema, what would you say are the biggest creative challenges of the times? Is it Artificial Intelligence?

I'm not scared of AI. But I'm deeply disturbed by the deterioration of truth in public life and the massive and ever-growing amount of lies, of misleading and false information. We have huge parts of populations

unaware of the propaganda and falsehoods they take as 'reality', for granted. The worst, however, is the common disinterest and lack of knowledge for history, even among politicians. You'd think that people wouldn't go for the same nationalist parables and promises that already ruined our civilisation in enough wars and conflicts. But they seem eager to repeat the same recipes.

● OTT channels such as Netflix and Amazon Prime have come to dominate middle-class lives across the globe. How do you see this development?



Still from Wim Wenders' iconic *Paris, Texas*

Streamers grow bigger and bigger. They were propelled fast-forward by the pandemic. They're slowly pushing independent distributors and producers out of business. Also, a growing number of young people have gotten estranged from the experience of seeing films in theatres, together with others. They got used to

getting all that "content" and much more at home. Some of them never really experienced movie theatres as a social institution, so they don't even miss it. I find that a sad development in an overall world culture that makes people more and more solitary.

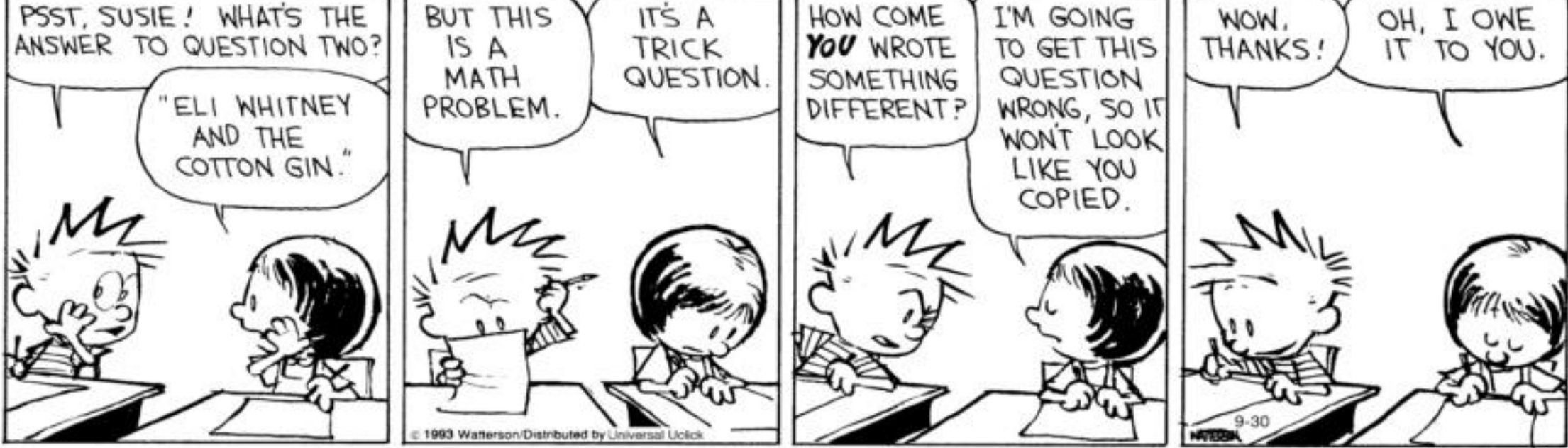
● Films are a part of our cultural history and heritage. But celluloid fades. Since you have been personally involved in the restoration of your own films, how do you look at the process?

I'm happy that right now, all over the world, films are being restored, so that some of our greatest cultural treasures of the 20th century are being preserved. In India, the Film Heritage Foundation is doing amazing work. It is our connection and dedication to film preservation, I guess, that gave Shivendra Singh Dungarpur the idea to invite me to India for this five-city retrospective. My foundation is also extremely engaged in this field. Fifteen of the 18 films we show in India are restored versions. I can't tell you how much I'm looking forward to talking with Indian audiences!

● On a different note. You are a fan of Borussia Dortmund. French writer Albert Camus once said, "Everything I know about morality and the obligations of men, I owe it to football." What does football mean to you?

I tend to agree with Camus. Football can be a great metaphor for the best in us, morally and as far as 'character' is concerned. But ever since he said this, the world has evolved, and not really for the better. "The Beautiful Game" has been extremely commercialised and therefore, much to my dismay, has lost some of its moral qualities and even some of its playfulness. I still follow it passionately, and I have my favourite teams in other leagues, not just in the Bundesliga in Germany. I follow Liverpool in England, Naples in Italy – both not always so much at the top of the game as today. Some of my teams have even disappeared in second leagues in France or Spain. But I keep my hopes up for them.

Calvin & Hobbes



J Krishnamurti

What do we mean by political action which is different from all other actions? Why do we separate politics from our daily living? Why do we separate a political activity of the left, right, centre, or extreme left, extreme right? Why, if one may ask, why is political action so very different from our action of relationship, action with regard to fear in ourselves, and so on? Or is politics part of our life, not something separate? Politics according to the common usage, which is in the dictionary, is the art of govt, science of govt. Why do we give this art to politicians? They apparently are a separate breed, different from us. This is really a question that involves, why do we depend on a politician, a guru, a priest, on anybody to govern us? Why


do specialists take charge of our life? Is it that we have no so-called confidence in ourselves? We are not sure of ourselves, and we attribute this clarity to the politicians and to the others. Is it in ourselves that we are insufficient and somebody out there is going to make us sufficient?

So, are we to treat life as separate factors: political, religious, economic, and so on? Or are we to treat life as a whole? Is it that we are so fragmented in ourselves – as a religious action, political action, family action, individual action, collective action? Or do we treat life as a total movement in which all these activities are included? But if we separate one from the other, we'll inevitably bring about contradiction. A religious life is

incompatible, one will say with political life; a religious person will have no part with politics, because generally politics is such a crooked affair, controlled by big industrialists, by wanting great deal of money for the party; and they're depending on rich people and so on. There is increase of armaments; just now they are destroying each other, killing each other for – god knows for what...

And what is a political action? Would you like to start a new party, social democratic party? Or look for a new leader for the next election; condemn the present leader, and when the new leader comes into being next election, again there is doubt about him – you know the whole...when the honeymoon is over then begins the whole problem. So, what is your

Sacredspace



In one sense choice is possible, but what is not possible is not to choose. I can always choose, but I must know that if I do not choose, that is still a choice.

Jean-Paul Sartre

Can I Live A Life That Is Not Broken Up?



THE SPEAKING TREE

answer?...Do you want to ask if there is an activity, if there is action which is not divisible, an action that includes politics, religion, economics, everything – the whole bundle of life. And is that possible?

One sees corruption right through the world – black market, rich people getting tremendously richer, the privileged classes, and so on. Where do you begin to bring about an action that will include all actions? Where do you begin? To go very far, one must begin very near. Right? So, what is very near? Me. I am the nearest person, so I begin – not as a selfish activity, or self-centred movement – I am the nearest, or I am the centre from which I start; not out there. Can I live a life that is absolutely not broken up?

Excerpted from J Krishnamurti's *Fourth Question and Answer Meeting*, US. Courtesy: KFI

The Tribune

ESTABLISHED IN 1881

Return of the natives

India must walk the talk on illegal migration

DAYS before Prime Minister Narendra Modi's visit to Washington, a US military aircraft has brought 200-odd illegal Indian migrants back to their homeland. El Salvador, Guatemala, Honduras, Peru — these are certainly not the countries that India, the world's fastest-growing majoreconomy, would like to be bracketed with. Yet, here's the inescapable fact: India, that is Bharat, figures among the nations with the largest unauthorised immigrant population in the US, according to Pew Research Centre. A deportation flight may not seem to be the ideal build-up to the PM's visit, but New Delhi has managed to earn a few brownie points by talking tough on illegal immigration. During his recent trip to the US, External Affairs Minister S Jaishankar did some good diplomatic groundwork, reassuring the Trump administration that India was open to the 'legitimate return' of its errant nationals.

India wisely avoided a confrontational approach, which would have created embarrassing bitterness ahead of the Modi-Trump meeting. There was none of the bravado that had left Colombian President Gustavo Petro with egg on his face. He initially refused to accept military flights carrying deportees, but did a U-turn after President Trump threatened to impose tariffs and sanctions on Colombia. Now, Petro is requesting migrants from his country to come home right away and "build social wealth". Such appeasement raises vital questions: Does India have a plan to rehabilitate around 18,000 nationals who have been identified for deportation from the US? And how will Delhi ensure that these people, including Punjabis and Gujaratis, do not undertake an immigration misadventure all over again?

