



## Arrest and liberty

Is proof of necessity a pre-requisite for the ED to arrest accused under PMLA?

Two observations made in different contexts by the Supreme Court of India have raised relevant issues concerning personal liberty. The cases related to actions under the Prevention of Money Laundering Act (PMLA), and the significance of these observations lies in the extent to which courts are inclined to protect personal liberty in the face of a determined government that wants its agencies to have their way. One concerned the question whether an officer arresting a person on money-laundering charges should demonstrate the necessity for arrest for the action to be deemed valid; and the other voiced shock and revulsion at the ease and quickness with which courts were staying reasoned orders granting bail. A Bench headed by Justice Sanjiv Khanna granted interim bail, for the second time since his arrest in March, to Delhi Chief Minister Arvind Kejriwal, in the course of a discussion on the legality of his arrest by the Enforcement Directorate (ED). The 64-page verdict ended with a reference to a larger Bench the question whether the ED would have to prove the need or "necessity to arrest" a person, before effecting an arrest. Section 19 of PMLA speaks of the arresting officer being required to have "reason to believe" that the person is guilty of money-laundering before effecting arrest.

The PMLA casts a statutory obligation on an officer to both record reasons for arrest and convey grounds for arrest to the accused. Whether these obligations include a duty to demonstrate the necessity to arrest the person will have to be decided. It is established that the existence of a power is not sufficient justification for exercising it. The heartening feature of the Court's order is that it lays down the view that the authorised officer's decision on arrest ought to be rooted in compliance with statutory requirements, and one that a magistrate or judge can examine. The Court has also done well to reiterate that arrests under the PMLA cannot be on a mere whim; and that decisions during investigation should consider exculpatory material too, and not merely material against the accused. The other issue, regarding another Bench's shock over courts staying bail orders, touches upon a key aspect of contemporary judicial functioning. The vehemence with which the prosecution argues its case, be it against bail or challenging a court's order granting it, seems to be a major factor in the approach of higher courts. As the Bench noted, a stay on reasoned orders ought to be rare exceptions based on grounds such as perversity by the lower court, and not done as a matter of routine.

## In search of jobs

Technology must be harnessed for easing burden and for efficiency

Employment generation will remain a major challenge before the Narendra Modi government in its third term, and the upcoming Union Budget is expected to take note of it. There are no easy ways out, given the swelling numbers of young job seekers, and the changing nature of the economy that requires fewer workers, thanks to rapid technological advancement. Recent studies have highlighted the seriousness of the challenge. The Annual Survey of Unincorporated Sector Enterprises (ASUSE) notes that just 21% of the total establishments used the Internet for entrepreneurial activities. The survey, quite similar to a previous report of the International Labour Organisation (ILO), says the unincorporated non-agricultural economy employed about 11 crore workers during October 2022 to September 2023 in comparison to about 9.8 crore workers during 2021-22. The ILO's India Employment Report had also warned that the share of manufacturing employment was stagnant, at around 12%-14% and the slow transition of jobs from agriculture to non agriculture reversed due to the COVID-19 pandemic. A Citigroup report too said the current rate of job creation will not be sufficient to meet future demand. The ASUSE had also noted that 'Other Services' contributed the maximum share (36.45%) to the total employment followed by 'trading' (35.61%) and 'manufacturing' (27.94%). Various Periodic Labour Force Surveys had also noted that 45.76% of the total workforce was engaged in agriculture and allied sectors during 2022-23.

While the government cannot magically change the situation, it can initiate thoughts about solutions. The Swadeshi Jagran Manch has demanded that the Centre impose a robot tax and incentivise job creation in the Budget. The trade unions have asked the Centre to convene the long-pending Indian Labour Conference. Union Labour Minister Mansukh Mandaviya's decision to reach out to trade unions is a positive development, but he must have stronger prescriptions than the Labour Codes to stop job losses and generate more jobs. Technological innovations should be to reduce the workload of people, and not to create hurdles for their livelihood. To industrialise agriculture production, the government should consider more public and cooperative investment to create more jobs and ease the load on farmers. It has to bring on board the private and public sectors, labour unions, States and political parties to design a growth model with job creation at its centre. Recent global experiences suggest that economic growth without employment growth can cause social and political upheavals. This is not a problem that can be explained away, and an honest account of the problem will be a good starting point for mitigative measures.

# Intergenerational equity as tax devolution criterion

The devolution of Union tax revenue to States is a topic that has been in discussion in the political sphere in recent times. However, it is an evergreen subject of discussion for economists. One of the points in this discussion is the factors in the horizontal distribution of States' share in Union tax revenue among States. The Finance Commission (FC) decides the horizontal distribution formula once every five years. Despite repeated quinquennial revisits to this distribution formula, conceptually, it is predictable that equity is prioritised over efficiency. Equity in the distribution formula is about intragenerational equity, that is, to redistribute tax revenue among States. The undesirable consequence of this is the accentuation of intergenerational inequity within States. The argument is that intergenerational equity should be a factor in India's horizontal distribution formula for tax devolution.

### Intergenerational fiscal equity

In general, intergenerational equity is the principle of providing equal opportunities and outcomes to every generation. Intergenerational equity ensures that the decisions or actions of current generations should not burden the future generation. From a public finance point of view, it refers to a situation where every generation pays for the public services it receives and does not burden the future generation through borrowings.

For any government, there are only two ways to raise its revenue: tax or borrowing. If, in a period, the tax revenue equals the current expenditure of the government, then the current taxpayers pay for the public services they receive. If the government finances the current expenditure through borrowings, it means the future generation is going to pay higher taxes to repay this borrowing and interest. In other words, borrowing to meet the current expenditure of the government amounts to intergenerational inequity.

There is an argument in fiscal economics called Ricardian Equivalence Theory that whenever the government resorts to borrowing to finance current expenditure, households react through higher savings and thus enable the future generation to pay higher taxes as well as keep aggregate demand in the economy constant over different periods. This theory assumes that the current generation pays tax less than the value of



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the current public services it receives, and thus saves. Whereas in our present federal situation this is not the case. Households in developed States pay taxes that are not entirely used within the specific States, thus compelling such States to borrow more or curtail current expenditure. On the contrary, households in developing States pay taxes much less than the value of current expenditure and fill the gap by receiving higher financial transfers from the Union government.

### Versus intragenerational equity

To give the broader picture, let us divide some of the major States into high-income and low-income – Tamil Nadu, Kerala, Karnataka, Maharashtra, Gujarat, and Haryana as high-income States and Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Odisha and Jharkhand as low-income States. Let us analyse only the 14th FC period (2015-20). The own tax revenue financed up to 59.3% of revenue expenditure in high-income States, while in low-income States, their own tax revenue was financing only 35.9%. The Revenue Expenditure to GSDP ratio for high-income States was 10.9%, which is lower than the similar ratio of 18.3% for low-income States. Thus, while high-income States curtailed their revenue expenditure and began financing a substantial part of it through their own tax revenues, the low-income States not only had higher Revenue Expenditure to GSDP but also financed only a smaller portion of it through their own tax revenues. Nearly 57.7% of revenue expenditure in low-income States was financed by Union financial transfers, and only 27.6% of revenue expenditure was financed by Union financial transfers in high-income States.

We can see three aspects of federal finances. First, low-income States finance a smaller portion of their revenue expenditure with their own tax revenue and also receive larger amounts of Union financial transfers. Second, high-income States finance a substantial portion of their revenue expenditure with their own tax revenue but receive too little Union financial transfers. Third, we can also deduce that the high-income States had to incur a deficit of 13.1%, and the low-income States ended up with a deficit of only 6.4% of revenue expenditure. Thus, the high-income States raise higher amounts of their own tax revenue and curtail their own revenue expenditure, yet incur higher deficits because of lower Union financial transfers compared to low-income States.

The Finance Commission needs to have a relook at the indicators in rewarding State fiscal efficiency

# Choosing the right track to cut post-harvest losses

India ranks second in global agriculture production, but its share in global agricultural exports is only 2.4%, placing it eighth in the world. This is attributed to several factors that include low productivity, an inability to meet desired quality standards and inefficiencies in the supply chain such as an inadequate transportation network and infrastructure, which also leads to significant post-harvest losses.

India's post-harvest losses amount to approximately ₹1,52,790 crore annually, according to a Ministry of Food Processing Industries 2022 study. As India's population continues to grow, the challenge of meeting the food and nutrition demand of its people will continue to intensify. While growing more food is part of the solution, the prevention of post-harvest losses is crucial.

### A closer look at India's post-harvest loss

The biggest loss is from perishable commodities, which include livestock produce such as eggs, fish and meat (22%), fruits (19%) and vegetables (18%). During the export of perishables, approximately 19% of food is lost, particularly at the import-country (trade partner) stage. Storage, transportation and marketing play a critical role in ensuring that perishable products reach the consumer in time. The strengthening of agri-logistics is recognised as a priority by the Committee on Doubling Farmer's Income (DFI).

There are multiple logistical requirements in a single supply chain. Starting with first mile transport from farmgate to *mandi* (wholesale/retail), long haul or wholesale transportation by rail, road, water or air, and last mile transportation to the consumer. The trade of perishables faces a time shortage once the crop is harvested. The latest agriculture Census shows that 86% of farmers in India are small and marginal (SMF). They struggle to attain economy of scale due to the small production. Together with a lack of assured market connectivity, this



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Integrating the Railways with agricultural product logistics management can cut post-harvest losses significantly; it will also help the environment

results in post-harvest losses, which includes income losses for the farmers.

In India, food price volatility has been caused partly by supply constraints affecting perishable produce. As in a NITI Aayog report, the revenue of the Indian Railways is primarily driven by freight transport, which includes commodities such as iron, steel, fertilizers and agricultural produce. In the 2022 fiscal year, it accounted for 75% of its total earnings. The Indian Railways efficiently connects urban centres and rural areas across the country. The Food Corporation of India is heavily dependent on the Indian Railways to move approximately 90% of its food grains. In contrast, about 97% of fruits and vegetables are transported by road.

### Initiatives by the Railways

The Indian Railways has taken a few initiatives to improve its freight operations in perishables. The truck-on-train service carries loaded trucks on railway wagons. Efforts are being made to expand this service following successful trial runs involving commodities such as milk and cattle feed. During the COVID-19 pandemic, the Railways introduced parcel special trains to transport perishables and seeds between market and producers.

Additionally, to support SMFs, the Kisan Rail was initiated to connect perishables (inclusive of milk, meat and fish) production surplus regions to consumption regions more efficiently. A recent study highlighted the impact of the Kisan Rail scheme on reducing post-harvest losses and enhancing farmer incomes in India. For example, grape growers in Nashik, Maharashtra, secured a net profit of ₹5,000 per quintal by supplying about 22,000 quintals using Kisan Rail. This highlights the advantage of using rail-based long-haul of fruits and vegetables.

In recent times, the role of the Railways in the agricultural sector has shown promising results. However, initiatives must also focus on increasing awareness and accessibility of farmers to

People of a State know the level of direct and indirect taxes they pay and expect an equivalent value of services from the government. So, the public services provided to the people of a State by both the State and the Union government should match this expectation. Any other fiscal behaviour would only result in burdening the high-income States with higher tax payments for both present and future generations. We understand the need for intragenerational equity across States in a federal system as it provides a larger unified market for everyone. Balancing both intragenerational and intergenerational equity is important, and it reiterates the need to balance equity and efficiency in the distribution formula for tax devolution to States. This squarely falls under the purview of the FC to have a fair mechanism to address the conflicting equity issues

### Address conflicting equities

Usually, FCs use indicators such as per capita income, population, and area in the distribution formula. These indicators reflect the differences between States in terms of demand for public services (population and area) and the size of public revenue available (per capita income). These indicators carry a larger weight and assure equity in the distribution of Union financial transfers among States. Variables such as tax effort and fiscal discipline carry smaller weight in the distribution formula to reward the fiscal efficiency of States.

You may find that the equity variables are proxy variables, and that they do not reflect the actual fiscal situations in States. The efficiency indicators are fiscal variables from the State budget. The Union financial transfers make an impact only on the Budget and alter the fiscal behaviour of States. Therefore, it is appropriate to include more fiscal variables in the tax devolution criterion such that the Union financial transfers change the fiscal behaviour of the States in the desired direction.

Every State has a Fiscal Responsibility Act restricting the quantum of deficit and public debt. However, reduced Union financial transfers to some States compel them to breach this legal limit. Therefore, the FC should assign a larger weight to fiscal indicators and incentivise tax effort and expenditure efficiency through larger Union financial transfers. This will automatically ensure intergenerational fiscal equity and sustainable debt management by States.

available Railway schemes. Friends of Champions 12.3 India, a coalition of food supply chain actors powered by WRI India, also identified that multiple touch points during the transport of perishables using the Railways is a challenge.

Therefore, investment in specialised wagons for temperature-controlled transport and the establishment of rail-side facilities for safe cargo handling are essential. This would also present a significant opportunity to enhance food safety in the agriculture sector, by minimising spoilage and contamination risks, thereby supporting both domestic and export markets. Further, the DFI committee recommends streamlining loading and unloading processes to minimise transit times. It also emphasises addressing staffing shortages through recruitment and training initiatives. Prioritising the Railways over roadways, particularly for fruit and vegetable transportation, promises efficient transportation.

### Untapped opportunities

The Railways offers a tremendous opportunity to reduce post-harvest losses and positively impact not just livelihoods but also the environment. Findings from the Logistics Division, Ministry of Commerce, state that the Indian Railways generates up to 80% less carbon dioxide for freight traffic than road transport.

There is a need for adopting systems-based approach, cutting across modes of transport and geographies. The private sector can play a crucial role in enhancing operational efficiency and strengthening the rail infrastructure through public-private partnerships. The budgetary allocation for agriculture 2024 also aims to bridge the farm-to-market gap with modern infrastructure and value-addition support. Such Railway initiatives complement these efforts by supporting the efficient transportation of perishable goods and minimising post-harvest losses.

*The views expressed are personal*

## LETTERS TO THE EDITOR

### No value for human life

The media and political circles in Kerala celebrated the State's top rank in the SDG index with great fervour. However, just days after this achievement, came the news of the death of a sanitation worker (Inside pages, July 16). The citizen is ultimately responsible for this tragedy. The fact is that large amounts of non-biodegradable waste would not have ended up in the sewers if we had a basic civic sense. It was also distressing to have images of the rescue personnel

diving into filth. A thorough study is needed to understand how waste is collected and disposed of in our towns and metros. Timely inspections should be conducted, and authorities held accountable if lapses are found at each stage. Heavy fines should be imposed from their personal accounts. The Amayizhanchan canal incident is a stark reminder that we have not learned any lessons from the deadly fire at the Brahmapuram treatment plant last year. We have failed Joy and the

millions of disadvantaged once again.

**Cyril Cherian,**  
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The tragic death of a sanitary worker in Kerala who had been entrusted with the job of cleaning a clogged sewer in a canal in Thiruvananthapuram is yet another case which conclusively proves that there is no value for human life. The lives of those who are at the bottom of the pyramid are not worth a dime. While the various agencies that were involved in retrieving the worker's

body need to be commended, those who assigned the hazardous task to the worker without ensuring any safeguards whatsoever should face the full force of the law. The Kerala government should announce a proper solatium to the family. The Indian Railways that had outsourced the job to a

private agency should also be held to account.

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### Baffling

The curious case of IAS probationer, Puja Khedkar, has cast a shadow on the integrity of the civil services selection and training programme (Inside pages,

"Puja Khedkar recalled to Mussoorie academy", July 17). The reports raise important questions about the process of selection for the prestigious all-India service. How could her dubious claims and deceitful acts go undetected? Is it that easy to hoodwink the UPSC? The case is a reflection on the deficiencies in the training imparted to probationers.

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

### Corrections & Clarifications

The text of a report ("Sport" page, July 15, 2024), "Samson and Mukesh help Men in Blue sign off with a win and a 4-1 scoreline", said Shivam Dube bagged one wicket for 25 runs, while the scoreboard mentioned it as two wickets for 25 runs. The scoreboard is correct.

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# The problems with sub-caste reservations

The Supreme Court has reserved the decision on sub-caste reservation for SC/STs. Any decision on sub-caste reservation needed to be justified not only on legal grounds but also on academic grounds. The academic basis for sub-caste reservation seems to be weak. So far, the government has used three policy instruments namely legal safeguards against caste discrimination, reservation in the legislature, public jobs, education institutions, and measures to improve ownership of capital assets such as land, businesses and education levels.

Dr. B. R. Ambedkar, who struggled for 30 years, justified these three sets of policy measures due to the denial of equal civic and property rights, employment, and education, as well as the physical and social isolation of untouchables as a whole, not specific sub-castes within the untouchable community since all suffered similarly from untouchability. But it needs to be understood that the three measures, namely legal safeguards, reservation, and economic/education empowerment measures were proposed as a complement to each other and not as substitutes or standalone solutions. Clarification on the interconnection between these three measures is essential to bring some insight on the issue of sub-caste reservation.



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consequences of past denials of the right to property, employment and education. Therefore, a third policy to improve the ownership of capital assets like land, business, and education was thought to be essential as complementary measure to the reservation policy. The purpose was to enhance the capabilities of untouchable youth to seek education and become capable of securing jobs under reservation.

Reservations in the legislature, public jobs and education institutions was needed for untouchables as a whole with a "social group focus". The policy of economic empowerment was thought to be focused on those untouchable "individuals" who lack income earning capital assets and education. Therefore, any decision on sub-caste reservation must take these propositions into consideration. The supporters of sub-caste reservation argue that some sub-castes benefitted more than others, thus, the sub-castes that lag behind should have separate quotas. Assuming that some sub-castes lag behind others in job reservations, the low share may not necessarily be due to discrimination by other sub-castes. Some may lag behind in public jobs because they suffered from low education, which in turn is due to a lack of income earning capital assets. This reduces their capability to seek public jobs.

If this is the case, then the policy to improve the share of these sub-castes in jobs and admissions to educational institutions must focus on enhancing their ownership of capital assets and education. It should be focused on those SC "individuals" who lack ownership of capital assets and education. If the sub-caste reservation is given without improving their capital ownership and educational participation, they may continue to have a low share in jobs and education, as the relatively better-off will have an edge in accessing jobs and education,

which in all probability is the case even today. So, the policy of economic and educational empowerment, which Ambedkar suggested for adequate utilisation of the reservation policy, is a better alternative than sub-caste reservations with low capital ownership and low education.

It needs to be recognised by the legal authority that legal solutions for discriminated groups are determined by economic and social realities. In this context, the legal authority making the decision has to know the extent to which the under-representation in jobs of some SC sub-castes is due to caste discrimination, and the extent to which it is due to a lack of income sources and low education. If discrimination by other sub-castes is the reason for under-representation, which is unlikely, there may be a case for sub-caste reservations. But if it is due to a lack of capabilities on account of low income and education, then an "individual focus" policy is a better alternative, which will enable them to make effective use of job reservations.

