Dead and buried

The Supreme Court has scrapped the Electoral Bonds scheme, but the controversy refuses to die

The Opposition is labelling the contentious issue of Electoral Bonds usage as "extortion of funds by the BJP" while Prime Minister Narendra Modi asserts that the scheme has facilitated transparency in political funding. Since its inception in 2018, the scheme has been the subject of intense scrutiny and criticism from various quarters. Opposition parties have taken up the cudgels against the Electoral Bonds scheme, alleging that it provides a veil of secrecy to big corporate donors who can channel funds to their preferred political parties without public disclosure. They argue that the lack of transparency undermines the very essence of democracy, as it allows for the unchecked influence of money on politics. Moreover, the Opposition accuses the ruling BJP of benefiting disproportionately from the scheme, alleging that it has turned into a tool for the ruling party to amass funds while sidelining smaller outfits. The recent revelations emanating from the State Bank of India documents fuelled these accusations, suggesting that the BJP has been the major beneficiary of the Electoral Bonds scheme. What is more disconcerting is that there are indications of a quid pro quo between the donors and the BJP. Many people ostensibly were let off the ED hook after buying hefty Electoral Bonds and donating them to the party in power.

In response, Modi has defended the scheme, asserting that it has made the process of political funding more transparent than ever before. He argues that earlier, political donations were made through cash transactions, which opened the doors for corruption and black money. The introduction of Electoral Bonds, according to the Prime Minister, has ensured that the flow of funds is traceable, thereby enhancing accountability and reducing the influence of illicit money in elections. Furthermore, supporters of the Electoral Bond scheme emphasise that it offers a legitimate channel for corporations and individuals to contribute to political parties without fear of reprisal or victimisation. Despite the divergent viewpoints, the issue of Electoral Bonds underscores the broader debate surrounding political finance reform in India. While the Government contends that the scheme promotes transparency and accountability, critics argue that it falls short of these objectives and instead perpetuates opacity and favours the ruling party. Perhaps the truth lies somewhere in between. Every scheme must be tweaked after it is launched to address the anomalies and loopholes to make it foolproof. Indeed, the Electoral Bonds scheme currently has too many of these and the Government would do well to relaunch it in a new avatar while addressing the lacunas. It remains to be seen whether the Government will ever address the concerns raised by the Opposition and civil society groups or persist with its defence of the controversial scheme. In a democracy, the integrity of electoral processes and the fairness of political competition are paramount, and any measures undertaken in the realm of political finance must be aimed at upholding these principles.

PICTALK

Devotees offer prayers and perform rituals on the occasion of 'Sheetala Saptami', in Bhopal PTI

Global surge in negative campaigning

KALYANI **SHANKAR**

As election fervour sweeps across 64 countries, including India and the US, a familiar trend emerges: The surge in negative political advertising

It is election season in 64 countries, such as India, the US, the UK and the European Union. Political advertising is increasing worldwide. Political parties and candidates often use negative campaigns to make themselves appear better and their opponents weaker.

Parties have used negative campaigning since the 1828 US presidential race. Historians say the John Quincy Adams/Andrew Jackson contest was the nastiest. In 1964, Lyndon Johnson discredited his opponent, Barry Goldwater, using radio ads, including the "Daisy ad."

Donald Trump aired an ad depicting his opponent, Hillary Clinton, collapsing in public during the 2016 US Presidential campaign. In the 2020 election, Presidential candidates Trump and Joe Biden engaged in negative campaigning. Trump criticised Biden's mental abilities, while Biden attacked Trump's handling of COVID-19 and his character. In 2024, too, the negative ads continue.

The Conservative Party portrayed Jeremy Corbyn as a significant security threat during the 2019 UK General Election. In the 2021 German Federal Election, the Social Democratic Party targeted Armin Laschet using images of him laughing while visiting a flood-affected region.

Since Prime Minister Modi emerged on the national scene in 2014, the use of technology and ad spending during the election campaign have enormously increased. Leaders are now trained to present themselves, communicate effectively, and make effective speeches. BSP chief Mayawati was told what to wear. Regional leaders have also employed foreign agencies. For instance, Tamil Nadu Chief Minister M.K. Stalin was told to wear jeans and T-shirts to impress the voters. Late Congress leader Rajiv Gandhi lost the 1989 elections because of hostile campaign slogans like' "Galli Galli me shore hair, Rahul Gandhi chor hai.' The Bofors scam brought him down.

Candidates adopting a "hit first, hit hard, and keep hitting" approach indulge in personal attacks and fear tactics. Even after ten years of rule, Prime Minister Narendra Modi has not stopped blaming Congress for all the country's problems. The Election Commission limits candidates' spending, but many political parties and candidates spend much more than the specified amount. They offer bribes such as phones, cash, and unrealistic promises to win voters' support. One Tamil Nadu independent candidate even promised a trip to the moon and a robot for every homemaker, but he did not win.

Advertising for India's 2024 elections may cost between Rs 2000 crore and Rs 13000 crore. There are predictions that political parties and candidates may spend over $14.4 billion (1.2 trillion rupees) on advertising, twice the amount spent during the 2019 elections.

Where do political candidates get their campaign funding? Typically, some wealthy candidates self-finance, while the party spends for others. Parties have no spending limits. However, black money has also entered the fray over time.

India's Supreme Court has banned election bonds due to a lack of transparency. BJP received 57 per cent of the sold bonds, amounting to $1.1 billion, while Congress received only 10 per cent, valued at $188 million. While parties resort to any method to come to power, some campaigns succeed while others fail. The effectiveness of a negative campaign ad depends on its content, context, and the characteristics of the viewers. Prime Minister Vajpayee's 2004 "India Shining" multi-crore campaign is a classic example of a failed campaign.

> IN 2014, NARENDRA MODI TRANSFORMED INTO A STRONG NATIONALIST LEADER BY PROJECTING HIMSELF AS A NATIONAL BRAND

The Congress's 2019 "Chowkidar chor hai" campaign slogan failed, and Rahul Gandhi's attack on Modi on Rafale scam also did not click. However, the Congress party's "Aam Admi" campaign succeeded in the same elections.

In 2014, Narendra Modi transformed into a strong nationalist leader by projecting himself as a national brand. He utilised modern technology for mass mobilisation, including 3D rallies, "Chai Pe Charcha," interviews, and campaign visits. YouTube has successfully enabled political parties to advertise using 30-second TV ads and longer online videos. In short, he succeeded in attracting voters with his Congress-bashing.

The Aam Admi Party, a new political party, emerged as a strong contender during the 2013 Delhi Assembly elections. They used mohalla campaigns, social media, and a radio ad featuring AAP chief Kejriwal. Today, this party is in power in both Punjab and Delhi. All parties used negative tactics in the 2019 political campaign. The opposition criticised the BJP's Hindutva-inspired programmes. Still, the saffron Party came back to power with an increased number of seats. Modi is aspiring for a 400-plus tally in the 2024 polls. Last year, the BJP produced an AI-generated video of Modi campaigning. The Congress party mocked the footage, using his digital likeness to counter. The video, portraying a business tycoon attempting to steal resources, has gone viral with over 1.5 million views.

Despite the Election Commission's guidelines, the 2024 elections will likely feature more negative campaign tactics. Political parties and candidates should create positive advertisements instead of negative campaigns. This will help to protect democracy and prevent character assassination. One solution is to have the State fund polls, as many Electoral Commissions recommend. It is also essential to maintain decency and decorum in campaigns. This will help create a fair, respectful environment and a level playing field for all candidates.

(The writer is a popular columnist; views are personal)

Need more women representation in science

BIJU **DHARAMAPALAN**

Women aspiring to pursue scientific research often encounter barriers in the form of stereotypes and inadequate mentorship opportunities

The underrepresentation of women in science, technology, engineering, and mathematics (STEM) fields is a complex issue with multiple contributing factors. Apart from societal bias towards women opting for careers in Science and technology, lack of support from the peer professional group in their workplace is also a severe issue. It is challenging for women to venture into scientific research without the support of the peer community dominated by their male counterparts. In such a scenario, special schemes or initiatives targeting women in scientific research can be beneficial in addressing systemic barriers and inequalities that women may face in STEM fields. These schemes can provide targeted support to increase the participation and advancement of women in these fields.

The Department of Science and Technology (DST),Govt of India recognises the importance of inclusivity and diversity in driving scientific innovation and progress. To address the underrepresentation of women in the field of Science and Technology (S&T), DST has initiated the 'Women in Science and Engineering-KIRAN (WISE-KIRAN)' scheme. This programme aims to empower women from various backgrounds and walks of life, providing them with opportunities to participate and excel actively in S&T domains. WISE-KIRAN is designed to be a holistic initiative addressing a wide range of challenges women encounter in their scientific journeys. These challenges may include societal stereotypes and biases, limited access to resources and opportunities, lack of mentorship and networking, and work-life balance issues. The scheme offers diverse programmes and interventions to support women at different stages of their scientific careers. These programmes may include:

1. Educational and training initiatives to encourage girls and young women to pursue S&T subjects and careers.
2. Scholarships, fellowships, and research grants to support women in higher education and research; e.g., WISE-PhD and WISE-PDF.
3. Mentorship programmes to connect aspiring female scientists with established professionals in their field.
4. Capacity-building workshops and skill development programmes to enhance women's scientific expertise and leadership abilities; e.g., WISE Internship in Intellectual Property Rights (WISE-IPR) .
5. Networking events and conferences to facilitate collaboration, knowledge-sharing, and career advancement opportunities for women in S&T, e.g., Women International Grant Support (WINGS). Women's Instinct for Developing and Ushering in Scientific Heights & Innovations (WIDUSHI) is a unique initiative from the Government of India to support women scientists on the verge of retirement and also the women scientists who are not in permanent positions but are active researchers and continuously excelling in the research field.

Through the Consolidation of University Research for Innovation and Excellence (CURIE) programme, the DST also supports infrastructure development in Women's Institutions, especially women's universities and post-graduate colleges. It assists women's institutions in setting up cutting-edge research infrastructure to enhance their research capabilities and elevate their research and development (R&D) efforts, ultimately striving for excellence in the Science & Technology (S&T) domain. The DST also supports young girls in igniting interest in STEM disciplines. The Vigyan Jyoti programme presents a crucial avenue for young girls to explore and excel in Science and technology.

(The writer is an adjunct faculty at the National Institute of Advanced Studies, Bangalore, views are personal)

LETTERS TO THE EDITOR

INADEQUATE FOOD FOR PEOPLE

Madam — Apropos news article, "Quantifying happiness is perplexing" published on March 29, this is my response. Amid hunger, malnutrition, unemployment, poverty and inequality, it is hardly possible for a person to be happy. India's child wasting and child stunting rates are horrific. As per the Union Health Ministry's National Family Health Survey - 5 (2019 - 20) report, the nutrition indicators for children under 5 years show that 1 out of 3 children (35.5 per cent) is a victim of stunting and 1 out of 5 children (19.3 per cent) is a victim of wasting.

A study, across 92 low-income and middle-income countries on infants aged between 6 months and 24 months who have not received any food over a 24-hour period which it called Zero-food children (ZFC), has recently been published. For its study on ZFC in India, it used the data from the Union Health Ministry's national family health survey for 2019-21. It is found that in terms of the total number of zero-food children, India is at the top of the list with over 6.7 million infants and the third highest in the world percentage-wise. Instead of finding fault with the happiness index, authorities need to take corrective measures to ensure equitable growth.

Sujit De | *Kolkata*

SAVING OUR TIGERS

Madam — Apropos news article "Majestic Cats Continue to Perish" published on March 27, this is my response. That Madhya Pradesh accounted for 12 of the 39 tiger deaths does not augur well for its "tiger state of India" tag. India can no longer claim to be the "safest" place for the big cat. The same old story of tiger habitat destruction due to urbanisation continues. However, some of the latest tiger casualties are attributed to territorial fights as 22 tigers succumbed inside the tiger reserves. It is important to remember that any tiger death is attributed to poaching unless proven otherwise.

Tigers have lost lives when they have ventured out of their way in search of water or looking for habitat. The big cats traverse through what is known as "tiger spots" on the highway because tigers need serious demarcation of territories, and crowded highways are impediments to tiger movement. The need for overbridges and underpasses on highways is more pronounced now. Dedicated officers should be put in charge of tiger projects. Increased patrolling, camera traps and conviction rates to pin the poachers are important. Safeguarding ecologically sensitive areas, forests water and grasslands cannot be overlooked. Tiger relocation also has to be prioritised.

Ganapathi Bhat | *Akola*

EMBRACING IMPERFECT BEAUTY

Madam — Apropos news article "The quest for perfection: Imperfection and life's beauty" published on April 01, this is my response. Witnessing small moments of imperfection can often lead to profound reflections on the nature of perfection itself. On a recent flight, a seemingly trivial gesture—a wife offering a pillow to her husband—prompted contemplation on societal norms and personal imperfections. In a world where striving for perfection is often praised, these observations serve as gentle reminders of the beauty found in imperfection. From the intricacies of personal relationships to professional endeavours, the pursuit of perfection can sometimes lead to futile iterations and missed opportunities.

As we navigate through life, embracing imperfections can reveal moments of genuine beauty. Whether it's in the spontaneity of nature or the authenticity of human connections, there's a richness to be found in the imperfect. Renowned musician Graham Nash aptly captures this sentiment, reminding us that life's tapestry is woven with both terrifying and incredibly beautiful moments. Perhaps it's in accepting this duality that we can truly make the best of what life offers, opening our hearts to the imperfect beauty that surrounds us.

Sneha Gupta | *Delhi*

Tribals' tribulations

Apropos news article "Empowering India's tribal communities" published on April 01, this is my response. India's dynamic progress often overshadows the struggles of its indigenous tribal communities. Despite their rich cultural heritage, these communities grapple with deep-rooted challenges, from educational disparities to land rights violations. The Pioneer sheds light on these pressing issues, urging concerted efforts for holistic development. Educational inequity remains a glaring concern, with tribal literacy rates languishing below the national average. The lack of infrastructure and cultural barriers perpetuate this gap, entrenching cycles of poverty.

Land rights violations compound their plight, as development projects encroach upon ancestral lands. Legal safeguards like PESA often prove insufficient, leaving tribes vulnerable to exploitation. However, initiatives like the ITDA model in Andhra Pradesh offer hope, providing holistic interventions that empower communities. Efforts to bolster education, healthcare, and entrepreneurship are paramount. By investing in these sectors and fostering social inclusion, India can uplift its tribal populations, honouring their heritage while securing their future. The Pioneer's spotlight on these issues is commendable, catalysing dialogue and action for a more equitable society.

Khirabdi | *Noida*

Send your feedback to:
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Next phase for RBI

Central bank should be empowered further

Speaking at a programme marking 90 years of the Reserve Bank of India (RBI) on Monday, Prime Minister Narendra Modi rightly noted that the institution played a pivotal role in advancing the nation's growth trajectory. Financial stability is a necessary condition for economic growth and development in the long run. As the RBI commemorates this significant milestone, it presents an opportunity for the institution to not only reflect on its past achievements but also to chart a course for the future. This is vital because of the changing nature of macroeconomic and regulatory challenges. The Indian central bank, to be fair, has evolved with time in all its functions over the decades. Despite occasional differences, the government has provided legal and institutional support to the RBI in its journey. This is not to suggest that India has a perfect system, but developments over the years have been in the positive direction.

One of the most significant developments in recent years has been the amendment to the RBI Act to make it an inflation-targeting central bank. Despite opposition from various sections, the government agreed to the idea of strengthening the monetary policy framework, which has made monetary policy operations more transparent and helped improve investor confidence. In the context of some recent confusion, on its part, the RBI has done well to reiterate that it will adhere to the legally mandated inflation target. Further, one of the reasons for improving macroeconomic stability is the RBI's deft management of the external sector. It used opportunities to accumulate large foreign exchange reserves, which has helped reduce currency volatility.

While the RBI has done reasonably well in terms of macroeconomic management, particularly in recent years, there is scope for improvement in banking regulation and supervision. It is worth celebrating that non-performing assets (NPAs) in the banking system have come down and the system is in its best position in over a decade, but excesses in the banking system were also built in both pre- and post-financial crisis periods under the RBI's watch. Although it is correct that the RBI has limited powers in terms of regulating public-sector banks, which must be addressed through necessary legal changes, at least two recent episodes — YES Bank and Infrastructure Leasing & Financial Services Ltd — pointed to the need for improving oversight mechanisms. There are also concerns regarding transparency in dealing with regulated entities. The regulator, for instance, could have been more forthcoming in providing information in the case of Paytm Payments Bank. In fact, dealing with such entities could be a big challenge in the coming years.

The RBI has done well to facilitate the adoption of technology, which has made India a world leader in payment solutions, but it will need to be prepared to deal with unintended consequences of using technology by new-age fintech firms in a way that doesn't stifle innovation. The RBI is also a pioneer in experimenting with the central bank digital currency though it remains to be seen to what extent it is adopted. Looking ahead, although the RBI is not formally an independent central bank, the government should allow it to function autonomously and respect its institutional position. To make its functioning more effective, the government should consider necessary legal changes to empower it in banking regulation. It is also important for the government to run low fiscal deficits to avoid the risk of potential fiscal dominance of monetary policy.

A question of propriety

Timing of enforcement action must be questioned

Delhi Chief Minister Arvind Kejriwal has been remanded in judicial custody till April 15 by a special court in connection with an alleged money-laundering case related to a now scrapped Delhi liquor licensing policy case after his remand with the Enforcement Directorate (ED) ended. Mr Kejriwal, the first sitting chief minister to be put behind bars, was arrested by the ED on March 22 under the stringent and controversial Prevention of Money Laundering Act (PMLA), where bail is difficult to obtain. The ED had sought 15-day judicial custody from the special court to interrogate him, citing "non-cooperation" by Mr Kejriwal. Whatever the merits of the case, two issues concerning best practices in a democratic polity demand attention from the institutions entrusted with safeguarding them — the Election Commission (EC) and the Supreme Court.

The first is the propriety of Mr Kejriwal's arrest by an enforcement arm of the government just weeks before parliamentary elections are due. More so, when the alleged infraction concerns a case that dates back two years. As with the ED case against the CPI(M) in Kerala and the recent income-tax notice to the Congress, which also dates back several years, the action against Mr Kejriwal surely merited intervention by the EC because of the timing. On Monday, the income-tax (I-T) department assured the Supreme Court, hearing an appeal by the Congress against the I-T demand, that it would not take any coercive steps to recover its demand of ₹3,500 crore before the elections. Though this offers the national party some relief, it does not address the core question of the timing of the I-T department's move.

No less pertinent is the Supreme Court's promise to review its earlier judgment on the PMLA, which has been hanging fire for some months. The original judgment of July 27, 2022, by a three-judge Bench had generated considerable controversy because it conferred on the ED virtually unchecked powers to arrest, summon, and raid individuals while depriving an accused of his or her basic rights. The judgment upheld several conditions for bail which are virtually impossible to meet, apart from transgressing settled law. The first is for the individual to prove he is not guilty of money laundering, an inversion of the legal principle of a defendant being innocent until proven guilty. The second is for the accused to prove that he is unlikely to commit an offence when out on bail. This apart, the accused may not get a basic copy of the Enforcement Case Information Report outlining the ED's case against him.