A nationwide crackdown on unscrupulous travel agents is a must to deter desperate people who want to enter America by hook or by crook. The distant dream of *Viksit Bharat* can wait. The immediate priority should be to create lucrative job opportunities at home for skilled manpower. At the same time, streamlining legal migration ought to be high on the PM's agenda during his one-on-one with Trump.

Politics over Kumbh

Pilgrims lost, accountability missing

OPPOSITION leaders have accused the Uttar Pradesh government of downplaying the scale of the tragic stampede at the Maha Kumbh Mela on January 29. Official reports claim 30 people were killed and over 60 injured. However, the figures are being hotly contested, with opposition leaders like Akhilesh Yadav alleging that the real death toll is significantly higher, with many still missing. The state's response has been both evasive and inadequate. The UP government, while deploying a judicial commission to investigate, stands accused of suppressing information and failing to provide transparency. The Supreme Court termed the incident "unfortunate" but redirected the matter to the Allahabad High Court, highlighting judicial reluctance to confront administrative lapses directly. Meanwhile, bereaved families continue searching for missing relatives, as official silence fuels public anger and distrust.

More troubling is the emerging angle of a possible conspiracy. With over 16,000 mobile numbers under investigation and facial recognition technology being used to identify suspects, authorities suggest foul play may have contributed to the chaos. Yet, the specifics remain murky. This raises critical questions about security preparedness and the state's ability to protect its citizens during mass gatherings. Beyond political blame games and conspiracy theories, this tragedy underscores a recurring issue: inadequate crowd management at religious events. The National Disaster Management Authority has long recommended comprehensive policies for such gatherings, yet implementation remains lacklustre.

As millions continue to gather for subsequent bathing rituals during the ongoing Maha Kumbh, which is a grand confluence of faith, tradition and humanity, the pressing need is not just for better protocols but also for transparent governance that respects both the living and the departed. Faith may guide the pilgrims, but safety must be ensured by those in power.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, THURSDAY, FEBRUARY 5, 1925

Labour and internationalism

OSWALD Mosley emphasised an aspiration rather than a fact when he said in a recent speech at Delhi that the Labour Party stood for internationalism. There can be no doubt that internationalism in the sense of breaking down of national barriers in the matter of free and full enjoyment by the masses of the fruits of their labour is the ultimate goal of a properly constituted Labour Party. But it is equally undeniable that internationalism in this sense is not the immediate objective of the British Labour Party; if, indeed, it is the immediate objective of the party in any country in the world. Indeed, it is safe to assert that the nine months during which they were in office between the resignation of one Conservative ministry and the assumption of office by another did not show that in this respect there was any appreciable difference between the most advanced and the least advanced party in England. Mosley, indeed, claimed that the Labour government had rendered a greater service to mankind during the brief period of its office than any previous government. But this was clearly a matter of opinion, and we do not think that Mosley's opinion is shared by the majority of disinterested and impartial observers. Nor must the fact be overlooked that internationalism, like charity, must begin at home, and that the sincerity of the international efforts of the British Labour Party will be judged less by what it does with regard to Russia and Germany than by what it does by way of settling international issues with the British Empire itself.

OPINION

Miles to go on the nuclear front

High-sounding goals alone won't lead to power generation in the long run



DINESH C SHARMA
SCIENCE COMMENTATOR

THE 2025-26 Budget presented by Finance Minister Nirmala Sitharaman has certain supposedly 'big-ticket' ideas in the technology sector. These include the Nuclear Energy Mission, the Artificial Intelligence Mission and an increase in the allocation for the Ministry of Science and Technology to fund technology development and innovation in the private sector. She also announced a proposal for infrastructure expansion at the Indian Institutes of Technology and a multi-fold increase in the number of medical seats. All these are welcome ideas, though the timelines for their implementation and full financial implications are unclear. Most of them are not new and have been mentioned in previous Budget speeches.

The Nuclear Energy Mission is meant specifically for research and development (R&D) pertaining to Small Modular Reactors (SMRs). The justification for going in for SMRs is the need for progressively reducing the dependence on fossil fuels. The goal, according to the FM, is "the development of at least 100 GW of nuclear energy by 2047". The minister said the mission would have an outlay of Rs 20,000 crore and at least five indigenously developed SMRs would be operationalised by 2033. However, she has not allocated funds for the new SMR mission in the Department of Atomic Energy's (DAE) budget, which remains stagnant compared to the previous year. It means Sitharaman's announcement on SMRs is only an intent. The SMR intent, too, is not



CHALLENGE: Adding about 92,000 MW of nuclear energy in the next two decades is like chasing a mirage. REUTERS

new. In her 2024 Budget speech, the minister had announced that India would go in for smaller nuclear reactors in a new push for nuclear energy; they were christened Bharat Small Reactors and Bharat Small Modular Reactors (BSMRs). In December 2024, the government told Parliament that R&D had been initiated to develop BSMRs and that "many countries have shown interest in collaborating with India" for this purpose. The deployment of these reactors will be in sectors with the need for captive power generation, it was said. If the DAE has already initiated the development of SMRs, it should have been allotted funds in this year's Budget to pursue this work. The prefix 'Bharat' was dropped in Sitharaman's 2025 speech. Instead of the 'BSMR' used till December 2024, she has mentioned 'SMR' while referring to the new nuclear initiative.

Small reactors and SMRs came on the policy radar when Niti Aayog published a paper on this subject in 2023. A 'small reactor' refers to a nuclear reactor (220 megawatts or MW) based on existing technology like pressurised heavy water reactors, while SMRs

Anyone projecting nuclear power as an option for energy security should keep the ground realities in mind.

refer to even smaller reactors of 30-MW capacity onwards but with new designs. It is projected that such reactors could be pre-fabricated in factories and shipped to a site, reducing construction and installation time. Given their small size, such reactors would not need frequent refuelling, and could even be retrofitted in decommissioned thermal power plants. The safety, environmental and regulatory requirements for SMRs may be different from those for large reactors because SMR designs deploy passive systems and operate at low power

and operating pressure. Globally, a handful of commercial SMRs are under development.

The development of nuclear energy was taken up soon after the country gained Independence. India has made substantial progress in developing indigenous capabilities and strategic output in the form of nuclear bombs. On the commercial electricity front, however, nuclear power has been lagging. Currently, India has 24 nuclear power reactors with a total installed capacity of 8,180 MW. Another 21 reactors with capacity totalling 15,300 MW are at various stages of implementation. The DAE is known for fixing long-term targets for enhancing power generation from time to time. In the 1970s, when just a couple of nuclear power plants were functional, the DAE set a target of producing 10,000 MW by 1990. In the 1980s, the target was to achieve 20,000 MW by 2000. Then the deadline was changed to 2020. This year, the goal is 100,000 MW by 2047. Adding about 92,000 MW of nuclear energy in the next two decades is like chasing a mirage.

Nuclear energy is beset with problems of high capital expen-

diture, fuel supplies and massive environmental and safety costs. Take, for instance, the Gorakhpur nuclear plant in Fatehabad district of Haryana, with a planned capacity of four 700-MW units. The environmental assessment for the project was approved in December 2013, and the government okayed the first phase in February 2014. The Atomic Energy Regulatory Board granted a siting licence in July 2015. Construction was due to begin in June 2015, with the first unit being scheduled to become operational by 2021. It was not until November 2020 that the pouring of the first nuclear safety-related concrete took place. In 2022, the completion deadline was revised to 2028, and now it appears that the first two units will be operational in 2032. The project is slated to cost Rs 40,000 crore. Anyone projecting nuclear power as an option for energy security should keep these ground realities in mind.

In her speech, Sitharaman also spoke about 'active participation' of the private sector in achieving the ambitious target of producing 100,000 MW. For this, she said, the Atomic Energy Act and the Civil Liability for Nuclear Damage Act would be amended. Civil liability for nuclear accidents has been a sticking point for Indian private companies willing to participate in nuclear power production as well as foreign nuclear suppliers. The liability law passed in 2010 limits the third-party liability to Rs 1,500 crore and makes the plant operator responsible for it. If an accident occurs due to a faulty plant (as happened in Bhopal in 1984), the operator could take up the matter legally with the supplier. This clause in the liability rules has kept foreign suppliers away from the Indian market. In any case, civil liability is a serious matter and the government must rethink the cap if it has learnt any lesson from the Bhopal tragedy. High-sounding goals alone won't lead to power generation.