The under-representation of some sub-castes, who seek sub-caste reservation, is mainly due to a lack of income earning assets and education, and unlikely due to discrimination by other SC sub-castes. The problem of low participation of some sub-castes in job reservation will have to be dealt with by improving their ownership of capital assets and education levels, which in turn will improve their capabilities to access jobs under reservation and education. But if legal authorities prefer sub-caste reservations without academic justification and the factual reality based on data of sub-castes, the problem may remain unaddressed. Besides, it will open the floodgates of demand for sub-caste reservations by thousands of sub-castes/tribes from SC/ST/OBC. In that case, the reservation policy will be a mirror image of caste society with its innumerable sub-castes.

Problem of low participation of some sub-castes in job reservation will have to be dealt with by improving their ownership of capital assets and education levels

# Govt.-Governor rift in West Bengal

The conflict is creating several challenges, affecting the State's overall governance

## STATE OF PLAY

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With every passing week, relations between Raj Bhavan, Kolkata, and the West Bengal government are touching a new low. It is no longer only about pending Bills and the appointment of Vice Chancellors to State universities; there are far more serious issues which are resulting in administrative and legislative bottlenecks.

In the past few days, Governor C. V. Ananda Bose's insistence on action against the Kolkata Police Commissioner and an IPS officer posted as Deputy Commissioner of Kolkata Police's Central Division for setting up a committee to probe sexual harassment allegations against him has dominated headlines. This week, a defamation petition filed by the Governor against Chief Minister Mamata Banerjee came up for hearing before the Calcutta High Court, which has restrained Ms. Banerjee from making any defamatory statements against the Governor till August 14. The West Bengal government has also approached the Supreme Court alleging that the Governor has been withholding key Bills passed by the State Assembly.

While questions about whether the Governor or the Ministry of Home Affairs can unilaterally take action against IPS officers or the constitutional and political head can be locked in a defamation suit may be pertinent, the bigger issue is that differences between the constitutional head and the political head are hampering the day to day functioning of the government.

Relations between the Go-

vernor and the Chief Minister have been declining for the past several months, but they reached a nadir after Mr. Bose filed a defamation case against Ms. Banerjee. What precipitated the situation was a police complaint against the Governor by a Raj Bhavan employee who alleged sexual harassment against him. Even though the Governor has immunity under Article 361 which states that no criminal proceedings shall be initiated against the Governor of a State in any court during the term of his office, the Kolkata Police set up a special investigation team to probe the allegations and tried to record statements of Raj Bhavan employees.

For the past one-and-a-half decade, there's been a constant tussle between Raj Bhavan and the West Bengal government, which escalated after 2006.

During the last term of the Left Front, former Governor Gopalkrishna Gandhi's statements on the Nandigram violence, calling out the "cold horror" prevailing in the region, had embarrassed the government. When the Trinamool Congress came to power, relations between Raj Bhavan and the West Bengal government were far from being cordial during the regime of several former Governors like M.K. Narayanan, Late Keshari Nath Tripathi and more recently Jagdeep Dhankhar.

There are several instances that reflected tensions in the ties.

The regime of Mr. Bose as Governor started with a spirit of cooperation, but soon differences started emerging over the appointment of Vice Chancellors of State-run universities. With the Governor and the State government locked in legal disputes, political observers believe that the bitterness in ties has reached a point of no return.

The differences between Raj Bhavan and the State government have led to tensions in State-Centre relations too. The oath administered to the Governor under Article 159 says that the Governor will preserve, protect and defend the Constitution and the law and will devote himself to the service and well-being of the people of the State. However, the perpetual dispute has not been of any service to the 10-crore population of the State. Moreover, a situation where the Governor is raising questions about the functioning of the government under him, and the Ministers targeting the constitutional head, is not a healthy sign.

The Governor and the State government need to take a step back and complement each other's functioning rather than contradict each other.

It is not necessary that the Governor should make his opinions public on every issue relating to the State government and neither it is imperative that the State government has to react to such criticism. It is high time that both the Governor and the State government break the cycle, settle disputes outside the courts and work unitedly for the people. There are far more pressing issues in West Bengal that require the attention of the State government and Raj Bhavan.

# Nepal's governments are the most unstable in the world

13 Prime Ministers have served in 30 tenures since Nepal became a democracy in 1990

## DATA POINT

**Srinivasan Ramani**

In yet another twist in the tale of political coalitions and changes in the post of the head of government, Khadga Prasad Oli of the Communist Party of Nepal (Unified Marxist-Leninist) became the Prime Minister of Nepal early this week, the fourth time he is holding the post. Mr. Oli got the top post after his party withdrew support to the government led by Communist Party of Nepal (Maoist-Centre) leader Pushpa Kamal Dahal and formed the government with the support of the Opposition party, Nepali Congress (NC).

Mr. Dahal's party had won only 32 seats in the 2022 general elections, in alliance with the NC — which won 89 seats — and other parties but had no equals about forming the government as the PM, with the support of Mr. Oli's UML (78 seats), which was part of the opposing coalition. Following his ascension to the post, Mr. Dahal went on to face four trust votes after shifting alliances each time to remain in power for nearly two years. The coming together of the UML and the NC led to the fall of Mr. Dahal's government as he lost his fifth vote of confidence, 63 to 194 in the 275-member House of Representatives.

Mr. Oli's new government is the 30th instance of a head of government since Nepal became an elected democracy in 1990. From 1990 to 2008, the country was a constitutional monarchy with an elected parliament and the PM was the head of government, except for a brief period when erstwhile king Gyanendra usurped power. Since 2008, the country has been a constitutional republic. **Table 1** lists all the heads of government from 1990 to present.

Despite the change from being a constitutional monarchy to a republic, no Prime Minister has had the

opportunity to serve a full term. The late G.P. Koirala had the longest tenure as PM, three years and 188 days between 26 May 1991 and 30 November 1994.

Partially, the fact that PMs do not serve their full terms is related to Nepal's coalitional politics due to a fractured polity, that has become more diverse since 2008 and since the promulgation of the 2015 Constitution, which guaranteed proportional representation for some seats in the Pratinidhi Sabha (House of Representatives). While there have been 30 tenures for PMs in the last 34 years, only 13 individuals have served as PMs.

But the frequent changes in government with tenures far shorter than the full five years means that Nepal has one of the most unstable governments. **Table 2** lists the top 20 countries with the highest number of completed tenures (by heads of government) from 1990 till August 2021. San Marino has had the highest number of tenures — 62 with an average tenure of six months, but this is by design as heads of government serve six-month terms. Bosnia-Herzegovina is second with 35 terms, but the nation's presidency is a three-member collective body, whose chairperson rotates every eight months or so.

Nepal leads all countries with non-mandated "completed" tenures — 25, with each tenure averaging only 14.72 months or nearly a year and three months only. The repeated changes in government and what is perceived as a "game of thrones" in Nepal has meant that the promise of a stable, democratic and federal republic order, envisaged by the two Jan Andolans — one in 1989-90 and the other between 2005 and 2008 — resulting in a popularly elected Constituent Assembly, has been belied so far. This has led to some, such as former PM Baburam Bhattarai, suggesting the need for a directly headed head of government (President) to ensure a stable term for the executive.

## Game of thrones

Nepal has had the most number of incomplete (and shortest) tenures for heads of government since 1990



**TABLE 1** CONSTITUTIONAL MONARCHY FEDERAL REPUBLIC

The table lists all the heads of government (Prime Ministers mostly) of Nepal since its turn towards electoral democracy in 1990

S.no	Head of govt.	Tenure	Party	Term	Days
1	KP Bhattarai	Apr.90 - May.91	NC	1st	402
2	GP Koirala	May.91 - Nov.94	NC	1st	1283
3	Manamohan Adhikari	Nov.94 - Sep.95	UML	1st	286
4	Sher Bahadur Deuba	Sep.95 - Mar.97	NC	1st	546
5	Lokendra Chand	Mar.97 - Oct.97	RPP (C)	3rd	209
6	Surya Thapa	Oct.97 - Apr.98	RPP (C)	4th	190
7	GP Koirala	Apr.98 - May.99	NC	2nd	411
8	KP Bhattarai	May.99 - Mar.00	NC	2nd	296
9	GP Koirala	Mar.00 - Jul.01	NC	3rd	491
10	Sher Bahadur Deuba	Jul.01 - Oct.02	NC	2nd	435
11	Gyanendra*	Oct.02 - Oct.02	—	—	7
12	Lokendra Chand	Oct.02 - Jun.03	RPP	4th	237
13	Surya Thapa	Jun.03 - Jun.04	RPP	5th	364
14	Sher Bahadur Deuba	Jun.04 - Feb.05	NC(D)	3rd	243
15	Gyanendra*	Feb.05 - Apr.06	—	—	448
16	GP Koirala	Apr.06 - May.08	NC	4th	763
16	GP Koirala	May.08 - Aug.08	NC	5th	82
17	Pushpa Dahal	Aug.08 - May.09	UCPN(M)	1st	280
18	Madhav Nepal	May.09 - Feb.11	UML	1st	622
19	Jhala Nath Khanal	Feb.11 - Aug.11	UML	1st	204
20	Baburam Bhattarai	Aug.11 - Mar.13	UCPN(M)	1st	562
21	Khil Raj Regmi	Mar.13 - Feb.14	Ind.	1st	334
22	Sushil Koirala	Feb.14 - Oct.15	NC	1st	608
23	KP Oli	Oct.15 - Aug.16	UML	1st	297
24	Pushpa Dahal	Aug.16 - Jun.17	CPN(M-C)	2nd	307
25	Sher Bahadur Deuba	Jun.17 - Feb.18	NC	4th	253
26	KP Oli	Feb.18 - May.21	UML	2nd	1183
27	KP Oli	May.21 - Jul.21	UML	3rd	60
28	Sher Bahadur Deuba	Jul.21 - Dec.22	NC	5th	531
29	Pushpa Dahal	Dec.22 - Jul.24	CPN(M-C)	3rd	567
30	KP Oli	Jul.24 -	UML	4th	

**TABLE 2**

The table lists countries in descending order of number of tenures of heads of government since 1990

Country	Tenures	Avg. Months**	Mandated?
San Marino	62	6.0	Yes
Bosnia-Herzegovina	35	9.8	Yes
Switzerland	31	12.0	Yes
Nepal	25 <sup>A</sup>	14.7	No
Vanuatu	22	15.6	No
Bulgaria	17	21.8	No
Nauru	17	16.8	No
Moldova	16	22.8	No
Japan	15	23.1	No
Italy	15	22.9	No
Latvia	15	22.9	No
Thailand	15	18.5	No
Pakistan	14	23.9	No
Romania	14	19.9	No
Bhutan	14	17.4	No#
Haiti	13	28.9	No
Estonia	12	29.3	No
Greece	12	29.3	No
North Macedonia	12	28.8	No
Solomon Islands	12	25.8	No

\* Direct rule by the ex-monarch Gyanendra

<sup>A</sup> The data excludes two tenures of direct rule by ex-king Gyanendra and the completed tenures after August 2021

\*\* Average tenure in months

# Appointed PM till 2008, elected since then (stable tenures)

? Was the short tenure equal to the mandated number of months for each tenure? For example, in San Marino, each government's mandated tenure is six months and in Switzerland, the mandated tenure is one year

ADAPTED FROM: BELL, CURTIS, BESAW, CLAYTON., FRANK, MATTHEW. 2021. THE RULERS, ELECTIONS, AND IRREGULAR GOVERNANCE (REIGN) DATASET. BROOMFIELD, CO: ONE EARTH FUTURE. AVAILABLE AT [HTTPS://OEFDATASCIENCE.GITHUB.IO/REIGN.GITHUB.IO/](https://oefdatascience.github.io/reign.github.io/)

## FROM THE ARCHIVES

The **Hindu**

FIFTY YEARS AGO JULY 18, 1974

## Compulsory deposit by all earning over Rs. 15,000

New Delhi, July 17: The ordinance part of the Government's anti-inflationary package, will apply to about six lakh income-tax payers including professionals, businessmen, and homeowners and will not cover those who are not citizens of India.

The ordinance is expected to immobilise Rs. 50 crores in 1974-75 and Rs. 55-60 crores the next year.

The ordinance called the Compulsory Deposits Scheme (income tax payers) Ordinance, 1974, requires that those getting annual incomes above Rs. 15,000 and upto Rs. 25,000 will have to deposit 4 per cent of their aggregate income.

The rate will be 6 per cent for the income slab of Rs. 25,001-Rs. 70,000 and 8 per cent for all incomes above this level.

The amounts deposited will be repaid in five annual instalments at the end of two years — which means the amounts deposited during this year would be fully recoverable by 1982 and in the next year.

The deposits will earn a rate of interest of 8.5 per cent which is the ruling maximum bank deposit rate.

The Ordinance comes close on the heels of the two earlier Ordinances for the impounding of additional dearness allowances and salary increases and dividends. The government will shortly announce procedural and other details as to the manner in which the amounts should be deposited.

The intention is that the deposits will be made with the notified banks.

The Finance Minister Mr. Y. B. Chavan later called on the President and it was understood he emphasised the urgency for promulgating the ordinance.

A HUNDRED YEARS AGO JULY 18, 1924

## Army reserve scheme.

Allahabad, July 17: The pioneer learns that progress is being made with the revised scheme of the Army in India. Reserve of officers and at the moment the authorities are believed to be considering the possibility of giving commissions in the Reserve to selected non-commissioned officers and men of the Auxiliary Force.

# Text & Context

THE HINDU

**NEWS IN NUMBERS**

**The child marriages prevented via panchayat help**

**59,364** Over 160 civil society organisations across India successfully prevented 14,137 child marriages in 2023-2024 through legal interventions. PTI

**Job reservation announced by Haryana for Agniveers**

**10** in per cent. The Haryana government announced reservation for Agniveers in services such as police, forest guards, jail wardens. An age relaxation of three years will be made in Group C and D posts. PTI

**Tea exports from India remain stagnant in 2023**

**231.69** million kg. Tea exports from the country remained almost stagnant in 2023, as exports of the beverage during 2022 were 231.08 million kilograms (kg). PTI

**The children rescued under 'Operation Nanhe Farishtey'**

**84,119** children. Operation Nanhe Farishtey is a mission dedicated to rescuing children in need of care and protection across various Indian Railway zones. PTI

**The rise in the exports of oilmeals in the month of June**

**20** in per cent. India's exports of oilmeals rose in June to 3.35 lakh tonnes mainly due to a surge in shipments of soybean meal, according to the SEA. PTI

COMPILED BY THE HINDU DATA TEAM

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## On political representation of women

Have women been fairly represented in Parliament in independent India? Should political parties provide internal reservations to increase women's political participation? When will the 106th constitutional amendment be implemented?

**EXPLAINER**

**Rangarajan. R**

**The story so far:**

In the recently concluded general elections in the U.K., a record 263 women MPs (40%) have been elected to the House of Commons. The South African National Assembly has around 45% women representation, while the U.S. House of Representatives has 29%. Universal suffrage was achieved in various parts of the world after prolonged political movements. New Zealand as a self-governing unit under British rule was the first to grant universal women suffrage in 1893. The U.K., itself provided all its women the right to vote only in 1928. The U.S., granted equal voting rights through the nineteenth amendment only in 1920.

**What about women representatives in independent India?**

India as a sovereign republic provided the right to vote for all its women right from the first general elections in 1952. While the right to vote was provided to all women since the commencement of the Constitution, the representation of women in the Lok Sabha and State legislative assemblies has been far from satisfactory. The percentage of women MPs in the Lok Sabha had been very low between 5% and 10% till 2004. It rose marginally to 12% in 2014 and currently stands at 14% in the 18th Lok Sabha. The representation in State Legislative Assemblies is even poorer with the national average being around 9%.

The 73rd and 74th amendments of the Constitution in 1992/1993, provided for one-third reservation for women in panchayats and municipalities. However, attempts between 1996 and 2008 to provide similar reservation in the Lok Sabha and assemblies were unsuccessful.

**How do women MPs fare worldwide?**

Women representation in parliament varies across different democracies. It is a



**Long fight:** From a protest march demanding the women's Reservation Bill in 2016. FILE PHOTO

perennial issue to promote higher representation for women who constitute half the population in all countries. The important methods used across the world to ensure higher representation of women are (a) voluntary or legislated compulsory quotas for candidates within political parties and (b) quota in parliament through reservation of seats. Quotas within political parties provide more democratic choice to voters and allows flexibility to parties in choosing

**Country wise data on women representation\***

Women representation in parliament varies across different democracies



**Moving forward:** Trinamool Congress MPs take selfies at the Parliament House complex during the first session of the 18th Lok Sabha, on June 25. PTI

Country	% of elected women	Quota in Parliament	Quota in political parties
Sweden	46%	No	Yes
South Africa	45%	No	Yes
Australia	38%	No	Yes
France	38%	No	Yes
Germany	35%	No	Yes
U.K.	40%	No	Yes
U.S.	29%	No	No
Pakistan	16%	Yes	No
Bangladesh	20%	Yes	No

\*(as of September 2023) | Source: PRS legislative research

**Voluntary or legislated quotas within political parties are unlikely to yield the desired representation in our country**

women candidates. Opponents of having a reserved quota in parliament for women argue that it would be seen as women not competing on merit. As the seats reserved for women would be rotated after each delimitation, it may also reduce the incentive for MPs to work hard to nurture their constituencies. The table above provides a snapshot of women's representation in some democracies across the world. As can be seen, countries like Bangladesh and Pakistan that have quotas in parliament fare poorer than countries with political party quotas.

**What is the 106th amendment?**

As on April 2024, India ranks 143 in the list of countries in the 'Monthly ranking of women in national parliaments' published by the Inter-Parliamentary Union, a global organisation for national parliaments. The Trinamool Congress has the highest proportion of women MPs in the current Lok Sabha at 38%. The ruling Bharatiya Janata Party and principal Opposition Congress party have around 13% each. Naam Tamilar Katchi, a State

party in Tamil Nadu, has been following a voluntary quota of 50% for women candidates in the last three general elections.

However, voluntary or legislated quotas within political parties are unlikely to yield the desired representation in our country. This is why the Parliament through the 106th constitutional amendment, in September 2023, provided for one-third reservation of seats for women in the Lok Sabha and State legislative assemblies. This would ensure a fair representation of women in legislatures that would increase gender sensitivity in parliamentary processes and legislation. It would also hopefully increase the number of women Ministers in the Centre and States.

This reservation shall come into effect based on the delimitation exercise after the relevant figures of the first Census conducted after the commencement of this act is published. Hence, the Census which is overdue since 2021 should be conducted without any further delay to ensure that this reservation is implemented starting with the general elections in 2029.

*Rangarajan. R is a former IAS officer and author of 'Polity Simplified'. He currently trains civil-service aspirants at 'Officers IAS Academy'. Views expressed are personal.*

**THE GIST**

India as a sovereign republic provided the right to vote for all its women right from the first general elections in 1952.