Last year, the Supreme Court constituted a three-judge Special Bench to hear review petitions filed against the judgment and hearings were scheduled to begin in October 2023. That Bench was dissolved, first because the Union government sought more time to prepare, and, second, because one of the judges on it was retiring within a month, which begs the question why he was selected in the first place. Since then, however, the progress has been snail-paced. Though a replacement for the retired judge was found, the reconstituted Special Bench in March posted the date for reconsidering the judgment to July 2024, citing, among other things, a heavy caseload. Such delays do not bode well for the future of Indian democracy.

ILLUSTRATION: BINAY SINHA

Dollar is more than a currency

Despite predictions of a tough year, the greenback is overpowering challengers. There's more to this supremacy than mere interest rates

There's just no getting past the supremacy of the dollar, much as skeptics of American influence wish for it or lonely yen bulls cry for relief. The greenback has been frequently tipped to retreat, only for it to blow away everything in front of it.

This resilience might not last, but as long as it does, it reminds a world once in thrall to China's ascent that the US is the essential economic force. Just ask all the central bankers quizzed as much, if not more, about the Federal Reserve's intentions as their own. Sovereignty can be relative.

DANIEL MOSS

Events billed as heralding a pullback have barely made a dent: Japan's decision to end eight years of negative interest rates fizzled in markets; the country's finance minister has resorted to jawboning the yen stronger, and traders are handicapping the prospects of intervention by Tokyo. Even projections of rate cuts by the Fed aren't doing it: Reductions are likely to be synchronous among the biggest authorities, preventing any major currency from outshining the dollar. This year was meant to be one in which the dollar fell, but a key index of its support is off to a strong start.

That's the short term. Markets fluctuate and currencies, like stock and bond markets, have good years and times when things don't turn out so stellar. But the buoyancy of the past quarter — and last couple of years — is built on something more than rate differences.

The longer story of dollar firepower is one of a currency beating back challenge after challenge every few years. In the late 1990s, the coming euro was supposed to rival the dollar. A couple of years later, the current-account deficit became the totem of all that was wrong.

Then came the subprime collapse and quantitative easing, followed by the would-be rise of the Chinese yuan. The worry du jour: The aggressive use of sanctions, which critics said would lead to a global de-dollarisation. It's as though the rest of the world scouts for a saviour every few years. Assertions that the dollar will be undone are overblown, according to a recent paper by Steven B Kamin, a former head of the Fed's international finance division, and Mark Sobel, who served as deputy assistant secretary of the Treasury.

Kamin and Sobel write that dollar dominance is embedded in the global economic system in ways that are difficult to change. Even if it was to decline relative to another currency, the buck will remain first among equals. And the potential loss of access to US markets and the American banking industry would mean sanctions still matter greatly. The currency remains a vital geopolitical asset both to Washington, and its allies.

The duo argue that whether or not the dollar stays top of the heap is the wrong question to ask. Better to inquire whether the factors that have supported such a place at the commanding heights will be sustained. They are confident it will, but add a chilling caveat: The biggest risk to the dollar may be the US itself.

"Dollar dominance is not a means in and of itself," Kamin and Sobel wrote in the paper for the American Enterprise Institute. "It is instead a critical reminder of the need to run sound policies, behave responsively at home, and maintain the world's trust." (The two expanded on the subject in the *Macro Musings* podcast last month.)

The dollar is also a strategic gift, often underappreciated in geopolitical discussions, which tend to focus on the South China Sea or Donald Trump's threats against treaty partners. Nor is the US-led economic order, with the greenback at its core, wholly a product of victory in World War II.

Born in 1913, the Fed was an important behind-the-scenes player in the Great War. As President Woodrow Wilson was trying to broker peace between the Allied and Central powers in 1916, the Fed fretted that American banks were too invested in the prospects of a triumph by Britain and France, something by no means certain. The central bank warned US lenders against over-exposure, a step that sent European markets into a tailspin, wrote Philip Zelikow in *The Road Less Traveled: The Secret Turning point of the Great War, 1916-1917*. Allied powers realised they would soon struggle to finance the war.

Wilson hoped that by squeezing them, he could bring about a resolution. His efforts foundered after Germany resumed unrestricted submarine warfare in the Atlantic, and the US joined the conflict. The Fed reversed its stance and aid began flowing again — generously. Just as well: Britain's cash reserves were perilously close to depletion. The baton of monetary leadership was passed.

Let's hear it for the greenback, more useful than an aircraft carrier, and with greater life expectancy. If there is a historic break with its rule, it's unlikely to be something as obvious as a turn in the cycle of contemporary borrowing costs. It may be something more subtle, though clear in hindsight. For now, consider keeping those prognostications about the eclipse of the dollar in the barracks.

The writer is a Bloomberg Opinion columnist © Bloomberg

Understanding the microplastics threat

The history of synthetic plastics can be traced back to the middle of the 19th century. As with any invention, the discovery of synthetic plastics started as a quest to find a solution to some problems — in this case, the reduced availability of tortoise shells, and elephant ivory, used predominantly for making combs, billiard balls, piano keys, etc, in the 19th century. Demand for piano keys, billiard balls, and combs was going up in Europe even while getting hold of elephant tusks and tortoise shells was becoming more difficult as their population dwindled.

A chemist named Alexander Parkes is credited with having created the first real synthetic plastic — Parkesine — in 1862, which quickly became a cheap substitute for tortoise shells and ivory in some products.

PROSAIC VIEW

PROSENJIT DATTA

Belgian chemist Leo Baekeland created Bakelite, the first all-purpose fully synthetic plastic in 1907. After that, development was rapid as big corporations in the US and the UK such as BASF, Du Pont, Imperial Chemical Industries, and Dow Chemicals poured money into research, product development, and marketing. World War II would see plastics coming into their own — being used in everything from parachutes to radar cabling to wheels of vehicles and aircraft. Post WW II, the civilian use of plastics would explode. Nylon, Rayon, Polystyrene, PET, and Teflon would find uses in everything from clothing to food packaging.

Plastic usage would boom for decades before scientists, policymakers, and citizens would wake up to the unpleasant fact that what made plastics so useful was also the reason they were polluting the earth — plastics were indestructible. They did not decompose, disintegrate, or degrade for decades or centuries. Discarded plastics simply accumulate in landfills and oceans, becoming an environmental disaster.

Knowing there is a problem and finding a solution for it are two different things. Though the dangers that discarded plastics pose for Earth are now well established, no satisfactory solution has been found. The quest for solutions has simply not received the kind of support or resources it should have. There are more interesting areas to research, even in biochemistry and microbiology. From time to time, announcements of bacteria that consume and break down plastics have been made but few have led to large-scale plants. Other methods such as photo-oxidation have also not been able to scale up.

Policies, meanwhile, have typically focused on reducing the use of plastics — though they have not been very successful in most countries, given that alternatives to synthetic plastics are not easily available or cheap.

Over the past two decades, a fresh worry has cropped up — the ubiquity of micro and nano-plastics. While plastics take decades to degrade, they do break into pieces and release tiny plastic pieces, often too small to detect with the naked eye. Over the past decade, researchers have discovered to their horror that micro and nanoplastics are everywhere — in the soil, in oceans and rivers, in marine and land lifeforms, and, increasingly, in human organs, from the blood vessels to the respiratory system, the liver and even the placenta.

How dangerous are microplastics to humans? Research on this is only beginning to take place now. Initial studies point to long-term dangers but their precise nature and the quantification will take time to establish. There is some evidence that plastics can give rise to inflammation in the body — with all the attendant issues that come with it. There is conjecture that chemicals of nanoplastics in various body organs would lead to all sorts of problems, including cancer. Other studies have shown that micro and nanoplastics in the circulatory system could lead to an increase in cardiovascular risk.

However, simply not enough research has taken place yet to link micro and nanoplastics to diseases and life expectancy. But then, these take a long time to establish — for example, we did not understand the dangers of air pollution to the human body till fairly recently.

A lot more research funding and studies are needed in this area. Particularly the dangers they pose to babies and small children or even pregnant women. Also to those who are suffering from multiple morbidities.

Other studies are needed to figure out how to deal with the diseases and inflammation that microplastics may cause our bodies. More studies are needed on their effect on ocean and riverine life forms as well as plants and animals on land.

Unfortunately, while a few countries are taking note — Canada has allocated a couple of million dollars, for example — it is an area that is neither attracting huge private nor public funding. The reason is simple enough. Other research areas are promising better returns on investment for the private sector. Business opportunities from artificial intelligence or new battery chemistries are easier to discern and therefore get funding of billions of dollars. Studying the dangers of microplastics to humans does not seem to promise great new business opportunities.

Indeed, unless some Silicon Valley billionaire decides that microplastics can reduce his life expectancy, it is unlikely that this will attract big private money for research. As far as policymakers are concerned, there are enough problems of global warming and digital technologies to deal with before they get around to this long-term danger. And that is a pity — because until things reach a boiling point, no one wants to search for solutions.

The writer is former editor of Business Today *and* Businessworld, *and founder of Prosaic view, an editorial consultancy*

The long road to liberalisation

BOOK REVIEW

LAVEESH BHANDARI

The second volume of the "India's Finance Ministers" series with a subtitle "Stumbling into Reforms (1977-1998)" undoubtedly matches, I would say even surpasses, the first. The time period was perhaps the most exciting in post-independent India's economic history. A new generation, with arguably much greater economic aspirations than those involved in the independence movement were taking over, the Congress had been damaged, and by now it was quite evident that the public sector would not be able to deliver on the promise of economic growth.

The return of Indira Gandhi and the subsequent takeover by Rajiv Gandhi saw one of the periods of highest economic growth initially, but these and associated investments were powered by dollops of debt. Loose policies contributed to the distress that eventually birthed the reforms in 1991. And then the excitement of the reforms and post-reform years followed.

But let me start from the beginning of this period. H M Patel (finance minister from 1977 to 1979) had many years earlier deftly handled the partition-related division of assets. Though later exonerated, the Jagmohan Mundhra scandal had impacted his reputation. He later joined the Swatantra Party which merged with the Janata Party. With active support from Morarji Desai he brought in I G Patel to the Reserve Bank of India, retained Manmohan Singh in the finance ministry, attempted to change the five-year plans to annual rollover plans which also looked at implementation issues and not merely allocation of resources. He tried to increase the savings rate by attempting to discourage "ostentatious" consumption, announced India's first demonetisation of high-value currency, and tried to sell gold reserves to reduce its price, among other not so great measures. But despite what must have been a fairly difficult time in a government with many independent power centres, he managed in 1977-78 to present a Budget of ₹15,500 crore and a deficit of only ₹72 crore, which increased to ₹414 crore the next year on account of cyclone- and flood-related damages across India.

Though an important member of the Swatantra Party, his actions do not always show up as those of an economic liberal. Among other acts we would term as quite market-unfriendly, he increased the list of industries under small scale to 500 from 180, the highest bracket for income tax to 69 per cent (including cess) at the margin and created a negative list of sectors where no foreign collaborations would be permitted.

Who, then, was H M Patel? A liberal managing the politics in a government with many power centres? Or an efficient administrator driven by conventional wisdom of the times? Unfortunately, the author is unable to answer that question. But what is clear is that limits on private industry were not just the product of the Nehruvian era. It is also clear that historical personalities are not so easy to classify as socialist or liberal, right of centre or left. But did those involved in the more recent demonetisation learn from the experience of the Janata Party's in the late seventies?

INDIA'S FINANCE MINISTERS: Stumbling Into Reforms (1977 to 1998)
Author: A K Bhattacharya
Publisher: Penguin Business
Pages: 536
Price: ₹999

H M Patel's story is one among many. There were 11 finance ministers between him and 1998. Each of them had a unique personality, yielding stories rich in texture, not easily classifiable the way simplistic media projections do these days. In Charan Singh, R Venkataraman, Pranab Mukherjee, V P Singh, Rajiv Gandhi, N D Tiwari, S B Chavan, Madhu Dandavate, Yashwant Sinha, Manmohan Singh, and P Chidambaram, India has had some fascinating personalities as finance ministers, grappling with their own partymen, a Reserve Bank of India that was purportedly independent but then not, or for that matter prime ministers who were sometimes supportive, sometimes not so. The volume does justice to each of them, and then some more.

The author is able to cover many of these stories to great effect and share some fascinating insights into the process of policymaking in the highest quarters. A huge takeaway for this reviewer is that if you look hard enough many major actions and reforms that occurred later were made possible due to actions that may have been considered minor or even irrelevant many years earlier. However, there should have been more on the dealings with Opposition parties, and an investigation into what the finance ministers were oriented towards as individuals, where their inherent preferences lay, what they grappled with, within and not just without.

But all told, the second volume of the Finance Minister Trilogy gets a double thumbs up from this reviewer. The author is also able to provide us with a deep insight into some of the most important actions taken many years ago, and he does so without any judgement or verdict. The style is extremely dispassionate, simply reporting what happened and as it happened. And that makes it very useful for all, whichever side of the political-ideological spectrum the reader may be. A must read for all students of modern economic history, for libraries, and for policy wonks who may want to learn from the failures and successes of the past.

The reviewer works with CSEP, New Delhi. A K Bhattacharya is editorial director at Business Standard

How to Disconnect in The Connected Age

Best decided between employer and employee

A law to disconnect after work, which California is considering, has a basis in three universally accepted rights pertaining to working hours, rest and privacy. Yet, the simple act of ignoring a call, message or mail from your boss is based on a complex interplay of factors that involve the nature of business you are in, the urgency of the communication, and the extent of remote work you are engaged in. Rules cannot be the same for doctors and accountants or, for that matter, travelling salesmen. Which is why France, where the right first found its way into law, has left it to be decided between employer and employee, without sanctions against offenders.

Granted, disconnection is the equivalent of the 8-hour workday rule in the digital economy. It affects a much larger share of the workforce than those who need to travel longer than usual to report for work. If inordinate commuting finds its place in the statute books, so should digital curfew after work. Problem is, how does one enforce it? It's not a matter of a multitude of workers filing out of the factory gates to the sound of a siren à la Chaplin's Modern Times, but one-on-one interactions behind company firewalls. With communication becoming ubiquitous, there is no way to switch off physically. It has to be a judgement call, subject to interpretation.

Better ways will need to be devised to enforce the right to disconnect digitally. Otherwise, the rights to leisure and privacy cannot be defended in their entirety. Large companies can lead the way by drawing up self-enforceable contracts with employees. A template has to evolve covering large parts of the wage economy. States must have a mechanism to intervene when negotiated terms are broken. Workers' rights should not be allowed to fall too far behind the evolution of technology and business. To that extent, the legal support California is proposing — almost a decade after several European countries wrote it into law — is a welcome development in the US, which has contributed the most to digital leg-irons for workers.

What a Waste Food Waste Is, Stop It

Food waste by households and retail units is growing. Globally, an estimated 1.05 bn tonnes of food was wasted in 2022, compared to 931 mn in 2019, according to the UN Environment Programme's 2024 Food Waste Index Report. While 19% of food available to consumers is being wasted, some 783 mn people are going hungry across the world. And it is no longer just the rich world's problem. The gap in amount wasted is 5-7 kg per capita, with households in middle-income countries wasting more.

India is not immune. Average household food waste is 55 kg a year, an increase of 5 kg since 2019. Food waste will rise as India's middle class grows. Reducing food waste will require improving household-level storage, and cold chain and storage facilities from farm to market. This will increase shelf life for fresh produce, decoupling food waste and affluence, encouraging a culture that minimises food waste, and developing mechanisms for redistribution of unconsumed food from retail and food service units. Local authorities must be empowered to build partnerships with stakeholders and communities to track food waste and reduce it.

Countries agreed to halve per-capita global food waste at the retail and household level by 2030. But doing it is proving to be difficult. Measuring and tracking food waste is uneven. Reducing food waste must become a priority. The world literally throws away more than $1 tn worth of food every year. Add to the bill, resources used for producing the wasted food — water, land, fertilisers, etc. The other cost food waste imposes is through greenhouse gas emissions — 8-10% of global emissions. Unless conducted on a war footing, the problem of food waste, along with rising emissions, wasted resources and hunger, will only get bigger.

JUST IN JEST

Wuhan is trending, this time with people in their 'trendiest' look in office

Junk Officewear, It's Gross Gear to Work

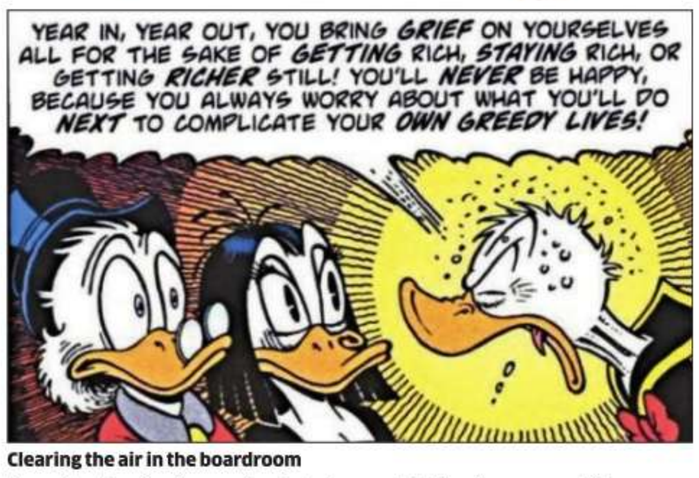
Guess who's back in the news? It's Wuhan. *That* Chinese town. But before you start digging out your face masks and vaccine certs, hold on to your hats. This time, Wuhan isn't about any nasty virus. Instead, the city's new fashion code is going viral. Young professionals are discarding stuffy suits and ties, and strutting into their offices in pyjamas, sweatpants and sleepwear. And, no, they are *not* lazy.

Welcome to the era of Generation CoZy, where comfort reigns supreme and individuality is the name of the game. Who needs formal attire when your job involves looking at a blue screen all day and meeting colleagues over a virtual session, they rightly ask. This shift in wardrobe represents more than a fashion choice. It's a lifestyle, a movement towards a more spartan, laid-back existence. It's a progression of China's 'lying flat' movement, a rebellion against the rat race of traditional work culture. And where better to showcase these daring ensembles than on Xiaohongshu, China's Instagram? A thread dedicated to 'gross outfits at work' has become the talk of the town. But amid the chaos of business meetings in bunny slippers, and conference calls from the comfort of a cosy duvet nest, one thing's for sure: even the most serious of corporate bigwigs would raise a sleepy-eyed salute to this merger of two Covid-era legacies: WFH and WFO.

FAMJAM Sidestep the tangles investment decisions in family businesses can get mired in

Business, Nothing Personal

Harsh Mariwala & Tatwamasi Dixit



Clearing the air in the boardroom

In non-family businesses, capital allocation is typically determined based on data and business acumen. In family businesses, the process is seldom as straightforward. Balancing business goals with family obligations — such as catering to various life stages and lifestyles, and accommodating individual aspirations — becomes paramount in capital allocation decisions. Carefully assessing mindsets and idiosyncrasies of family stakeholders also becomes central to these deliberations.