THOUGHT FOR THE DAY

We ought to be using nuclear power. It's a renewable source of energy. — George W Bush

A parenting tale of lies & confessions

RANBIR PARMAR

As parents, we were usually trusting and liberal when our son and daughter were growing up. And they were generally candid and well-behaved. But, as we were concerned about their wellbeing, sometimes we resorted to 'spying' to keep tabs on their whereabouts. They also had their share of naughty deceptions and lies. We often relive those hide-and-seek episodes whenever we are together and have much fun.

It was the landline age when my daughter entered adolescence and her telephone use increased. Secretly and randomly, I used to redial to check whom she had been talking to for a long time. Reassuringly enough, I always found her *saheli* on the other end. Almost two decades later, she confessed with a chuckle that she used to dial her *saheli*'s number each time after talking to her friend, in order to outsmart us.

Later, she did post-graduation from the US and got a job in New York City. When we visited her, she was living in a one-room apartment with a shared kitchen and drawing room. But when we paid a visit a few years later, she had a spacious two-room flat with a kitchen and lobby. It was about 100 metres from Broadway Subway station and we could see the RFK Bridge from her kitchen window. "Isn't it a drain on your resources as you don't need that much space," I asked. "No, dad," she replied, "I sublet a room sometimes and it comes to the same thing."

Eventually, a marriage proposal for her came through a matrimonial website, and it suited us. The boy, working with an engineering firm in New York, was from Chandigarh. Coincidentally, he had passed out from the same institution as my daughter. His mother told me that she had visited him last month and that he was living in a decent second-floor accommodation in Astoria near the Broadway station. Could she see RFK Bridge from his kitchen window, I was about to ask, but kept mum. As a John le Carré reader, I could instantly decipher the whole plot.

They returned to New York after a traditional marriage. But a day before they left, I confronted my daughter privately and told her that I knew she had been living with that boy in that flat for quite some time. "Sorry, dad, we lied to you," she said in a regretful tone. "Our intention was not to deceive you, we just wanted to cushion our parents against a culture shock. And that is why we made it look like an arranged marriage." And how did they manage when their parents visited them, I asked. "When you came, he shifted to his friend's place in Manhattan and his luggage went below the double bed, and when his mother came, I went on a trip to the Yellowstone National Park and my things were dumped below the bed," she said.

The moral of the story is simple: we should never try to outsmart Generation Next. If we are clever, they are imaginative. Kahlil Gibran was not far from the truth when he said that our children are the living arrows sent forth from bows. Yes, we, the parents, are simply the bows.

LETTERS TO THE EDITOR

Decline in US exports

With reference to 'Trump's tariff spree'; in global trade, taxes are a means to reduce imports from other countries and promote indigenous production of goods and services. Countries grow rich by producing and selling value-added goods and services. Exports hold the key to a country's riches. The US has been exporting high-technology goods and liberally importing low-end consumer goods for a long period. It could not sell high-tech goods, like arms and ammunitions, due to the development of indigenous technology in countries like India, Brazil and South Africa. This led to the US debt touching an astronomically high figure of \$33 trillion in 2022. With production facilities increasing in Third-World countries, the sale of US-made products has fallen considerably.

YASH PAL RALHAN, JALANDHAR

Trade wars will affect India

Refer to 'Trump's tariff spree'; for now, India has escaped Trump's tariff abuse, but for how long? In a pre-emptive move, India has reduced import duty on top 30 US goods, ranging from crude oil to Harley-Davidson motorcycles. However, the global trade war may impact foreign investment in India. It will also affect the rupee's performance. PM Modi's imminent visit to the US is likely to open a bilateral trade window. If Chinese goods become more expensive as a result of rising tariffs, Indian exporters may find new opportunities in the US market, particularly in the fields of textiles, electronics and automobile parts.

ABHIJIT ROY, JAMSHEDPUR

Tit-for-tat policy for China

With reference to "Two Chinese vessels in Arabian Sea, India keeps a close watch"; India needs to do more than just being vigilant. The Chinese domination of various ports — Gwadar in Pakistan, Chabahar in Iran and Hambantota in Sri Lanka — poses a serious threat to India. It gives an edge to China in the Arabian Sea. The answer lies in strengthening our Andaman & Nicobar Command and carrying out surveys like China in the Malacca Straits, which is crucial for Chinese imports. 'Tit for tat' is a time-tested

military riposte. The need for creating a maritime theatre command has never been felt so acutely. The Indian Navy should be made capable of posing a serious threat to the Chinese PLA Navy.

LT COL GS BEDI (RETD), MOHALI

The truth must come out

Apropos of 'Ram bharios' at the Kumbh (*The Great Game*); the writer stopped short of asking questions to the double-engine government of Narendra Modi and Yogi Adityanath for the confusion, chaos and mismanagement that led to the stampede. The actual death toll has not been revealed till date. It is distressing to see *The Tribune* stray from the path shown by its founder, Sardar Dyal Singh Majithia. Journalists must strive to dig out the truth, not brush it under the carpet.

PK SHARMA, BARNALA

AAP on the back foot

Apropos of 'Battleground Delhi', each party is trying to paint the other in the darkest shade. Despite anti-incumbency and grave corruption charges against the Aam Aadmi Party (AAP), the Congress has not been able to revive its fortunes. The BJP made AAP's task tougher by creating a controversy wherever it sensed any loophole. Kejriwal's once-spotless image has been dented by charges of corruption and extravagance, and a picture of failure was projected by the BJP. AAP and the BJP are locked in a fierce contest, with the Congress sitting on the fence. Politicians have turned into bitter enemies instead of remaining just political adversaries.

RAMESH GUPTA, NARWANA

More funds for the Army

Refer to 'Defence budget grows, but combat deficiencies persist'; any country should have a judicious mix of military hardware of vintage origin and state-of-the-art technology. Modern-day weapons are required to fight and win a war in the 21st century. India, an aspiring superpower aiming to achieve a place among the elite armies of the world, would be required to modernise its armed forces. This is not possible without due budgetary support.

VAIBHAV GOYAL, CHANDIGARH

Mirror mirror on the wall, who is oldest of us all



SOUTH SIDE
NIRUPAMA SUBRAMANIAN

It is unusual for a political leader to proclaim an archaeological discovery, but it is hardly surprising in today's India. In another time, significant findings would be reported first in reputed academic journals, published after extensive peer review. For instance, the 1995 excavations of iron artefacts, furnaces and other materials dating to 1800 and 1000 BC in Uttar Pradesh were first reported in several Indian and foreign archaeology journals. It is a tedious process and may take years. But in the rich political pickings at the intersection of history and identity, time is short between elections and archaeology can no longer be left to archaeologists. Recall former Haryana Chief Minister Manohar Lal Khattar driving the excavations in Rakhigarhi, one of the two biggest Harappan sites in India, and his government's push to find the mythical Saraswati river. Even Prime Minister Narendra Modi's priestly participation in the inauguration of the Ram temple at Ayodhya was the culmination

of decades of BJP's involvement in the efforts to prove, including through archaeology, that the Babri Masjid was built at the site of a temple razed by Mughal emperor Babar. Tamil Nadu Chief Minister MK Stalin was only hewing to the national trend when, on January 24, he announced "with immense pride and unmatched satisfaction" that he was telling the world that "the Iron Age began on Tamil soil." Stalin backed his announcement with the results of two carbon dating tests and a third "luminescence" test. The tests, carried out by two reputed Indian institutes and a lab in the US, have established the antiquity of iron objects excavated from Mayiladumparai, Kilnamandi, Sivagalai and Adichanallur to the third and fourth millennia. At the moment, the state's Archaeology Department has self-published the findings in a 73-page monograph. It has congratulatory endorsements by 10 high-profile archaeologists, including Rakesh Tiwari, former Director General of the Archaeological Survey of India (ASI), who found important UP Iron Age sites. If established conclusively through other independent assessments, including of methodologies, the Tamil Nadu findings would be a breakthrough development, one that challenges the neat categories of pre-history as we know them. As yet, no



REVISITING HISTORY: Based on some recent findings, the Tamil Nadu CM has claimed that 'the Iron Age began on Tamil soil.' PHOTO COURTESY: ANTIQUITY OF IRON; RECENT RADIO-METRIC DATES FROM TAMIL NADU

other known Iron Age site is dated earlier than 2000 BCE. The Tamil Nadu sites have been dated between 2953 BCE and 3345 BCE. The latest findings push the Iron Age to an antiquity of over 5,300 years and the use of smelting to about 4,000 years. With the establishment of the antiquity of the "Tamil landscape", as Stalin described it, it is inevitable that the DMK will claim bragging rights in matters of identity, pride and politics. The findings come at the end of a decade of hyperactive archaeological work in Tamil Nadu, beginning with the excavations at Keezhadi in 2014. The period coincided with the start of Modi's prime-ministership, when Rakhigarhi and the hunt for

With the establishment of the antiquity of the "Tamil landscape", it is inevitable that the DMK will claim bragging rights in matters of identity, pride and politics.