The important methods used across the world to ensure higher representation of women are (a) voluntary or legislated compulsory quotas for candidates within political parties and (b) quota in parliament through reservation of seats.

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## What does Maharashtra's Public Security Bill stipulate?

What are the concerns? Which other States have enacted laws to curb Naxalism in urban areas?

**Abhinav Deshpande**

**The story so far:**

On July 11, the Bharatiya Janata Party (BJP)-led MahaYuti government tabled the Maharashtra Special Public Security (MSPS) Act, 2024, aimed at curbing the 'menace of Naxalism' in urban areas. The provisions of the proposed Bill, which allows the State to declare any organisation as 'unlawful' with offences categorised as cognisable and non-bailable, has raised concerns and is being dubbed the 'urban naxal' law. The Maoist-hit States of Andhra Pradesh, Telangana, Chhattisgarh and Odisha have already implemented Public Security Acts to prevent unlawful activities.

**Why was the Bill proposed?**

According to Deputy Chief Minister Devendra Fadnavis, who tabled the Bill in the State Assembly, Naxalism is not limited to rural areas, but is increasing in urban areas through frontal

organisations. These active frontal organisations of Naxal groups give constant and effective support in terms of logistics and safe refuge to its armed cadre, he said. Citing 'safe houses and urban dens of the Maoist network in the cities of Maharashtra,' the senior BJP leader said such unlawful groups 'propagate their ideology of armed rebellion against the constitutional mandate and disrupt public order in the State. He further stated that unlawful activities of such frontal organisations need to be controlled through effective legal means and that existing laws are ineffective to tackle the issue.

"In the absence of a similar law - which is in force in AP, Telangana, Chhattisgarh and Odisha - such organisations are active in Maharashtra. Therefore, the government considers it expedient to enact a special law for more effective prevention of unlawful activities," said Mr. Fadnavis, who is also the guardian minister of the Naxal-affected Gadchiroli bordering Chhattisgarh and Telangana.

**How different is it from the UAPA?**

The Unlawful Activities (Prevention) Act, 1967 (UAPA) is invoked in cases related to Naxalism and terrorism. This law empowers the state to classify organisations as 'unlawful associations.' Both the laws are almost the same. However, in the MSPS Act, an advisory board of three persons who are or have been qualified to be appointed as judges of the High Court shall oversee the confirmation process, while under UAPA, a tribunal led by a High Court judge verifies the State's declaration.

In addition to the UAPA, the State also enforces the Maharashtra Control of Organised Crime Act, 1999 (MCOCA) to address perceived extreme situations involving individuals labelled as 'urban Naxals'. If the proposed legislation is passed, it would allow the State police and security agencies to arrest individuals without a warrant and often without informing them of the charges. All offences under this Act would be cognisable and non-bailable.

**What are its key provisions?**

The MSPS Act empowers the State to designate any suspected 'organisation' as an 'unlawful organisation' and outlines four offences for which a person may be penalised - (i) being a member of an unlawful organisation, (ii) being a member and raises funds for an unlawful organisation or harbours any member of the unlawful organisation, (iii) whoever manages or assists in the management of an unlawful organisation, or promotes or assists in promoting a meeting, and (iv) whoever commits or abets or attempts to commit or plans to commit any unlawful activity. These offences carry sentences ranging from two to seven years, along with fines between ₹2 lakh and ₹5 lakh.

**What is the stance of the Opposition?**

Former Chief Minister Prithviraj Chavan has criticised the measure as 'draconian,' arguing that existing laws are sufficient to address the Naxal issue. "By introducing the bill in the Assembly first instead of the Council, the government clearly shows a lack of interest, while Delhi (Union government) is pressuring them to act. This is simply an attempt to suppress protests....We already have laws with the necessary provisions; why introduce another? This is a 'draconian' measure, and we strongly oppose it," he stated. Mr. Chavan also noted that the Bill would automatically lapse with the dissolution of the Assembly, asserting that if the Maha Vikas Aghadi (MVA) returns to power, it would not reintroduce the Bill.

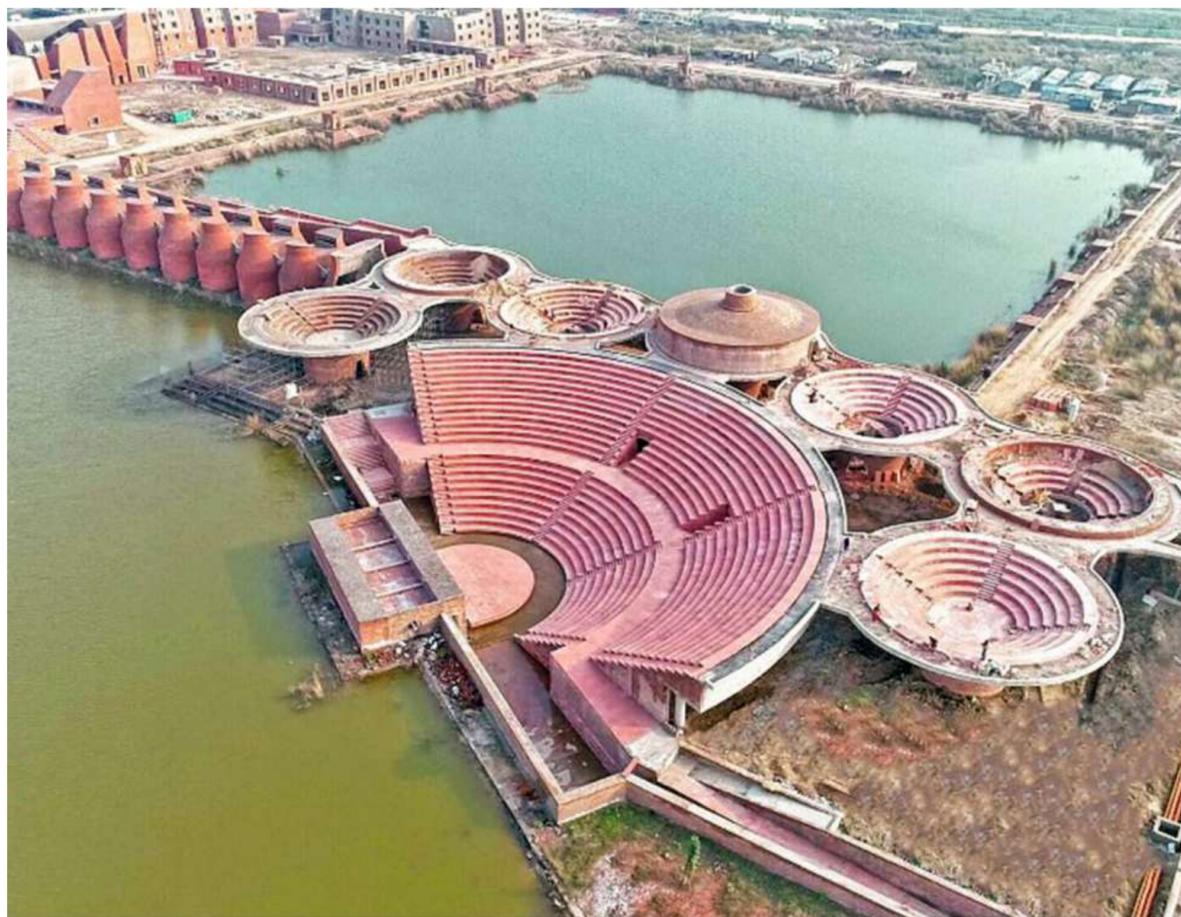
**THE GIST**

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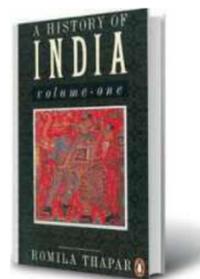
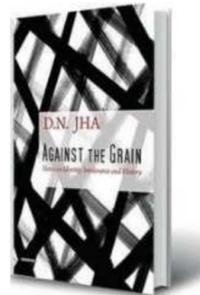
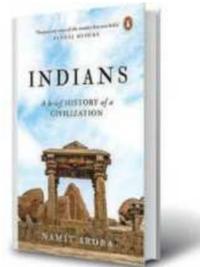
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BIBLIOGRAPHY



Testament to history: The new campus of Nalanda University. ANI



FROM THE ARCHIVES

Know your English

K. Subramanian

“Pronunciation of ‘apparatus’ (S. Mallika, Bangalore)”

“The first ‘a’ is pronounced like the ‘a’ in ‘man.’ The second ‘a’ and ‘u’ are pronounced like the ‘a’ in ‘India.’ The third ‘a’ is pronounced like the ‘a’ in ‘rate’, ‘fate.’ The stress is on the third syllable. In American English, the third ‘a’ is pronounced like the ‘a’ in ‘man.’ Please note ‘apparatus’ is not a countable noun.”

“Exceptionable, exceptional (S. R. Ray, Calcutta)”

“‘Exceptionable’ means ‘objectionable.’

*His speech was most exceptional.*

“‘Exceptionable’ is a formal word and is rarely used nowadays. ‘Exceptional’ means ‘very unusual, outstanding.’

*She has exceptional talents.*

*This coffee is exceptionally good.*

In American English, ‘exceptional’ is also used to refer to physically handicapped children.

*There should be special schools for exceptional children.*

It is the context which will tell us in what sense ‘exceptional’ is used. In British English, ‘exceptional’ is used only in the sense of ‘very unusual, outstanding.’”

“To come upon something (K. S. Patil, Bombay)”

“‘To come upon somebody or something’ means ‘to meet or find somebody or something by chance.’

*I came upon him when I was returning from the station.*

This is a formal expression. ‘Come across’ is more common than ‘come upon.’”

“Difference between ‘ceremony’ and ‘function’ (K. Raja Ram, Varanasi).”

“A ceremony is a ‘special action or set of actions done, especially by a priest, official, etc. at a particular time, in a particular place, for a particular purpose, usually formal and often religious.’

*I watched the opening ceremony of the Olympics on T.V.*

*Japan is well-known for its tea-ceremony.*

There are certain prescribed rules which have to be followed in a certain order during a ceremony. The word ‘ceremony’ also carries with it a sense of tradition. The special acts that we perform during a ceremony have been handed down from, one generation to another. The word is derived from the Latin ‘caerimonia’ meaning ‘religious worship.’ A ceremony is a solemn affair. A flag-hoisting ceremony, a funeral ceremony. A ‘function’ is ‘(a) a public ceremony or occasion, (b) a social gathering, especially a large formal or important one.’ A Minister has to attend several functions every day.

*The film has been declared a hit, so the producer is inviting all the stars to a grand function.*

*The inaugural function was boring.*

A function can either be formal or informal. It is not always a solemn affair.

*It was a pleasant function.*

You don’t say ‘It was a pleasant ceremony.’ Ceremonies may be impressive or unimpressive.”

*Published in The Hindu on September 22, 1992.*

# Of a gilded past and the future: Nalanda’s lost glory and new-found ambitions

Writers with the help of Chinese pilgrim Hiuen Tsang’s account and other research have traced the rise and fall of an ancient seat of learning going back to the Gupta dynasty. Nalanda, a revered Buddhist site, which had been destroyed, was rediscovered in the 19th century

Ziya Us Salam

“Nalanda is not just a name, it is an identity. Nalanda is the root, it is the mantra. Nalanda is the proclamation of the truth that knowledge cannot be destroyed even though books burn in a fire.” Prime Minister Narendra Modi’s words at the inauguration of the new Nalanda University campus at Rajgir recently and his “golden age” references made us go back to the history books.

Established by emperor Kumaragupta-I of the Gupta dynasty around 427 AD, Nalanda, a centre for learning, carved out its own niche with the support of the Pala kings, and later the monks of Nalanda, who were patronised by the Pithipatis of Bodhi Gaya. Nalanda was way ahead of its times, a sacred spot for the spiritually inclined.

**Aryabhata on the rolls**

At one time, Nalanda’s faculty included some of the most highly regarded names in Hinayana as well as Mahayana Buddhism; the latter sect started much after Hinayana but flourished for long, touching with its spirit Tibet, China, Japan and much of southeast Asia. The names of those associated with Nalanda read like a roll call of brilliance, even genius. Included in the list were Aryabhata, Harsha, Dharmapala, Nagarjuna, Dharmakirti, Asanga, Vasubandhu, Chandrakirti and Silabhadra. Hiuen

Tsang, of course, spent five years here during the reign of Harshavardhan in the 7th century, and wrote in detail about Nalanda’s meticulous approach in enrolling students, including rigorous admission tests.

Its glory got an affirmative nod in the *History of Bangladesh: Early Bengal in Regional Perspectives*, edited by Abdul Momin Chowdhury and Ranabir Chakravarti with a foreword by Romila Thapar. They write: “It is well known Nalanda gained the celebrated status of a Buddhist site after Alexander Cunningham identified it with Bargon, based on the travel notes of Xuan Zang (Hiuen Tsang) followed by epigraphic records recovered from the site. This Chinese pilgrim left a detailed account of the monastic organisation.” Prof. Thapar herself wrote of its global repute in *A History of India*, widely regarded as a must-read for students of ancient and early medieval India, “It is on record that a king of Sumatra requested a Pala king’s permission to endow a monastery at Nalanda. The ties between the Buddhists in eastern India and southeast Asia were strengthened at this time.”

**Khalji raids, and a denial**

Yet Nalanda has not been without its share of controversies. Several historians have recorded that Nalanda was ransacked by Bakhtiyar Khalji around 1200 AD and its treasure of books reduced to ashes. In *History of Medieval*

*India*, Satish Chandra writes: “A Khalji officer, Bakhtiyar Khalji, whose uncle had fought the battle of Tarain, had been appointed in charge of some of the areas beyond Banaras. He had taken advantage of this to make frequent raids into Bihar....During these raids, he had attacked and destroyed some of the famous Buddhist monasteries of Bihar, Nalanda and Vikramshila, which had no protector left.”

Noted historian Mohammad Habib, while not referring to Nalanda’s possible destruction directly, wrote in *Studies in Medieval Indian Polity and Culture: The Delhi Sultanate and Its Times*, about Bakhtiyar’s raids in Bihar. Elucidating about the fall of Indian kingdoms one after the other to the Ghurid army, Habib wrote, “Bakhtiyar, an adventurer from Khilji, who had been twice declared unfit for enrolment in the army as a common soldier, harassed and conquered Bihar and about one-half of Bengal.”

Such assertions were probably based on the writings of Minhaj-i-Siraj who wrote in *Tabaqat-i-Nasiri*, “He (Bakhtiyar Khalji) used to carry his deprivations into those parts and that country until he organised an attack upon the fortified city of Bihar....He advanced to the gateway of the fortress of Bihar with two hundred horsemen in defensive armour, and suddenly attacked the place.”

**Rediscovering Nalanda**

Illustrious historian D.N. Jha, however,

contested such claims. He argued in *Against the Grain: Notes on Identity, Intolerance and History*, one of his last works, “The fortified monastery which Bakhtiyar captured was known as Audand-Bihar or Odandapura-vihara.” It was not Nalanda, claimed Jha. He felt that Minhaj did not refer to Nalanda at all in his writings.

Minhaj spoke instead of the ransacking of the fort of Bihar or Hisar-i-Bihar, he argued. “Bakhtiyar did not go to Nalanda. It escaped the main fury of the Muslim conquest because it lay not on the main route from Delhi to Bengal but needed a separate expedition.” Bakhtiyar instead probably proceeded from Biharsharif to Nadia in Bengal.

Fellow historian Namit Arora reasoned in *Indians: A Brief History of Civilization*, “By the time of the Turko-Persian invasions, most Buddhist sites had already been abandoned, destroyed, or converted into Brahminical sites across much of India. Buddhist artifacts and texts were wiped out and Buddhism vanished from India’s public memory.... Only in the 19th century did Indians rediscover Nalanda.”

With the opening of the Rajgir campus, scholars hope Nalanda will regain its glory.

For the discerning, Nalanda continues to be an open book. You read, you interpret, you conclude. As Oscar Wilde said: The word is nothing; interpretation is everything.

THE DAILY QUIZ

## The 33rd Olympic Games will begin on July 26, in the French capital city of Paris. Here is quiz on a history of ‘firsts’ of the Olympic Games

Soorya Prakash. N

**QUESTION 1**  
Which was the first Olympic Games to be held in a non-leap year?

**QUESTION 2**  
Which country became the first Asian nation to participate in the Olympic Games?

**QUESTION 3**  
In which Games were the Olympic oath and flag introduced for the first time?

**QUESTION 4**  
In which Games were the Olympic motto of ‘Citius, Altius, Fortius’ used for the first time?

**QUESTION 5**  
In which games was an Olympic village first built, and the victory podium first used for the Summer Olympics?

**QUESTION 6**  
Which were the first Games to be televised and where the torch relay was first introduced?

**QUESTION 7**  
Where were the first Olympic Games outside Europe and North America held?

**QUESTION 8**  
When and where were the first Olympic Games held in Asia?

**QUESTION 9**  
In which Games, was an official mascot first introduced? What was its name?



**Visual question:** Identify the country from its flag as it became the first country to gain independence while the Games were being held. This resulted in different names being used for the country at the opening and closing ceremonies.

**Questions and Answers to the previous day’s daily quiz:** 1. The name Madhya Pradesh was called before 1959. **Ans: Madhya Bharat**  
2. This city which lies on the eastern bank of the Hooghly River was renamed. **Ans: Kolkata (Calcutta)**  
3. This city in Uttar Pradesh was renamed in 2018. **Ans: From Allahabad to Prayagraj**  
4. This State’s Legislative Assembly on June 24, 2024, passed a resolution proposing to change the name of the State. **Ans: From Kerala to Keralam**  
5. The princely states which were merged into Uttar Pradesh in 1956 were called this name before. **Ans: United Provinces**  
Visual: This image is of a celebration in one of the States in India. In 1973, the State’s name was changed to what it is called today. **Ans: Karnataka. It was earlier known as Mysore**  
**Early Birds:** C. Saravanan| Jharna Kamdar| Siddhartha Viswanathan| Janki Nair| Arvind Tillway

Please send in your answers to [dailyquiz@thehindu.co.in](mailto:dailyquiz@thehindu.co.in)

## Word of the day

**limpid:**  
clear and bright; transmitting light; able to be seen through with clarity; transparently clear; easily understandable

**Synonyms:** transparent, lucid, crystal clear

**Usage:** She writes in a limpid style.

**Pronunciation:** bit.ly/limpidpro

**International Phonetic Alphabet:** /ˈlɪmpɪd/

For feedback and suggestions for Text & Context, please write to [letters@thehindu.co.in](mailto:letters@thehindu.co.in) with the subject ‘Text & Context’

the hindu businessline.