In a family business, there's no guarantee that all capital allocation leads to optimum profit-making. Capital may be allocated for the promoter's passion projects, to feed the ego of attention-seeking disruptive family members, to maintain loss-making but sentimental businesses, or to maintain harmony in relationships. When decision-makers operate from unconscious cognitive biases, it's inevitable that they lose perspective. These aspects are often not spoken about. Yet, they significantly influence the capital allocation process.

▶ **Growth or greed** Entrepreneurial businessmen possess an unquenchable thirst for growth. Trailblazers are constantly seeking improvements, creating abundance along the way. However, this pursuit can also breed unhealthy power dynamics, arrogance and lack of balance. When ambition lacks balance, it can morph into self-centred greed. Growth initiatives driven by desire for power, comparison, unhealthy competition or rivalry often result in long-term failures. If left unchecked, greed can result in unmanageable debt, and eventual decline of the family business.

Power plays a vital role in investment decisions, particularly when business owners and decision-makers act as power centres. They may make financial decisions with minimal analysis solely to assert their power. Such actions not only disrupt fair collaboration with other family members but also jeopardise the business' growth by prioritising personal advantage over collective success.

▶ **Disconnect** Successful founders possess the capacity to operate with a deep understanding of the business at its core. They have mastered the art of staying connected to every intricate detail of business operations, and their decisions regarding growth and diversification are always grounded. However, as generations progress, and wealth, position, power and politics come into play, promoters become increasingly disconnected from reality.

There is a significant lack of alertness and agility when decisions are based on data filtered through various structures and layers. Effective capital allocation and business acumen for growth require both macro- and micro-level connections. When strategic capital allocation decisions are made from this disconnected space, it impacts growth.

▶ **Purpose alignment** How family directors decide on capital allocation is very important. One of the best practices is to create consensus around 'purpose of family business'. Aligning this fundamental criterion is the starting point of the capital allocation process. This ensures that diverse motivations, strategies and perspectives are all transparently discussed to invoke commitment. The capital allocation process varies, depending on the agreed purpose:

▷ Family businesses aspiring to perpetuate across generations, adapting a custodian mindset, make long-term investments. Growth is balanced by retaining ownership control at any cost.

▷ During a specific phase of the business' life cycle, a need for diversification arises. It becomes imperative to allocate resources judiciously for new ventures.

▷ In few family businesses, it is common to notice that capital allocation decisions are made to cater to individual aspirations of certain family members and to harmonise relationships. Under such conditions, resorting to a fair process becomes mandatory.

▷ It is imperative for business families to address evolving lifestyle needs across generations by allocating the required capital, necessitating careful planning and establishment of adequate corpus. It is also imperative to establish specific governance systems.

▶ **Governance framework** Once clarity is attained regarding the 'why' and 'what', attention turns to the 'how'. Good governance demands setting up fora such as family business council (FBC), family office board (FOB), shareholders committee (SHC) and investment committee (IC).

While FBC is responsible for envisioning capital requirements to drive business growth, FOB is responsible for forecasting the budget for family needs, such as promoter-level debt reduction, corpus for new ventures, funds for living cost and philanthropic initiatives. SHC has to play a crucial balancing act of protecting and building economic value, as well as fulfil familial needs while engaged in capital allocation.

▶ While large family businesses can afford to set up various governing fora, it may not be feasible for small family businesses to do so. They should learn how to wear different hats while dealing with different subjects. When they wear the business manager's hat, they think what is right for the business. When they wear the family hat, they tend to focus on what's required for the family. The shareholder's hat helps them perform a balancing act, catering to both business and family needs.

▶ When family members engage themselves in the capital allocation process, they may lose objectivity. Which is why they should bring in external independent professionals to various fora to offer external perspectives and insights to establish objectivity.

Traditional metrics like ROI, IRR, net worth and free cash flow often fall short in the nuanced landscape of family businesses while engaged in capital allocation. Success hinges on the delicate equilibrium between data-driven analysis and intuitive understanding — logic meeting instinct.

Power plays a vital role in investment decisions. Business owners and decision-makers may make financial decisions with minimal analysis solely to assert their power

Mariwala is chairman, Marico, and Dixit is founder-mentor, Family Business Research International Centre (FABRIC)

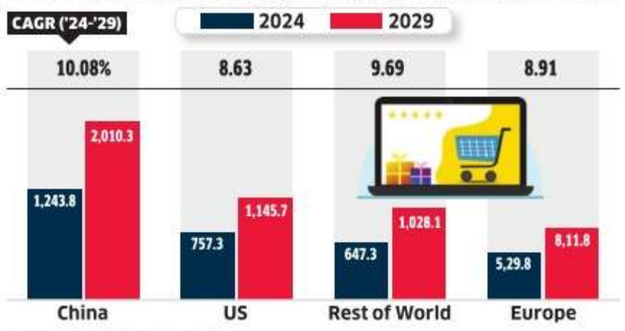
ChatGPT **SHAIRI** OF THE DAY

There are some forecasters bold,
Who're predicting extreme heat to unfold.
As elections draw near,
Dire warnings, oh dear,
Many are putting their voting on hold.
• • •

Global e-commerce sales

Global e-commerce sales are expected to reach $3.18 trillion this year, according to figures from Statista Market Insights. Sales in China, the biggest e-commerce market, are estimated to be $1.24 trillion, and are projected to exceed $2 trillion by 2029. Markets excluding China, the US and Europe are together expected to register sales of more than $1 trillion this year, slightly less than the US figure. A snapshot...

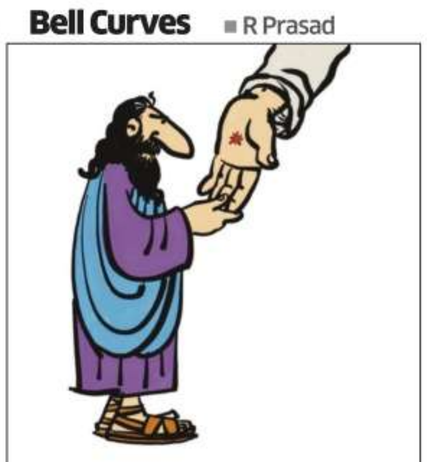
E-commerce sales and growth projections ($, billion)



Source: Statista Market Insights

SANJEEV RAJ JAIN

Bell Curves ■ R Prasad



Thomas always reads terms and conditions carefully before investing.

Scrap the 'WilDef' Tag

M C Govardhana Rangan

Transformation of the Indian banking sector over the past three decades has been nothing short of revolutionary. It was an achievement of sorts to have one's own cheque encashed at the teller, while consumer loans as a product were still in the distant future. Now, it takes a few seconds to transfer crores online, while loans are readily available for a millennial to zip around town on a motorcycle.

Many laws governing the industry have also evolved to accommodate rapid changes that are driving innovation at breakneck speed. However, some attitudes among bankers and regulators have lagged behind, and don't reflect the digital age.

One such laggard is the 'wilful defaulter' label. This classification is unique to India among all big economies, and it defies logic in the era of data analytics and AI. A wilful defaulter is a borrower with enough money but isn't repaying banks. The dubious category also includes those that siphoned funds and left businesses high and dry.

The issue is back in the spotlight with Bombay High Court's recent ruling in the 'Milind Patel vs. Union Bank of India and Others' case. The court said banks and financial institutions that seek to declare the occurrence of wilful default must identify identification committees and review committee members, and share the reasoned orders passed by these committees.

In April 1999, at the behest of CVC, RBI directed banks to share details of wilful defaulters above ₹25 lakh to prevent them from receiving fresh funding. The same year, it told banks, 'The main business of banking would, over a period of time, become unachievable if the policies of banks do not include computerisation as one of their main activities.'

Reading the two circulars together tells you that the concept of barring wilful defaulters from using banks was conceived in an era when banks were not computerised. Let alone one bank not knowing the status of a borrower in another bank, it was a time when data from two nearby branches of the same bank was unavailable to each other.

Should RBI in 2023 be issuing circulars on the matter? And do banks need to take this half-hearted approach to do their primary task: recover funds?

Between 1999 and now, banks' toolkit for recovering funds has grown and become more effective.

▶ In 2002, banks were given Sarfaesi Act 2002 to legally seize assets of defaulters and recover money.

▶ The recovery mechanism was further strengthened with IBC in 2016, which put the fear of god in defaulters because it showed how billionaires who once played the banking industry saw their empires crumble.

▶ Setting up of credit information bureaus and RBI's database, Central Repository of Information on Large Credits (CRILC), have plugged most gaps that unscrupulous borrowers exploited.

With an insolvency law, lenders should avoid tagging someone a wilful defaulter, unless the intention is to keep some jobs in the bank.

Banks using their powers to declare someone a wilful defaulter carries its risks. 'This matter has demonstrated the risk of placing serious discretionary powers to inflict penal measures in the hands of commercial entities such as banks, without appropriate capacity and training to appreciate requirements of the rule of law,' said Bombay High Court.

Why should banks set up a structure where bankers have to wear the hat of a CBI officer and a judge? There is no certainty that it would lead to the recovery of funds, because courts could entertain the defaulter in the name of justice and drag it for years.

This wilful defaulter concept is more of a circus that got a life when there was an intention to *appear* to be acting tough on errant borrowers by the administration. But it wasn't so.

RBI itself tells you how meaningless the exercise is. 'It is essential to recognise that there is scope even under the existing legislations to initiate criminal action against wilful defaulters depending upon the facts and circumstances of the case under the provisions of Sections 403 and 415 of the Indian Penal Code (IPC),' the regulator said in its 2015 circular on wilful defaulters. 'Banks are advised to seriously and promptly consider initiating criminal action against wilful defaulters.'

RBI's couched language shows that criminal laws would be more effective than tagging someone a wilful defaulter. Banks' record in prosecuting the guilty is patchy, as many forensic audits have not led to criminal actions.

Banks need to be judicious in their actions. Recovery funds should top the agenda while leaving punishment of fraudsters to the criminal justice system. Banks must read RBI's message on launching criminal proceedings, rather than building another layer of bureaucracy and lengthy legal battles.

To catch a caricature

govardhana.rangan@timesgroup.com

BLISS OF EVERYDAY LIFE

Taking a Dip In Summer

There are few joys as refreshing as taking a dip in the cool waters during the scorching heat of summer. Whether it's a pool in your building or at your club, or if you're lucky enough to live near a clear river or sea front, the sensation of water enveloping your body like liquid, cool air brings an instant relief, washing away the sweat and stress of the day.

Pleasures of swimming in summer extend far beyond mere physical relief. Immersed, you experience a profound sense of weightlessness, a temporary escape from the gravity that binds us to both Earth and to everyday life. It's a moment of liberation, where worries float away with each gentle stroke and the mind finds solace in the soothing rhythm of the water.

Then there's camaraderie for those who like being social. Whether it's splashing around with friends and family, or simply lounging by the poolside with loved ones, swimming — or even just standing inside a pool — brings with it shared enjoyment and laughter.

Swimming offers numerous health benefits, from cardiovascular fitness to improved muscle strength and flexibility. It's a full-body workout that invigorates both body and mind, leaving one feeling revitalised.

THE SPEAKING TREE

Holiness And Piety

SUMIT PAUL

A tourist says to his guide, 'You must be proud of your town. I was especially impressed by the number of churches in it. Surely, the people here must love the Lord.' 'Well,' says the cynical guide, 'they may love the Lord, but they sure as hell hate each other.'

Jonathan Swift aptly said, 'We have just enough religion to make us hate, but not enough to make us love one another.' It's really ironic that as religiosity is on the rise, hatred and fights in the name of religion and god are also increasing rapidly.

Once Persian mystic Khaqani was eating dates during the daytime in the holy month of Ramzan. Seeing this, a holier-than-thou said, 'What are you doing? You're not observing roza, fast?' He cursed and abused Khaqani and went away. The great mystic looked skyward and said, 'I'm eating dates instead of fasting and thanking you. And there are people who abuse their fellow beings in the holy month. Oh Allah, tell me what's holiness?'

Holiness and piety are two of the most sacred human traits that are independent of religion and god. A person once asked the Buddha, 'Can humans be holy and pious without any faith in god and religion?' The Buddha said, 'My whole philosophy is based on this. You can be holy and pious without being religious and god-centric.' Once you're aware of your intrinsic holiness and piety, all hatred caused by religion will peter out eventually.

Chat Room

Job-Making is an MSME Speciality

Apropos the Edit, 'Think Beyond Mfg For More/Better Jobs' (Apr 1), the employment intensity of MSMEs is higher than that of large capital-intensive units. It is estimated that an investment of ₹0.72 lakh is required to create a job in an MSME, compared with ₹5.56 lakh in a large enterprise. MSMEs contribute 50% to India's exports, originating from employment-intensive sectors such as textiles, leather and jewellery. GoI should introduce a PLI scheme for medium units to incentivise exports, and encourage small units to scale up operations and move into the medium category. This will further boost employment and exports.

CHANDER SHEKHAR DOGRA
Jalandhar

Vocal Govs and Silent Investors

This refers to 'India Serves Demarche to US After Remarks on AAP Chief' by Dipanjan Roy Chaudhury (Mar 28). The MEA has rightly taken the comments by Germany and the US on Arvind Kejriwal's arrest as interference in India's internal affairs. Be that as it may, this exchange is also being watched keenly by potential and existing investors from these countries. While the size of the Indian market is incentive enough for most investors, a rules-based government inspires more confidence than just the market size. It may be worthwhile for Indian agencies to time their actions better and with more certainty.

RAJ KHALID
Mumbai

Critics, Fans Don Coloured Glasses

Apropos 'Is the Critic Wrong Or Right? Neither, Dear Film Fan' by Anna M M Vetticad (Mar 31), there has been an evolutionary change in the judgemental characteristics of cine-goers and film critics from the post-Independence times' critics of film magazines like, say, filmindia. Back then, objectivity and deep evaluation of a film characterised reviews. Today, critics have their favourites, particularly after the rise of Amitabh Bachchan and later the troika of Khans. Modern movie fans, too, are extremely subjective and intolerant of any adverse comments about their idols. These blindly committed groups are better ignored.

Y G CHOUKSEY
Pune

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Opinion

TUESDAY, APRIL 2, 2024

RBI @ 90

RBI Governor Shaktikanta Das

From being a central bank primarily concerned with the allocation of scarce resources during the planning period, the RBI has transitioned into being an enabler for the market economy

Agile at 90

Despite a few misses, the RBI has played a stellar role in the India growth story

IN HER 90TH year, the Old Lady of Mint Street can look back with satisfaction on a job well done, albeit with a few misses. If the Indian economy has benefitted from reforms, the liberalisation of banking rules unleashed by the Reserve Bank of India (RBI) has played an equally big role with the government in this growth story. The most significant among these policy changes would have to be the licences to private sector entities starting in the mid-nineties. The emergence of private sector banks completely changed India's lending landscape. In more recent times, new categories of lenders—small finance banks for instance—have been allowed to operate in the financial system. Of course, from time to time, the central bank has amended the rules and regulations to facilitate the flow of credit to the economy, especially those segments which need special support. One wishes the shadow banking segment had been brought under the RBI's supervision earlier than it was. It might have made a significant difference to the evolution of the non-banking financial company space.

In fact, from its lofty perch, the central bank should have worked to keep a closer eye on NBFCs after the Harshad Mehta scam in 1991, which involved transactions in government securities. That should have prompted the RBI to be much more vigilant and to strengthen the supervision, which could have prevented many episodes of failure of financial sector entities. Indeed, the huge pile-up of bad loans and the many lending malpractices—the constant ever-greening of loans, for example—could have been spotted and the problem addressed before it blew up.

Indeed, while the central bank may have done well in the areas of monetary policy, foreign exchange and currency management, it has been a reluctant regulator in the past. Some governors asked for the central bank to be excused from regulating banks but that has not been allowed. In recent times, the central bank has been extremely quick to red-flag stress in the system. At the risk of being criticised for stifling innovation, the RBI has been nimble to nip in the bud dangerous practices in the digital ecosystem. Relations between North Block and Mint Street have not always been cordial; there have been run-ins on several issues in the past. Most notably, the RBI is understood to have been opposed to the idea of demonetisation but obviously did not have the authority to stop it.

The conflicting role that the RBI plays in reining in inflation and, at the same time, being the government's debt manager, has often been debated. Governor Y V Reddy had observed a separation of the roles would be better after the fiscal consolidation had made progress. Reddy believed that as long as there is fiscal dominance—a large amount of savings is going towards financing the fiscal deficit—there is clearly an advantage in close co-ordination between the various wings of policy. This dual role has, at times, hampered decisions on rate changes. However, it would have to be said that the RBI's handling of monetary policy during the pandemic has been nothing short of exemplary. It has managed India's financial system far better than many other central banks. That itself is a big reason to celebrate. Former RBI Governor Urjit Patel had once said the RBI is neither a dove nor a hawk—it's actually an owl. India needs the services of the ever-watchful bird.

The bank run of 2023 could easily happen again

Ever since the demise of Silicon Valley Bank in March 2023, regulators have been focused primarily on increasing loss-absorbing capital at the largest US financial institutions. Much less attention has been paid to the problem that precipitated last spring's banking crisis: banks' vulnerability to sudden depositor withdrawals.

The SVB debacle exposed three weaknesses. First, depositors pulled their money much faster than assumed by requirements such as the liquidity coverage ratio, intended to ensure that banks have enough cash and easy-to-sell assets to survive 30 days of withdrawals. Second, the Federal Reserve couldn't provide sufficient emergency discount-window loans, because banks hadn't pledged enough collateral to the Fed. Third, uninsured depositors had ample reason to run, because they couldn't be sure the government would make them whole: Such bailouts can happen only after a bank fails and regulators judge that the situation is bad enough to invoke the "systemic risk exception".

What to do? Certainly, regulators need to recognise that depositor runs will be much faster, and outflow rates much higher, in an era of social media and 24-hour banking. Yet requiring banks to hold a lot more high-quality assets in response would be counterproductive. Tougher liquidity requirements would force banks to divert funds away from lending.

There's a better solution. The Fed can require banks to pre-pledge enough collateral (such as securities and consumer and commercial loans) to cover all their runnable liabilities (everything but equity, long-term debt and insured deposits) on a day-to-day basis. The central bank would be willing to lend against this collateral, ensuring that banks could always obtain the cash they needed to meet depositor withdrawals. If a portion of the pledged collateral counted toward satisfying the liquidity coverage ratio, banks wouldn't have to bulk up on safe assets and reduce lending.

BILL DUDLEY
Bloomberg

This would have several advantages. With an explicit Fed backstop, uninsured depositors would have little incentive to run in the first place. Most banks could easily comply: Because smaller banks fund themselves mostly with insured deposits, they wouldn't have to come up with much collateral to pledge. Others that were more constrained could adjust by raising equity, issuing more long-term debt, increasing their insured deposits or holding more high-quality assets. The Fed's lender-of-last-resort function would be much improved: No last-minute scramble would be required to identify and mobilise collateral to pledge to the discount window.