Saraswati were high on the agenda of the BJP in its anxiety to link the Vedic age with the Harappan civilisation to establish the "Indic" origins of the first Hindus. The competitive archaeology meant that Keezhadi became embroiled right at the start in the conspiracy theory that the Centre was trying to stifle the discovery of a "Dravidian civilisation", especially after the ASI transferred the official in charge. The ASI, too, gave life to such theories by sitting on the Keezhadi report written by the official. The reasons are not known, but in Tamil Nadu, it is common knowledge that the report pushes the start of the Sangam Age back to 600 BCE instead of the widely accepted 300 BCE.

Public interest petitions have been filed in the court to get the ASI to publish the report. The high court intervened to get the ASI to hand over the site to the Tamil Nadu State Archaeology Department. The state government then conducted more excavations in Keezhadi and also set up a museum at the site. On the face of it, the Iron Age findings hold far more significance than Keezhadi. While the implications of the new findings are still sinking in, what it does for now is to add grist to the mill of claims that the Indus Valley Civilisation had a Dravidian link. Tamil Nadu Education Minister Thangam Thennarasu has said as much in an interview to the *Frontline* magazine. The work of eminent scholars Iravatham Mahadevan and Asko Parpola also buttresses the claim of such pre-Aryan links with the theory that the Indus script is similar to proto-Dravidian. To cut a long story short, it means Tamil came before Sanskrit, the Dravidians were here before or contemporary with the Harappans, and certainly before the Aryans. Days before the big Iron Age announcement, the Tamil Nadu government held an Indus Valley Conference in Chennai to mark the centenary of the discovery of Harappa and Mohenjodaro in 1924. Before a galaxy of Indian and international

Indus experts, the Chief Minister announced a \$1-million prize for deciphering the Indus Valley script. The Tamil Nadu government has also begun installing a life-sized statue of Sir John Marshall, the first director-general of the ASI, to mark the Indus Valley century. Clearly, Stalin is dead serious when he says that "the history of the subcontinent can no longer ignore Tamil Nadu. In fact, it must begin here." Prime Minister Modi, Governor RN Ravi and Tamil Nadu BJP president K Annamalai have maintained radio silence about the Iron Age revelations. On social media, Tamil pride is trolling perceived political opponents with accusations of "northern bias", demanding to know why the nation is finding it so hard to come to terms with Tamil Nadu's antiquity. It is a fair question. Had such a find been made in a BJP-ruled state, it is possible to imagine the PM and other ruling party members congratulating themselves and India over the findings in identical posts on X. The irony is that from the Iron Age to the Sangam era, Tamil pride's search for a glorious past mirrors Hindutva's search for glory in antiquity. But in both cases, the reasons for the obsession with the past are not far to seek. The challenges of the present are more complex, especially when elections loom.

Budget leaves deregulation reforms on the back-burner



SUSHMA RAMACHANDRAN
SENIOR FINANCIAL JOURNALIST

THE need to push urban consumption as well as to satisfy a large voter constituency seems to have been a major driver behind the 2025-26 Budget proposals. The unprecedented tax exemptions for incomes up to Rs 12 lakh annually comes as a bonanza for a middle class that had been carping for years over the excessive revenue burden on its shoulders. Yet, the government has managed to continue striding towards fiscal consolidation by bringing the fiscal deficit target down to 4.4 per cent from the 4.8 per cent achieved in FY 2025. The other areas of revenue inflow are slated to be a much larger asset monetisation programme while the public sector disinvestment target is also ambitious despite having failed to meet goals set in the past few years. Finance Minister Nirmala Sitharaman's eighth set of budget proposals has much more than just the big bang income tax relief, though it

tends to overshadow the other elements. The leap to the Rs 12-lakh income level is bound to be controversial, given the arguments that taxes should be levied at levels close to a country's per capita income. Yet, with personal income tax confined to a small proportion of the population — roughly two per cent — it is unreasonable to expect this segment to bear such a large burden. Though indirect levies are borne by all citizens, direct tax collections are derived either from corporates or individuals, largely in the middle class category. In fact, personal income tax inflows are lately reported to be exceeding corporate tax revenues. So, this year's relief is an overdue concession. The presumption is this will revive urban consumption, which has been sluggish in the past year. The Economic Survey touched on the issue and called upon corporates to raise wages and compensation to boost demand. Tellingly, it commented on the fact that the industries are "swimming in profits" while salaries are not rising commensurately. In fact, increasingly, it seems private industry is putting all the onus on the state for economic development. For instance, industry associations had earlier called for higher public spending of up to 25 per cent in FY 2026. It stands to reason, however, that public cap-



DOLES FOR BIHAR: All budgets are political documents and this one is no different. ANI

ital expenditure cannot be increased ad infinitum. The Budget proposals envisage a 10 per cent rise in capex over the revised estimates of FY 2025. This follows several years of double-digit increases in public spending. The state is rightly signalling that it is time for the private sector to play its due role in economic revival. Economic policymakers have spoken of the compact between government, private industry and workers that led to Japan's economic resurgence after the World War II. A similar compact may be difficult to evolve here, but there is no harm in giving it a shot. Any industry-state cooperation can be facilitated by improving the ease-of-doing

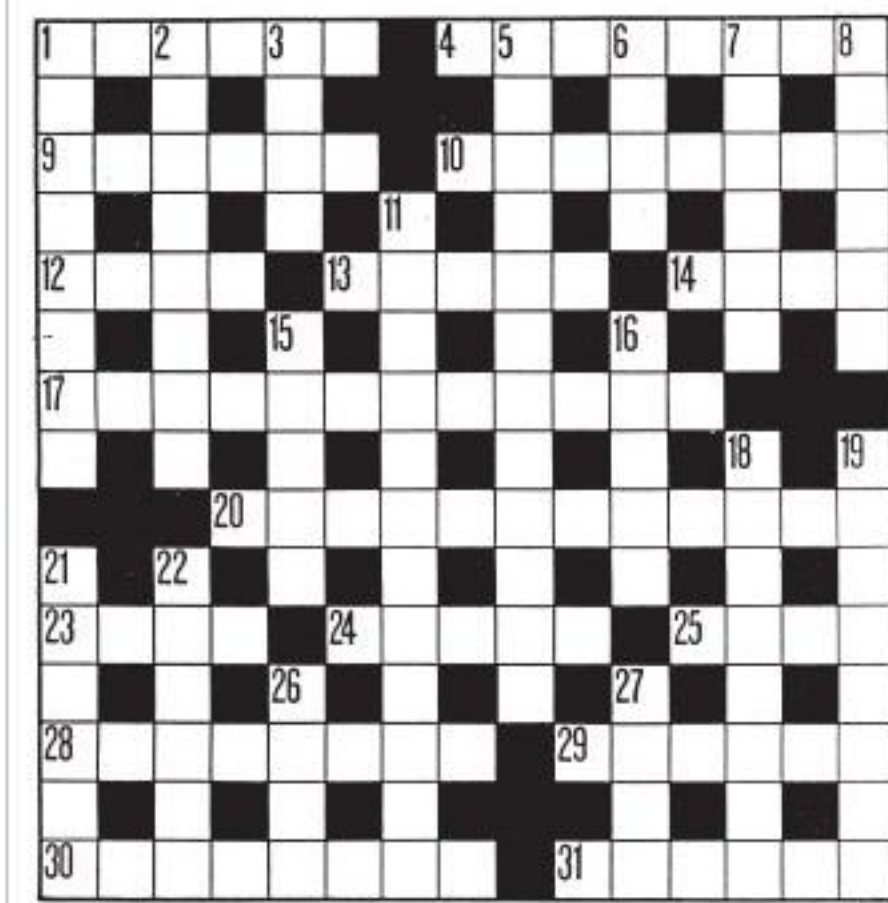
The Budget has left the task of deepening economic reforms unfinished in the critical areas of deregulation and ease-of-doing business.