THURSDAY - JULY 18, 2024

## New on the menu

Idea of riskier product above MFs needs fleshing out

**T**he Securities Exchange Board of India's (SEBI) idea of a wholly new product category, sandwiched between mutual funds and portfolio management schemes (PMS), seems to be aimed at weaning retail investors away from risky products such as derivatives and unregulated portfolio managers. It may also open up a new growth avenue for asset management companies (AMCs), many of whom have exhausted the 36-category menu of permitted funds. AMCs will be allowed to launch a separate vertical with new high-risk strategies for retail investors.

The minimum investment will be ₹10 lakh, compared to the ₹500 entry ticket for mutual funds, and ₹50 lakh threshold for PMS. SEBI proposes to allow managers of this new vehicle to experiment with naked exposure to derivatives, long-short strategies, inverse funds, lower-rated bonds and other risky strategies, which are untested and expressly forbidden to mutual funds. Therefore, it appears to be prudent to allow these launches only by AMCs which have built up a credible track record of creating retail wealth. The requirement that the new products only be offered by AMCs with a 3-year record of managing ₹10,000 crore, with no regulatory issues, makes sense. But SEBI has also suggested that new players who don't meet the above criteria, hire a Chief Investment Officer and fund manager with requisite experience.

This seems avoidable given that the sponsor's pedigree and track record are critical to good governance. PMS and Alternative Investment Fund (AIFs) managers are bound to feel aggrieved that they haven't been allowed to lower their ticket sizes to cater to this market. But they offer customised products to HNIs and enjoy light-touch regulations, while the new product will follow a pooled structure which will be subject to SEBI's onerous mutual fund regulations. SEBI also proposes to vet all offer documents for new launches and strategies under this vertical. Nevertheless, granular aspects of regulating this new category need fleshing out. Given that these products will dabble in non-traditional assets such as derivatives, they will require different valuation, accounting, disclosure and risk management rules compared to mutual funds. AMCs will also need to build internal capacity to offer these schemes. Whether this will be possible under SEBI's extant expense limits for mutual funds, is moot.

Both the regulator and AMCs should be prepared for a long journey before this new category is well-understood. It has after all taken over three decades for the mutual fund industry and its regulations to attain their current mature state. It is all too easy for retail folk to over-estimate their risk appetite and clamour for sophisticated products when the markets are on song. The real test will come when markets deliver losses. Even if this consultation paper finds widespread acceptance, SEBI must take its time to flesh out the regulation and risk disclosures, before rolling out this product.

## OTHER VOICES.

## The Guardian

## Attainment gap: poorer children need a boost

The widening gap between the educational attainment of the richest and poorest pupils at English schools is a blow for everyone who wants to see the latter fulfil their potential, and for our society to become less divided and more equal. It is revealed in the latest report from the Education Policy Institute (EPI), which focuses on 2019-23, so its findings are a snapshot of the pandemic and its aftermath. While the declining achievements of children from poorer backgrounds are not a surprise, it is dismaying to see predictions about the damaging and uneven impact of Covid disruption come true. Shrinking this gap is a longstanding objective, and one that the pupil premium – extra funding for schools with poorer intakes – was designed to further. LONDON, JULY 16

## The Washington Post

## How to read J.D. Vance

Former president Donald Trump's selection of Sen. J.D. Vance of Ohio as his running mate is a seminal moment in the history of the Republican Party. At the 1952 Republican convention, Dwight D. Eisenhower defeated another isolationist Ohio senator, Robert Taft, for the presidential nomination in a contest that turned heavily on the U.S. role in foreign affairs after World War II. After the failure of the "America First" movement in the 1930s, conservatives recognized the indispensable nature of U.S. leadership. Seven decades later, a new "America First" movement now dominates the party. The GOP has broken with its postwar tradition by unanimously backing a ticket that is deeply skeptical of not just U.S. support for Ukraine but even the promotion of democracy overseas. The Trump-Vance ticket is unapologetically populist and isolationist. WASHINGTON, JULY 16

## The many challenges of BRSR

**SOCIAL AGENDA.** Business Responsibility and Sustainability Reporting will require large amount of data, so firms will have to revamp IT systems



P.S. KUMAR

**B**usiness Responsibility & Sustainability Reporting (BRSR) is now the medium through which listed companies report matters concerning Sustainability and ESG (Environment, Social and Governance) in the non-financial disclosure part of the annual reports. The BRSR has come a long way since the days it was known as Business Responsibility Reporting (BRR) which had evolved from the National Voluntary Guidelines for Responsible Business Conduct. It is still a work-in-progress.

The BRSR is applicable to the top 1000 companies by market capitalisation. The revised format of the BRSR focusses on the BRSR Core, which has nine key performance indicators subjected to reasonable assurance report by verifying professionals — a form of assurance report. The assurance requirement starts from the financial year 2023-24 for the top 150 companies progressively extending to others per a glide path prescribed.

An extension of BRSR Core to the value-chain for the top 250 companies from the FY 2024-25 is on cards, to the extent attributable to the company on a comply-or-explain basis.

Further, the value chain disclosures will have to be assurance-reported on a limited assurance basis from 2025-26 on a comply-or-explain basis. As can be seen, SEBI has adopted a time-frame taking into consideration what could be doable.

## THE MAIN POINTS

BRSR is an amalgam of various global standards having incorporated what are

relevant for India without putting too much pressure on the preparers and issuers of annual reports;

(a) BRSR is not inter-operable in the sense that the reporting-entities within a multinational ecosystem will need to tailor-make it for all entities in the system. For example, an Indian subsidiary of an MNC will still need to align its BRSR report to suit the requirements of parent firm located in the EU, the US and countries in the European Free Trade Association etc.

(b) BRSR has two different set of questions to be answered while reporting: (i) Essential indicators and (ii) Leadership indicators.

Reporting on Leadership Indicators is optional since that will require a greater degree of preparation on the managements' part given that even the Essential Indicators can be challenging going by the experience of most companies.

(c) Going by the feedback from professionals it is obvious that: (i) the information technology (IT) systems are not geared for capturing the relevant information. The general flow of information as currently captured from the grassroots level does not take into account the nature of information required for preparation of BRSR report;

(ii) there is also a general lack of awareness and unpreparedness and (iii) there is a shortage of sustainability-trained personnel. This is a global phenomenon.

(d) There is an immediate need for having a relook at the IT systems in

## IT systems need to be revamped to diversify the reporting structure.

Firms also need to fix the shortage of sustainability-trained personnel

order to diversify the reporting structure. Companies should take note that the Digital Personal Data Protection Act, 2023 (DPDP) is already a statute and that the Rules pertaining to it will be announced shortly, making it imperative for firms to take a comprehensive look at their IT systems.

(e) It would be a good idea to prepare the BRSR on a continuous basis rather than leave the exercise to the year end.

## STANDARDS AND FRAMEWORKS

According to one count there were over 600 reporting frameworks in 2015 which, since then, have shrunk into a few globally acceptable standards.

The IFRS sponsored ISSB's (International Sustainability Standards Board) standards IFRS S1 and IFRS S2 have gained acceptance and similarly, the IFAC's (International Federation of Accountants) standards for assurance are now the norm.

However, one must take note that these standards are not yet officially prescribed although the prescription of 'Reasonable Assurance' by SEBI as the level of assurance required would tilt it in favour of IFAC.

## GREENHOUSE GASES

Greenhouse gases are the main reason for climate change and they are related to the anthropogenic activities. The GHG protocols (World Resources Institute and WBCSD) are the pioneering studies in the measurement of GHG emissions which are classified into Scope 1, Scope 2 and Scope 3.

While Scope 1 is about own emissions in processes employed by an entity, Scope 2 is the gases emitted in generating energy bought by the entities. Scope 3 emissions are by the value-chain and being outside the control of an entity, are the most difficult to measure.

Scope 3 lists 15 types of emissions in the supply chain (includes own carbon

footprint). There are eight upstream and seven downstream sources for emissions. Item 15 is an innocuous entry titled "Investments" i.e. financed by an entity. This extends and puts the onus on the lending institutions to ensure that the money being financed to borrowers causes least damage to the environment.

Consequently, banks, now nudged by the Reserve Bank of India are beginning to take interest in the emissions of their borrowers.

New sanctions are getting vetted more thoroughly.

The RBI as a member of "Network for Greening the Financial System (NGFS)", (a coalition of central banks) has been raising concerns since 2022 about the risks the business community is facing on account of climate change.

Going forward, the monitoring by banks and financial institutions will get more rigorous.

The International Organisation of Securities Commissions (IOSCO) of which SEBI is a member is now engaged in strengthening the reporting structure of Sustainability and ESG.

## OTHER CONCERNS

There are non-tariff trade barriers coming up especially in the EU such as Carbon Border Adjustment Mechanism (CBAM), the anti modern slavery initiatives, the Deforestation disclosures.

Therefore, any entity wishing to do business with the EU will need to consider compliance with the EU reporting standards which will require generation of huge amount of data.

The above are some of the issues and challenges that businesses will face. BRSR is only a starting point.

These challenges have already become risks and require a constant monitoring for their management.

The writer is a Chartered Accountant

## Budgeting for FY25 and beyond

Along with the continuing focus on government capex, more jobs in the formal sector need to be created

Ramnath Krishnan

**T**he Union Budget for FY2024-25 is eagerly awaited, as is always the case. This year we have the benefit of the Vote-on-Account that had been presented in February, which gave us a sneak peek into the upcoming full Budget. The added anticipation in FY2025 draws from the new political dynamics post the recently held elections.

While our Parliamentary election cycle has concluded, a number of key States go to the polls shortly. Apart from that, the global political landscape appears exceedingly uncertain, with ramifications for the path that the ongoing geo-political conflicts may take in 2025 and beyond.

So, what can our Union Budget and the overall policy environment realistically do to buttress India's enviable macroeconomic position amidst the global uncertainty? One clear ask is to safeguard the domestic drivers of economic growth. Another is to create a supportive environment for the private sector to add jobs in large enough numbers to absorb the

impending surge of new entrants into the labour force.

Government capital spending has soared since the pandemic, helping to fuel the GDP expansion. The Interim Budget had built in a 17 per cent rise in the government's capital spending in FY2025, which we estimate will be maintained in the full budget. ICRA foresees healthy allocations on transportation infrastructure projects, including on roads, railways, ports and airports.

## CAPEX PUSH

Beyond FY2025 as well, we expect the government to continue to prioritise the available fiscal space towards enhancing capital spending, both directly and through the interest-free loans provided to the State budgets.

Private consumption accounts for around 60 per cent of India's GDP. With the awaited demographic dividend, domestic consumption growth will remain a key lynchpin of India's economic momentum going forward. This is doubly so, as ageing societies in our export partners will cast a shadow over what, how much, and to whom we export going forward.



UNION BUDGET. Eagerly awaited PTI

Discomfortingly, private consumption has recorded a CAGR of just 4 per cent between FY2019 and FY2024. Overall consumption growth was lacklustre in FY2024, despite pockets of high demand in urban areas, which were interspersed with more cautious consumer sentiment in the rest of the urban segment as well as in the rural areas.

Enhanced spending on schemes such as PM Kisan, MGNREGA or PM Awas Yojana may help to bolster sentiment in the rural segment, which is bearing the brunt of another uneven monsoon.

Additionally, a higher threshold for personal income tax would certainly enhance sentiment for salaried individuals. The marginal propensity to

spend the reduced tax outgo is likely to be rather high, which would boost activity in the near term.

Spending on education, with a clear view towards skilling and upskilling, as well as on health, to reduce the anxieties faced by households, needs to be boosted over the medium term.

Another critical component towards rapidly improving the participation of women in the labour force is addressing childcare needs.

For the demographic dividend to be adequately realised, policies must focus on creating an enabling environment to generate well-paying formal sector jobs over the medium term.

To this end, and to reduce our net imports, we anticipate a continued focus on the Production Linked Incentive (PLI) schemes, both for high-technology new-age sectors, as well as the more traditional ones that employ labour in greater numbers. It will be equally important to maintain a supportive environment for the services sector as well, with the Global Capability Centres having emerged in the recent years as a big source of services exports.

The writer is MD and Group CEO, ICRA Ltd

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

## Bad move

With reference to the news report 'Karnataka cabinet clears local job reservation Bill'. Karnataka is not the first State to provide reservation in private sector jobs, Haryana also contemplated this but failed.

Reserving 50 per cent of management jobs and 75 per cent non-management jobs for the locals in the private sector is a bad move and what is more shocking is that the State government is also contemplating 100% reservation in C & D grade government jobs. Karnataka government must remember that it is the merit not the domicile which matters in the

private sector. Better sense should prevail and the decision should be reversed. Bengaluru is known as the IT capital of our country and this move will demotivate professionals from other States from coming to the IT hub.

## Bai Govind

Noida

The decision of the Karnataka Cabinet's decision to reserve jobs for locals in the private sector is surprising, given that the government is focussing on Ease of doing Business' even cancelling 44 Labour Acts and introducing 4 Codes. The very essence of Globalisation is

free mobility of Labour, besides capital and goods. The decision to reserve jobs for locals goes against the essence of a liberalised economy. Karnataka is an industrially advanced State and this Bill will lead to dismay among investors.

The government must focus on improving skills of the locals and eschew politically expedient measures to address youth unemployment.

The government should mobilise all its political and moral courage to mend the agenda of the private educational institutions to provide skill instead of only degrees.

## AG Rajmohan

Anantapur

## Responsible corporates

I read the article 'Making corporates work for the greater good' (July 17) with profound interest. Production of commodities, be it by private or public sector, should not affect the climate or environment in the society. Negative externalities (pollution of any kind) affect the general welfare of the people. It is imperative that firms do not ignore the social cost in their production processes.

## S Ramakrishnasayee

Chennai

## Transparent accounting

The editorial 'Holding to account' (July 17), rightly stresses on the need for total honesty in the accounting

processes of banks. That banks use "laks of accounts (other than clients)" "for no valid reason" than Internal accounting and record keeping, is shocking.

The RBI flexing its muscles to weed out this malaise, amplified in the exhortation of its Deputy Governor to those concerned to come clean, is most welcome. The RBI's stringent penal action on the erring bigwigs of the system should serve as a warning. That utmost honesty, transparency and integrity; all add up to accountability can never be overstated — more so with bank accounts.

## Jose Abraham

Vaikom (Kerala)

## Don't push sugar exports

Ensure supplies for ethanol blending, domestic use

Harsh Soni



**SUPPLIES.** More sugar must be diverted for ethanol blending

Sugar production in India has exceeded expectations, leading to increases in stockpile. This was primarily due to the government's decision to divert less sucrose towards ethanol blending. Instead, the focus shifted to ensuring sufficient production to meet domestic demand. Consequently, sugar production increased during the 2023/24 season, and ethanol diversion was significantly reduced, resulting in an addition of nearly 2 million tonnes (mt) to sugar stocks. Now, the challenge is to manage these stocks, sitting in the warehouses of more than 500 sugar mills across the country.

Historically, sugar mills have managed larger stockpiles, thus managing the current level of inventories should not be a major challenge. The surplus, which is well distributed between States and sugar mills, will ensure stable domestic supplies, help meet local demand, and prevent sugar prices from spiking, thus avoiding stringent government intervention as seen in the case of pulses, wheat and rice.

### STOCK LEVELS

Like in other commodities, there's often uncertainty in sugar stock levels. Variances of 1-2 mt in stocks can significantly impact local prices, policy-making and industry structure. Rising sugar demand necessitates higher stock levels for food security. Previously, 6 mt was deemed sufficient to meet three months' demand. However, with a monthly average release of 2.4 mt, 7.2 mt is now required for food security and the level will only continue to rise with the rising demand trend. The mills at some point will have to carry much higher stocks, and provision for same should be made. The government must consider this when formulating trade policies.

Sugar production estimates released before the crushing season often undergo significant revisions based on actual yield, sucrose recovery, ethanol prices, and blending commitments. These estimates are typically finalised around February when most of the crushing is complete and that's when the surprise element is unleashed — that is, where the production is headed. Therefore, formulating trade policies should wait until there's more certainty about the production numbers, to avoid jeopardising domestic supplies.

The ethanol programme, previously disrupted by lower supply concerns, needs revitalisation. The government had temporarily reduced ethanol supplies from BHM (B-heavy molasses) and cane juice in anticipation of lower sugar production in the ongoing 2023-24 season but reintroduced them once higher sucrose production was confirmed. This policy flexibility helped manage commodity supplies and stabilise prices especially during the election period. Now, it's time to refocus on achieving higher ethanol blend targets, higher capacity utilisation of ethanol plants, and supporting the sugarcane industry in a much bigger way than just exporting sugar.

The government is aiming at 20 per cent blend ratio by 2025 which won't be possible without the sugar industry supplying ethanol in a major way.

Opening up sugar exports, particularly the requested 1 million tonne quota, will offer minimal benefits to the industry. The quota distribution among 530 sugar mills, potential quota sales between mills, and the logistical aspects of garnering sugar from small manufacturers and exporting in volumes are major challenges. Additionally, global sugar markets will react negatively to news of Indian exports. World prices could collapse and domestic prices would inch up, diminishing any price advantage available for sugar exports.

Even with a price advantage of around \$75/tonne prevailing today (at cost), the industry might benefit more by increasing ethanol supplies and negotiating higher prices for the same. This will provide long term and sustainable gains to the industry.

Sugar exports should, therefore, be considered only when there is excess sucrose production after meeting domestic consumption, ethanol blending, and food security needs.

The writer is Founder Director, GreenLeaf

# Deciphering RBI's record dividend

**KEY DRIVERS.** Record asset size, healthy return on assets and high bond yields help boost payout to govt



N MOHAN

The Reserve Bank of India stunned everyone with an unexpected highest ever dividend of ₹2.11-lakh crore this year. And details that accompanied initially were a bit confusing rather than illuminating. While the Total Income increased only by 17.04 per cent, RBI paid a dividend 2.4 times that of FY23. And simultaneously increased provisions from 6 per cent of total assets to 6.5 per cent.

How was RBI able to do both? Corporates sometimes do make large payouts by dipping into their reserves. Here RBI, on one hand made a record dividend payout; and with the other hand, increased provisions and strengthened its balance sheet even on its historically highest asset base. And when one reads the balance sheet, more questions get thrown up.

Last year, RBI provisioned ₹130,875.75 crore on a smaller balance sheet and increased the total Available Realised Equity (that is, Provisions plus Capital and Reserves) from 5.5 per cent to 6 per cent. And balance sheet size went up by just 2.5 per cent last year. But this year, balance sheet went up by 11 per cent. But with a much lesser provisioning of ₹42,819.91 crore it had further increased the provisioning by another 0.5 per cent to 6.5 per cent. It appears as a conundrum.

A further look at the income statement shows that RBI had sent ₹42,819.91 crore to Contingency Fund. But the Contingency Fund had gone up by ₹77,415.34 crore. Where did the additional ₹34,595.43 crore come from? And a last major question on everyone's lips: Will RBI be able to repeat such a high payout or similar payouts year after year?