How, then, to proceed? First, officials should do a detailed study to ascertain which banks would struggle to satisfy the requirement. In some cases, the Fed might need to make adjustments to avoid unintended consequences. For example, it might be appropriate to grant some relief for the big clearing banks, which process large volumes of payment and securities transactions for their customers. These activities often require significant operational deposits, well beyond the insured limit. Because these deposits are needed to conduct the banking business, they're unlikely to run.

Second, the Fed should overhaul the discount window. Banks are often reluctant to use it when they should, for fear of being seen as troubled. This stigma could be reduced by restricting use of the discount window to healthy banks, and diverting genuinely troubled banks to a new emergency lending facility. Beyond that, the Fed needs to modernise its lender-of-last-resort function so that it can quickly value and enable the rapid substitution of collateral. Also, it needs to harmonise discount-window operations at the 12 regional reserve banks into a standardised "no questions asked" approach.

These reforms will require considerable time and effort, but they'll be well worth it. Done right, they'll reduce the risk of banking panics and, at the same time, make banks stronger and better able to compete with less-regulated, non-bank rivals. It's time to move forward.

QUESTIONS ON TAXATION

ITR FILING HAS IMPROVED, BUT HOW LONG CAN LESS THAN 3% SUPPORT THE REST?

Tax burden on a minority

FURQAN QAMAR
TAUFEEQUE SIDDIQUI
Faculty, department of management studies, Jamia Millia Islamia. *Views are personal*

DURING THE ASSESSMENT year (AY) 2022-23, the number of individuals filing income tax return (ITR) in India increased to 74 million. Numerically, they exceed the populace of at least 180 countries across the globe.

A recent study by the State Bank of India (SBI) indicates that their numbers will likely cross 81.8 million by December 2023. It also reveals that the number of people earning between ₹5 lakh and ₹1 lakh trebled during 2014-22, thus signalling a positive shift in gross total income.

It further shows that during the period, the number of people earning between ₹10 lakh and ₹25 lakh has also increased 2.91 times, and 36.3% of the those who filed ITR crossed over to the next higher income bracket, resulting in a consequential 21.1% income growth for this demographic.

As of January 10, 2024, the direct tax collection was a whopping ₹14.7 trillion, denoting a 19.41% jump during the 2023-24 fiscal compared to the previous year, underscoring robust financial contributions by individuals and businesses.

The direct tax-to-GDP ratio increased from 5.62% in 2013-14 to 6% in 2022-23. Personal income taxes, as a percentage of the overall economy, too have jumped from 2.1% to 3.1%. A larger share of people's income has been taxed in recent years.

These are incontrovertible factual assertions. Formulated positively and agreeably, they engender a sense of well-being and bolster morale. Yet, they convey a limited perspective, offering only a fractional portrayal of the overall picture.

India, with 1.42 billion people and the fifth-largest global economy at $3.38 trillion GDP, has an astonishingly low number of taxpayers, which, in relative terms, accounts for a mere 5.21% of the country's population and 7.66% of the people in the working-age group.

This is even though the net has been cast wide. All individuals with an annual income of ₹2.5 lakh or having ₹1 crore in the current account or ₹50 lakh in a savings account must file ITR. Additionally, anyone spending ₹2 lakh on foreign travel or ₹1 lakh on electricity are also mandated to file ITR.

Besides, individuals earning ₹60 lakh or more in business sales/turnover/gross receipts and ₹10 lakh in a profession must file ITR. Moreover, all such persons from whom ₹25,000 or more has been deducted as tax on source (TDS), those who hold assets abroad or are beneficiaries or signing authority of a bank account overseas, as well as those seeking adjustments against past losses must file ITR as applicable to them.

> Much of our economic accomplishments come from the sheer size of our population, making absolute figures for those who file ITR, taxpayers, and GDP look impressive and on top of the world

Of the 74 million ITR filed during AY 2022-23, 51.6 million declared zero tax liability. In other words, only 22.4 million people paid any income tax. This makes up 1.58% of the total population and 2.31% of the working-age population.

Available data also reveals that nearly 20 million people from whom tax was deducted at source still need to file ITR. Taking this group into account, the tax base expands to 42.4 million or 2.97% of the country's population.

Over the 2013-23 decade, individual income taxpayers in India expanded by a compound annual growth rate (CAGR) of 6.04%. Yet, despite the ever-rising numbers of dollar billionaires, only 0.05% of those who file ITR reported an annual income exceeding ₹1 crore.

For comparison, 59.9% of households in the USA (2022), 76.4% in the UK (2019), 39.5% in Germany (2021), 34.1% in OECD countries (2021), and 44% in France (2022) pay income taxes.

Much of our economic accomplishments come from the sheer size of our population, making absolute figures for those who file ITR, taxpayers, and GDP look impressive and on top of the world. Expressed in relative terms (on a per capita basis or as a percentage of the population), they push us to the bottom.

Despite being the world's fifth-largest economy, India's per capita GDP in December 2022 was merely $2,085.12, the lowest among the G20 nations.

Leaving this issue aside, the pivotal question is how long can a minuscule minority of less than 3% shoulder the responsibility of the overarching development and welfare of the nation? How long can this be sustained?

Financial profligacy is growing by the day: loan waivers, write-offs, non-performing assets, cash dole-outs, Direct Benefit Transfer, massive ad spending and a host of other examples. Freebies offered during election time have become a new norm. Increasing government borrowings also encumber the future tax collection from these very people.

So long as communicating information suffers from overconfidence and confirmation biases, the reality is unlikely to dawn any time soon. The propensity for window dressing of facts for framing effects may cloud thinking, and these critical questions will continue to be swept under the carpet. Susceptibility to present bias may go on prioritising immediate goals over long-term economic benefits.

A situation like this cannot be sustainable. The mindset must change. The net must be cast wide to ensure none, particularly the billionaires, are able to evade taxes under the shroud of tax planning. At the same time, there has to be stricter control on the profligacy of the government to spend on populist drives.

Financial profligacy must stop. Fiscal Responsibility and Budget Management Act, 2003, has had a much-needed restraining effect. It is time to strengthen the legislation further. Deficit financing and borrowings are restricted to meet only the capital expenditure required to take care of development. Revenue expenditure needs to be restricted to revenue receipts.

A steep climb up the value chain

SNEHIL GAMBHIR
ANUJ MANDAL
Respectively, partner and director, and Platinion senior IT consultant, BCG. *Views are personal*

GCCs need a clear vision, headquarter's support, a sound operating model, and the right employer value proposition to deliver more to their enterprises

CAPABILITY AND INNOVATION hubs (CIH), often referred to as global capability centres or GCCs, have been integral to enterprise growth. As they continue to expand their service portfolio to include customer-facing operations and advanced technological capabilities, their significance is expected to increase substantially. Currently, the global in-sourced spending on capability hubs is estimated between $265 billion and $290 billion. By 2027, this is expected to rise to anywhere between $390 billion and $420 billion, expanding at a compound annual growth rate (CAGR) of 10%. India, in particular, is a significant capability hub hotspot with an expected 16% CAGR and spend of $117 billion by 2027.

However, despite the general growth trajectory of CIHs, many find it challenging to deliver substantial value to their enterprises. Certain key elements are required to be in place to help these hubs move up the value chain and transition from a transactional partner to a customer experience- and tech-focused centre. To unlock their full potential, four key elements must be addressed:

(a) Creating a forward-looking vision and mission: Articulating a compelling vision statement that highlights their contribution to organisational strategic goals is essential. Creating and disseminating a clear vision and mission can energise and motivate employees, guide decision-making, and provide a long-term outlook for the organisation. Despite its clear importance, a recent analysis of 10 capability hubs showed that only four had a well-defined vision statement, and five had a clearly articulated mission statement. The starting step in any CIH journey should be to establish a vision and mission that resonates with stakeholders and addresses three key aspects: Linkage to value creation, promotion of innovation, and drive towards transformation.

(b) Obtaining sponsorship from HQ: Leadership commitment and sponsorship are crucial to the success of a CIH. They help mitigate resistance to change and fosters a culture that embraces new processes and strategies, thus preventing marginalisation of the hub as a 'stepchild'. Leadership buy-in from the top prompts an execution bias among the next level of leaders to follow the set road map beyond mere discussions. It also guarantees resource allocation and prioritisation, while consistent endorsement reassures and motivates executives that challenges will be addressed through a 'one organisation' approach. According to our recent study "Capability and Innovation Hubs – The Emerging Frontier", only 48% of CIHs have attained greater autonomy in making strategic decisions and policies that significantly influence business outcomes, facilitated by headquarters' sponsorship.

> As organisations start or accelerate their CIH journey, their strategic priorities can differ widely based on their starting point and shoring maturity

(c) Create and evolve an appropriate operating model: Establishing a CIH often impacts existing reporting lines, team structures, roles and responsibilities. This may cause concerns at the HQ about losing control and, subsequently, about maintaining quality. Generally, organisations choose between two operating models: a federated structure, where hub functions report to their respective business units, or an integrated structure, where all function heads report to the local hub head, who then reports to a global CXO, CXO-1 etc. In either choice, the model can be matrixed with dotted line reporting as well. The choice between these models requires careful consideration and is deeply tied to the culture of the organisation and who is the primary sponsor of the initiative. Models can also have the hub leader "double hat". These Op models, also called landlord-tenant vs CoE model, or hosted vs embedded, are an important element, and the solution may be a mix of both.

(d) Ensuring the right employer value proposition (EVP) to attract and retain talent: Our analysis of Fortune 500 companies shows that approximately 45% have adopted capability hubs across various sectors, highlighting a significant potential for growth. As these organisations establish and expand their hubs, retaining and attracting the right talent through a robust EVP becomes crucial. Developing an effective EVP can be complex, requiring analysis of over 40 factors across six dimensions: principles and values, leadership and responsibility opportunities, work-life balance, training and development, job security, compensation, and work appreciation. Tailoring these EVP factors to meet local talent preferences is also vital. For example, professionals in India value leadership opportunities and recognition more, but prioritise paid time off less, compared to their global peers. Despite the apparent benefits, our recent report indicates only two-thirds have adopted a holistic EVP strategy. Although attrition rates have almost halved to 10% from the near peak, maintaining a consistent focus on EVP is essential.

As organisations start or accelerate their CIH journey, their strategic priorities can differ widely basis starting point and shoring maturity. Those with no capability hub presence can set up to build advanced capabilities and accelerate their digital agenda, centralise, standardise and drive revenue acceleration with the right level of efficiencies. ROI on a scaled centre can be as quick as 15-18 months with multiple options to enter the market. A refreshed location strategy along with partnerships, ecosystems and outsourcing can accelerate the transformation by reducing fragmentation, and such existing hubs can scale and leapfrog to a platform model with microservices, providing unprecedented agility, efficiencies and more importantly strategic leverage.

LETTERS TO THE EDITOR

Lessons from Boeing

In light of Boeing's recent challenges, there is a growing discussion on the ethical implications of strictly adhering to neoliberal economic principles. The relentless pursuit of shareholder value has led to a concerning decline in quality control and safety measures within Boeing, as evidenced by reported negligence and its impact on the company's once stellar reputation. To prevent tragedies and rebuild public trust, a fundamental shift in corporate culture is imperative. This shift should emphasise ethical considerations over immediate financial gains, and the implementation of stricter regulatory oversight and greater accountability for executives involved in unethical practices. Business must reassess their priorities and adopt a more balanced approach that values the well-being of society alongside financial success.
—Jacob JP, Thiruvananthapuram

Modernising India's agri sector

Apropos of "Agriculture in viksit Bharat", gestation in agro sector policies and planning often spans more than a generation. After three decades, the government shaped a Model Contract Farming Act, 2018. Similar laws exist in many countries such as the US, France, Spain, Brazil, Belgium, etc. and have been beneficial to the sector. It is time to reinvent farmer cooperatives. The government ought to focus on infrastructure ,research, and water management, too. Nodal institutions must actively seed, assist and guide the marginalised farming sector, that comprise a huge 70%, to form cooperatives, enabling scientific farm management, crop planning, and a market-oriented produce mix.
—R Narayanan, Navi Mumbai

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THE EDITORIAL PAGE

WORDLY WISE
WHEREVER LAW ENDS, TYRANNY BEGINS.
— JOHN LOCKE

The Indian EXPRESS
FOUNDED BY
RAMNATH GOENKA
BECAUSE THE TRUTH INVOLVES US ALL

FREE, FAIR, FOUL

Will Opposition's alarm bells resonate with voters? That is its political challenge; there's also an institutional one for EC

THE THIRD RALLY of the joint Opposition front, INDIA, at Ramlila Maidan less than three weeks before the first vote is cast, was not just a pre-election rally. For the first time in recent memory, the country's Opposition framed its biggest issue in the election, not as jobs, or price rise, not as the caste census or amity between communities — but as the election itself. United under the banners "Loktantra bachao (save democracy)" and "Tanashahi hatao (remove dictatorship)", the Opposition alleged that the poll field has been distorted by the ruling BJP and its machine, oiled by a host of compliant institutions. That was its main charge and message from a Maidan that has played host to consequential political exhortations and clarion calls in the past, including by the Anna Hazare movement against the then Congress-led UPA government (an uncomfortable memory on the INDIA stage in the current context of Congress-AAP bonhomie). Speaker after speaker from an array of parties set aside their differences with each other and with the Arvind Kejriwal-led AAP, to flag this concern. They pointed to the arrest of two chief ministers, Hemant Soren and Kejriwal, and to ED-CBI-I-T action against Opposition parties. At the heart, therefore, of Sunday's messaging from Ramlila Maidan, lay the faith, vital in a democracy, in the Indian election being free as well as fair that was so far shared and even taken-for-granted. Not anymore, the Opposition said.

Of course, for the Opposition, ahead of the election, it will not be enough to raise the rhetorical pitch. It has said its piece at Ramlila Maidan, but it still has to thread it into issues that resonate among the people. It will have to continue to set aside internal differences and maintain unity. It will also have to sidestep traps like the apocalyptic framing by Rahul Gandhi — while his main thrust on "match-fixing" was pointed, his warning that if the BJP wins the election and changes the Constitution, "poore desh mein aag lagne jaa rahi hai (fires will rage in the country)", was spectre-peddling, unwise and unwarranted. Kejriwal sent a message from jail that may have been aimed at holding on to his voter in Delhi, but could also be read as a pointer towards the Opposition's need, nationally, to frame an agenda of an alternative governance and politics. In his message, read out by wife Sunita, were guarantees ranging from 24-hour electricity throughout the country, to better health care and higher MSPs, and an invite to "140 crore people" to help make "Naya Bharat."

The five demands of INDIA were addressed to the Election Commission mostly — to ensure a level playing field, put a halt to the BJP government's attempt to forcefully scuttle the Opposition's finances and the targeting of these parties by the ED-CBI and I-T. Many of these are uncharted waters but the EC needs to address these concerns. It is armed with immense powers, consistently affirmed by the apex court, once the model code of conduct comes into force, to ensure free and fair polls. As it watches over the election, it will be watched as well.

POINTERS FROM WHEAT

Green Revolution 2.0's focus must be on input use efficiency and building climate resilience

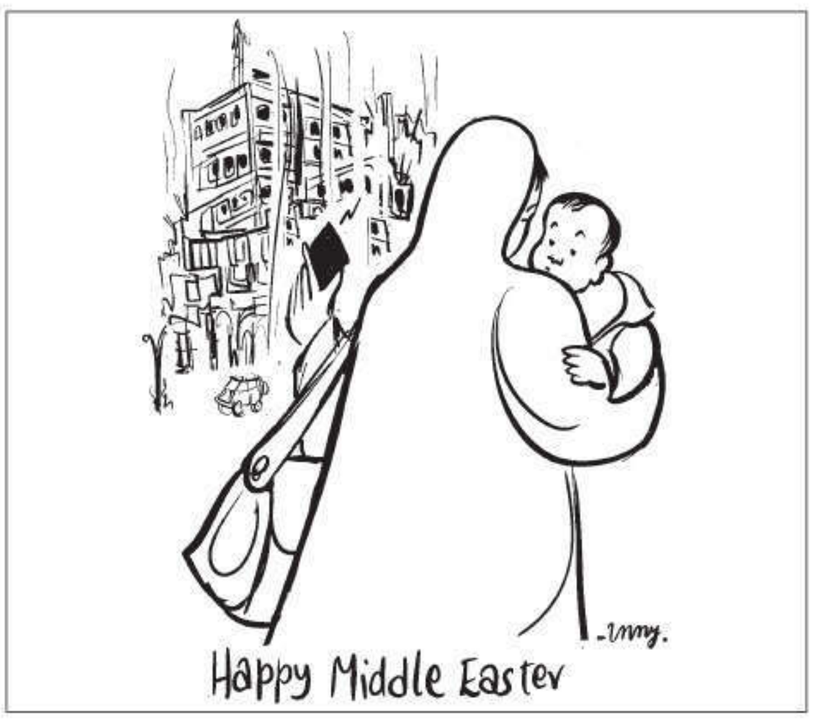
WITH WHEAT STOCKS in government godowns, at 9.7 million tonnes on March 1, the lowest in seven years for this date, all eyes are on the crop about to be marketed. For now, a bumper harvest seems to be in the offing, at least in Punjab, Haryana, UP and Bihar. Unlike in 2022 and 2023, when the crop suffered yield losses due to temperature spikes and unseasonal heavy rains respectively during the final grain formation and filling stage, no such "Ides of March" weather events have been reported from this major wheat belt. March temperatures ruling near normal this time and three-fourths of the grain-filling completed augurs well for the crop across the Indo-Gangetic plains. The problem, if any, is with the wheat in central India — MP, Gujarat and Maharashtra — that has already been, or is close to being, harvested. And even there, it's not March but November-December temperatures that may have played spoiler.

It only highlights how susceptible wheat — and agriculture itself — has become to climate change. In this case, it isn't just terminal heat stress, leading to premature ripening and drying of the crop in its final growth phase. It is also about relatively warm temperatures at the time of sowing and initial vegetative growth period, resulting in fewer tillers being formed and premature flowering. Climate change, thus, manifests itself both in the early onset of summer and the delayed setting in of winter. If the 2021-22 wheat in northwest and north India was affected by the former, the crop this time in central India has apparently taken a hit from the latter. To the extent the lower yields from central India are offset by better-than-average production in the Indo-Gangetic plains, the country can still end up harvesting more wheat than in 2021-22 and 2022-23. Whether that is so will be known in a month's time. Thankfully, global wheat prices are currently at their lowest in four years, making imports feasible. The government should enable it by doing away with the 40 per cent customs duty.

From a medium- to long-term perspective, India has to invest more in breeding for climate change. The Green Revolution strategy essentially relied on expansion of irrigation and developing crop varieties responsive to high fertiliser application. Green Revolution 2.0's focus must be on input use efficiency — producing more from the same or even less quantity of water, nutrients and energy — and building climate resilience through breeding of drought-resistant and heat-tolerant varieties. This would entail screening germplasm and identifying genes in plants responsible for the desirable traits.