business. This Budget has unveiled several measures to unclog the regulatory cholestrol in the system. There is a flaw, however, in the very first step of setting up a high-level committee for non-financial regulations. It has been given a prolonged deadline of one year. A group of determined experts can surely finalise recommendations within three to four months. Other measures are welcome, like the setting up of a mechanism under the Financial Stability and Development Council to formulate a framework to improve responsiveness. The proposal for an Investment Friendliness Index for States, however, could be a competitive scorecard, but is not much of an incentive

for reforms. The process of decriminalising laws is also being carried forward but a more rapid pace of change is needed. As for specific schemes outlined in the proposals, there are three noteworthy ones. The first is the Prime Minister Dhan-Dhaanya Krishi Yojana. It appears to be a well-designed model to help farmers in low productivity areas by easing credit and improving irrigation facilities, that can be gradually expanded to support more farmers. The second is the plan to augment tourism facilities at 50 locations in partnership with states. This sector has enormous potential for job creation and the proposals for skill development and provision of credit facilities are laudable. The third segment which is vital for this country is in the area of high technology. This includes a plan for a Centre of Excellence in Artificial Intelligence for education as well as a new Fund of Funds for start-ups, which is being given an allocation of Rs 10,000 crore. It must be recalled that the earlier government contribution of the same amount for the Fund of Funds led to commitments of as much as Rs 91,000 crore in the Alternate Investment Funds. All budgets are political documents and this one is no different. The largesse to the middle class comes days before the Delhi elections,

an arena where the segment plays a big role. Several schemes announced for Bihar as well as unmistakable. They include the creation of a makhana board, new airports and irrigation projects. The Budget has lost an opportunity, however, to make greater changes in the area of deregulation. The reforms in customs duty slabs are welcome as well as the cuts on levies on electronic component imports, especially for mobile phones and electric vehicles. But it is here that much greater overhauling is needed to reduce the effective duty rates. Simply put, tariff walls remain too high at a time when the external environment is dictating the need for greater opening up. Industry needs to plug into global supply chains while export growth is being threatened by the prospect of reciprocal levies by the US under an aggressive Donald Trump. The proposed income tax bill should come as a breath of fresh air, but a matching reworking of the customs duty framework is also needed. Finance Minister Nirmala Sitharaman's eighth Budget may bring good cheer to the middle class, but it has left the task of deepening economic reforms unfinished in the critical areas of deregulation and ease-of-doing business.

QUICK CROSSWORD



- ACROSS**
- 1 Capital of Tasmania (6)
 - 4 After a long time (2,6)
 - 9 Provoke (6)
 - 10 Aggressive patriotic fervour (8)
 - 12 Fit of petty annoyance (4)
 - 13 Unwieldy (5)
 - 14 Helpful bit of evidence (4)
 - 17 Momentous (5-7)
 - 20 In various places (4,3,5)
 - 23 Requirement (4)
 - 24 Awry (5)
 - 25 Applaud (4)
 - 28 Ignore claims of (4,4)
 - 29 Sphere of control (6)
 - 30 Answer (8)
 - 31 Unintentionally (6)
- DOWN**
- 1 Intensify (8)
 - 2 Have reverse of desired effect (8)
 - 3 Solemn observance (4)
 - 5 Impervious to criticism (5-7)
 - 6 Nervously irritable (4)
 - 7 Macabre (6)
 - 8 Large basket with hinged lid (6)
 - 11 Total lack of pity (12)
 - 15 Impudence (5)
 - 16 Oneness (5)
 - 18 Revealing (8)
 - 19 Armaments (8)
 - 21 Concealed marksman (6)
 - 22 Against (6)
 - 26 Game played on horseback (4)
 - 27 Rain heavily (4)
- Yesterday's solution**
- Across:** 1 Flout, 4 Forward, 8 Rap, 9 Ultimatum, 10 Harness, 11 Rally, 13 Rookie, 15 Reckon, 18 Bless, 19 Instant, 21 Number one, 23 Air, 24 Lighten, 25 Label.
- Down:** 1 Further, 2 On purpose, 3 Truce, 4 Fetish, 5 Remorse, 6 Apt, 7 Dummy, 12 Like a lamb, 14 Inspect, 16 Natural, 17 Disown, 18 Banal, 20 Shell, 22 Mug.

SU DO KU

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

V. HARD

FORECAST

YESTERDAY'S SOLUTION			
4	3	2	7
6	8	5	2
7	9	1	5
3	1	4	9
2	7	8	6
9	5	6	8
8	4	9	1
1	2	3	4
5	6	7	3

CALENDAR			
FEBRUARY 5, 2025, WEDNESDAY			
Shaka Samvat	1946		
Magh Shaka	16		
Magh Parvishite	23		
Hijari	1446		
Shukla Paksha Tithi	8, up to 12.36 am		
Shukla Yoga	up to 9.19 pm		
Bharni Nakshatra	up to 8.33 pm		
Moon enters Taurus sign	2.16 am		

SUNSET:	WEDNESDAY	THURSDAY	18:02 HRS
SUNRISE:			07:10 HRS
CITY	MAX	MIN	
Chandigarh	22	10	
New Delhi	25	10	
Amritsar	19	08	
Bathinda	22	08	
Jalandhar	18	08	
Ludhiana	20	09	
Bhiwani	21	10	
Hisar	20	08	
Sirsa	20	07	
Dharamsala	19	04	
Manali	14	0	
Shimla	16	02	
Srinagar	10	0	
Jammu	22	08	
Kargil	-01	-13	
Leh	0	-14	
Dehradun	---	---	
Mussoorie	14	06	

TEMPERATURE IN °C

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PAPER WITH PASSION

Delhi decides

A ‘do-or-die’ for AAP, a prestige battle for the BJP and a fight for survival for Congress—Delhi heads to the polls today

In a battle of promises, power and prestige, Delhi votes today. The stage is set for the 2025 Delhi Assembly elections, with voters heading to the polls today and results expected on February 8. With 1.56 crore voters across 70 constituencies, the political atmosphere in the national capital is charged, reflective of the high stakes involved. The Aam Aadmi Party (AAP), led by Arvind Kejriwal, aims for a third consecutive term while the Bharatiya Janata Party (BJP) and Congress vie to reclaim relevance and power in the capital. The month-long campaign was intense, marked by fiery rhetoric and personal jabs. The BJP leaders accused AAP of corruption, branding their governance as ‘AAP-da’ (disaster). In return, Kejriwal took aim at the BJP accusing them of law and order failures and even alleging that the BJP-led Haryana government “mixed poison” in the Yamuna, framing it as a ‘genocide’ attempt. The Congress, meanwhile, targeted both AAP and BJP with accusations of corruption and inefficiency. This election,



like many others, saw a flurry of promises aimed at wooing voters with tangible benefits. AAP pledged monthly payments to temple priests, free bus rides, and extensive schemes for youth and students. Both BJP and Congress promised subsidised cooking gas cylinders and financial support for women and unemployed youth. The BJP additionally promised Rs 21,000 for expecting mothers, while Congress offered Rs 8,500 per month to unemployed youth. Security for the elections is tight, with over 30,000 police personnel and 220 paramilitary companies deployed across the city. Nearly 3,000 polling booths have been marked as sensitive. While assembly elec-

tions are a state matter, the fact that this election is taking place in Delhi, the nation’s capital with a cosmopolitan character, gives it national significance. A win for AAP could solidify Kejriwal’s model of governance and offer a template for other states and bolster its claim in other states, while a victory for BJP might signal a resurgence of the party in urban governance, reinforcing Modi’s narrative of efficient governance. For Congress, a good showing could be the much-needed revival signal after a series of setbacks. As the voters cast their ballots, the outcome of these elections will not just shape Delhi’s immediate future but could also influence the national political discourse. The Delhi elections, while significant, are not an ideal model for other states to replicate. The city’s unique status as the national capital, with a mix of local and national issues influencing voter behaviour, creates an electoral landscape unlike any other. Additionally, the campaign narratives in Delhi tend to be dominated by high-pitched rhetoric and personality-driven politics rather than substantive policy debates. This makes the Delhi election an exception rather than a benchmark, highlighting the need for states to focus on governance models that prioritise long-term development over short-term electoral gains.

PICTALK



Labourers plant paddy saplings in a field, in Nadia

PTI

The digital age and the decline of meaningful connections

In a time when relationships are often reduced to fleeting digital interactions, staying connected through phone calls filled with warmth and laughter shows genuine care

There is a remarkable trait I have observed in my 92-year-old mother-in-law, a habit that sets her apart in an age where relationships are often reduced to fleeting digital exchanges. She remembers former colleagues, distant relatives, neighbours who once lived next door. And more than just remembering them, she stays in touch.