Well, we will answer all these questions; may be, not in the same order. RBI's income statement consists of four major components: Income, Expenditure excluding Provisions, Provisions and finally Dividend Payout.

**A) Income:** RBI's income majorly consists of the following. (1) Interest from Loans and Advances to banks as well as State and Central governments; (2) Income from foreign and rupee assets; (3) Commissions and other income; and (4) Surplus lying in revaluation accounts that get transferred to the Income statement on maturity/sale.

**B) Expenditure excluding Provisions:** RBI's expenses like printing of notes, employee costs, depreciation, etc., for running its operations are extremely low and stable over the years. These are typically less than 10 per cent year after year (see Table 1).

Essentially, every year, around or more than 90 per cent of the income is available with RBI to allocate to Provisions and Dividends.

**C) Provisions:** As per Bimal Jalan's formula, RBI should maintain its Available Realised Equity between 5.50 per cent and 6.50 per cent of total assets.

**D) Dividend payout:** After meeting the above, the balance surplus should be paid to government.

**ASSETS, REVALUATION OF ASSETS** RBI has, over the years, built up the following two assets: (A) Foreign Assets like dated securities, T bills, SDRs as well as gold; and (B) Rupee Assets like Indian Treasury bonds.

These assets fluctuate in value daily. As per its accounting policy, RBI does not carry "Mark to market" fluctuations to the Income statement, unless the Asset is sold/redeemed. But parks variations in four different revaluation accounts. They are Currency and Gold Revaluation Account (CGRA), Investment Revaluation Account (IRAFS), Investment

### Trends in RBI income, expense excl provisions

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
A) Total income (in ₹ cr)	193,035.88	149,672.46	133,272.75	160,112.13	235,457.26	275,572.32
B) Expenditure excluding provisions (in ₹ cr)	16,980.55	18,925.93	13,436.63	15,133.67	17,161.30	21,874.42
% of (B) over (A)	8.8	12.64	10.08	9.45	7.29	7.94
Balance money available for provisions & dividend (in ₹ cr)	176,055.33	130,746.53	119,836.12	144,978.46	218,295.96	253,697.90

### RBI asset growth over years

Item	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
A) Total assets (in ₹ cr)	41,02,905	53,34,793	57,07,669	61,90,302	63,44,756	70,47,703
B) % growth over earlier year		30	6.99	8.45	2.50	11.08

### RBI assets versus total income

Year	RBI assets (in ₹ cr)	Total income (in ₹ cr)	% return
2018-19	4,102,905	193,036	4.7
2019-20	5,334,793	149,672	2.8
2020-21	5,707,669	133,273	2.3
2021-22	6,190,302	160,112	2.5
2022-23	6,344,756	235,457	3.7
2023-24	7,047,703	275,572	3.9

### Contingency fund after carry over adjustments

2022-23	
1) Contingency fund as on March 31, 2023	351,205.69
<b>Reversals done next day</b>	
IRA FS (Investment revaluation account - foreign securities)	165,488.93
IRA RS (Investment revaluation account - rupee securities)	19,417.61
After reversal, contingency fund on April 1, 2023	536,112.23
(4) = (1+2+3)	
2023-24	
-ve balances posted on March 31, 2024	
5) IRA FS	-143,220.82
6) IRA RS	-7,090.23
Contingency fund transferred from income of FY23-24	42,819.91
Contingency fund as on March 31, 2024	428,621.09
(8) = (4+5+6+7)	

Revaluation Account Rupee Securities (IRARS) and Foreign Exchange Forward Contracts and Valuation Account (FCVA).

When any of these assets are either sold or mature, the corresponding profit or loss are brought to the Income statement.

CGRA always carries a huge credit balance, due to constant currency depreciation and gold appreciation. But the other three accounts can have a debit or credit balance, which is squared only on sale/maturity.

**WHAT HAPPENS ON YEAR CLOSING** On March 31, if there are any debit balances in revaluation accounts, they are transferred to Contingency Fund; so that when provisioning for next year's Contingency Fund, it is calculated after debit balances are posted.

On the very next day, these debit entries are reversed from Contingency



Fund and put back in their respective accounts.

Thus, while provisioning is done only for all "unrealised revaluation losses", "unrealised revaluation profits" are never adjusted while provisioning. A conservative approach.

**Contingency Fund between two successive years:** If there are negative debit balances posted on March 31 for year "Y", since these are reversed on April 1 of the following year, closing balance on March 30 of "Y+1" will be higher to the extent of accounting reversals done on April 1.

To this balance, further debit entries should be done, if any, pertaining to "Y+1", before calculating provisioning for "Y+1".

What happened between FY23 and FY24 is shown in Table 2.

Though there were debits posted in both these successive years, since debits were less for FY24 than FY23, RBI could transfer just ₹42,819.91 crore, while moving up Contingency Fund by ₹77,415.34 crore.

**Additional Contingency requirement versus asset growth:** Supposing, debit balances for FY25 are lower than that of FY24, Additional Contingency Fund requirement would be a maximum of 6.5 per cent of Asset growth, as RBI had already met 6.5 per cent requirement in FY24. Asset growth during the past six years is given in Table 3.

What can increase the Balance Sheet Assets in FY25?: (A) Growth in printed notes; (B) Growth in CRR deposits with RBI due to deposit growth in banking system; (C) Revaluation of either Foreign or Rupee Assets due to currency depreciation, gold prices or lower bond yields.

**Growth in printed notes:** In a non-digital economy, currency is needed for financial transactions (including for parallel economy) as well as wealth storage (including ill-gotten). Hence in the past, printed notes growth far exceeded the nominal GDP growth. During 2013-14 to 2019-20, currency in circulation went up by 96 per cent while the nominal GDP grew by 79 per cent. Subsequently, with digitisation of the

economy, the public's demand for currency went down and currency growth had been much lower than GDP. It had been 7.26 per cent, 9.86 per cent, 7.81 per cent and 3.88 per cent during last four years.

**Growth in CRR deposits with RBI:** This will grow in line with deposit growth in banking system. Currently bank deposits are growing at 13 per cent.

**Revaluation of gold, Foreign and Rupee Assets:** Bank rates will likely reduce both in the US and India by this year end. This will increase the "mark to market" values of both foreign and Indian securities and subsequently the Revaluation Assets. Currency may hold steady. While gold prices are uncertain, given its low share in RBI's assets, we can ignore it.

Let us summarise the basis on which we would forecast the "Dividend payout for FY25."

(1) An RBI Asset growth beyond 10 per cent appears unlikely, as currency notes contribute to 50 per cent of balance sheet size.

(2) Return on Assets had ranged from 2.3 per cent to 4.7 per cent in the past. But it could be 4 per cent or lower depending on rate cut (see Table 4)

(3) Since provisioning had been fully met at 6.5 per cent, additional need will be confined to 6.5 per cent of Asset growth. Nothing more, if "debit carry forwards" are also favourable. (And they would be, in a "rate cut" scenario.)

A full matrix of likely dividends in FY25 under different Asset growths and per cent Return on Assets scenarios is given in Table 5. (A liberal expense of ₹ 25,000 crore is assumed; refer past data in Table 1)

Since RBI provides Assets and Liabilities data weekly, we can track Asset growth. Similarly, by tracking the bond yields in US and India, we can estimate per cent return of Assets band. And our estimates can be further sharpened as the year pans out. But Table 5 assures us that a good dividend is more likely than unlikely.

The writer, a retired veteran with international experience in auto industry, likes to dabble in macroeconomics

## thehindubusinessline.

### TWENTY YEARS AGO TODAY.

July 18, 2004

#### PM hopes to resolve FDI issue through dialogue

The Prime Minister, Dr Manmohan Singh, today said the heat generated over the Budget proposal to hike foreign direct investment (FDI) cap in civil aviation, insurance and telecommunications, even by allies of the Left parties supporting from outside, would be resolved through dialogue and there would be "a smooth sailing in the end".

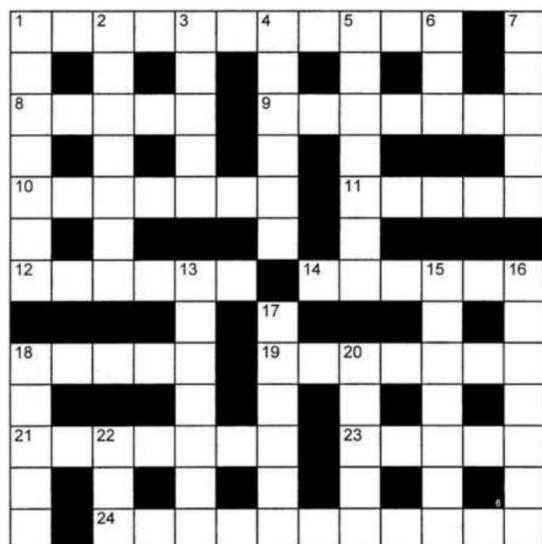
#### Lodha's audit firm opts out of Birla Ericsson

Lodha & Co, the audit firm of RS Lodha, has opted out of the statutory auditorship of Birla Ericsson Optical Ltd, the joint venture company between the MP Birla Group and Ericsson Cables AB of Sweden. The company has resolved to appoint Clark, Gardner, Wolf & Co as the new auditors in place of the retiring auditors.

#### SEBI clears TCS public issue

The Securities and Exchange Board of India (SEBI) has given clearance to Tata for the proposed initial public offering (IPO) of Tata Consultancy Services (TCS) that is likely to realise over ₹5,000 crore. The Tatas had submitted their response to a clarification sought by SEBI on the draft red herring prospectus.

## BL TWO-WAY CROSSWORD 2485



### EASY

#### ACROSS

- Nursery-rhyme
- hill-climbers (4,3,4)
- Scene of combat (5)
- Runs in hose (7)
- Remain beyond one's welcome (7)
- Corner; to fish (5)
- Plot (6)
- Dominion of North America (6)
- Newspapers (5)
- Shout applause or consent (7)
- Raiding excursions (7)
- Type of nose; upright type (5)
- One drumming up enthusiasm for team (5-6)

#### DOWN

- Incensed at rivalry (7)
- Big cat (7)
- Not together (5)
- Hold-ups in time (6)
- One of the USA (7)
- Be untruthful (3)
- Unseemly speed (5)
- Projectile (7)
- Given a fright (7)
- Former hospital charity officer (7)
- Roman emperor (6)
- Difficult question (5)
- Bend (5)
- Giant bird of legend (3)

### NOT SO EASY

#### ACROSS

- Hill-climbing children who missed their footing (4,3,4)
- Where there's fighting it takes an age to put it back (5)
- Fifty calculators needed to take one up on board (7)
- Remain too long in the open to be welcome? (7)
- Corner fish (5)
- Having little science, he needs me to formulate plan (6)
- Roughly, North America has half-days in the Dominion (6)
- Strive to do too much for journalists as a whole (5)
- Bill will lay a stake to fame (7)
- That is apparent in different kinds of forays (7)
- A capital type (5)
- Hurrah for the man ahead, who will whip up enthusiasm (5-6)

#### DOWN

- Incensed at rivalry, James the First may have been a louse (7)
- Creature responsible for the ache, perhaps (7)
- What resting actor seeks on the side (5)
- In twenty-four hour periods the Spanish cause hold-ups (6)
- State the Sioux first letter (7)
- A white one may be well meant, but inaccurate (3)
- Has only five-and-a-half players made fast? (5)
- Fail to connect with the Italian (East) projectile (7)
- With concern sees a limb in a deal of trouble (7)
- The palm one rigidly extends to show old hospital official (7)
- The emperor who got seasick in a car? (6)
- A difficult question, but a model one (5)
- Rounded way to make about five well again (5)
- Fabulous old bird \_\_\_ steady, by the sound of it (3)

### SOLUTION: BL TWO-WAY CROSSWORD 2484

**ACROSS** 1. Cramp 4. Nomadic 8. Undergraduate 10. Steer 11. Fall 12. User 16. Alert 17. Exceptionable 19. Luridly 20. Drake

**DOWN** 1. Court of Appeal 2. And 3. Perish 4. Nerves 5. Modern 6. Diagnosis 7. Cheddar cheese 9. Police car 13. Lapped 14. Levity 15. Atoned 18. Boa

## Parochial economics

Karnataka's proposed job reservation law is regressive

The Karnataka Cabinet recently added a twist to a controversy roiling India's business community by mandating a reservation for locals in private-sector jobs. The Bill, which has now been put on hold, mandates 50 per cent reservation for locals in management and 75 per cent in non-management positions. Unsurprisingly, this proposal evoked a sharp response from businesses in Bengaluru, the centre for information technology, startups, global capability centres (GCC) and pharma industries – all racehorses for the Indian economy. The National Association of Software and Services Companies issued a statement expressing “disappointment” and sought a meeting with state authorities. This bid for nativist employment laws is not novel – Maharashtra set the ball rolling in 2008 (with an 80 per cent mandate), then Andhra Pradesh passed a law (75 per cent) in 2019, and Haryana (75 per cent) in 2020. All these laws have been challenged in courts by industry associations. The first to be struck down was the Haryana law in November 2023, and the Punjab and Haryana High Court's reasons for doing so are instructive.

The Haryana law reserved 75 per cent of jobs in the private sector for posts drawing a salary of ₹30,000 or less. The high court struck it down on two grounds. First, it was beyond the state's purview to restrict private employers from recruiting on the open market. Second, reserving jobs for locals militates against the rights of other Indian citizens. The court observed that the concept of constitutional morality had been openly violated “by introducing a secondary status to a set of citizens not belonging to the state of Haryana and curtailing their fundamental rights to earn their livelihood”. The law violates Article 19 of the Constitution, which provides all citizens the right to practise any profession or occupation and to move freely and anywhere in India to do so. The Andhra Pradesh High Court had suggested the state's 2019 law to be unconstitutional but is yet to hear the case. The Haryana government appealed against the high court ruling in the Supreme Court, which started hearing the case in February.

Aside from violation of constitutional proprieties, the practical economic logic of such parochialism is hard to fathom. The Karnataka Bill defines “local” as a person born in the state, domiciled in it for 15 years, and capable of reading, writing and speaking Kannada. Eligibility includes secondary school education with Kannada as a language. Those who do not have Kannada in secondary school must pass a proficiency test in the language. This Bill follows a move earlier this year to ask multinational companies in the state to display the number of Kannadiga people they employ. Such challenging structural restrictions on employment are unlikely to attract investment at a time when states are fiercely competing for private-sector investment, especially foreign direct investment. Private industries operating in competitive markets need the freedom to access the best talent available. Restricting the talent pool on parochial grounds is certain to impinge on efficiency and productivity, both critical competitive requirements for knowledge industries that depend on overseas markets. So far, states have thrived on the multicultural talent that India has to offer. Restricting employment for narrow political gains is akin to killing a productive golden goose.

## Trade winds

Tackling non-tariff barriers is crucial

Even as India is aiming to boost exports and is negotiating free-trade agreements (FTA) with different trading partners, the issue of non-trade barriers (NTBs) continues to haunt exporters. To address the matter, as reported by this newspaper, the Ministry of Commerce and Industry has decided to set up a panel and launch an online platform. The move should address exporters' concerns and must be welcomed. The platform will allow exporters to register their complaints regarding NTBs and seek the government's intervention in resolving them. As part of the redress process, the matter may be taken up for discussion with officials of countries that impose such barriers. The portal will also track the history and chronology of reported barriers and document the frequency of discussions with trade partners. The newly constituted panel will then investigate whether the conditions imposed by the trade partners comply with World Trade Organization (WTO) rules and if India has previously objected to them. Additionally, it will also suggest necessary improvements to the domestic industry and measures to better cope with these challenges.

Exporters often face trade hurdles that are not confined to tariffs and duties. Among the host of other challenges they face are complex documentation processes, failure to meet environmental and sustainability standards, public-procurement norms, and concern over quality and certification of products. In fact, NTBs have been flagged as a key obstruction that comes in the way of India realising the full potential of its FTAs with important trade partners. Addressing NTBs becomes crucial as part of India's efforts to achieve an overall target of \$2 trillion in exports by 2030 because they hinder export growth in markets where tariffs are already low or negligible. The recent controversy over pesticide residue in Indian spices is a case in point. In the absence of clear WTO guidelines on maximum residue limits (MRLs), several countries resorted to the use of NTBs in the form of sanitary and phytosanitary measures to suspend purchases from India.

Different MRLs across countries can affect Indian exporters. This is not to suggest that Indian producers should not address the issue, but the problem can often have a disproportionate impact. Agricultural exports remain particularly vulnerable. In 2017, for instance, there was a sharp drop in rice exports following a reduction in the European Commission's MRL for fungicides used in paddy cultivation. Further, stringent environmental norms in production have led to a significant increase in the proportion of sustainability-driven NTB notifications to the WTO in recent years. Some recent examples include the Carbon Border Adjustment Mechanism (CBAM) passed by the European Union, and the United States' Inflation Reduction Act. While EU officials claim that CBAM only aims to mitigate carbon emissions and is not a restrictive trade barrier, it is set to hurt the export of energy-intensive products.

India certainly needs to raise the quality of export products. For instance, food and agricultural exports must meet international hygiene standards and be without contamination. However, if NTBs selectively target Indian exporters and unreasonable standards continue to obstruct imports from India, the government must engage in discussions with the trade partner concerned. Flagging concerns with Russia over barriers faced by Indian marine and pharmaceutical exporters is a good example in this context. A dysfunctional WTO will, however, pose challenges.

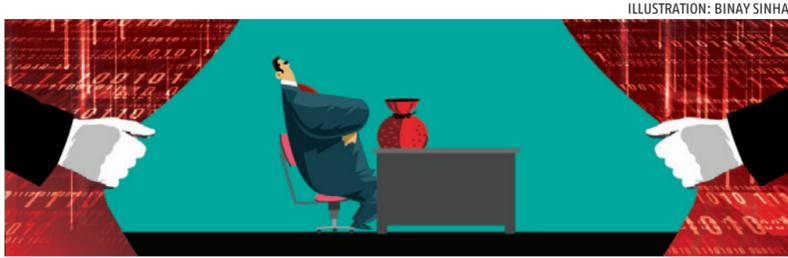


ILLUSTRATION: BINAY SINHA

## Move over IT

Other business services emerge as India's new export star, which could outpace software and information technology with strategic support

Other business services (OBS) could become India's next major export powerhouse by 2030, surpassing the software and information technology (IT) services sector. It is the new star quietly emerging on India's services exports scene.

OBS encompasses services that support diverse business operations, such as business consultancy, engineering, and research & design (R&D). They also cover advertising, public relations, market research, logistics, accounting, auditing, architectural and legal services, and many others.

In financial year (FY) 2022-23, India exported software and IT services worth \$150 billion (20 per cent of the global share) and OBS worth \$80 billion (4.2 per cent of the global share). Software and IT services have over half the share in India's service exports, while OBS constitutes about a quarter.