FREEZE FRAME

E P UNNY



Maharashtra's moving parts

BJP's no-holds-barred aggression against rivals has unleashed a storm it may find hard to manage

GIRISH KUBER

CANDIDATE A, ALTHOUGH belonging to party B, will contest the elections on the symbol of party C, which will vacate its seat for a defector from party D, which in turn will extend its support to a breakaway faction of E and...

Political news coming out of Maharashtra these days may read something like this. With elections looming, the magnificent mess of Maharashtra politics is looking farcical and tragic at the same time. Farcical, because even the heads of various political parties are clueless about who stands with whom and what lies ahead, and tragic because it is the state and its people who are the real losers in the seemingly unstoppable Lilliputisation of its political leaders.

The roots of the ongoing political mayhem lie in 1995 when, for the first time, the Shiv Sena-BJP combine defeated Congress in the state Assembly elections and formed the first saffron alliance government. Though married to each other since the early Eighties, the saffron couple could hardly have conceived of political success in a state that was a Congress stronghold. There was clear political demarcation those days. The state government was Congress's fief while the megalopolis of Mumbai was left to the Shiv Sena, which was used by Congress's Marathi leaders in the party's internal power struggles. Dominated by resourceful and influential Gujaratis and Marwaris like Bhanushankar Yagnik, Rajni Patel and B A Desai, the Marathi leaders in the party such as Vasantrao Naik and Vasantdada Patil tactfully used the Shiv Sena as a counter to the Hindi-speaking leaders. So much so that the Shiv Sena earned the moniker "Vasant Sena" for its pro-Vasantrao Naik stance.

All this while, the Jana Sangh, the BJP's previous avatar, stayed on the sidelines. It joined hands with Sharad Pawar when the Maratha strongman became chief minister as early as in 1978 at the age of 37. This also marked the beginning of the end for political giant Yashwantrao Chavan. From then onwards, Chavan's disciple Pawar was in the driver's seat. Besides Pawar, Congress at the time had a strong battery of leaders like Vilasrao Deshmukh and Sudhakarrao Naik, besides the two Vasants. Other than Congress, socialists led by Nanasaheb Gore, S M Joshi, Madhu Limaye, Madhu Dandavate and many others, were a dominant presence in the state. Those were the days when Maharashtra's political canvas featured a range of political hues.

> Unwilling to cede even an inch of space to its competitors, the new BJP received a body blow when it failed to retain power in the 2019 state Assembly elections. Standing in its way were two political families: The Pawars and the Thackerays, headed by scion Uddhav. Leading from the front was Bal Thackeray's political foe and personal friend Sharad Pawar, who hand-held Uddhav to the CM's chair, thereby thwarting the BJP leadership's equations. Since then, the BJP has had a one-point agenda: To cut the Pawars and the Thackerays to size.

Things began to change after the Nineties when L K Advani played the Mandir card to counter V P Singh's Mandal move. The first to jump on the Hindutva bandwagon was the Shiv Sena which had been in search of an issue after the 10-year textile mill strike in Mumbai robbed it of its "Marathi manoos" card. It was the perfect marriage: The BJP was looking for an ideological partner, while the Shiv Sena was searching for a political plank. The saffron alliance thus came into being, getting its first taste of power in 1995 when it defeated Pawar, who was then with Congress.

But the success was short-lived, as Pawar, with his newly-formed outfit Nationalist Congress Party, in association with his alma mater Congress, defeated the ruling Sena-BJP combine in subsequent elections. To counter Pawar and Congress's influence, the saffron partners had the trio of Sena patriarch Bal Thackeray, the BJP's Pramod Mahajan — more of a strategist or, some might say, back-room operator — and his brother-in-law Gopinath Munde, who was among the tallest mass leaders in the Maharashtra BJP. However, it took the BJP another 15 years to wrest the state from the Congress-NCP. By then, Mahajan was gone, soon to be followed by Munde and Sena patriarch Thackeray. This period also saw the rise of the new BJP, which had very little connection to its erstwhile affable leadership.

Unwilling to cede even an inch of space to its competitors, the new BJP received a body blow when it failed to retain power in the 2019 state Assembly elections. Standing in its way were two political families: The Pawars and the Thackerays, headed by scion Uddhav. Leading from the front was Bal Thackeray's political foe and personal friend Sharad Pawar, who hand-held Uddhav to the CM's chair, thereby thwarting the BJP leadership's equations. Since then, the BJP has had a one-point agenda: To cut the Pawars and the Thackerays to size. This was the motive behind the two high-profile splits in the last two years, when Eknath Shinde and Ajit Pawar walked out of the Thackeray and Pawar camps, respectively.

Much to the BJP's dismay, instead of dousing the political fire, its firefighting only fuelled the blaze. Earlier it had to deal with just one Pawar and/or one Thackeray. Now there are two Pawars, one Shinde, two Thackerays (Uddhav and his bête noire and chief of the Maharashtra Navnirman Sena, Raj) and numerous splinter groups. It can ignore none. The reason for this is the state's political map. The days of one-party dominance in Maharashtra have been over for a while. Now, the situation is such that even two is not enough to manage the state. Any combine hoping to rule the state has to have a combination of three parties to its side. Two is not enough for a company and three certainly is not a crowd in Maharashtra.

Currently, the state has two Shiv Senas, two NCPs, half of MNS, another Vidarbha-only outfit led by Prakash Ambedkar, Asaduddin Owaisi's All India Majlis-E-Ittehadul Muslimeen (MIM), one Congress (with many ready-to- flee Congressmen) and the BJP. None of the smaller parties mentioned here are insignificant. Add to the list disgruntled leaders from each of these parties along with minor regional players.

With so many "flying objects", Maharashtra has become the perfect place for political storm. In its quest to "finish off" its rivals, the BJP broke open rather too many political enterprises.

The writer is editor, Loksatta

MANIFESTO FOR NARI SHAKTI

Women's empowerment and political participation are key electoral issues

REKHA SAXENA AND ADITI NARAYANI PASWAN

THE INDIAN CIVILISATION places the woman, *nari*, in a pre-eminent position. *Shakti* is seen as a source of creation, maintenance, and destruction and is understood as a way of bringing balance to the universe. It has always signified the divine feminine form. The prayer 'Yaa Devi Sarva-Bhuteshu Shakti-Ruupenna Samsthitaa' refers to the *devi* or goddess who resides in all beings as a form of *shakti*. In this context, *nari shakti* is not merely *sashaktikaran* (empowerment) but the feminine power residing in all beings. With a greater emphasis on *nari shakti* now and with the biggest festival of democracy, the Lok Sabha elections, around the corner, it is imperative to ask: Where does the *nari* of this nation stand? How do we understand the language of empowerment? Can it only be understood in political or economic terms?

Empowerment is a complex phenomenon, affecting education, economy and culture. In the recent state elections, women have emerged as a significant voter base, but we hope to see their engagement as "contenders" also being increased. Whether it was during the elections in Bihar in 2020, West Bengal in 2021 or the 2023 elections in Karnataka and Madhya Pradesh, female voters have supported parties that put forward policies and schemes designed to cater to their needs and well-being.

As the manifestos of all parties are being tabled, there should be increased allocation of funds for the holistic well being of women. Parties must include gender budgets targeting the female labour force in their manifestos. Gender is incorporated in government policy in India, and the gender budget statement reflects the extent of this integration, but there is a need for a nuanced understanding of intersectionality within the gender discourse. Examples include initiatives such as the National Health Mission, National Rural Livelihood Mission, MGNREGA, and Integrated Child Development Services. Effective analysis using gender disaggregated data is critical for ensuring that policies and activities benefit women. Lack of funds and inefficient use has a negative influence on gender equality. We must work towards pay parity to ensure that men and women receive equal wages for performing the same work in the informal sector.

> Effective analysis using gender disaggregated data is critical for ensuring that policies and activities benefit women. Lack of funds and inefficient use has a negative influence on gender equality. We must work towards pay parity to ensure that men and women receive equal wages for performing the same work in the informal sector.

Over the past decade, financial inclusion schemes such as the MUDRA Yojana, Mahila e-Haat and Pradhan Mantri Jan Dhan Yojana (PMJDY) have helped millions of women in asserting their basic rights. With access to banking, LPG cylinders and education, they need not be reliant on male family members to lead a dignified life. The digitalisation of access to government schemes and facilities has the potential to create equal access to social security, micro-financing, skill-based funding, and subsidies. An unprecedented number of women have gained access to clean toilets and energy under Swachh Bharat and the Ujjwala scheme, which are important for a life of dignity. Policies like PM-JAY and PM-SUMAN, are a move in the right direction while addressing women's health, although, there is a need to invest in pre- and post-natal care for women. There is also a need to broaden the scope for women entrepreneurs and focus on diversification of skills.

Women's rights need to be advocated even in the domain of personal laws. While the Triple Talaq Bill passed in 2019 has ensured the dignity of Muslim women, a Uniform Civil Code may ensure absolute formal citizenship rights for women. Gruesome violations as seen in Manipur and Sandeshkhali highlight the systemic nature of violence against women, underlining that the journey towards creating gender-sensitive public spaces is a long and arduous one. In their manifestos, political parties should formulate a policy statement against gender-based violence, ensuring safe public spaces for women.

In India, elections have served as harbingers of social change and shifting political dynamics. The forthcoming elections will be pivotal to ascertain the aspirations of tribal and Dalit women considering the recent introduction of the Nari Shakti Vandan Adhiniyam Bill. It remains to be seen whether this legislative initiative will translate into tangible advancements facilitating increased accessibility and visible participation of marginalised women in the political sphere. The upcoming electoral race will be crucial in determining the untapped potential of *nari shakti*.

Saxena is senior Professor, department of Political Science, DU and Paswan is Assistant Professor of Sociology, Lakshmibai College, DU

APRIL 1, 1984, FORTY YEARS AGO

CENTRE'S OFFER

THE GOVERNMENT OFFERED to amend Article 25 of the Constitution as demanded by the Akali Dal after consulting the Shiromani Gurdwara Prabandhak Committee and representatives of the Sikh community. The government's decision was announced by Home Minister P C Sethi. He has expressed hope that in light of this, the Akali Dal will withdraw its agitation proposed to start the next day.

AKALIS CALL OFF STRIKE

THE AKALI DAL called off its "Panth Azad Week" agitation. The announcement was made by party chief Harchand Singh Longowal. His decision to call off the agitation, under which Akali workers were asked to burn copies of Article 25 in all district headquarters of Punjab, followed the offer by Home Minister P C Sethi.

NO RESOLUTION AT JRC

THE MINISTER FOR Irrigation, Ram Niwas Mirdha, said the issue of sharing Ganga waters during the lean season at Farakka between India and Bangladesh would have to be sorted out at the political level. Returning to the Capital after the latest round of Indo-Bangladesh Joint Rivers Commission (JRC) talks at Dhaka which failed to resolve the issue, Mirdha said that the JRC would continue to tackle the problem of water sharing of common border rivers.

SPLITTING UP OF SC

LEFT TO HIMSELF, the chairman of the Law Commission, Justice K K Mathew, would have recommended the splitting of the Supreme Court into two courts. One court at the apex, in his scheme of things, would have dealt with cases only of constitutional importance, the other with appeals. This was Justice Mathew's view the Law Commission circulated its questionnaire in January 1982.

The Statesman
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AI in Healthcare

In the ever-evolving landscape of healthcare, the integration of artificial intelligence (AI) stands as a beacon of hope, promising to revolutionise the way we approach disease prevention, diagnosis, and treatment. The recent surge in AI-powered innovations has sparked both excitement and apprehension as we navigate the profound implications of this technological advancement on global healthcare systems. At the forefront of this movement are visionaries like Ms Priscilla Chan and Mr Mark Zuckerberg, whose Chan Zuckerberg Initiative boldly aims to eradicate disease through the strategic application of AI. Their commitment underscores the transformative potential of AI in reshaping the future of healthcare delivery. From accelerating drug discovery to optimising patient care pathways, the possibilities seem boundless. However, amidst the optimism, it's crucial to recognise the inherent complexities and challenges associated with harnessing AI in healthcare. One of the most pressing concerns is the issue of data bias, which threatens to perpetuate healthcare disparities and exacerbate existing inequities. Without robust safeguards in place, AI algorithms run the risk of amplifying systemic biases present within healthcare datasets, inadvertently compromising the quality of care for marginalised populations. Furthermore, the non-deterministic nature of AI poses significant regulatory and ethical dilemmas. Unlike traditional medical devices that adhere to predictable algorithms, AI-powered systems exhibit a degree of unpredictability that complicates their integration into clinical practice. Ensuring patient safety and accountability in this rapidly evolving landscape requires a concerted effort to establish transparent guidelines and regulatory frameworks that prioritise ethical AI development and deployment. Despite these challenges, the potential benefits of AI in healthcare are undeniable. By augmenting clinical decision-making with real-time insights and predictive analytics, AI has the power to enhance diagnostic accuracy and streamline treatment protocols, ultimately improving patient outcomes and reducing healthcare costs. Moreover, in resource-limited settings, AI-driven innovations hold the promise of expanding access to quality care and empowering frontline healthcare workers with advanced tools and support. As we navigate the complexities of integrating AI into healthcare, it is imperative to adopt a cautious yet forward-thinking approach. Collaborative efforts between policymakers, healthcare providers, technologists, and ethicists are essential to ensure that AI remains a force for good in the realm of global health. By prioritising equity, transparency, and accountability, we can harness the full potential of AI to usher in a new era of healthcare innovation that benefits all members of society. While the road ahead may be fraught with challenges, the transformative potential of AI in healthcare is undeniable. By embracing innovation while upholding ethical principles, the world can harness the power of AI to drive meaningful progress towards a future where all individuals have access to high-quality, personalised healthcare. This requires a concerted effort to address concerns, but the rewards of a more efficient, equitable, and effective healthcare system are well worth the effort.

GDP Growth

India's economic trajectory, as outlined by Finance Minister Nirmala Sitharaman, paints a picture of resilience and potential amidst global uncertainties. The projected GDP growth of 8 per cent or more for the January-March quarter signifies a remarkable rebound from the challenges posed by the Covid-19 pandemic, especially when juxtaposed with the position of other major economies. Rating agencies have confirmed that India's growth will outstrip that of other G-20 economies, by itself a significant achievement. However, beyond the numbers lies a narrative of strategic policy measures and structural reforms that have laid the groundwork for sustainable growth. One of the key drivers behind India's economic resurgence is the emphasis on inflation management and macroeconomic stability. Inflation, a persistent concern in emerging economies, has been meticulously managed, creating a conducive environment for investment and consumption. This disciplined approach not only instils confidence among investors but also ensures that the benefits of growth trickle down to all segments of society. Moreover, the government's commitment to structural reforms has been instrumental in unlocking India's growth potential. Initiatives such as the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) have streamlined the business environment, enhancing transparency and efficiency. Additionally, targeted interventions in sectors such as agriculture and manufacturing have bolstered productivity and competitiveness, paving the way for sustained expansion. The resilience displayed by India's economy in the face of external shocks is equally commendable. Despite facing headwinds such as global supply chain disruptions and geopolitical tensions, India has managed to maintain its growth momentum. This resilience can be attributed to the diversification of trade partners, proactive fiscal policies, and the robustness of domestic demand. However, amidst the optimism, it is essential to acknowledge the challenges that lie ahead. While the headline GDP figures paint a rosy picture, the distributional aspects of growth warrant attention. Addressing income inequality, enhancing social safety nets, and fostering inclusive development must remain top priorities for policymakers. Additionally, structural bottlenecks such as infrastructure deficits and bureaucratic red tape need to be addressed to unleash the full potential of the economy. Furthermore, the sustainability of India's growth trajectory hinges on its ability to navigate emerging risks, particularly in the realm of environmental sustainability and technological disruption. Embracing renewable energy sources, investing in green infrastructure, and fostering innovation are imperative to ensure long-term prosperity while mitigating climate risks. India's projected GDP growth of 8 per cent or more for the January-March quarter underscores the resilience and potential of its economy. However, addressing distributional challenges, navigating emerging risks, and fostering inclusive and sustainable development are essential to realising India's full economic potential in the years to come. As the nation stands at the cusp of a new era of growth, proactive and inclusive policy making will be key to unlocking its promise.

Jihad in Spring~I

Among the princely states during the British Raj, Hyderabad was the largest in terms of size, more than 82,000 sq miles, almost one-quarter the size of present-day Pakistan. It had a population of around 16 million. If the coastal rim of peninsular India is likened to the visible lace of a necklace, and the cluster of present-day Tamil Nadu, Karnataka and Kerala to an oversized gem hanging heavy at the bottom, then the hollow [neck] of it can fairly be equated with what Hyderabad was

Certain events in history are not forgettable but unfortunately have paled into oblivion with the passage of time. The merger of the princely state of Hyderabad (in the Deccan) is one such paradoxical exception that had taken place about 75 years ago.

Choudhry Rahmat Ali, a Punjabi Gujjar Muslim, while studying law in England in the early 1930s had first coined the word Osmanistan for a proposed monarchy in the Deccan.

Ali was also credited with the term 'Pakistan', being the acronym of the provinces of the north-western part of the British Indian Empire, which would be the homeland for the Indian Muslims. For the portion of Bengal, and Assam, he coined Bang-i-Islam (Islam in Bengal).

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It had a population of around 16 million. If the coastal rim of peninsular India is likened to the visible lace of a necklace, and the cluster of present-day Tamil Nadu, Karnataka and Kerala to an oversized gem hanging heavy at the bottom, then the hollow [neck] of it can fairly be equated with what Hyderabad was.

As the British were about to leave India, most of the princely states had agreed to the draft Standstill Agreement with the would-be Dominions of India or Pakistan.

As the name suggests, the Standstill Agreement ~ which was to be signed between a princely state and the Dominion of India or Pakistan -guaranteed the status quo as that had existed between the British Crown and a vassal princely state.

Technically speaking, it called for status quo of Administrative Arrangements for "common cause". The British Crown had had the ultimate say on three matters ~ defence, communications and external affairs ~ while dealing with the native rulers.

Once the princely rulers enter into the Agreement with the Dominion of India or Pakistan, they would recognize the paramountcy of the Dominion.

By 15 August 1947, Hyderabad did not sign the agreement but sought time. Hyderabad did not have any exit to Pakistan or to the sea. It was landlocked by India on all sides.

On the other hand, the Maharaja of Jammu and Kashmir, offered to sign the agreement with both India and Pakistan, being contagious with both.

If Hyderabad had a Muslim ruler over a largely Hindu population, for Jammu and Kashmir, it was just the opposite. Pakistan responded telegraphically to the Maharaja.

But the pact did not materialize with India, as the Indian side insisted on installation of a responsible government, which meant rule by the National Conference or its leader Sheikh Abdullah, arguably the most popular politician in that state at that point of time.

SANDIPAN KHAN

The writer is a Deputy Commissioner of Income-Tax. The comments and views are personal

History will judge whether India's initial reluctance to sign the Standstill Agreement with the Maharaja proved to be detrimental, and if so then by how much, to both India and J&K particularly when Pakistan exploited this vacuum to send army regulars and the tribal fighters of the NWFP right up to Poonch in October 1947.