At an age when many resign themselves to solitude, she picks up the phone and calls people from decades ago. Not just text messages, voice notes, or hurried “Hope you’re well” followed by silence. She calls, she converses, she cares. It is a simple act, yet in today’s world, it feels almost extraordinary. Her phone conversations are not perfunctory check-ins; they are rich tapestries of shared history, laughter, and updates on each other’s lives. And the warmth with which she is received at the other end of the line is a testament to the bonds she has nurtured over the years. She is remembered because she remembers. She is loved because she has loved. It makes me wonder: What



are we losing in this hyper-connected yet increasingly impersonal world? Relationships today are often sustained by a string of forwarded messages, impersonal likes on social media, and hastily typed responses to keep up appearances. In the race for efficiency, we have sacrificed depth. Consider this: How many times have we opted to send a WhatsApp message instead of calling, simply because it’s quicker? How often do we reply with an emoji rather than words that could convey something deeper? I suspect relationships have become more superficial, and perhaps we are to blame. It is easier to type a quick “Happy birthday!” than to call and hear the person’s voice. It is more convenient to react to a post than to ask, “How have you really been?”

And yet, watching my mother-in-law, I realise that relationships, like wealth, require investment. The bonds we forge and sustain over time are the greatest savings we make in life. They are the human equivalent of a well-kept treasure-present when we need warmth, support, and belonging. One of the reasons we don’t stay in touch is because we assume people are busy. They probably don’t have time to talk. Or worse, we convince ourselves that if they really cared, they would call us too. And so, we let months slip into years, waiting for the other person to make the first move. But my mother-in-law doesn’t wait. She doesn’t hesitate to pick up the phone, regardless of how long it has been. And what’s more, people respond to her with the same warmth and eagerness. It reminds me that relationships are not about keeping score; they are about keeping the connection alive. A strong social network isn’t just about having company for celebrations; it is also about having shoulders to lean on in times of need. It is

about knowing that when life throws its uncertainties at us, there will be familiar voices to comfort us, guide us, and remind us that we are not alone. And yet, many people find themselves growing lonelier with age, not because they lack family or friends, but because they did not nurture those bonds. What would it take for us to revive the lost art of staying in touch? It doesn’t take grand gestures. It doesn’t require hours of free time. Sometimes, all it takes is a simple phone call. A heartfelt message. A conversation that goes beyond the surface. So here’s a small invitation: Think of someone you haven’t spoken to in a while—perhaps an old schoolmate, a former colleague, or a distant cousin. Instead of sending a message, call them. Ask about their life. Listen to their stories. Share something about yours. It may feel unfamiliar at first, but you may be surprised at how quickly the warmth returns.

(The author is a Dubai-based columnist and children’s writing coach. She has published six books. Views are personal)



ASHA IYER KUMAR

Imbuing warrior ethos through strength

In Narendra Modi’s cabinet, Defence Minister Rajnath Singh enjoys the optics of seniority, but not necessarily the authority that should come with it

In Prime Minister Narendra Modi’s cabinet, Defence Minister Rajnath Singh is de jure numero uno. He sits next to him at meetings and in Parliament and like most another minister, regularly invokes Modi’s greatness and vision. The optics of seniority are excellent. So is his pedigree. He is a Thakur, dyed-in-the-wool Sanghi and twice President of BJP. His political graph starts as Education Minister to UP, CM Kalyan Singh. As Education Minister in 1992, his signal achievement was ending a regional malaise – copying in exams, sometimes with a knife dug into the desk.

Like infiltrators across LoC, invigilators feared to cross the red line. He had an ordinance passed making copying a non-bailable offence – the onus of proving oneself innocent was on the accused. Fourteen and 15-year-olds were sent to jail on charges of copying. The pass percentage in the UP high school board examination for Class X in 1991 was 58.03. In 1992, after the anti-copying law was put in place, it slipped to 14.7. He lost the 1993 assembly elections. A great believer in astrology Singh was ambitious and usually took his cue from RSS leadership. He rose to become chief minister of UP, the second Thakur to do so. As president of BJP, he was asked to inform seven times MP, former Finance, Defence and Foreign Minister Jaswant Singh that he was no longer a member of the BJP (expelled). Jaswant had written the offending book - Jinnah - India Partition and Independence. Following a stint as Home Minister, he became defence minister after Modi had shuffled around Arun Jaitley, Nirmala Sitharaman and Manohar Parrikar as defence minister. Last month at the Republic Day NCC rally he revealed he was in NCC and a physics teacher. His fondness for Dabang – strength and power – is well known but his association with the redoubtable Raja Bhaiyya of Kunda, famous for rearing crocodiles in his pond – is less known. In the Westminster Parliamentary system cabinet ministers are selected by the PM and have to



be elected either directly or indirectly. But they are not grilled for confirmation as ministers by select committees as in the US presidential system. Otherwise, few would clear the viva, especially for the Defence Minister. Last week former Fox News commentator, Pete Hegseth former Army National Guard who was President Trump’s most endangered cabinet choice went through hell before the Senate Armed Services Committee for his confirmation. Poor Pete! he was facing multiple allegations of abuse including sex and alcohol. He pledged to never drink alcohol if confirmed. Professionally he was well prepared, answering accurate questions on military equipment like the size of a 9mm bullet and the number of rounds in a carbine magazine. He told his examiners he would restore ‘warrior ethos’ in the armed services. Americans have much to worry about as the Chinese are catching up in technology, military and economic prowess. Singh has no similar worries. India has abandoned any catch-up with China, its main enemy. It hopes to make up the deterrent and capability gap through diplomacy as was evident from the meagre defence allocations (1.9 per cent of GDP) in last week’s budget. After inflation and foreign exchange fluctuations, mod-

“THE ARMED FORCES ARE EXPECTED TO EMPLOY FORCE MULTIPLIERS LIKE INVOKING CHANAKYA, IMBIBING ANCIENT MILITARY CRAFT AND BECOMING CONTEMPORARY THROUGH THE FUSION OF PAST, PRESENT AND FUTURE

ernisation funds have decreased. In a tweet, Singh described the budget as ‘wonderful’ and congratulated Sitharaman for fulfilling the resolve of PM Modi for Viksit Bharat. No defence minister, service chief or CDS has ever put his job on the line, asking for additional funds. Recently a French CDS did so. He had to resign when the Euro 1bn extra that he demanded was not provided. Later, President Macron reinstated him along with Euro 1bn. For the last few years, Sitharaman has ceased mentioning defence allocation in budget presentations. The armed forces are expected to employ force multipliers like invoking Chanakya, imbining ancient military craft and becoming contemporary through the fusion of past, present and future, as reflected by the new painting on this theme that replaced the once-in-1000-year surrender ceremony painting in the Army Chief’s annexe. For all his virtues – injecting Hindutva in a hitherto secular armed force, venerating weapons with religious symbols and motivating triservice warriors by pledging mooh tod jawab, Singh has ceded his area of responsibility to PMO and NSA. Former Defence Minister AK Antony in contrast was the Rock of Gibraltar, never letting the NSA or even the PM bypass him. So little reform got done. Singh is an affable team play-

er guided occasionally by a Defence Advisor, a retired Lt General. Recently at a function of the Directorate of Civilian Personnel of Naval Head Quarters, he eulogised the ‘civilian in armed forces’: “you are civilian before you join service; in some ways, you’re civilian even while you serve; and civilian even after you have retired. Your families are also civilians”. No mention of veterans! I envy Singh for his immaculately starched white kurta and flowing dhoti which reminds me of my era of razor-sharp starched olive greens. Last month, Singh went to Madhya Pradesh accompanied by Army Chief Gen Dwivedi. At Ujjain they prayed at the Maha Kaal temple, Dwivedi kitted like Singh. Later Singh visited military institutions in Mhow. At the Army War College, he began reading his speech: “COAS, Gen Umeshji Dwivedi; Commandant Armed ...pause...kaun sa hai...?” someone prompted “War”. Pause...someone repeated “War”. “Yeah. War College, Lt Gen JS Shahi...” Singh might infuse warrior ethos in the armed forces but as an aspiring politician, will remain the bridesmaid, never the bride. (The writer, a retired Major General, was Commander, IPKF South, Sri Lanka, and founder member of the Defence Planning Staff, currently the Integrated Defence Staff. The views are personal)