Let us understand why OBS has the potential to grow bigger than IT. Although software and IT is India's largest export sector, globally, OBS trade is more than twice as large as the IT sector and is growing quickly. Globally, services exports totalled \$7.1 trillion, with OBS at \$1.8 trillion (25.4 per cent) and software and IT at \$762 billion (10.7 per cent).

Also, the growth of the software and IT sector might be moderated in the coming years by artificial intelligence-led disruptions and an overreliance of Indian IT exports on one country. The US accounts for over 70 per cent of IT export earnings.

With a few strategic actions, India's OBS exports could grow faster than software and IT exports in the coming years.

### World trade in OBS is booming

Rising demand for specialised services, the integration of services into manufacturing, and technological advances are driving its growth. As advanced manufacturing firms separate design, development, and production tasks across different locations to save costs, the demand for specialised services like engineering, IT, logistics, and R&D increases. This integration of services into manufacturing, known as the

“servicification” of manufacturing, is fuelling OBS growth. For example, a US-based car manufacturer outsourcing engine design to an India-based engineering firm illustrates this trend.

Also, firms expanding abroad need more services in new markets. The rapid growth of emerging economies also boosts demand for professional services like engineering, advertising, and R&D. Technological advances, such as cloud computing, remote work tools, and digital platforms, enable more services to be delivered globally, making them increasingly tradable.

The growing pressure for digital transformation across sectors further increases the need for technical and engineering services. Examples of such activities could be an R&D centre funded by a European pharma company in India, or a marketing campaign by an Indian agency for a Korean electronics company.

Cost-effectiveness is another driver. Companies outsource functions like engineering, R&D, and advertising to more economical locations like India, allowing them to focus on core operations while relying on specialised external expertise. Additionally, regulatory burdens make businesses seek consultancy services to navigate international compliance complexities.

The OBS global trade volume is rapidly growing for the above diverse reasons. India has the right credentials to benefit from this trend.

### Who is driving India's OBS exports?

About half of India's \$80 billion OBS exports come from global capability centres (GCCs), with the rest provided by thousands of firms and consultancies of all sizes. GCCs, established by multinational corporations (MNCs), manage specific functions such as IT services, finance, human resources, R&D, and various back-office operations. An engineering MNC might establish a GCC in India to handle complex design projects for global clients.

India has around 1,500 GCCs in Bengaluru, Hyderabad, Pune, Chennai, Mumbai, Gurugram, and



AJAY SRIVASTAVA

## Cities need a defence against disasters

A sombre reminder of life's transience emerges when one looks at the lifeless picture of a man crushed under a fallen pillar at the Delhi airport as the city floods due to heavy rainfall. Of late, India has borne witness to multiple incidents of loss of life and damage to critical infrastructure due to extreme weather conditions.

In the last few months alone, the walls and pillars of several airports (including in the National Capital) have collapsed due to heavy rainfall. Such instances beg the question whether our smart cities have a climate-smart and disaster-resilient infrastructure to ensure the safety of the general public.

Extreme climate events increase disaster risk, asset loss, and service disruptions, potentially compromising existing infrastructure. Further, damage or disruption to infrastructure within urban systems can lead to cascading risks and widespread service interruptions across regions. Undoubtedly, our cities must enhance their essential municipal functions to address the crises that disrupt mobility during heat waves and heavy rainfall. However, as buildings start to crumble under the weight of climatic conditions, one begins to realise the urgency of having climate- and disaster-resilient infrastructure. It becomes all the more imperative as India is a founding member of the Coalition for Disaster Resilient Infrastructure (CDRI), which aims to strengthen the climate and disaster resilience of critical infrastructure.

Investing in resilient infrastructure is not just about preventing damage and loss of life; it is about ensuring the continuity of services that keep our cities functioning. When roads are impassable, public transportation grinds to a halt, and power outages become frequent, the very fabric of urban life is threatened. These disruptions have far-reaching impacts on the economy, health, and well-being of city dwellers.

Incorporating disaster and climate risk assessments into urban planning is a proactive approach that enables cities to prepare and mitigate natural hazards. This integration ensures that infrastructure is designed and built to withstand extreme weather conditions, reducing the likelihood of catastrophic failures. It also means creating urban spaces that can absorb and manage environmental stresses, such as more green spaces to mitigate the urban heat island effect and water management systems that prevent flooding. The Sendai Framework for Disaster Risk Reduction 2015-2030, in collaboration with the Paris Agreement on Climate Change, the Addis Ababa Action Agenda on Financing for Development, and the New Urban Agenda, emphasises the importance of significantly reducing disaster-related damages to critical infrastructure. It also advocates for the integration of disaster risk assessments into urban planning.

Integrating these risk assessments into urban planning also involves the collaboration of various stakeholders, including government agencies, urban planners, engineers, and the local community. By working

together, they can ensure that urban development projects are not only sustainable, but also resilient to the impacts of climate change and natural disasters. This also fosters shared responsibility and community resilience, making cities better equipped to handle future challenges. Moreover, the economic benefits of integrating disaster and climate risk assessments into urban planning are significant. While the initial investment in resilient infrastructure may be higher, the long-term savings in reduced disaster recovery costs, fewer disruptions to economic activities, and improved public health outcomes are substantial. Resilient cities are more attractive to investors and businesses, fostering economic growth and stability. Incorporating these assessments into urban planning also addresses social equity issues.



### CONURBATION

AMIK KAPOOR & BIBEK DEBROY

## An amble through a forgotten India



### BOOK REVIEW

VANITA KOHLI-KHANDEKAR

Mr Raina (75) has produced over 130 plays such as *Kabira Khada Bazaar Mein*, *Karmawali*, *Lower Depths* and *Pari Kukh*, in several languages. He has acted in over a 100 of them since he passed out of the National School of Drama in 1970. As a movie actor, his filmography stretches over the years from the National Award winning *27 Down* (1974) to the brilliant *Ek Ruka Hua Faisla* (1986), *Taare Zameen Par* (2007) and lately *Gangubai Kathiawadi*

(2022). It includes shows such as *Tanaav*, the Indian adaptation of *Faada*, on SonyLIV.

However, *Before I Forget: A Memoir* hardly has a mention of the breadth and depth of his theatre and film work. In fact, you would be hard-pressed to figure out what precisely he does for a living if you read the book without any context of the man. But once you start reading it, it doesn't matter. *Before I Forget* is a picturesque amble through the life of a gentle, kind-hearted man who happens to be an actor. He is more a socio-cultural activist who believes strongly in using art, in his case performing art, as a way of dealing with societal issues. For many decades now, he has used his understanding of the craft, his position and the ecosystem in which he operates to get people together, to heal wounds, to help

Nowhere in the book does Mr Raina say this directly. The book simply takes you through vignettes of his life.

If you have seen him in a play or a movie, you realise he writes as he talks, gently, unhurriedly. He starts with his childhood in Kashmir in the 1950s and 1960s. It was a different India; one that was just getting stitched into a country. He can now put into perspective some of the events he heard about or saw – the arrest of Sheikh Abdullah by the Indian government, his return, the popular support he had among Kashmiris. He describes in great detail the hours people waited and the sea of humanity that ran behind Abdullah's car in downtown Srinagar when he was released from prison in April 1964.

Mr Raina was acting in school plays from early on. Dinanath Nadim, the principal of his school in Srinagar, was a

legendary name in Kashmiri literature. After independence in 1947 there was talk of Naya Kashmir and one of its pillars was art and culture. This inspired a progressive cultural movement in writing, performing arts *et al.* In the first-ever Festival of Kashmir in 1956, Mr Raina, then all of eight years old, was part of *Neki Badi*, a musical opera written by Nadim.

Mr Raina's childhood and the Kashmir he describes is rich with the imagery that only someone who has grown up in the state before the strife began could possibly capture. When he is describing a situation, such as his grandmother's funeral or how people helped him home

during a sudden curfew, it seems like another world with people from across professions and religions playing, socialising, and standing up for one another.

He is clearly a good observer, both as a child and as an adult, and humanitarian to core. That explains why the book is

more focused on political, social and cultural events, and what he did at that time instead of just the plays or films in which he worked. When the book moves to Delhi, Mr Raina describes his experience of the onset of the 1984 riots, the work he and fellow actors and writers did for the victims. There are pages upon pages of what happened, how bad things were at relief camps, how it was tough to get things organised. Remember, this was India in 1984. There was no decent public

or private transport, phones were few and there was no mobile or internet.

Similarly the work he and his colleagues did when Safdar Hashmi, a friend, poet, playwright and actor, was killed while performing a street play in Delhi in January 1989 is evocative. Their grief led to the forming of SAHMAT or the Safdar Hashmi Memorial Trust in February of that year. Its purpose is to stand up for creative freedom and the democratic rights of the cultural community in India. There are stories of plays performed, workshops done in Kashmir (among other places) in the shadow of militancy.

For some reason, maybe a hankering for a simpler time, Mr Raina's stories, anecdotes and the people he talks about touched me. His writing is easy, free-flowing. He is not trying to impress, surprise or shock. He is just telling you about various things that happened in his life, before he forgets. Read it for the joy of discovering this gentle man and an India that is now forgotten.

The writer is founder, Global Trade Research Initiative

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# OPINION

The  
**Hindustan Times**  
ESTABLISHED IN 1924

{ OUR TAKE }

## What Khedkar saga uncovers

Charges against the trainee underline need for more serious oversight of the selection process

L'affaire Puja Khedkar is still unfolding but the broad contours of this sordid saga are now clear. The 32-year-old trainee bureaucrat is accused of multiple counts of misconduct, forging a non-creamy layer Other Backward Classes certificate while her family commanded assets north of ₹40 crore, using fake addresses and falsified spellings to procure a disability certificate, and faking her age and date of birth to appear for the Union Public Service Commission (UPSC) examination more times than is permitted. None of these accusations have been proven, and Khedkar deserves a thorough and fair examination of her conduct away from the glare of the media spotlight. But the avalanche of allegations against her and members of her family have sparked similar charges against several other current and former members of the Indian bureaucracy. Some of them are accused of misrepresenting their physical abilities to qualify under the disability quota; others, of falsifying their family incomes to be certified as non-creamy layer — both point to the dire need for stricter oversight over those who make up the steel frame of India.

The government has now taken the first step in calling Khedkar back to the training institute, but the bigger issue before it is to address questions that have emerged on the very credibility of the UPSC selection process. For instance, there is now a perception that caste and disability certificates are not adequately vetted to begin with, and that the system can be gamed. This cannot stand. The bureaucracy is not only a key node of governance in India, it is also the principal and the most important arm of the state to interact with the common citizen. Civil servants and police officers wield enormous powers over India's 1.4 billion people, and are able to execute their duties because of the trust reposed in the system by the ordinary Indian. That compact should not be allowed to be vitiated by the appearance of corruption. In a country where a common citizen often faces numerous hardships in trying to procure official documents for a genuine case, it is intolerable that something as sacrosanct as affirmative action.

India's civil services selection process has long remained unblemished, setting itself as a standard bearer to pick men and women to govern the world's largest democracy. But the fallout of Khedkar's alleged conduct is miring it in confusion and doubt. This is not good for the bureaucracy and the country. Robust oversight and transparent fixes would augur well.

## K'taka must junk quota non-solution for good

Karnataka's Bill on reservation for Kannadigas in private sector jobs is not just regressive, but also may not prove to be the political quick fix the government wants. Given that unemployment in the state has stayed significantly lower than the national average for some years now, the draft legislation has more to do with discontentment among locals over quality of employment than with joblessness. The state's IT dominance, concentrated in Bengaluru, is both the result and the cause of software talent from across the country flocking there over decades. The income gulf between the migrant IT and largely local non-IT crowds has translated into consumption pressures for the latter, including in housing. While the political need to address this discontentment as well as create more jobs for locals is understandable, the quotas being prescribed are hardly the solution.

Bengaluru is built on migrant labour and capital. With globalisation, the city became a byword for migration of software jobs from western cities. While this played a big role, the freedom to hire from anywhere in India allowed many IT majors to make Bengaluru home. Forcing firms to look within the local talent pool for half of managerial and 70% of non-managerial jobs, with onerous compliances, would surely impact the state's growth momentum.

Also, the proposed law — which was put on hold after a backlash from industry bodies — may not stand judicial scrutiny. Earlier court judgments have termed such quotas "unconstitutional". In November 2023, the Punjab and Haryana high court deemed Haryana's 75% reservation as "unconstitutional", saying it was violative of Constitutional provisions guaranteeing several freedoms to citizens as well as those that curbed the legislature's powers on making laws on domicile requirements for jobs. The Karnataka government must see sense and back off permanently.

## Crafting official history, making official memory

The decision to observe Samvidhaan Hatya Diwas to remember the excesses of the Emergency transforms official history into an observable and evocative act

A gazette notification issued on July 11, 2024, declares that June 25 is to be observed as Samvidhaan Hatya Diwas. Underlining the "abuse of power by the government of the day", the notification asserts that this move is essential not only to "pay tribute to all those who suffered and fought" during that time but also to "recommit the people of India to not support in any manner such gross abuse of power, in future."

There are two interesting aspects of this notification. First, it uses the word *Samvidhaan Hatya* (murder of the Constitution) to commemorate a political event, the national Emergency (1975-77). Second, it calls upon the people of India (not the government) to not support the misuse of political power in the future. The notification, in this sense, wants us to observe the Emergency as an inseparable element of our postcolonial official memory.

It is important to underscore the relationship between official history and official memory to understand the wider political implications of this

move. Official history is produced in a systematic manner. The government publications and web portals, school textbooks and official historical descriptions of protected monuments and national memorials as legitimate sources create official history. Official memory, on the contrary, is about the possible ways in which historical images and events of national importance are commemorated by performing a set of authorised rituals. In other words, official memory transforms official history into an observable and evocative act.

The regime led by Prime Minister Narendra Modi has always been quite concerned about the official memory. There has been an inclination to defy established norms and rituals simply to redefine official commemorative practices from a different and politically viable vantage point. This is not a simple task. Official rituals such as the celebration of Independence Day and Republic Day are deeply associated with our public culture which has evolved over the years. Any significant disruption in these rituals might have some adverse political consequences.

To avoid such a possibility, the Modi regime has followed a very interesting approach. Instead of innovating a completely new element or practice, the government has decided to systematically appropriate material objects, sites, and historical events for reconceptualising the contours of official memory. Two examples are very relevant in this regard — the construc-

tion of the National War Memorial (NWM) next to India Gate and the declaration of August 14 as the Partition Horrors Remembrance Day.

The story of the NWM goes back to the 1960s. There was a serious discussion in Parliament to nationalise the Central Vista and remove colonial statues. It was, however, Indira Gandhi's government in the 1970s that took a bold initiative after the Bangladesh War. It decided to install the Amar Jawan Jyoti (Flame of the Immortal Soldier) at India Gate to establish a link between colonial and postcolonial commemorative practices.

The Bharatiya Janata Party (BJP) had made a serious demand for a war memorial in 2012. The party reiterated this proposal in its 2014 manifesto as a poll promise. It was claimed that the party would "build a War Memorial to recognise and honour the gallantry of our soldiers".

After winning the election with a significant majority, the BJP-led government decided to go ahead with this plan. In October 2015, the Cabinet approved the proposal for the construction of NWM at India Gate. A proposal to establish a war museum was also accepted. The construction of the NWM began in 2016. Finally, the memorial was dedicated to the Armed Forces on February 25, 2019.

The NWM, as a new entity, has also redefined the authorised rituals associated with national festivities. A new custom was introduced in 2019, which has now become an established norm. The President and the PM visit the



Hilal Ahmed



The National War Memorial, as a new entity, has redefined the authorised rituals associated with national festivities  
HT PHOTO

NWM every Independence Day and Republic Day to pay homage to the sacrifices made by the Armed Forces. This new commemorative practice, in a way, has underlined the centrality of the Armed Forces in the realm of the official memory of the State in a profound manner.

In August 2021, the government decided to declare August 14 as Partition Horrors Remembrance Day. It was argued that this move would help remind "the present and future generations of Indians of the pain and suffering faced by the people of India during Partition". In this case, the suffering, violence, and pain were presented as the crucial elements of the past, which need to be remembered in an official manner. The Samvidhaan Hatya Diwas must be seen through the prism of this new version of official memory. The citizens are called upon to observe the crucial events of national life by evoking negative emotions — war, horror, and murder. This version of official memory is slightly problematic.

No one can deny the sacrifices of our Armed Forces in protecting the territorial integrity, unity, and sovereignty of the country. The impact of Partition has also played a significant role in shaping the collective con-

sciousness of those who had faced unprecedented violence during 1947-48. And no one can ignore the State authoritarianism practised by the Indira Gandhi-led Congress regime in the mid-1970s after the declaration of internal Emergency. One finds serious reflections of these events in postcolonial Indian literature, painting, and other artistic expressions, including Hindi cinema. These elements of our public life, however, have been interpreted in a nuanced manner. A constructive resolve is always offered in such a way that suffering, pain and horror might not lead to collective trauma or pursuit of revenge. That was the reason why the contribution of the Armed Forces was celebrated as peace work; Horrors of Partition were commemorated to build a secular India; and the Emergency was observed as a point of reference for the protection of civil liberties and human rights. This positive attitude is inextricably linked to the basic cultural ethos that we call the Indian civilisation.

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## Why our large cities need metropolitan governance

Reports of a Karnataka government proposal to split the Bruhat Bengaluru Mahanagara Palike (BBMP), the municipal corporation of Bengaluru, into five municipal corporations and accept recommendations of the BBMP Restructuring Committee bring the intractable challenge of governing India's largest cities back into focus. BBMP is among India's largest municipal corporations, at over 700 sq km.

India had 53 million-plus cities (or urban agglomerations (UAs), defined as a continuous urban spread constituting one or more towns and their adjoining outgrowths). These host 44% of India's urban population as per the much-outdated Census 2011. India's largest cities are also among the world's largest UAs.

Our Constitution — 74th Amendment Act 1993 (74th CAA) — and the state municipal Acts do not imagine a separate model for our large cities at present. There is a passing but inchoate reference to metropolitan areas (envisaged as million-plus cities) and Metropolitan Planning Committees (MPCs) in the 74th CAA. Across 28 states and seven Union Territories (UTs), there are 88 municipal legislations and 44 town and country planning legislations that govern India's 4,900-plus cities and towns. Of these, 49 legislations cover 149 municipal corporations. While cities such as Chennai, Bengaluru, and Mumbai have their own city-specific Acts, they do not address metropolitan governance and are effectively city-level municipal Acts that govern a part of the city based on municipal boundaries.

Karnataka in 2014 constituted a committee to restructure the BBMP and now, it has proposed to move forward with this agenda. This is a positive step. Of course, whether this turns out to be a cynical political move to split the BBMP into smaller municipal corporations in the hope of winning elections to a few of those remains to be seen.