Srinagar came within a whisker of being overrun by Pakistani invaders. Negotiations went on, and so crucial time went by, between the state of J&K and the India Union on the Instrument of Accession so that on signing the same, India could enjoy much-needed legitimate authority to send troops to Srinagar.

However, at the last moment, the Maharaja conceded authority to India; the Indian army reached Srinagar on 26 October 1947 and the Maharaja escaped death by the skin of his teeth.

On encountering the challenges of addressing the concerns of the princely states ~ varying on multiple dimensions, size, ethnicity, geographical position, attitude, amount of pension and biases of the rulers etc. ~ in his initial years in India, Lord Mountbatten wrote afterwards, "Nothing had been said to me in London… I had been given no inkling that it was going to be as hard, if not harder, to solve as that of British India." [pg-357, The Accession Of The States/ The Great Divide, by H.D. Hodson, e-book].

As stated, 26 October 1947 is an important date in our history. On this day, India had finally got Srinagar. In the far south, His Exalted Highness the 'Nizam' [meaning Administrator] of Hyderabad was almost close to signing the Standstill Agreement with India. [All other heads of princely states were addressed as 'His Highness', but the Nizam was given the additional honorific title of 'Exalted' reflecting the special status conferred upon him by the British Crown. Mir Osman Ali Khan, the seventh and last Nizam of the Asaf Jahi dynasty, was also one of the richest men of the world in his time].

On that day, his delegation went up to him to present a typed draft for his signature, which he had orally approved, and his cabinet consented to, before the team would fly to Delhi. Without citing any reason, Nizam postponed signing.

But this was as if it had not been enough to compound the uncertainty in the prospect of Accession.

Inspired by the stories of the Pakistani invasion in Kashmir, at 3 am of 27 October, a pro-Pakistani mob surrounded the houses where the delegates of the Nizam were staying.

Slowly but steadily, Majlis-e-Ittehad-ul-Muslimeen or in short, "Ittehad" (literally meaning a union in Urdu) had gathered so much strength as to call the shots.

They threatened physical actions should the delegation make any attempt to sign any pact with India. The Prime Minister of Hyderabad (the Nawab of Chhatari) of the Nizam's Executive Council himself was a member of the delegation and he too became a hostage. No Hyderabad police were present.

At 5 am that day, the Hyderabad PM called in the army and the delegates were evacuated. Three hours later, the Nizam directed the delegates to defer their departure to Delhi.

The fate of Hyderabad slipped through the hands of the Nizam into those of uncertainty. Ittehad leader Qasim Razvi ~ not a Hyderabadi but of the United Provinces ~ became the de facto leader of Hyderabad. This event is referred to as the October Coup.

On 1 November, the Nizam replaced the Nawab of Chhatari with Mir Laik Ali, an Ittehad sympathiser, as the Prime Minister of his cabinet.

Hyderabad absolutely slid into a pro-Pakistani state. On 29 November, the new delegation of the Nizam signed the Standstill Agreement, without any significant changes.

The Standstill Agreement affirmed in the preamble the aim of both sides to work together. Article one said that all arrangements of common concerns including defence, external affairs and communication that had existed between the British Crown and the Nizam would continue with India. This was a sort of association and surely not accession.

The second article provided for an exchange of resident representatives in Delhi and Hyderabad.

The third article ~ another most prejudicial to the interest of India ~ called for cessation of paramountcy functions of the India or what the British Crown would enjoy. The fourth allowed the scope for arbitration. The agreement had a life of a year, as the fifth article said.

Without exaggeration, the Agreement fell far short of what India had earlier desired. The Indian side had hoped that eventually the Nizam would fall in line. K.M. Munshi served as the Agent (representative) of India in Hyderabad.

He was steadfast in his mission, much to the dislike of Governor General Lord Mountbatten, the chief negotiator and conciliator on behalf of the Dominion of India.

Despite all these concessions from India, anti-India feelings of the Ittehad were brewing up. India delayed release of Pakistan's share of cash assets to the tune of Rs 55 crore from RBI in view of aggression in Kashmir. The Laik Ali Government ~ at the turn of the year 1948 ~ secretly lent Rs 20 crore to Pakistan without informing India. This went against the letter and spirit of the Standstill Agreement and a collateral letter that the Nizam had signed assuring certain points in the interest of India. This amount was badly needed by cash-starved Pakistan which would otherwise have stopped its anti-minority steps kowtowing to India.

(To Be Concluded)

A MEMBER OF THE ANN ASIA NEWS NETWORK

ASIAN VOICES

A warning behind rumors

Rumors about "a crisis in April" recently swirled around in the financial and construction sectors last week, floating a possibility that debt problems stemming from project financing could spin out of control and touch off a chain reaction of insolvencies and a credit crunch among home builders and financial firms. The gist of the rumor is that the government would start restructuring the PF-related sector saddled with troubled building projects and the shortage of funds once the April 10 parliamentary elections are over. This would force weak construction companies to go under, and then hit brokerages and secondary financial firms that lent loans to the beleaguered builders, triggering a wider financial crisis.

Government officials are generally slow to express their views on wild rumors that are likely to fade away over time. The rumors about the PF crisis in April, however, prompted a relatively quick and resolute response from a key aide to President Yoon Suk Yeol, reflecting the potentially explosive impact of such a crisis.

Sung Tae-yoon, director of national policy at the presidential office, said on a KBS TV program Sunday, "There is no chance that a crisis may break out in April." Stressing that the government was closely monitoring the PF-related situation, Sung said the most important factors that could worsen the PF problem are interest rates and the construction market conditions.

"Fortunately, interest rate conditions are improving even without (a

The Korea Herald

central bank) rate change," Sung said. If the benchmark rate is cut, overall conditions about the PF situation in the property market will get better, he added.

High interest rates, coupled with a housing market's slowdown and rising construction costs, are the major negative factors that could deal a critical blow to PF-based home builders and related financial companies.

The Bank of Korea froze its policy rate at 3.5 percent for the ninth session in February but is now expected to begin cutting rates later this year in step with the US Federal Reserve, which signaled it plans three rate cuts before the end of the year.

But not all factors look hopeful. The market conditions in the construction sector ~ one of the two critical factors pinpointed by Sung ~ are deteriorating as the housing slump continues.

According to the Ministry of Land, Infrastructure and Transport, 886 construction companies have filed for voluntary closure and six have gone bankrupt in less than three months this year. In addition, unsold apartment units continue to pile up, especially among builders outside the metropolitan region.

Particularly worrisome in connection with the lethargic housing market are securities firms, whose property PF loans had a delinquency rate of 13.73 percent as of the end of last year ~ far higher than 6.94 percent at savings banks and 2.7 percent on average for the entire financial sector.

There is no doubt that authorities must keep a watch on the PF-linked financial risks in consideration of the increase in delinquency rates and negative market developments. But the current figures seem far more manageable than the past PF crisis that started in 2011 and sent delinquency rates soaring in 2013-2015. This is why both financial authorities and the presidential office strongly claim the ongoing PF woes are unlikely to result in a broader financial crisis in April.

The real task for policymakers is to figure out why rumors about a PF crisis keep surfacing again and again. One reason might be that the government and financial authorities earlier decided to address the PF problem only after the elections, even though financial firms should lose no time in handling PF debt losses amid rising loan delinquency rates.

Another aspect to consider is that recurring risk rumors should not be ignored, as they tend to reflect concerns among market players ~ a warning signal that deserves attention, especially in the financial markets, where public sentiment matters.

LETTERS TO THE EDITOR editor@thestatesman.com

Tackle waste

SIR, I refer to "Households across all continents wasted over 1 billion meals a day: UN report" published in your columns. As the world's population grows, our challenge should not be how to grow more food but reducing food loss and waste in a sustainable manner.

It is an immediate need if we are to maximize the food we produce and to feed more people. Globally, about one-third of food is wasted: 1.05 billion tonnes of produce a year, with a value of about $1 trillion as per a UN report.

About Rs. 60,000 crore worth of food grains are wasted in India every year due to poor storage and transportation.

Earlier people used everything they could grow for e.g., the banana or coconut. India needs

a national mission to conserve food and foodgrains.

It is not surprising that India ranks low on the Global hunger index. And that we waste around 50 kgs of food per person is really appalling.

Paradoxically, India has the additional dubious rank of being the third most obese nation in the world. Weddings and political rallies should be simple with penalties for violators

Yours, etc.,
H N Ramakrishna,
Bengaluru, 28 March.

No man's land

Those in power should not rake up issues that affect ties with neighbours

Prime Minister Narendra Modi, by raking up the contentious matter of Katchatheevu, has set an unhealthy trend of politicising an issue for electoral gains, and one that has bearing on ties with Sri Lanka. Mr. Modi, on March 31 on X, stated that "new facts reveal how Congress callously gave away #Katchatheevu". Even though the State BJP, like other parties in Tamil Nadu, has been talking about the island's retrieval, the situation gets complicated when its national leadership too lends its voice. As with the Congress-led UPA government, the BJP-led NDA regime too has seen the islet as a part of Sri Lanka. In 2022, the External Affairs Ministry (MEA) informed the Rajya Sabha that "Katchatheevu lies on the Sri Lankan side of the India-Sri Lanka International Maritime Boundary Line [IMBL]". In 2013, the UPA regime told the Supreme Court that the question of retrieval did not arise as no territory belonging to India was ceded to Sri Lanka. It contended that the islet was a matter of dispute between British India and Ceylon and that there was no agreed boundary, a matter settled through the 1974 and 1976 agreements, leading to the IMBL. A little after Mr. Modi became Prime Minister, an MEA affidavit in the Madras High Court stated that sovereignty over Katchatheevu "is a settled matter". But the present government has also been telling Parliament that the matter relating to the islet is sub judice as it was before the Supreme Court.

The crux of the row now is whether the Congress, under Jawaharlal Nehru or Indira Gandhi, had "callously" handled the matter. Documents from an RTI query by BJP State president K. Annamalai reveal that the Indian leadership, before the agreements of 1974 and 1976, had recognised that it did not have a strong case over the territory, even though the area was part of the zamindari of the Raja of Ramanathapuram since 1803. A report in *The Hindu* (March 1972) says the annual church festival began over "90 years ago". But, what must have troubled the Indian authorities, going by the minutes of a meeting in Chennai in 1974 between Foreign Secretary Kewal Singh and Chief Minister M. Karunanidhi, were historical facts aiding Sri Lanka. These include the reference by an Indian survey team in 1874-76 to Kathatheevu being a part of Sri Lanka, Sri Lanka's assertion of sovereignty since 1921 when talks began to demarcate the fishery line in the Palk Bay, and the inability of the Madras Presidency to establish the islet's original title. Besides, Sri Lanka had been exercising jurisdiction over the territory since the mid-1920s without protest by India. Nehru's observation on "giving up our claim" or constitutional expert M.C. Setavald's favourable opinion is thus cited by critics of the Congress and the DMK, but the RTI documents show that the decision had sound basis. It is understandable if political leaders in Tamil Nadu raise the demand of Katchatheevu's retrieval every now and then, but it would be extremely disturbing if the Prime Minister too joins the bandwagon.

Solar surge

India's solar industry must grow without compromising on quality

The new financial year has begun with the government finally bringing into effect a policy that will discourage solar power project developers from relying on imported panels. The Approved Models and Manufacturers of Solar Photovoltaic Modules (Requirement for Compulsory Registration) Order, 2019, requires module makers to submit to an inspection of their manufacturing facilities by the National Institute of Solar Energy. Being on the list as an 'approved' manufacturing facility certifies a company as legitimately manufacturing solar panels within its premises and not importing modules. The major advantage is eligibility to compete for the government's tenders for its flagship solar energy programmes. This includes the recently announced PM solar rooftop scheme.

The creation of such a list was also aimed at restricting imports from China, which controls nearly 80% of the global supply, amid the downturn in diplomatic relations. India has ambitious plans of sourcing about 500 GW, nearly half its requirement of electricity, from non-fossil fuel sources by 2030. This would mean at least 280 GW from solar power by that year or at least 40 GW of solar capacity being annually added until 2030. In the last five years, this has barely crossed 13 GW though the government has claimed that the COVID-19 pandemic affected this trajectory and the country was on track to add between 25 GW-40 GW annually. The difficulty is that meeting the targets requires many more panels and component cells than India's domestic industry can supply. In recent years, a significant fraction of India's solar installations has been met by imports. This affects the interests of domestic panel manufacturers who have to pay the government to be certified while at the same time losing out on orders to the cheaper Chinese panels. To meet demand, the Centre, which has kept postponing the implementation of the approved list, has now decreed that this will take effect from April 1. The yardstick of success is when India meets its 2030 commitment while also ensuring that solar power is affordable to most Indians. This means that domestic manufacturers should be subject to stringent quality checks and not be allowed to compromise on cost and quality merely on nationalistic grounds. While the Indian solar industry must grow and gain a reputation for being a high quality exporter, it should not forget that this is a road with no easy shortcuts.

The PMLA — a law that has lost its way

P.D.T. Achary

is former Secretary General, Lok Sabha

The Prevention of Money Laundering Act (PMLA), 2002 was enacted with a distinct objective. The humongous volume of black money generated through international drug trafficking posed a grave threat to the economy of many countries. There was widespread realisation that the black money generated through the flourishing drug trade and integrated into the legitimate economy was likely to destabilise the world economy and endanger the integrity and sovereignty of nations.

The background to the law is important

The United Nations took serious note of this, and in 1988, held the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. All countries were urged to take urgent steps to prevent the laundering of the proceeds of drug crimes and other connected activities. Subsequent to this, seven major industrial nations held a summit in Paris (July 1989) and established the Financial Action Task Force (FATF) to examine the problem of money laundering and recommend measures to tackle this menace. Thereafter, in 1990, the United Nations General Assembly adopted a resolution, namely, the Political Declaration and Global Programme of Action which called upon all member-countries to enact suitable pieces of legislation to effectively prevent the laundering of drug money.

In pursuance of this resolution of the UN General Assembly, the Government of India used the recommendations of the FATF to formulate a legislation to prevent drug money laundering. As drug trafficking is a trans-border operation, the UN held a special session on June 10, 1998 on the theme 'Countering World Drug Problem Together' and made another declaration on the urgent need to combat money laundering. Accordingly, the Indian Parliament enacted the Prevention of Money Laundering Act in 2002. But it was brought into force in 2005.

This narration of the history of this law is necessary in order to emphasise the original objective and the circumstances which lead to the enactment. As is clear from the history, the main focus of the law is on combating the laundering of drug money. Accordingly, the Act of 2002 contained a few offences listed in the Indian Penal Code (IPC) and the Narcotic Drugs and Psychotropic Substances Act, 1985. The UN resolutions, and the FATF recommendations are all focused on the prevention of money from the laundering of drugs. However, the PMLA of India acquired a different character through amendments from time to time.

The law on money laundering revolves around the "crime proceeds" which are laundered. Not only the persons involved directly in the crime and the generation of the crime proceeds but also persons who have nothing to do with the crime but who have some involvement at a later stage in the laundering process are also guilty under this law.

> The most serious aspect of the Prevention of Money Laundering Act (PMLA) is the inclusion of offences which have nothing to do with the original motive — namely, to combat the laundering of drug money

But the most serious aspect of the PMLA is that it includes a large number of offences in the schedule which have nothing to do with the original purpose of this law – namely, combating the laundering of drug money. The UN resolution on the basis of which the law on laundering was enacted in India spoke only about the offence of the laundering of drug money. This was considered the most serious economic crime which had the potential to destabilise the world economy and endanger the sovereignty of nations, as highlighted above. The preamble to the PMLA endorses it. So, there was global consensus on the need to have a tough law to deal effectively with this crime. Thus, the *raison d'etre* of the PMLA is the crime of the laundering of a huge volume of black money generated from the international drug trade and the spectre of destabilisation of the world economy.

The PMLA's enactment

Further, the PMLA was enacted by India's Parliament under Article 253 which empowers it to make laws for implementing the international conventions. This Article indicates that a law Parliament makes to implement any decision of an international body will be confined to the subject matter of that decision. Item 13 in the Union list of the Seventh Schedule of the Constitution is specific on this point. Thus, the law on money laundering enacted under Article 253 and Item 13 of the Union list in the context of the UN resolution referred to above can only be on drug money. Various amendments made in this Act at different times bloated the schedule which now contains such offences which are either ordinary offences listed in the IPC or for which there are special laws in force. Since money laundering as an offence is linked to one of the scheduled offences, the offences contained in the schedule become the starting point of the whole process of operationalisation of the PMLA.

A close look at the schedule will convince a man of ordinary prudence that this law has deviated from its original scheme. The provisions contained in it are draconian which were meant to deal with the dangerous men involved in drug trafficking and the money chain. These provisions are now being used in other scheduled offences too without mitigating their rigour. Offences which by their very nature do not generate crime proceeds of a scale which can destabilise the economy and endanger the sovereignty of the nation are being tried under this law. One such example is the Prevention of Corruption Act, 1988 which is aimed at curbing corruption among public servants. This Act was added to the schedule of offences in 2009. The PMLA now applies with all its rigour to public servants. Thus, a public servant charged with corruption and a hard-core drug trafficker are treated alike. A very disturbing thing about the PMLA is that an accused under this law is presumed to be guilty until proved innocent.

A fundamental principle of Anglo-Saxon jurisprudence is that a person is presumed innocent until proven guilty. PMLA turns this principle upside down. An accused will be denied bail by the entire hierarchy of courts because the bail provision contained in section 45 of the PMLA says that a judge can give bail only when he is satisfied that the accused is innocent. Which judge will take such a risk? So the person will rot in jail for years together without trial.

The bail provision

The bail provision of the PMLA Act (Section 45) is invested with a lot of political significance in present day India. It was held unconstitutional by a two-judge Bench of the Supreme Court of India in *Nikesh Tarachand Shah vs Union of India* (2018) as violating Article 14 and Article 21. However, Parliament, with great alacrity, restored this provision with certain amendments which was upheld by a three-judge Bench headed by Justice A.M. Khanwilkar in *Vijay Madanlal Choudhary vs Union of India* (2022). The top court held that this provision is reasonable and has direct nexus with the purposes and objects of the PMLA Act. Herein lies the problem.

The object of the Act is to curb the laundering of black money and to save the economy from being destabilised. But what about less serious offences which have found a place in the schedule? The learned judges nearly said that inclusion of a particular offence in the schedule comes within the domain of the legislative policy.

The present judicial approach to the issue of bail in PMLA cases appears to be very technical. The judicial perspective on bail was laid out by Justice V.R. Krishna Iyer back in 1978 under the following words in *Gudikanti Narasimhulu And Ors vs Public Prosecutor, High Court Of Andhra*: "Personal liberty, deprived when bail is refused, is too precious a value of our constitutional system recognised under Article 21 that the curial power to negate it is a great trust exercisable, not casually but judicially, with lively concern for the cost to the individual and the community". From Justice V.R. Krishna Iyer to Justice A.M. Khanwilkar, the apex court has travelled a long distance.