LETTERS TO THE EDITOR

CANCER CASES RISING RAPIDLY

Madam — Cancer is a major health issue in Southeast Asia with high rates of incidence and mortality. WHO has reported that more than 2.3 million people are diagnosed with cancer each year. It is estimated that by 2050 there will be an 85 per cent increase in the number of new cancer cases and deaths in the WHO’s South East Asia region. It is unfortunate. Among the new cases, breast, cervix, and lung cancer were the most frequently reported. Economic transitions, lifestyle changes, and rising obesity prevalence are increasing cancer risk in this region with existing risk factors such as tobacco and indoor-outdoor pollution. Although cancer is a life-threatening disease, it can be prevented and treated if detected early. Screening programmes such as breast self-examination and mammography substantially increase breast cancer survival. Options such as breast-conserving surgery and breast reconstruction surgery should be more available in the SEA region. Cervical cancer is the second most frequent cancer in the SEA region, caused by high-risk human papillomavirus (HPV), and can be prevented by vaccination. Tobacco is another major cause of cancer and preventable deaths worldwide. More actions are to be taken as tobacco and smoking are still the cause of many deaths in the region. Equal attention should be paid to less prevalent types of cancer. Governments need to include cancer treatment in national insurance as done in countries like Indonesia, not restricted to surgeries but allowing lifelong treatment. There is an urgent need for continued efforts from clinicians, researchers, and policymakers to collaborate and find the most effective strategies to serve cancer patients in the best way possible.

P Victor Selvaraj | Tirunelveli

PROMOTE RENEWABLE ENERGY

Madam — India’s need and its policy related to power are yet to come close to each other. The allocation of Rs 20,000 crore is

Retired judges to boost efficiency



The reappointment of retired judges offers several advantages. Their vast experience and familiarity with legal procedures can enhance efficiency, especially in handling complex matters. Time-bound assignments ensure focus on specific case clusters, improving disposal rates without overburdening the regular bench. Additionally, this reduces the dependency on fresh judicial appoint-

ments, which often face administrative delays. However, concerns remain regarding the potential impact on judicial independence, as government approval could raise questions about executive interference. Transparency in the selection process, clear tenure guidelines and defined performance metrics are essential to mitigate these risks. Moreover, the absence of a concrete framework for lower courts highlights a critical gap. Given that the bulk of pending cases lie at the subordinate level, swift policy formulation for these courts is imperative. This initiative reflects the judiciary’s proactive stance in judicial reforms, recognising that traditional measures are inadequate for the scale of India’s legal backlog.

Gopalaswamy J | Chennai

EGGS ESSENTIAL FOR NUTRITION

Madam — According to the data, around 35-40 per cent of children in rural areas in Maharashtra are underweight, and the highest rate of malnutrition is found in North Maharashtra. Lack of access to nutritious food is one of the major factors behind malnutrition. With this backdrop, it is surprising to learn why the state government dropped eggs from the mid-day meals. Egg is a major source of protein and its substitute, pulses, are costlier than eggs, so eggs should remain a core part of mid-day meals, and if any student does not want to eat it, he can skip it. Earlier states like Madhya Pradesh and Goa also made such decisions, while it should be noted that a few states in Southern India have added the number of eggs given to children to ensure protein requirements are met. Such drastic decisions could prove detrimental to the families living below the poverty line.

Bal Govind | Noida

Send your feedback to: letterstopioneer@gmail.com

A G Rajmohan | Anantapur

FIRST COLUMN

A DARK CLOUD BEFORE THE GOLDEN DAWN

Are we past the point of no return, or is there still hope for a new dawn?



RAJYOGI BRAHMKUMAR NIKUNJ JI

None of us would deny the fact that the whole world is in chaos today. The human race is in more pain and suffering than ever before. The root cause of this is, because three key powers i.e., religion, politics and science that run the world have miserably failed to function by their essential characteristics to look after the wellbeing of people at large. These powers have deviated from their normal course, lost their essential traits and degraded to the lowest level, which is quite visible from the sorry state of affairs across the world. The power of religion which was meant to show human beings the righteous path which is necessary to maintain social harmony has today become a perpetrator of conflict. It's evident from the facts that religion has failed to uphold moral values in society which can be seen in the form of ever-increasing molestation and sexual assault cases at homes, workplaces, public places and even at schools and colleges that are considered temples of learning. The historic Nirbhaya case is still very fresh in the minds of people who were shattered to see the height of barbarism to which a human can



go. Today the power of politics is also in a state of crisis. No government anywhere in the world can claim that they are free from corruption. Laws that are made for the benefit of the common public are turning out to be mere eyewash. People in power go scot-free despite breaking several laws, whereas a common man keeps paying penalties on various occasions for not abiding by the law. On one side governments talk of clean fuels & make pollution checks mandatory, and on the other side, they continue to add a greater number of vehicles to roads each year to please the automotive sector. So, instead of reducing vehicular traffic by introducing greater modes of public transport, the government is making more and more cars accessible to the public at cheap rates. Is this right? Science, the third key power that runs the world, emerged as a result of man's search for a better life. It harnessed natural resources to channel them into means useful for human consumption. However, today the scenario is such that the energy tapped from nature has gone out of human control. The use of science in violating the laws of nature has become the root cause of environmental imbalance leading to a rise in natural calamities which is evident by the recent report by the UN Panel on Climate Change making it crystal clear that large-scale global warming has triggered the melting of polar ice caps which is the biggest danger facing humankind. Modern scientific advancement that was meant to help humans live a better life has led to a proliferation of weapons of mass destruction, endangering global peace and harmony. So, in short, we can say that three powers governing the world have gone haywire & they are steering us to mass destruction. But, what's more surprising is that despite ample knowledge of this phenomenon, nobody seems inclined to save the situation. Hence it won't be exaggerating to say that we have surely come to the point of no return, because with scarcity of non-renewable natural resources, spread of diseases, population explosion, social chaos and nuclear threat accompanied by natural disasters, the world scenario looks utterly scary. Under such darkness, the common man is bound to look UP to seek Almighty Supreme's help as the last resort to safety. Just imagine, when the world reaches its highest peak of unrest, it will be a sight that only a few of us would be able to bear because the kind of destruction that the world has prepared for is bound to shake the conscience of the most stone-hearted and guilty. Perhaps this impending destruction and clearing of human conscience is like a silver lining in the dark cloud which is perhaps the only way to the golden morning that we human souls have been endlessly waiting for. Remember !! Many hidden truths are often unobserved, not invisible. (Writer is a spiritual educator & popular columnist; views are personal)

A fierce three-way battle for the capital's throne

With a closely contested fight and shifting voter sentiments, the Delhi election results could send ripples across the national political landscape



RAMAKANT CHAUDHARY

Chilly Delhi, though, the blitzkrieg of a high-octane election campaign, not bordering on the sort of "AAP-da" while going at hammer and tongs of Tu-Tu-Mai-Mai storm during a prime-time TV news show, for claiming Delhi Ki Kursi, has heated the political cauldron. A strong 1.55 crore voters of Delhi are basking in the sunshine of campaign songs for the Delhi Assembly Elections 2025: "Bahane Nahi Badlav Chahiye..." rendered by BJP against the AAP's Bhojpuri-laced tagline "Babua Phir Se CM Hoyihe... Delhi Ke Badal Dihe Surat, Suhawan, Khubsurat Ho, A Rajaji..." From all perspectives, who will win the ballot battle?

Will AAP score a hat-trick? Or will the resurgent Bharatiya Janata Party (BJP), relying on Prime Minister Narendra Modi as its face, hit Mauka (anti-incumbency) Pe Chauka? Or will the Grand Old Party deliver the googly of "Har Jarurat Hogi Puri, Dilli Mein Congress Hai Jaruri," an effort to regain its lost electoral ground in the triangular contest? The fate of Delhi will be sealed on February 5 when people exercise their franchise. And the D-day, February 8, when the results will be announced, will blow the conch of the new beginning of the 70-member eighth Vidhan Sabha.

The Phalodi Satta Bazar, which earlier showed AAP crossing the majority mark of 36, has revised its estimates. The Arvind Kejriwal-led AAP—whose mainstay of incorruptibility is being challenged by the Congress and BJP, which have levelled allegations against its top brass leaders—could clock a significantly reduced tally this time around.

According to the latest revised estimates, the BJP—which looks bullish after its recent victories in Maharashtra and Haryana—may bag around 31 seats, a good 5 seats short of the majority mark. A projection of a wafer-thin margin of victory between the AAP-BJP fierce slugfest has made party workers and strategists somersault to pump up their tally amidst the Delhi election campaign hitting its last leg.