The lack of a metropolitan governance paradigm is impacting India's ability to leverage agglomeration economies and address environmental sustainability, given neither is neatly contained within municipal boundaries. Citizens too are directly impacted by fragmented, uncoordinated governance across a bevy of bureaucrat-led institutions such as development authorities, transport corporations, water supply, and sewerage boards, besides several state departments.

The spatial fragmentation is acute. According to Census 2011, the Mumbai UA has seven urban local bodies (ULBs), apart from the Municipal Corporation of Greater Mumbai. The Kolkata UA has a staggering 30 ULBs and 76 census towns (urban areas governed as villages) apart from the Kolkata Municipal Corporation. As observed in Janaagraha's Annual Survey of India's City-Systems (ASICS) 2023 report, the 53 UAs of India are haphazardly governed by 200+ ULBs and several other agencies, state departments, and even *panchayats*.

According to an OECD study, metropolitan areas with a metropolitan governance body have a per capita GDP that is, on aver-

age, 7% higher than that of metropolitan areas without such a body.

State governments must form metropolitan authorities in megacities, with integration, coordination, and planning functions so that the agglomeration economies can be effectively leveraged. In million-plus cities, mayors and councils must be empowered over funds, functions, and functionalities, with the civic agencies accountable to them. Additionally, MPCs should be made fully functional with due representation of the mayor and the council. The Union government should lead such an effort to evolve a metropolitan governance paradigm, in consensus with state governments. The BBMP Restructuring Committee Report does have the elements of such a paradigm. It recommends having an MPC at the regional level, with the Greater Bengaluru Authority (GBA) modelled on the Greater London Authority.

It recommends a three-tier governance framework for Bengaluru with the GBA, municipal corporation, and ward as the three tiers. The GBA is to be headed initially by the chief minister, and, eventually, by a directly elected metropolitan mayor. There is no evidence of cities other than Bengaluru even contemplating such a move. The Delhi experiment of trifurcating and merging back the municipal corporation was poorly thought out and riven by complexity that is unique to Delhi.

Realisation of the imperative to address metropolitan governance is emerging in some quarters. The 15th Finance Commission, for the first time, incentivised a metropolitan approach by allocating ₹38,196 crores to 200+ ULBs constituting 50 UAs (excluding UTs) to address air pollution, water and sanitation in an integrated manner. An important beginning, it needs to be further strengthened by the 16th Finance Commission. The NITI Aayog's Growth Hub endeavour too should factor in spatial and functional integration and coordination even as it rightfully thinks about economic growth as a key driver of urbanisation. Ultimately, state governments would need to assume leadership in metropolitan governance.

India's urbanisation needs to be centred on 4E outcomes — Economic growth and job creation; Equitable access to services and opportunities; Environmental sustainability; and democratic Engagement. Balancing these 4Es in the larger cities calls for metropolitan governance that can overcome spatial and functional fragmentation through single-point political accountability. Failure to do so will have real implications in terms of loss of economic productivity and potentially even gradual decay, worsening congestion and air pollution, and exacerbating climate effects like flooding. The government of India must, therefore, assume active leadership in evolving a model of metropolitan governance for the country.

Srikanth Viswanathan is CEO, and VR Vachana is head-municipal law and policy, Janaagraha Centre for Citizenship and Democracy. The views expressed are personal

{ JOE BIDEN } PRESIDENT OF THE UNITED STATES

## Update Emigration Act to fight risky labour migration

Indians fighting Russia's war in Ukraine — and those who have returned home with war injuries — have told me that hundreds of them remain trapped at different war fronts. Reportedly, at least four Indians lost their lives in the war, and the Russian government is offering compensation and citizenship to the victims' families. The issue was reportedly taken up by Prime Minister Narendra Modi during his recent meeting with Russian President Vladimir Putin.

Is it the right way to handle risky labour migration to Russia? India, which sends the highest number of labour migrants abroad, has a lot it must work on at home. It can either update the 41-year-old Emigration Act to ensure safe labour migration to Russia or adopt an approach similar to its policy for war-torn countries like South Sudan, Yemen, and Iraq by halting migration to Moscow altogether — at least until the war ends.

In 2019 and 2021, the Indian government attempted to update the Emigration Act. However, the 2019 update efforts lapsed in Parliament, and the 2021 version vanished without a trace. Both versions included measures to ensure safe, orderly, and regular migration, such as additional emigration bureaus and offices to act as gatekeepers.

However, with these drafts shelved, potential migrants miss out on safety measures in the initial phase of migration, namely recruitment, making them vulnerable, and even imperilled. India can better handle risky migration by updating the Emigration Act to include safety measures and streamline labour migration rather than unofficially requesting another country to relieve our youth from its war zones. The high unemployment rate among educated youth makes them willing to take unthinkable risks in migrating to find a job. In March, a farmworker from Kerala was killed in a missile attack in northern Israel. Two of his co-workers, both from Kerala, were severely injured. While the deceased had voluntarily gone to Israel, the Indian government also officially sent hundreds to Israel this year despite the latter being a conflict zone.

Shockingly, India has not imposed any immigration restrictions on job aspirants migrating to Russia and Israel. Both these countries have not been added to the Emigration Clearance Required (ECR) list, despite ongoing security concerns and conflicts. The ECR list is prepared by the Union government based on labour laws and security concerns in host countries. There are currently 18 countries on the ECR list: Afghanistan, Bahrain, Indonesia, Iraq, Jordan,

Kuwait, Lebanon, Libya, Malaysia, Oman, Qatar, Saudi Arabia, Sudan, South Sudan, Syria, Thailand, the United Arab Emirates, and Yemen. Some countries are on this list due to poor working conditions and weak labour laws, such as those in West Asia. Others, like Yemen, Afghanistan, Iraq, Libya, Syria, Sudan, and South Sudan, have been included due to security concerns.

The Russia-Ukraine war started in February 2022. According to *The New York Times*, in May, the Russian army suffered significant casualties in Ukraine, with more than 1,000 soldiers injured or killed on average per day. Despite these losses, it recruits 25,000 to 30,000 new soldiers monthly, which enables it to continuously deploy waves of troops against Ukraine. As of June 30 — before the latest wave of missile strikes — the Office of the United Nations High Commissioner for Human Rights had verified 11,284 civilian deaths and 22,594 injured due to the war. The situation in Israel isn't very different. In May, the UN said that the overall death toll in Gaza is over 35,000. Given such fatalities, why has the government turned a blind eye to labour migration protocols being adhered to when it comes to these war-torn countries?

In India, labour migration must take place through eMigrate — established in 2014 by former minister of external affairs Sushma Swaraj — to streamline labour migration — to ensure the safety of Indians working abroad, and to uphold their rights. Currently, eMigrate is mandatory only for those travelling to countries on the ECR list. Interestingly, bypassing the eMigrate system, India entered a deal with Israel to send labourers in May 2023. Even when the Israel-Hamas war broke out in October, the labour migration deal wasn't shelved.

Instead of adding Russia and Israel to the ECR list and halting migration through immigration checks, the Indian government is focusing on raiding recruitment agencies that send workers to these areas. Recently, the Uttar Pradesh government advertised job opportunities in Israel — even though this was widely discussed, the concerned authorities seem to have overlooked the safety and welfare of job aspirants. India needs to update its Emigration Act and halt labour migration to Russia and Israel, instead of requesting those countries' leaders to relieve our citizens from their warfronts.

Rejimon Kuttappan is a labour migration researcher and author of *Undocumented: Stories of Indian Migrants in the Arab Gulf*. The views expressed are personal



## OUR VIEW



## Byju's lesson: Reevaluate winner-takes-all dreams

Think and Learn's insolvency case offers a cautionary tale for tech startups keen on explosive expansion on the back of fabled 'network effects'—which could prove tantalizing but elusive

Edtech major Think and Learn (T&L), which offers online education under the brand Byju's, is headed for the wringer of bankruptcy now that a case moved by India's cricket board to recover its dues has been admitted by the National Company Law Tribunal. Under our insolvency code, Byju Raveendran, its prime mover, must make way for a panel of creditors to run the business while its fate is chalked out. As creditors await whatever money they can retrieve, the rest of us could draw lessons from the fall of an enterprise that once held the promise of taking quality school education global. There's a slim chance that T&L works out a deal with the cricket board over the ₹158 crore it owes for its team-jersey sponsorship, given that it just struck one with another operational creditor that was suing it. But no matter what happens next, its story of rapid expansion amid a truly rare global opportunity forms a cautionary case-study for tech startups of the Information Age.

News on Byju's over the past year or so has mostly been about its grim struggle to keep going, with its finances in a mess, valuation crashing from a peak of \$22 billion in 2022 to a tiny fraction of that, creditors baying for their money and investors trying to oust Raveendran in a bid to revive the venture. However, why was this business was so prized to begin? This must not escape scrutiny. T&L's early success at signing up students was thanks to its value proposition: It offered a useful way to study. Moreover, talented teachers taking classes over the internet could address a far larger market than any school could, and as digital teaching aids got better, talk arose of a hybrid model of pedagogy. Once covid forced schools shut,

demand for edtech services zoomed, with Byju's storming a market that looked set for a global boom. Even as it rushed to ride this wave, the investor buzz around its potential went sky-high. As a digital play, its cost of acquiring each new student was negligible. So, in theory, it could scale up cheaply, limited by little other than how widely it could fan out, even as fixed costs getting spread across a wide base would lend it an edge to keep rivals at bay. Given its head-start, it looked like a likely beneficiary of the winner-takes-all dynamics that mark online platforms for multitudes. It just had to snuggle its brand into the mind-space of as many folks as possible, an exercise it duly invested in. The dynamo of such dominance, though, is often what tech mavens call 'network effects.' After a point, the appeal (and value) of a leading network tends to overtake its pace of expansion. As people join because others are members, such a platform can spiral up quickly (as we saw happen with WhatsApp). Do network effects apply to edtech? Students are subject to peer pressure, no doubt, and Byju's enrolments made it seem as if similar effects were in play: If their friends joined, they did too. But then, the limits of this dynamic showed up in anecdotes of an aggressive sales outreach, with several parents put off by the fear-of-missing-out they felt the brand's approach stoked. Critics spied a risky dash to wrap up an edtech market on the back of a strategy that over-relied on the appeal of its network (and advertising) for expansion.

Today, the edtech wave set off by the pandemic has ebbed and Byju's frantic scale-up looks distinctly reckless, although it has given investors and startups plenty to think about and learn from. Above all, winner-takes-all dreams mustn't lose touch with reality.

## MY VIEW | EYE ON AI

## The AI-led machine era marks a fresh chapter in human history

Generative AI is ushering in a period of hyperchange that'll make past transformations look small



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The thing about experience is that as we age, we start viewing everything through the lens of history and start uttering things like, "This time is no different." Yet, there are moments in history when relying too heavily on the past can be misleading. At the dawn of the internet, nothing in economic or technological history could have prepared us for the changes it wrought. Similarly, the advent of Apple's iPhone redefined the mobile phone industry, rendering previous market leaders obsolete.

Today, we stand at another such inflection point. In 2022, Generative AI, or GenAI, a narrow neural network method (that uses transformer models), revolutionized the field of artificial intelligence (AI). This method, in some ways a new type of heuristic or practical application of mathematics, could quickly unearth long-range dependencies in all kinds of data points in a way no statistical tool could before. Transformers allowed machines to incorporate context in ever-increasing detail, not just in text, but in almost any form of data we can conceive.

Transformers have shown enormous scaling power: The first scaling achievement of this new model was its ability to understand human languages, ushering in an era of large language models (LLMs). Suddenly, the interface between us and our machines was no

longer a specialized syntax, but our own languages. Getting the best out of machines is being democratized to an extent unimaginable a few years ago.

However, this revolution isn't without its drawbacks. The software development industry is under immense pressure from GenAI's productivity boom, with demand for developers dropping sharply. Some observers expect demand for AI developers to rise and compensate for job losses, based on a selective reading of historical patterns, but this is mostly wishful thinking so far. To the extent one should use reason to prepare for a new world if machines are going to be operated increasingly in human languages, we face an urgent need to re-channel the talent developed for tools that are going obsolete. There are opportunities in the shifting balance towards hardware and innovative GenAI-spurred applications, but grabbing them will require design, purpose and investment.

Our machines can now 'see': At the second level of scaling, as AI models became more powerful, we discovered that the same transformer math could effectively conquer human vision. Several critical thresholds have been crossed in the advancement of machine vision, with radical and permanent implications for autonomous vehicles, robotics and other industries.

Machines can now learn through observation, accelerating the arrival of general-purpose or humanoid robots. Optimists expect the number of humanoids to exceed human populations in a couple of decades. This may or may not come true, but two things are clear: most humanoids will not take the bipedal form factor popularized by movies and this is a new industry that could rise from near-zero to become multiple times the size of the global smartphone market in a decade or so.

Scientific exploration is AI's third wave: At an even larger scale, transformer models unveil complex interrelationships in data across various fields,

from genetics to quantum algorithms and material sciences. As a result, many times more proteins or crystal structures have been unearthed by machines in a few short years than what we had discovered in all of pre-AI civilizational history. This capability is opening up new frontiers in scientific research. For instance, in healthcare, GenAI models are already being used to decode genetic information and predict the efficacy of new drugs. In environmental sciences, they are improving micro-weather forecasts and even aiding in earthquake prediction.

GenAI is not just about chatbots: The transformer method is ushering the world into a broader machine era. This is not just about the arrival of chatbots and copilots, but about a fundamental shift in our relationship with technology. There will be missteps, mal-investments and market bubbles aplenty, but we need a genuine understanding—as against historical pattern fitting—at every level to benefit from these trends.

For nations, communities, families and corporates, GenAI is likely to consume decision-making more than almost anything else in the coming decades, with the gains disproportionately favouring those acting appropriately and early. Of course, this comes with all sorts of concerns, from the environmental footprint of building large global brains to the ethical implications of humanoid robots. These worries are real, but in the world of competitive nations and corporates, the costs of indecision will be high. No path we take will be without risks and pitfalls, but some will cost society much more.

In other words, we are in an era of hyperchange, which may make the era of change between the early 90s and mid-2000s look like a mere trailer.

In columns to come, we will delve deeper into the specific implications of the transformer method for diverse aspects of our commercial and personal lives. The machine era is here, and it is for us to learn how it evolves.

## 10 YEARS AGO



## JUST A THOUGHT

Machine intelligence is the last invention that humanity will ever need to make.

NICK BOSTROM

## MY VIEW | OTHER SPHERE

## A school's culture is a critical success factor everywhere

ANURAG BEHAR



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He was a short man, but his thug-like demeanour outdid his stinky wrestler's build. His up-twirled moustache danced to his raspy voice. "Kya muay-anaa karne aayen hain aap?" (What have you come to inspect?), he asked. The cordiality of his tone sounded like a struggle to keep the menace of his presence in check. "Muay-anaa nahin, dekhne aayen hain, suna hai yahaan ke shikshak bahut badhiyaa kaam kar rahen hain" (We aren't here to inspect but to observe, having heard that teachers do very good work here). My reply puzzled him. "Yahaan shikshak badhiyaa kaam kar-ten hain?" (Teachers do good work here?) It was unclear who he was asking. Then he said, "Achha, hoga (alright, must be so)."

Then he introduced himself as a teacher in the school, and also vice-president of the town's wing of a regionally-dominant political party. He scanned his colleagues sitting around and introduced each one of them, including the principal. We were harmless if a bit woolly-headed—this seemed to be his

conclusion. Perhaps only that could explain our belief in good work by teachers. He instructed the principal to feed us some local *pedaa*, then announced that he was very busy and left.

The principal led us on a tour of the school, which wasn't in good condition. Dusty lab equipment, a few dismantled computers, smelly toilets, and so on. It wasn't clear what he wanted to show us. We settled down in the classroom of the teacher we had actually come to meet. He did a fantastic job teaching the Harappan Civilization to grade six. The class was abuzz with questions and observations. We chatted after the class ended. "Mahaul hee theek nahin hai, sir" (the school culture is bad), he said. "Bas koshish kartaa rehtaa hoon (I just keep trying)."

Earlier that morning in another school, two women hugged each other and sobbed while I watched in wonder. One of them was the principal of that primary school and the other a teacher. When we had sat down to talk, they started describing the hard-scrabble lives of their students—mostly children of brick kiln workers or landless agricultural labourers. Then the teacher said she had learnt everything about empathy for such children and how to handle them from the principal. In turn, the principal started nar-

rating how everything in the school turned after this teacher joined the school 10 years earlier. That is when the emotional dam burst. The teacher had been transferred to another school and was to leave soon.

After they got a hold of themselves, they explained what was already clear, that they had worked so closely together in the most trying circumstances that it was hard to imagine what the future would be like without support from the other. The teacher would be in a distant school, and this one would be left without her.

From the moment we entered the school, we could tell it was a happy and clean school. Two students who met us at the gate wished us "good morning" with gusto and then wanted to know who we had come to meet. One of them ran to the principal to tell her we had arrived and the other led us to where she was. After introductions, she got us to sit in a math class for grade three. Animated students were rushing past each other to solve

problems on the black board. Then they had to explain how they solved them. Any mistake would be corrected by the students themselves, gently guided by the teacher. Then they would take five minutes to develop new problems, from which the teacher would select five to solve.

**Relationships and teamwork among teachers significantly impact how well a school's students do**

In a combined class of grades four and five, the principal was teaching Hindi. These students were writing funny stories, taking off from one of the "not funny" stories in their textbook. We sat there for a while, then she took us to her office where stacks of notebooks and student projects were neatly arranged. These notebooks were of stories that her students had written over many years. Many were like a record of their lives, their joys and aspirations, but to us, they revealed hardship.

She got a call on her mobile. An alumnus was getting married. She had called the principal because her father wanted to know what the principal would advise. The student had graduated from the school eight

years earlier. It was important to her father to get the teacher's approval because the school continued to be an anchor for these families long after its students had left. She consulted the teacher and then responded to the father.

It was a clean and happy school that gave its students the gift of education, but it also gave them more. Beyond subject knowledge, the school served as an anchor for the lives of students and the larger community, which otherwise had little else to hold on to. It was the school's *mahaul*—its culture.

Stark differences between the two schools I visited emphasize the biggest but most underrated determinant of school culture—its teachers and the relationships between them. The thuggish teacher's school seemed to have no relationships at all, while the second one had a deep camaraderie forged in the crucible of hardship. The effects were all too visible.

We cannot leave such an important matter to chance. This is why the National Curriculum Framework for School Education 2023 places a special emphasis on school culture and the criticality of relationships and teamwork among teachers for that. Bringing this to life on the ground is hard, but there are enough examples to learn from.



MY VIEW | CAFE ECONOMICS

MINT CURATOR

# Consumption slowdown: A blip or structural problem to crack?

It could be a transient phenomenon but may also signal deeper issues in need of policy attention beyond the annual budget



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The Indian consumer is showing signs of fatigue. The indications are evident in what consumer goods companies are reporting as well as from hard data in the national income accounts. Household consumer spending grew at half the pace of the overall economy in the financial year that ended in March. This has wide implications. Several economists have in recent weeks pointed out that companies are unlikely to buy machinery to increase capacity in their existing factories or build new factories at greenfield sites till they are sure of robust demand for their products in the years ahead, either from India or foreign consumers. A recovery in the corporate investment cycle right now depends on better visibility of consumer demand in the future.