AI in elections, the good, the bad and the ugly

Atanu Biswas

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In an effort to broaden Prime Minister Narendra Modi's reach to a variety of linguistic groups, the Bharatiya Janata Party (BJP) has used Artificial Intelligence (AI) to translate his speeches into eight different languages ahead of the Lok Sabha elections, which may potentially be considered India's "first AI election". Yes, the widespread application of AI, with its seemingly limitless possibilities, is likely to bring about a paradigm shift in the general election in 2024.

Social media and campaigns

In practically every election over the past three decades, India's electoral strategy has changed due to the process of an integration with and a capitalisation on emerging technologies. Its spread can be traced to the extensive usage of phonecalls in the 1990s, the Uttar Pradesh Assembly election in 2007 that saw the first "mass mobile phone" elections, the use of holograms in 2014, and, now, the current AI era.

For instance, the significance of social media platforms as essential political campaign instruments will be particularly remembered in relation to the 2014 Indian elections. Many analysts even referred to it as India's first "social media elections" or the "Facebook elections," given the estimated ₹500 crore in digital spending. The BJP, undoubtedly, benefited from being the first to use these technological tools widely to connect with India's sizeable youth population.

A paper in the *Asian Journal of Political Science*, in 2015, titled "India 2014: Facebook 'Like' as a Predictor of Election Outcomes" showed a high positive correlation between the number of 'likes' a party or its leader secured on their official Facebook fan page and their popular vote share. By the time he took office, Mr. Modi was the sixth-most-followed global leader on X (Twitter) and had amassed over 16 million "likes" on Facebook, second only to former U.S President Barack Obama among politicians worldwide.

> The widespread application of Artificial Intelligence is likely to cause a paradigm shift in almost every aspect of an election

The 2019 general election was widely dubbed the "first WhatsApp election" in India. Indeed, in the previous 12 months and earlier, elections in Nigeria, Brazil, and a few Indian States have shown how WhatsApp can be used to spread messages that are designed to mislead voters for political purposes very quickly. In his book, *How to Win an Indian Election* (2019), former election campaign consultant Shivam Shankar Singh explained that WhatsApp is "an effective political platform because it allows for targeted delivery of information to voters and also because it allows an excellent tool to organize and mobilize party workers".

Global elections, AI, the dangers

The global elections of 2024, in contrast, are "AI elections". In January, New Hampshire voters answered a phone call from what sounded like U.S. President Joe Biden. Indeed, it was a robocall made by AI aimed at dissuading Democratic voters not to turn up to polling stations on election day. Two days before parliamentary elections in Slovakia, in September 2023, a recording of a conversation between a journalist and the leader of the pro-North Atlantic Treaty Organization Progressive Slovakia Party was shared on Facebook, purportedly discussing methods of election manipulation. They both immediately called out the audio as fake, and fact checking turned up proof of AI manipulation. But, in a close race, Progressive Slovakia lost out. Was it a "test case" before the global elections in 2024?

It was Argentina's turn in October-November 2023, following which an article in *The New York Times* perceived that "with its expanding power and falling cost, it [AI] is now likely to be a factor in many democratic elections around the globe". Deepfakes were used in the recent Assembly elections in Madhya Pradesh and Telangana, either through doctored clips of the game show "Kaun Banega Crorepati" or a fake video of a leader allegedly pushing voters to support their opponent. Additionally, fake accounts that amplify particular messages and generate artificial trends can be orchestrated by AI-powered bots to flood social media sites, yielding the false impression that a particular politician or subject is widely supported. Social media, the old instrument, is, therefore, interwoven with AI technology.

The political landscape is changing

However, AI can play a far wider role in elections than just disseminating disinformation. It can be used in the entire spectrum of campaign strategies, from the preliminary steps of voter identification to the intricate details of content development and delivery. With real-time analytics on campaign performances, AI is raising the bar for political campaigns with its data-driven and effective micro-targeting strategy. The political landscape is changing quickly due to GenAI technology, which presents both the potential and challenges for the 2024 elections.

The United States government has outlawed robocalls using AI-generated voices in its response to the Biden robocall incident. Technology behemoths including Microsoft, Google, OpenAI, and Meta have vowed to combat AI content that aims to deceive voters. But will they be able to complete the task fully proofed?

There is general concern that, similar to Slovakia, election-related generated contents may shape last-minute attempts to deter voters from exercising their right to vote or create an event with a manufactured portrayal of a candidate that is challenging to swiftly debunk. A few months ago, an AI-created image of Donald Trump's arrest went viral. What would happen if a picture like that went viral a day before the election?

AI will be far more efficient five years later, in 2029, but as one might perceive, the world will also be more resilient, accustomed, and prepared for AI's deceptive effects. It is a realm of unknowable unknowns right now. And, a lot of uncertainties remain.

LETTERS TO THE EDITOR

The great Indian election

In its urge to somehow stay on in power, the Bharatiya Janata Party (BJP) could be resorting to the use of many undesirable tactics. Its tall claim of "*na khaunga na khane doonga*" is a narrative that seems to be falling flat in the face of some of its political moves. The BJP may still have many strong advantages such as an absence of strong opponents and a divided Opposition, but its image as a clean party may no longer be resonating with the people.

The party seems to be accommodating many who are involved in corruption and in this the Opposition's claim of the 'washing machine' effect could hold true. The electoral bonds scheme has also established that the party is one that is in search of money whatever the method. In a democracy, such a high-handed and majoritarian party spells danger. I hope the party is taught a lesson or two in this election.

Soundarrajan,
Chennai

A joint platform of Opposition parties to fight the dominant Bharatiya Janata Party in the 2024 elections was always an illusion (Page 1, "Democracy is in danger, warns Opposition at mega Delhi rally", April 1). It is amusing that the Opposition talks about 'opposition unity' just before elections. Have these parties not wasted a precious five years to highlight people's issues and the government's failures? The Opposition parties ought to realise that merely forming an electoral alliance does not spell Opposition unity.

Kshirasagara Balaji Rao,
Hyderabad

The cartoon accompanying the article, "Biggest challenge yet for the great Indian election" (Inside pages, 'Elections 2024' page, April 1) was enough to convince me why the BJP, despite its faults, is still the better horse to back.

J.R. Rao,
Hyderabad

MSD, at Vizag

M.S. Dhoni's 16-ball 37 runs, a spell that was laced with three sixes and four fours, against Delhi Capitals ('Sport' page, April 1) spelt delight to his fans. His power-hitting batting remains the same today as it existed in the first edition of the IPL. It is unfortunate that Chennai Super Kings lost the match in Vizag.

K. Pradeep,
Chennai

A speech that put India on the global stage

Priyanjali Malik
is the author of 'India's Nuclear Debate: Exceptionalism and the Bomb'

On April 2, 1954, Prime Minister Jawaharlal Nehru made a speech in the Lok Sabha that would put India on the global stage of nuclear disarmament. Prompted by the U.S.'s 'Castle Bravo' thermonuclear test of the previous month, which was reportedly so powerful that it overwhelmed all measuring instruments, Nehru called for "a standstill agreement" on nuclear testing. This speech was marked by pragmatism, vision, and self-assurance. Newly decolonised India, with all the problems of nation-building and none of the traditional markers of international power such as military and economic might – or even nuclear weapons to disarm – was an unlikely candidate for this leadership role; yet such was Nehru's belief in India's global standing that he not only called for this moratorium but also pushed for it at every opportunity and forum. With this speech, he cemented India's claim to leadership, gave impetus to calls that eventually yielded the Partial Test Ban Treaty (PTBT), and arguably limited horizontal nuclear proliferation by insisting on treating nuclear weapons as beyond the pale.

The standstill agreement

The standstill agreement is remarkable for its willingness to accept an incremental approach to what was fast becoming an insurmountable problem of disarmament against the backdrop of the Cold War. The four elements of the proposal called for an immediate moratorium on testing; urged the United Nations Disarmament Commission to address both the immediate moratorium and the longer-term goal of prohibiting the production and stockpiling of nuclear weapons; sought to build public pressure on nuclear states by calling for greater disclosure on the destructiveness and effects of these weapons; and called on all 'states and peoples of the world' to recognise the global threat posed by nuclear weapons. Nehru took disarmament out of the confines of the UN Disarmament Commission (with its limited membership) and made it a global problem.

> Seventy years ago, with a speech in the Lok Sabha, Nehru cemented India's claim to leadership, gave impetus to calls that eventually yielded the Partial Test Ban Treaty, and arguably limited horizontal nuclear proliferation

India had effectively put the nuclear weapons states on notice. Nehru was asking them to not only recognise that their tests were imperilling the globe but also calling for more information on the effects of nuclear tests and radiation to exert global pressure on them to disarm. India followed this up with interventions at the UN, including a draft resolution in 1955 calling for a halt to testing, and progress to be reported to the Disarmament Commission. Simultaneously, Nehru convened a conference of scientists to study atomic energy and the effects of nuclear explosions in 1954 and, had the Suez Crisis and the Hungarian Revolution not intervened in 1956, the first meeting of what became Pugwash might well have happened in Delhi, for invitations had been sent out by Bertrand Russell and Joseph Rotblat to the scientists assembled.

Moral force

It is easy, 70 years later, with the history of India's diplomacy and active participation in negotiations for the Nuclear Non-Proliferation Treaty at the Eighteen-Nation Disarmament Commission, and the Comprehensive Test Ban Treaty (neither of which New Delhi eventually signed for reasons of national interest), to take for granted India's active role in nuclear disarmament. However, there was nothing preordained about this. India in 1954 was poor and weak. This was before the Bandung Conference, so it did not even have the backing of the non-aligned nations. What it did have, though, was moral force. As Nehru explained in his first address to the UN in 1948, "I have no fear, even though India, from a military point of view, is of no great consequence. I am not afraid of the bigness of Great Powers, and their armies, their fleets and their atom bombs. This is the lesson which my Master taught me. We stood as an unarmed people against a great country and a powerful empire."

Placing India on a global stage on account of its moral influence was a brilliant move. Of course, the sheen of morality soon wore off as India grappled with using force in Hyderabad and Goa to bring them within the Indian Union, and in discovering that morality would not defeat China. But it gave India a significance far in excess of what might be justified by its material strength. Nor was this stance purely naïve. Nehru spoke the language of disarmament because India had pressing development needs for its scarce resources that might be swallowed up by an arms race. But there was a Plan B. The Atomic Energy Act, 1948 allowed for the sequestration of the nuclear programme to shield any potential weapons development, should the need arise. Homi Bhabha, the father of India's nuclear programme, wanted to develop nuclear weapons. Nehru did not give the go-ahead, but did not entirely discourage him either.

The legacy of the speech in the Lok Sabha, when Nehru explained to his people first what India was doing to secure its place in the world, was most immediately felt in the PTBT that was eventually negotiated by the nuclear weapons states. When the treaty opened for signatures in 1963, India was the fourth to sign. The call for greater information about the effects of nuclear radiation and the mobilising of global opinion against atomic weapons helped solidify a norm against nuclear use that has ensured that these weapons have not been used in anger again after 1945. And, most importantly, the speech put India on a global stage as a voice of reason and morality, and in Nehru's words from 1948, to "be a power for peace and for the good of the world."

The disgruntled Rajputs of Gujarat

The recent protests show the community's frustration at being sidelined in the BJP

STATE OF PLAY

Mahesh Langa
mahesh.langa@thehindu.co.in

On March 22, during an election campaign speech in Rajkot in Gujarat, Union Minister and Rajkot Bharatiya Janata Party (BJP) candidate Parshottam Rupala unwittingly triggered outrage when he praised the Dalits at the expense of the Kshatriyas or Rajputs.

Commenting on British rule, Mr. Rupala said, "Even kings and royals bowed down to the British, started family bonds with them, broke bread with them, and even married their daughters to them but this Rukhi Samaj (a Dalit community) did not budge. I salute them for their fortitude and strength. It is this strength that has kept Sanatana Dharma alive…Jai Bhim!" His reference to *roti-beti vyavahar* (breaking bread and entering into marital relations) caused anger that neither he nor the party anticipated in a State where the BJP enjoys near-complete dominance.

As clips of the speech went viral on social media, the Rajputs, who are descendants of royal or princely families in Saurashtra, began to protest. This was the region where more than 100 large and small princely states existed at the time of independence.

Taken aback by the response, Mr. Rupala, who belongs to the Patidar or Patel community, hastened to apologise twice, stressing that he will regret his remarks for the rest of his life. "It was not my intention to show the royal families or Kshatriya community in poor light… I just wanted to elaborate on the atrocities committed by *vidharmis* (people of other faiths) on our country and culture," he said. But the apology cut no ice with the community. In fact, in parts of Saurashtra, Mr. Rupala's statements have revived old caste rivalries between the Rajputs and Patels.

In Saurashtra, caste tensions over the years have resulted in conflicts and even killings. In 1988, a Patel legislator of the Congress, Popat Sorathiya, was shot dead in public by a man named Anirudhdhsinh Jadeja on August 15. The following year, Cabinet Minister Valabbhbhai Patel was assassinated by another Kshatriya, also called Anirudhdhsinh. In 1995, Jayanti Vadodaria, a civic body member of the BJP in Gondal, was murdered by members of the Kshatriya community.

In the heydays of the Congress in Gujarat, and particularly in Saurashtra, Rajputs held their sway over Patels despite being fewer in number. But in the mid-1990s, the complete consolidation of the Patels in favour of the BJP helped the saffron party wrest the State from the Congress. Since 1995, the BJP has won seven Assembly elections in the State in a row. Today, both the Patels and the Rajputs firmly support the BJP.

However, power is not equally distributed. There are five MLAs and one Rajya Sabha BJP member from the Rajput community from the Saurashtra-Kutch region in the BJP. But Kshatriyas or Rajputs who are Ministers in the State or Central government exercise little power, according to a political commentator. "Today, Patidar domination in the ruling party and in the government is complete. The Chief Minister is a Patel and Union Ministers including Mr. Rupala and Mansukh Mandaviya are Patels. There is not a single notable Kshatriya face in the State cabinet," he says. He believes that the recent protests by the Rajputs show their frustration with being sidelined within the BJP.

While it is unlikely that there will be any major adverse impact electorally for the BJP or for Mr. Rupala, it would nevertheless be wise for the ruling party leadership to dwell on why only a handful of communities such as the Patels, Brahmins, or Banias corner a large share of the pie in the State government or at the Centre, while other communities including the Kshatriyas, Other Backward Classes, Scheduled Castes, and Scheduled Tribes remain on the margins. The Scheduled Tribes in Gujarat are roughly the same in number as the Patidars (around 15% of the population), yet, there is not a single tribal leader in the Union Cabinet from the State.

In Gujarat, under the BJP, it is common to see a Dalit Minister be put in charge of the Department of Social Justice and Empowerment and an Adivasi Minister be put in charge of the Department of Tribal Development and sometimes Forest and Environment, but never in charge of, Finance, Revenue, or Home, the most important portfolios in terms of power and resources. The only exception was during the Vijay Rupani period when a Rajput leader, Pradipsinh Jadeja, was made Minister of State, Home.

Two States: a comparison on access to life-saving C-sections

While access is equitable, C-section rates are alarmingly high in Tamil Nadu, pointing to the need for corrective measures

DATA POINT

The Hindu Data Team

A study published by IIT Madras shows that in Tamil Nadu, access to cesarean section (C-section), an essential medical intervention that can save lives when vaginal deliveries are risky, is more equitable compared to India's average. However, C-section rates among the women of Tamil Nadu are also alarmingly high, especially in private hospitals, pointing to the need for corrective action, the study points out. The report also compares Tamil Nadu's figures with those of Chhattisgarh to show how in certain States, C-sections are more prevalent among richer sections of society, while the poor lack access to it.

A C-section delivery refers to a surgical procedure in which an incision is made in the woman's abdomen to deliver one or more infants. According to the World Health Organization, access to hospitals that are equipped to perform such procedures is crucial to ensure the safety and well-being of both the mother and child in the event of medical necessity. Maternal and neonatal mortality rates decline in countries which have C-section rates of about 10%, the WHO concludes. However, the agency also warns that if C-section rates go beyond 10%, it will not necessarily reduce maternal mortality. In 2021, global C-section rates exceeded 20%. They are projected to rise to 30% by 2030.

Chart 1 shows the change in the share of births delivered by C-sections in public sector hospitals in India, Tamil Nadu, and Chhattisgarh between 2015-16 and 2019-21. In public sector hospitals, nearly 40% of women underwent C-sections in Tamil Nadu in 2019-21. That is, of every 100 deliveries in public sector hospitals, 40 were C-sections. This is much higher than India's average of around 16% and Chhattisgarh's 10%.

Chart 2 shows the change in the share of births delivered by C-sections in private hospitals across India, Tamil Nadu, and Chhattisgarh between 2015-16 and 2019-21. The gap narrowed considerably in private hospitals: close to 64% women underwent C-sections in private sector hospitals in Tamil Nadu in 2019-21 compared to India's average of around 50% and Chhattisgarh's 59%. "In Chhattisgarh, a woman is 10 times more likely to undergo a C-section in a private hospital than in a public hospital. This could be due to a lack of adequate or high-quality services in public health institutions," the study concludes. Assuming that poorer households choose public hospitals for deliveries and richer households prefer private ones, this points to inequitable access at the national level and more equitable access in Tamil Nadu.

The study also shows that the location of childbirth (whether in a public or private institution) had the most considerable influence on the decision to get a C-section delivery. This suggests that 'clinical necessity' isn't always the driving factor for surgical births. Throughout India and Chhattisgarh, individuals who were better off financially tended to choose C-sections more frequently, whereas, in Tamil Nadu, the situation was distinct, with poorer individuals being more prone to undergo C-sections in private hospitals.

Chart 3 shows the disparity among women from the poor and non-poor categories in their access to C-sections in public hospitals across India, Tamil Nadu and Chhattisgarh in 2015-16 and 2019-21. **Chart 4** shows the same for private hospitals. It shows that the poor were more likely to have C-sections in private hospitals in Tamil Nadu. "The inversion in income-based inequality in Tamil Nadu in private institutions in 2019-21, with a greater proportion of the poor than the non-poor delivering via C-section, is difficult to explain," the study says.