To woo voters, manifestos, guarantees, and welfare schemes appear to be tearing apart the atmosphere of the city-state. The Delhi Assembly Elections 2025 appear to be a big freebie face-off. Mahila Samman Yojana, Sanjeevani Yojana, Sankal Patra, Ayushman Bharat Scheme, Yuva Udaan Yojana, Pyari Didi Yojana, et al—innocent voters find themselves in an Alice-in-Wonderland.

BJP Resurgence Winning the Delhi assembly poll has become an Achilles' heel for the PM Modi-led BJP while the saffron juggernaut swept Delhi's seven seats in the Lok Sabha Elections in 2014, 2019 and 2024. Having last won the Delhi election in 1993, the BJP wants to turn the tide this time by dismantling the proverbial equation of Modi for PM and Kejriwal for CM. Riding on the cusp of being the only party among the three in 2020 to have recorded an increased vote share, the BJP is leaving no stone unturned to repeat this achievement in 2025 as well. For the BJP, the road to victory runs through North and Northwest Delhi. In the



HAVING LAST WON THE DELHI ELECTION IN 1993, THE BJP WANTS TO TURN THE TIDE THIS TIME BY DISMANTLING THE PROVERBIAL EQUATION OF MODI FOR PM AND KEJRIWAL FOR CM

Wazirpur constituency, Prime Minister Narendra Modi handed over keys to more than 1,650 flats to slum residents, creating a significant connection with local voters. Key areas like Chandni Chowk, Northwest Delhi, and Northeast Delhi have become pivotal grounds for the BJP's potential resurgence.

The BJP should prioritize the 38 constituencies where it secured over 40% of the vote share in 2020. Out of these, the party narrowly lost 17 seats to AAP by less than five percentage points but managed to win eight. These represent easier opportunities to gain ground. For the remaining 21 seats, the BJP will aim to capitalize on anti-incumbency sentiments against AAP to sway voters in its favour.

AAP Strategy AAP of 2025, which might dominate the elections as the C-Voter survey suggests, looks different from its 2020 avatar. The Lok Sabha Elections 2024 speaks volumes that APP, despite an alliance with Congress, drew nought in all seven parliamentary seats of Delhi. Kejriwal's AAP looks lacking in sympathy as experts opine. Besieged with corruption charges and stern anti-incumbency, AAP has meticulously evolved strategies to launch popular welfare schemes to outweigh the allegations. The party leaders are burning the midnight oil to retain floating voters who keep changing allegiance during the Lok Sabha polls and assembly elections. Kejriwal's poll manoeuvre is trying hard to win the hearts of Dalit and Muslim voters. AAP has

viscerally attracted voters from the Purvanchal community—a key demographic in Delhi hailing from Uttar Pradesh, Bihar and Jharkhand that account for around 40 per cent of the electorate and holds a significant sway on 27 seats—by connecting the community on the ground level as the party, according to media grapevine, has held around 600 meetings in this context. **Congress Revival** With nothing to lose, Congress, which went from dominating Delhi's electoral landscape from 1998 to 2013 to not having a single MLA since, has entered the poll fray late yet remains determined to lock horns with AAP and dislodge the Kejriwal-led establishment from power, avenging the campaign that cost the UPA government heavily over a decade ago. The results of the 2022 Delhi Municipal polls, in which Congress won five wards in the Northeast district areas that were hit by the riots, buttress the perception that the minority community is disillusioned with AAP. This electoral scenario could reinforce the poll fortune of the BJP, especially the vote bank of Muslims—21.6 lakh in the national capital—who have Congress in their heart and AAP in mind. The Muslim voters could play a key role in six assembly seats: Babarpur (35 per cent), Okhla (43 per cent), Seelampur (50 per cent), Matia Mahal (48 per cent), Mustafabad (36 per cent), and Ballimaran (38 per cent). In that sense, if Muslims—accounting for 12.86 per cent of Delhi's pop-

ulation—are divided between Congress and AAP, BJP will have the upper hand. The Delhi Elections 2025 is deemed the cynosure of all states' eyes. The domino effect of its results, which will be declared on February 8, could rattle the poll pitch in Bihar, West Bengal, Assam, Tamil Nadu, Puducherry, and Kerala, where assembly polls are slated to take place in 2025-26. If BJP wins, it will boost the image of the National Democratic Alliance, positioning BJP on top to record a hat-trick after winning Maharashtra and Haryana. On the other side, the victory of AAP will zoom out the political credibility of Arvind Kejriwal as a principal challenger to PM Modi. Also, if it loses the poll battle, the ramifications of which will give a jolt to Punjab, where AAP is in power. Trying to make the high-decibel contest triangular, Congress has put a concentrated campaign in the boroughs dominated by Dalits and minorities. If the grand old party succeeds in regaining the space it had in 2013—after being relegated to the third position behind BJP and AAP, bagging only eight seats—Congress will muster the courage to reach the position it held in 2008 when it secured 43 seats with around 40 per cent of the votes. So far in the campaign, there is no Kejriwal wave, nor is BJP having tailwinds. In the BJP vs AAP battle, only February 8 will decide who will get the reins of the Delhi Sultanate. (The writer is a senior journalist and currently working with PRP Group as Content Head; views are personal)

Budget 2025: Bold reforms and innovations to put startups on growth trajectory

Key measures, including an expanded Credit Guarantee Scheme, higher Mudra loan limits, position India as a powerhouse for entrepreneurship and self-reliance



POOJA SINGH

The Union Budget 2025 has laid a strong foundation for a transformative leap in India's startup and MSME ecosystem. At a time when entrepreneurship is fueling economic growth and job creation, the government has introduced a series of strategic measures aimed at fostering financial inclusion, innovation, and global competitiveness. A key highlight of this budget is the enhanced access to capital. The expansion of the Credit Guarantee Scheme will enable MSMEs and startups to secure funding without collateral, addressing a significant challenge for emerging businesses. Additionally, the substantial increase in the Mudra loan limit will allow early-stage entrepreneurs to scale their

integrating infrastructure development with digital transformation. The allocation for plug-and-play industrial parks and logistics hubs will provide businesses with ready-to-use infrastructure, significantly reducing setup costs and expediting time-to-market. The establishment of e-commerce export hubs will open new global opportunities, particularly benefiting sectors such as manufacturing, agritech, and handicrafts. Furthermore, a renewed focus on AI-driven automation and deep-tech innovation ensures that Indian startups remain competitive on a global scale. A crucial aspect of this budget is its emphasis on regulatory simplification and skill development. By easing compliance



ital infrastructure with financial incentives, the budget paves the way for startups and MSMEs to expand, innovate, and compete globally." The budget also provides a significant boost to innovation and research. The extension of the period of incorporation for startups by five years is expected to

encourage entrepreneurship. Additionally, the allocation of Rs 20,000 crore to support private-sector-driven research and infrastructure expansion at IITs will create a fertile ground for technological advancements. The introduction of the Credit Guarantee Startup Scheme (CGSS) and the Customised Credit Card for Micro Enterprises (ME-Card) will improve access to credit for startups and MSMEs, fueling growth and development. Ashish Gupta, CEO of Fretbox, remarked, "The Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME) will facilitate collateral-free loans, giving a major boost to the manufacturing sector. These initiatives will empower the next generation

of entrepreneurs, researchers, and innovators, and we look forward to seeing the tangible results of these efforts." By enhancing geospatial data capabilities, this initiative will equip businesses with better insights for logistics, infrastructure, and resource management. Saurabh Rai, CEO of Aarah Technologies, highlighted its impact: "Leveraging AI and advanced computing, startups can drive innovation in sectors like agritech, smart mobility, and climate tech. The mission's open data-sharing framework will reduce dependency on foreign sources, fostering self-reliance and accelerating growth." The budget also prioritizes boosting exports and manufacturing. Dr. Mahesh Gupta, CMD of Kent RO, praised the

initiatives, saying, "By facilitating easy access to export credit, cross-border factoring support, and tackling non-tariff measures, the government is addressing critical pain points for exporters. The customized credit cards for MSMEs, fund of funds for startups, and expanded fund-of-funds will undoubtedly improve capital access and stimulate growth. Enhancing investment and turnover limits for MSMEs will also provide a much-needed boost to their operational efficiency." Overall, the Union Budget 2025 signals a bold commitment to making India a global leader in entrepreneurship, technology, and innovation. (The author is a senior technical writer at Ksolves, views are personal)