Access and misuse

The charts were sourced from the report titled, "Variations in the prevalence of caesarean section deliveries in India between 2016 and 2021 – an analysis of Tamil Nadu and Chhattisgarh", published in BMC Pregnancy and Childbirth

Chart 1: Change in % of births delivered by C-sections in **public hospitals** in India, Tamil Nadu and Chhattisgarh between 2015-16 and 2019-21

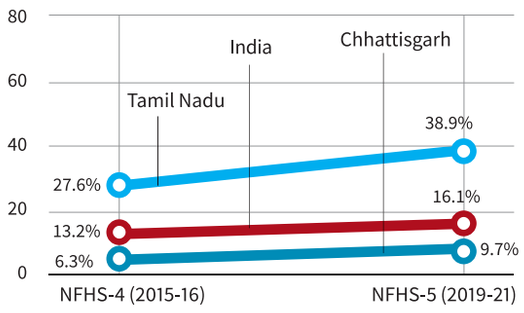


Chart 2: Change in % of births delivered by C-sections in **private hospitals** in India, Tamil Nadu and Chhattisgarh between 2015-16 and 2019-21

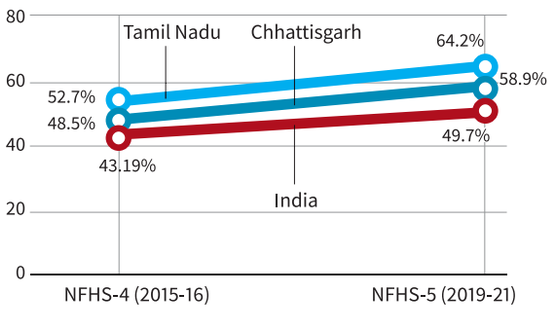


Chart 3: Disparity among women from the poor and non-poor categories in their access to C-sections in **public hospitals** across India, Tamil Nadu and Chhattisgarh in 2015-16 and 2019-21. Figures in %

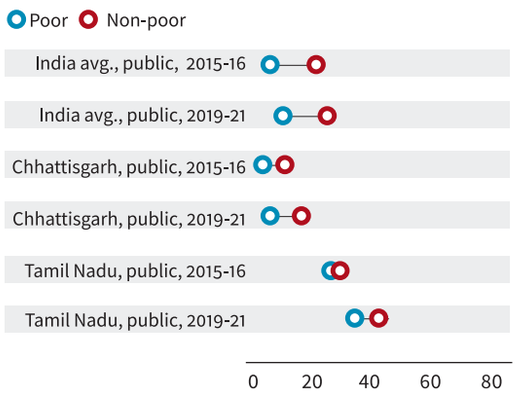
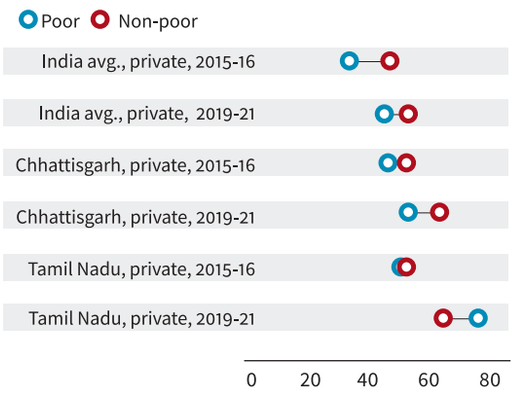


Chart 4: Disparity among women from the poor and non-poor categories in their access to C-sections in **private hospitals** across India, Tamil Nadu and Chhattisgarh in 2015-16 and 2019-21. Figures in %



FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO APRIL 2, 1974

Israel seeks more planes, missiles from U.S.

Washington, April 1: The Israeli Defence Minister, Gen. Moshe Dayan, to-day asked the United States for more planes, tanks and missiles to offset communist aid to Syria and other Arab nations.

Gen. Dayan presented his shopping list to the U.S. Defence Secretary, Mr. James Schlesinger, at a meeting to-day at the Pentagon.

During television interviews yesterday and to-day, Gen. Dayan said Israel particularly needed planes and anti-aircraft missiles. He alleged that communist aid to Syria included the presence of a brigade of Cubans on Syrian territory, an assertion which surprised officials here.

While U.S. intelligence services had known for a long time that small groups of Cuban technicians where training Syrians to operate anti-aircraft missiles and the Soviet-built MIG fighters, they had estimated the Cuban presence at less than the several battalions Gen. Dayan said were in Syria.

Israel still has $700 millions to spend of the $2,200 millions in additional military aid granted by Congress to compensate for the losses sustained during the October war in West Asia.

Gen. Dayan arrived in the U.S. last week to present the Secretary of State, Dr. Henry Kissinger, with detailed Israeli proposals for troop disengagement with Syria on the Golan front.

A HUNDRED YEARS AGO APRIL 2, 1924

Railway management

London, Mar. 31: In the Commons to-day Sir Charles Yata asked whether it was proposed to proceed with the placing of the East Indian and Great Indian Peninsula Railways under State management, in view of the position in the Legislative Assembly and danger to the safety of passengers and maintenance of service if the present management was weakened under State control. Mr. Richard's Under Secretary for India replied that Lord Olivier did not consider there was any reason for modifying the decision to place these railways under State management. Sir Charles Yate declared that the Manager of the Egyptian Railway had resigned because the Minister had taken all power out of his hands and asked if it was to be allowed in India. The speaker intervened at this stage.

The Tribune
ESTABLISHED IN 1881

China's name game

No let-up in Beijing's designs on Arunachal

WEEKS after Prime Minister Narendra Modi dedicated the strategically important Sela tunnel to the nation, China has released a list of 30 'standardised' names of places in the Indian state of Arunachal Pradesh. This is the fourth such list issued by the Chinese Ministry of Civil Affairs in the past seven years. Beijing claims that Zangnan — the Chinese name for Arunachal — is part of south Tibet. India has repeatedly rejected the assertions, with External Affairs Minister S Jaishankar saying that these were ludicrous to begin with and remain ludicrous today.

China had reacted sharply to the opening of the tunnel, which will provide all-weather connectivity to Arunachal's Tawang and is expected to facilitate faster movement of troops in the frontier region. Lodging a diplomatic protest, Beijing had said that India's move would 'only complicate' the boundary issue. The Dragon was also left fuming when the US reaffirmed Arunachal as Indian territory and opposed any 'unilateral attempts' by China to advance its territorial claims across the Line of Actual Control (LAC).

Ironically, the latest provocation comes on the heels of the 29th meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs. Both sides had stated that there was an in-depth exchange of views on how to achieve 'complete disengagement' and resolve the remaining issues along the LAC. It's obvious that China is keeping up the façade of dialogue and communication while maintaining its intransigent position. While it is imperative for both nations to remain in regular contact through diplomatic and military channels, India cannot afford to let its guard down in view of the Chinese duplicity. New Delhi needs to be more vigilant to safeguard peace and tranquillity in the border areas.

Cong gets tax relief

Imperative to ensure a level playing field

THE Centre has given an undertaking to the Supreme Court that it would refrain from initiating coercive steps to recover the Congress' tax dues of more than Rs 3,500 crore till July. This development comes weeks before the first phase of the Lok Sabha polls. While offering a respite to the Congress, it raises pertinent questions about the politicisation of tax matters. The party's allegations of 'tax terrorism' by the ruling BJP underscore the broader issue of using the state apparatus for political advantage. The timing of the freeze on Congress funds and repeated income tax penalties are inseparable from the elections. The promise of no coercive action until after the polls may ease immediate financial pressures on the Congress, but it doesn't address the underlying concerns of fairness and transparency in tax law enforcement. The judiciary's role in adjudicating these matters impartially is pivotal to upholding the rule of law.

In this tumultuous political landscape, the 'Save Democracy' rally organised by the INDIA bloc on Sunday highlights various challenges facing our democratic institutions. The allegations of tax harassment and the criticism of the BJP's alleged attempts to stifle dissent have gone hand in hand with the clamour for the release of arrested Opposition leaders Arvind Kejriwal and Hemant Soren. Despite the recent discord within the Opposition ranks, the arrests have served as a rallying point, galvanising support for a united front. The bloc's demands to the Election Commission, including the cessation of actions by investigative agencies and a Supreme Court-monitored probe into alleged electoral malpractices, emphasise the need for institutional integrity and fairness in the poll process.

The public's trust in the democratic framework hinges on ensuring a level playing field for all political parties. Any perception of undue influence or manipulation undermines its foundation.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, APRIL 2, 1924

Obstruction in Bengal

EXPERIENCE is, indeed, the best of schoolmasters. It has already, within a few days, made the Swarajists in the Bengal Legislative Council a great deal wiser. Their policy is no longer indiscriminate and wholesale obstruction, but selective and carefully thought out obstruction. This change from one policy to the other has been effected by gradual stages, which are in themselves an interesting study. First, there was the announcement that the Swarajists, with the help of their independent allies, had decided to throw out all supplies. In pursuance of this decision, one or two demands on reserved subjects were actually thrown out in toto. As soon, however, as the discussion of demands on transferred subjects began, a change was visible. But here again, the Swarajists were at first unrelenting. They began by opposing all grants, and it was only through the wise discretion of two or three independents that the demands were prevented from being wholly refused. And now the Swarajists themselves have given up wholesale obstruction, and although they gave notice of a good many motions for the total rejection of all grants, these motions, where transferred subjects are concerned, have all been withdrawn — such substantial cuts as have been made in these grants being the outcome of a very different policy. Thus, on Friday, of the 24 motions for the refusal or reduction of the educational grant, only one was moved, and that relating to an item on which public opinion in India has always been strongly against the Government's policy — educational inspection. The discretion thus shown by the party was not without its effect, and the grant under this head was reduced by nearly Rs 6.5 lakh.

Prioritise humanitarian concerns

India, Pakistan must strive to ensure that the two juveniles' case is not repeated

VIVEK KATJU
FORMER SECRETARY, MINISTRY OF EXTERNAL AFFAIRS

IMPERATIVE: Issues relating to fishermen, civilian prisoners and inadvertent border crossers should be seen through the prism of human rights. ANI

A report in *The Tribune* (March 30) gave an account of two Pakistani boys who are languishing in the Faridkot Observation Home for convicted juveniles and undertrials. The boys had 'strayed' into Indian territory in the Tarn Taran area on August 31, 2022. They were acquitted by the Juvenile Justice Board on July 18, 2023. There was no indication of the action taken by the board or the Punjab authorities to ensure their early repatriation to their home country.

According to the report, Justice NS Shekhawat of the Punjab and Haryana High Court inspected the observation home in January this year. He found the boys' presence unwarranted and asked the authorities to make arrangements to send them back to Pakistan. They were taken to the Attari border on March 29, but Pakistani immigration officials declined to accept them because they did not have any directions from their authorities. The report stated that the Faridkot District and Sessions Judge had taken up the matter with the Ministry of External Affairs so that the juveniles could be sent home.

I have given a detailed account of this report as it vividly illustrates the fate of Indians and Pakistanis who inadvertently enter the other country's territory. There were times, especially when the bilateral relationship was going through a less hostile phase, when the Border Security Force and Pakistani Rangers, after ascertaining that the persons concerned had mistakenly strayed, informally handed them over to the other side. The officials on the 'other side' questioned them, and if they were satisfied with their bona fides, they allowed them to cross over and go to their homes.

Once the border crossers are handed over to the police, the immigration laws are invoked and they are prosecuted and sentenced to imprisonment. This results in their spending many years in jail. That is sad for inadvertent border crossers. What is worse, they are compelled to spend time in custody even after they have served their sentences, or, as in this case, the Juvenile Justice Board has ordered that they be repatriated. Their cases are not given priority by the respective foreign ministries or other authorities. They simply become victims of the India-Pakistan relationship, which in such cases follows the time-honoured tradition of organising collective exchanges from time to time.

The fate of fishermen, civilian prisoners and inadvertent border crossers is part of what in the India-Pakistan diplomatic lexicon is considered to be a humanitarian issue. Other matters within this rubric pertain to Indians and Pakistanis who wish to visit the other country for religious reasons or to meet relatives. Another issue is the intention of some Pakistanis to travel to India for medical treatment. The absence of effective diplomatic ties between the two countries since Pakistan's irrational response to the constitutional changes in Jammu and Kashmir in August 2019 has adversely impacted these humanitarian issues. The only partial exception has been the visit of Sikh jathas to Pakistan on religious occasions.

> The NHRCs of both countries would be able to give this category of humanitarian matters higher priority than the diplomatic establishment.

The entire gamut of the India-Pakistan bilateral ties covers issues relating to (i) cooperation, such as in trade and commerce; (ii) addressing contentious matters such as Sir Creek, terrorism and J&K; and (iii) humanitarian concerns. When the bilateral relations were revived in early 1997 after a hiatus of over four years, the Pakistanis insisted that all issues should be addressed in an integrated manner. At that stage, Pakistan thought that India was interested in focusing on commercial and economic cooperation instead of resolving outstanding issues because if a strong pro-bilateral trade lobby developed in Pakistan, it would exert pressure on the establishment to put contentious issues, including J&K, on the back burner. Amidst this dichotomy, the political and diplomatic authorities did not give the attention to humanitarian issues that they deserved. Consequently, delays in releasing fishermen and civilian prisoners were overlooked. Sometimes, though, the courts in both countries have acted positively to help the victims.

This writer has had experience of dealing with India-Pakistan matters during his diplomatic career. I had advocated that humanitarian issues relating to fishermen, civilian prisoners and inadvertent border crossers should be seen through the prism of human rights and that the National Human Rights Commissions (NHRCs) of the two countries should be given the responsibility to handle them. This may require that Pakistan enact legislation to create an official body for this purpose, with its remit limited only to these matters.

The two bodies can decide, with the approval of other ministries and agencies concerned, on matters concerning consular access to confirm the national identity of fishermen and civilian prisoners. They can, thereafter, focus on how they would monitor cases of these categories of persons so that they can return very early after serving their sentences. This would naturally be in cases where citizens of the other country have been convicted.

The NHRCs of both countries would be able to give this category of humanitarian matters higher priority than the diplomatic establishment. This would also insulate these issues from the status of the bilateral relationship. Beginning with these issues, they may also generate confidence to offer suggestions on matters relating to visas for relatives and other categories too. Naturally, those accused of or convicted of espionage or terrorism would not be within the remit of the suggested mechanism.

The two countries must strive to ensure that a case such as that of the two Pakistani juveniles in Faridkot is not repeated. And Pakistan should take them back immediately so as to reunite them with their families.

THOUGHT FOR THE DAY

> We are defined not by our borders but by our bonds. — Barack Obama

The dental nightmare

COL PS RANDHAWA (RETD)

AMERICAN poet Ogden Nash said: 'Some tortures are physical and some are mental. But the one that is both is dental'. God forbid if you are in the US or a European country and you have to undergo dental treatment. It will definitely punch a hole in your pocket and upset your budget for the next few months.

I recently visited the US to be with my daughter. She had severe dental pain, and it affected more than one tooth. She had overlooked the problem for quite some time, but I was quite concerned to see her inability to chew hard food. On my insistence, she visited a dentist to get herself treated under the available insurance plan.

She came home exasperated. She said the bill for dental treatment under her medical plan would turn out to be $12,000. I was shocked. With half of this amount, she could fly to India, get her treatment done, and return in business class. No wonder for most NRIs who visit India, dental treatment is usually on the to-do list.

An old friend of mine, who had migrated to the US, narrated his woeful but amusing tale of dental treatment abroad. The filling of his molar had worn off, and he was unable to bear the pain. He had no option but to visit the dentist. As he could only converse in rudimentary English, he took along somebody who could explain his problem to the dentist.

The dentist, who happened to be an immigrant from East Asia, was told about my friend's English handicap. As he settled in the patient's recliner and the doctor examined his teeth, the latter asked him what he wanted. With the dentist's tools still in his mouth, my friend said: 'Fill'. The doctor heard it as 'pull'. He sought confirmation from the patient and asked, 'Pull?', to which my friend nodded. He quickly administered local anaesthesia to the patient and proceeded with the treatment.

After the job was done, the patient was devastated to find a gaping hole instead of an aching tooth. The post-operation chaos had to be seen to be believed. He started arguing with the doctor in half Punjabi and half English. He was fuming in sheer disbelief. His trusted partner rushed in, only to realise that this whole matter was just a 'fill vs pull' comedy of errors. Minus one tooth, my friend vowed never to go for dental treatment abroad.

LETTERS TO THE EDITOR

Weaponisation of govt agencies

The arrest of Delhi CM Arvind Kejriwal has ignited a firestorm across party lines. The Opposition, once fragmented, now stands united, pointing fingers at PM Narendra Modi and the ruling party. Kejriwal, a vocal critic of Modi, finds himself ensnared in graft allegations in the run-up to the national polls. His party has labelled the case politically motivated. Congress leader Rahul Gandhi's claim that PM Modi is trying to do match-fixing in the election has found favour with many voters. This is no ordinary election. It is a battle for our nation's soul. Government agencies must not be allowed to become weapons for the Centre.

SEWA SINGH, AMRITSAR

Polls a chance to save democracy

AAP national convener Arvind Kejriwal's arrest underscores a disturbing trend in Indian politics. PM Narendra Modi's government stands accused of orchestrating a campaign of intimidation and harassment against its political opponents. The timing of the arrest — just weeks before the General Election — raises serious questions about the integrity of the electoral process. The Opposition's united front against the tactics of the current regime signals a critical moment in Indian democracy. The alleged 'match-fixing' strikes at the heart of free and fair elections. This election will give the voters a chance to safeguard the principles of democracy and uphold the rule of law.

SAHIBPREET SINGH, MOHALI

The downfall of Congress

Apropos of the news report 'INDIA puts up unity show in Capital, urges people to restore democracy'; the Congress has been reduced to playing second fiddle. It has failed to reach good seat-sharing deals with its INDIA bloc allies. This has hit the morale of the party's local leaders and workers. It is imperative that the grand old party regain its momentum and the INDIA grouping find a substantial agenda to be able to present itself as a strong Opposition alliance. Just being anti-Modi or anti-BJP is not enough to win over voters.

BHRIGU CHOPRA, ZIRAKPUR

India not the right mediator

Apropos of the editorial 'Ukraine beckons'; the argument that India could be a potential mediator in the conflict because it does not blame either side and has consistently insisted on dialogue and diplomacy sounds convincing. But New Delhi's strategic proximity to Moscow is quite remarkable. And India's supposed neutrality may be viewed with suspicion because of its obvious leanings toward Russia. Further, India has failed to condemn the obvious wrongs committed by the two warring nations. India doesn't want to jeopardise its bilateral ties with Russia, which makes it difficult for it to mediate and hammer out a peaceful solution without displeasing its close ally.

ROSHAN LAL GOEL, BY MAIL

Break the nexus of mining

With reference to 'Illegal mining'; the Haryana Government's SOP with regard to the menace is baffling, to say the least. The nexus between those involved in illegal mining and the local administration and law enforcement agencies is an open secret. Usually, cops are hand in glove with miners. That is why the police look the other way as illegal mining continues unabated. The miners' misdeeds must not be ignored. It is worth noting how mining in the Aravallis has damaged the environment and disturbed the ecosystem there. It is high time that the state government took corrective measures and dealt with the culprits stringently.

BAL GOVIND, NOIDA

Probe Supriya's post on Kangana

Lieut Governor (L-G) VK Saxena recently directed Delhi Police Commissioner Sanjay Arora to carry out a thorough investigation into a social media post by firebrand Congress leader Supriya Shrinate against Bollywood actor and BJP candidate Kangana Ranaut. It was allegedly a bid to outrage the modesty of a woman. And it is hard to digest Supriya's claim that someone else who had access to her social media account was behind the objectionable post. The police must probe the matter and identify the culprit. Further, if someone other than Supriya was responsible, she must take appropriate legal action.

UPENDRA SHARMA, BY MAIL

Letters to the Editor, typed in double space, should not exceed the 200-word limit.
These should be cogently written and can be sent by **e-mail to: Letters@tribunemail.com**