Here is a stylised version of what happened to the purchasing power of consumers in recent years. India entered the pandemic with the economy losing momentum over seven quarters in a row. The pandemic hit the economic activity of households in very different ways, but the economy as a whole saw a sharp increase in the forced savings plus precautionary savings of households. In other words, households saved more either because they had few opportunities during the strict lockdowns or living in the penumbra of uncertainty made them wary of spending.

India saw a splendid recovery in consumer spending after the pandemic ended. One reason was that the stock of excess savings that households had built up during the lockdowns provided a significant financial buffer. This buffer, combined with the regular inflow of income as well as the psychological relief from the return of normal patterns of life, spurred a burst of revenge spending. Recent data released by the Reserve Bank of India shows that most of the stock of excess savings has been spent down by households. A lot now depends on the flow of income to support consumer spending, especially at a time when households have taken on more debt in their balance sheets, though much of it could be to buy homes.

The upshot: inertial income growth is a drag on consumer spending in India. Recent data from official surveys of the labour market as well as the state of unorganized enterprises shows that the past seven years have not been good for households in the lower deciles of the income pyramid, after being hit by multiple shocks. One view in the immediate aftermath of the pandemic was that Indian consumer spending is anyway driven by the top two deciles, which are still doing relatively well. This sanguine view did not take into account the fact that there are feedback loops—the inability of a poor household to buy a bar of soap or a motorcycle will eventually hurt the incomes of those in higher parts of the income pyramid.

Three policy issues deserve to be highlighted in this context, spanning an immediate response to structural solutions over a longer time horizon. The immediate question is what the new government should do in the upcoming Union budget as a response to the slowdown in consumer spending. The higher dividend from the Indian central bank as well as buoyant direct tax revenues provide the government with some extra fiscal headroom compared to what was assumed in the pre-election interim budget.

The question is whether the government should use the extra revenue to stimulate consumption or announce a fiscal deficit target that is lower than the glide path announced after the pandemic, by around 0.2 percentage points of gross domestic product (GDP). The case for sticking to a fiscal deficit of 5.1% is quite strong right now, so that domestic demand can get a small dose of stimulus either through more spending or a cut in the effective rates of income tax.

However, given the fact that India needs to reduce its fiscal deficit through this decade, the stimulus that can be provided by fiscal policy will be limited, and perhaps just enough to deal with the cyclical component of the downturn in consumer spending. That brings us to the second issue—the so-called ‘home market’ problem that was a hot topic of debate among Indian economists in the 1970s. Underlying it are issues ranging from a

lack of adequate quality jobs to anaemic growth in real wages. One way to break out of the home market problem is to sell more to international consumers, which is what so many countries east of our borders did over the past few decades. The answer then includes trade policy rather than just a fiscal stimulus.

The deepest structural issue is what economists describe as the ‘functional distribution of labour’, or how national income is distributed between capital and labour. This is not easy data to estimate, especially in a country such as ours with a large household sector in which separating capital income from labour income is a statistical challenge. But the very fact that profits have grown faster than the underlying nominal GDP while labour incomes have not suggests a shift in the functional distribution of income. This column has earlier commented on the economic recovery that was led by profits rather than wages, and the macroeconomic implications of such a shift. The capital intensity of Indian manufacturing as well as the sectoral preferences of the production-linked incentive scheme need to be seen against this backdrop.

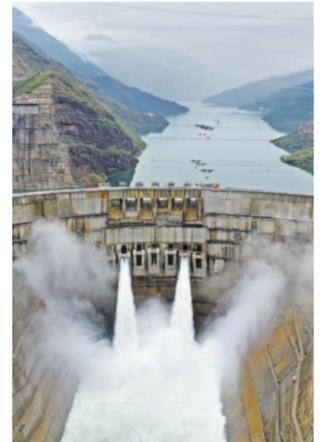
The Indian economy has a lot going for it. The slowdown in consumer spending could be a transient problem, but it is just as likely that it’s an advance signal of deeper structural issues that deserve more policy attention beyond the annual budget.

# Hydropower faces a worsening dry spell in much of the world

We must end the enduring neglect of this form of renewable energy



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Climate change may have begun to hit many of the world’s dams  
REUTERS

The world’s biggest source of renewable energy has been going through a dry patch. Generation from solar farms roughly tripled between 2018 and 2023, while the output of wind turbines almost doubled. That provided enough extra clean energy to power Japan and Russia put together. Meanwhile, the hydroelectric dams that generate about one-seventh of the world’s electricity stood still: The additional 52 terawatt-hours in 2023 was only enough to fuel Greece.

That’s not surprising. Hydro’s problems resemble those of the other veteran form of clean power, nuclear. Unlike wind and solar, it’s been an established technology for decades, so much of its growth potential has already been exploited. Like nuclear, it’s dependent on the building of costly and time-consuming projects to move forward, and shows little sign of reducing its costs. Compounding problems, a drought related to La Niña in 2022 and 2023 caused a collapse of generation in China, home to about a third of the world’s hydro dams.

It would be nice to dismiss this as a temporary setback. When drought conditions recede, generation should surge back, as we appear to be seeing in China now, where wetter weather has been filling reservoirs and drove coal to an estimated record-low 53% share of generation in May. A recent study of 610 US hydropower projects shows there may be more long-lasting issues.

The productivity of a power plant can be measured by its capacity factor—the kilowatt-hours it generates as a proportion of a theoretical maximum. For 24/7 nuclear facilities, this is close to 90%, while for solar panels, which mostly operate for a few hours around midday, it’s 15-20%.

Hydro facilities typically have capacity factors in the region of 40%—but it’s a mistake to assume that figure remains fixed in the long term. The US study found that four out of five plants saw declines between 1980 and 2022, with the cumulative fall representing nearly a quarter of generation, equivalent to closing down a Hoover Dam-sized project every two to three years.

That’s a worry. We need to increase the power we produce from clean sources over the coming decades. If existing facilities are getting less productive, we’re going to need more new plants if we want to keep pushing fossil fuels out of the mix, especially if EVs and data centres cause us to consume more electricity in general.

Why should this be happening? One well-known factor is that climate change itself may be reducing the availability of the

fresh water on which hydro dams feed. In the Alps, hotter and drier summers are likely to lead to thinner snow cover. In the Himalayas, glaciers that currently provide vast natural batteries trickling water into the catchments of hydro reservoirs from China to Pakistan are receding.

The most worrying fact about the US study is that it doesn’t even depend much on this effect. Water shortage explained the measured decline at only a fifth of the plants studied. A big share of the shortfall appears to derive from a change in the way dams are used. Non-energy considerations—such as river ecology, flood management, boating and fishing, and the supply of water for irrigation, industry and homes—appear to be growing in importance.

A plant operator may want to run a dam just for electricity production, but plenty of other interest groups may regard a reservoir as a shared public asset, and want a say in how it’s managed. That’s likely to be a fraught issue in places like South Asia, where farmers are voracious consumers of water and will demand more allocations as climate effects kick in.

To that group can now be added another: renewable power generators. As fossil fuels are pushed out of the generation mix—falling to less than a third of the total in the EU last year, for instance—hydro will more and more be called on to balance out fluctuations from wind and solar power.

In Europe, North America and the Pacific, almost all dams currently under construction are for so-called pumped storage, which can force water uphill with cheap midday power before discharging it back to generate electricity in peak hours. Even conventional dams will find themselves used more flexibly to back up wind and solar. As a result, they’re likely to generate less than they would if run flat-out.

That’s going to be a challenge. If we’re going to zero out our emissions, the world has three decades to roughly double the fleet of dams that it has been building up since the 19th century. The pace of construction is less than half of what’s needed—and the shortfall will be even worse if current plants are operating less efficiently. Hydro is probably the most controversial and most neglected form of renewable power. We can’t afford to ignore it, though.

THEIR VIEW

# Women’s bodily autonomy: Japan needs to think again

ARCHANA DATTA



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A 24-year Japanese model and four of her young compatriots, who want to undergo sterilization surgeries, recently filed a lawsuit at a Tokyo court to challenge Japan’s Maternal Protection Act of 1996, which deprives them of the opportunity to do so and thus violates their constitutional right to equality and self-determination. The petitioners’ lawyer argued that the Act smacks of “excessive paternalism” in assuming that “a woman’s body is destined to become a mother,” denying them the right to “live a life of their choice.”

This Japanese law, a revised version of its earlier Eugenics Protection Law of 1948, has stringent pre-conditions for a woman to undergo a sterilization surgery. It can only be performed on those who are at risk of endangering their lives due to pregnancy or delivery, or who already have several children, though spousal consent is a must. Japanese law also imposes restrictions on men seeking vasectomies, but Japan has more clinics for these than for sterilization.

Many Japanese women’s rights activists have rued that the prolonged rule of Japan’s conservative Liberal Democratic Party (LDP) had held back progress on women’s reproductive rights. Observed one: “The name of the Act itself is revealing, making it clear that it intends to protect only those who want to become mothers...” According to a professor of law at the University of California, Davis, “The medical profession in Japan is still very patriarchal in its thinking... doctors operate as a cartel to maintain certain social norms.” A professor of bioethics at a Japanese university has expressed doubt whether progressive reforms will get enough societal support.

Meanwhile, Japan’s official total fertility rate (TFR) fell to 1.2 in 2023, the lowest since 1947. Demographers note that people are getting married later, in their late-thirties, and opting for only one child, even as social economists foresee what one of them describes as “a vicious cycle of fewer children begetting fewer children.” Some of Japan’s East Asian neighbours, like Taiwan (TFR: 1.1), South Korea (1.1), Singapore (1.2) Hong Kong (1.2) and China (1.1), are also witnessed similar trends. Globally, over the last 70 years, the overall population’s TFR has been more than halved, from around five children for each

female in 1950 to 2.2 children in 2021.

As Japan faces an acute shortage of people in the working age group and its economy struggles to grow, Tokyo has turned to women, seen as part of the country’s “under-utilized resources,” to make up for its labour market deficit. In 2013, ‘Womenomics’ policies were introduced to tackle the twin challenges of boosting women’s economic participation and reversing its population shrinkage “for the greater good.” However, Japanese policymakers today face criticism for failing to address ‘real issues,’ like making available childcare facilities for women to help them combine professional success and motherhood, and closing the wage-gap between men and women. Likewise, many East Asian economies have logged high rates of economic growth, but women continue to bear the ‘double burden’ of social norms, which, on one hand, limit their labour market participation, and on the other, dissuade many working women from marrying and having

children for fear of ‘motherhood penalties.’ In South Korea, over 40% of women have a career break after marriage. In Japan, the social ideal of a ‘good wife, wise mother’ prevails. In China, unmarried urban females over 27 are called ‘leftover women’, regardless of career success. Wherever motherhood is seen as a milestone and choosing a childless life is frowned upon, feminist writers have protested.

In the West, Simone de Beauvoir wrote about the routine and repetitive chores of motherhood and how the social system ties mothers up in a life of mundane domestic tasks as far back as in 1943, in her book *The Second Sex*. Betty Friedan, in *The Feminine Mystique* (1963), popularized the idea of a woman “finding her personal fulfilment in her own femininity, instead of fitting into the fabricated feminine image.” Ellen Peck, in *The Baby Trap* (1971), argued that “having kids is a big business to capitalist society.” Behavioural scientist Paul Dolan observed that “women who are unmarried and childless are the

happiest subgroup of the population... and the traditional symbol of success, be it marriage or having children, did not necessarily correlate with happiness level.”

Meanwhile, many women and couples are choosing a ‘child-free’ life across the world, especially in developed countries. In the US, about 44% of childless adults in the 18-49 age group don’t expect to ever have children, and their reasons aren’t circumstantial factors like medical issues, as Pew Research found in 2021. A YouGov study in 2020 found similar dispositions in the UK.

Even in India, many women have begun to exercise their own preferences. Research indicates that childlessness is growing along with increasing education and development in the country.

As one of the petitioners in the Japanese case asked, “If a woman’s lifestyle [choice] of not getting married or having children is still rejected in society... is it natural to have children only for the sake of the country?” This is a valid question for a country that seeks to raise its TFR. Shouldn’t the contemporary world, which pushes women to motherhood for economic gains, listen to the voices of women? As women embrace new lifestyles, values and ideas, shouldn’t child-bearing always be a matter of individual choice?

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## The Indian EXPRESS

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RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

# The real Trump challenge



PRATAP BHANU MEHTA

Focus on his persona is obscuring the fact that he is undercutting Democrats on their own terms

## DROP THIS BILL

Karnataka's proposed law on quota for locals in the private sector is bad law, economics and politics

THE KARNATAKA GOVERNMENT has given its nod to a Bill that is highly problematic, one that does not measure up to the constitutional letter and spirit. The proposed law requires industries, factories and other establishments to appoint 50 per cent of local candidates in management categories and 75 per cent in non-management categories. The Karnataka State Employment of Local Candidates in the Industries, Factories and Other Establishments Bill, 2024, passed by the Cabinet on Monday, mandates that if qualified or suitable local candidates are not available, it will fall to the firms to take steps to train and engage local candidates within three years. To be sure, Karnataka is not the first state government in the country to go down this path. In the past, states like Andhra Pradesh (in 2019) and Haryana (in 2020) have brought similar laws. But such laws, wherever they are framed, discriminate among Indians. This is one of the main reasons why the Punjab and Haryana High Court struck down a similar law in November last year. The court said: "The concept of constitutional morality has been openly violated by introducing a secondary status to a set of citizens not belonging to the state of Haryana and curtailing their fundamental rights to earn their livelihood."

Of course, the political push for such laws is set in a fraught context: There is widespread unemployment-related distress in the country. Since state governments are elected by locals, it seems reasonable for chief ministers to attempt to secure the interests of their voters. However, there are several reasons why such policy moves are misconceived. The first issue, as the Punjab and Haryana High Court pointed out, is of discrimination — the proposed law seeks to curb some citizens' constitutionally protected freedom to move freely throughout the territory of India and earn a livelihood. The second problem would be reintroduction of the dreaded inspector-raj, where a set of bureaucrats will be empowered to decide whether a firm should attract a penalty or be allowed to employ people from outside the state. Rent-seeking is a given in such a framework.

The third, and often ignored aspect of such a law, is the impact it will have on the private sector. By now it is clear that there is no way governments in India — both at the Centre and state — can create enough jobs for India's youth. The solution lies in making it easy for the private sector to grow and create new jobs. A law like this will militate against such job creation. It will raise compliance costs for private firms while undermining their ability to attract the best talent and reducing their overall efficiency and profitability. Such restrictive quotas could take a high toll on the dynamism of places like Gurugram and Bengaluru, which essentially thrive because of the openness of their economy.

## HOLDING STEADY

IMF expects stable global growth as central banks face the challenge of last mile disinflation

THE GLOBAL ECONOMY is expected to grow at a stable pace in the near term. Growth has been pegged at 3.2 per cent in 2024 and 3.3 per cent in 2025 as per the July update of the International Monetary Fund's World Economic Outlook. This is in line with the Fund's assessment in April. Among developed economies, the IMF has raised its growth forecast for Spain and France, while paring down its earlier assessment of Japan. In the case of emerging markets and developing economies, the Fund has now lowered its expectations of growth prospects of the Middle East and Central Asia region as well as parts of Latin America, while sharply raising its expectations of the Chinese and Indian economy.

The IMF now expects the Indian economy to grow at 7 per cent in 2024, up 0.2 percentage points from its earlier assessment. The more upbeat prognosis, in part, reflects "improved prospects for private consumption, particularly in rural areas". This is in line with the assessment of other agencies. On Wednesday, the Asian Development Bank reaffirmed its outlook for India, pegging growth at 7 per cent. ADB expects the agriculture sector to "rebound", with the monsoon likely to be above-normal. On the other hand, the RBI has projected growth to be marginally higher at 7.2 per cent, while others like Crisil and ICRA have pegged it slightly lower at 6.8 per cent. These projections indicate that the underlying economic momentum remains healthy. The outlook for the next year also appears bright — the IMF has projected the economy to grow at 6.5 per cent, while the ADB expects growth at 7.2 per cent.

The World Economic Outlook notes that across the world, progress on disinflation is slowing. The risks to inflation have risen, and this raises "the prospect of higher for even longer interest rates". In June, the US Fed chose to maintain the status quo on rates as the committee members opted to wait for "favourable" data that indicates that inflation is moving sustainably towards its target. As per the Fed dot-plot, there is now the likelihood of only one rate cut this year, down from earlier expectations of three cuts. Across the Atlantic, while the European Central Bank cut rates in June, there are expectations of status quo in the July meeting, and for the Bank to wait for more macroeconomic data before taking further action. On the other hand, as the IMF also notes, central banks in emerging economies are being "cautious" on lowering rates due to the implications for their currencies. In the case of India, while two members of the monetary policy committee have voted to cut rates, a change in policy appears unlikely in the near term as uncertainty over the trajectory of inflation, food in particular, persists.

## A RHYME FOR LIFE

A thief walks into a house.  
The rest is poetry

IT COULD, IF one were to look at it with a poet's compassion, be considered a venial transgression: A burglar walks into a house in Maharashtra's Raigad district. Among the things he takes are an LED television, cooking oil, utensils and taps. On his way out, a life-size photograph of the former owner of the house — Marathi poet Narayan Gangaram Surve (1926-2010) — catches his eye. The rest, if one were to borrow Surve's words, could go thus: "I'm run ragged, in and out/ My daily bread is my daily doubt.../ Don't you quiver, don't go 'Tut tut',/ My sins will be venial, Mr Saraswat." ("By Way of Introduction", *In That Mill, I Too Was Forged*, Jerry Pinto's English translation). For, when the poet's family returns home, waiting for them is the TV set and an apology note: "I was not aware that the house belonged to Narayan Surve, or else I would have never stolen from there..."

It is a rare gesture but the burglar's veneration for the working-class poet, considered one of the greatest of his generation, is understandable. Surve's own hardscrabble life, and the poetry he wrung out of it, speaks to and for everyone who has struggled, lost, but not stopped looking for better days or a revolution. Abandoned at infancy, Surve was brought up by mill workers in Mumbai's chawls. In between working as a sweeper, a peon, a domestic help and a doffer in a textile mill, he taught himself to read and write, eventually finding employment as a school teacher. Renown as a poet would come later, through words advocating for those on the margins of society.

The thread that also runs through the story is the evocative appeal of poetry and its ability to salve and soothe. It lies not in the tedious demands made by critics on how it should be read but in how it makes one feel. It lies also in realising what another poet, Sylvia Plath, put as the "old brag" of the heart: "I am", and how that matters, in whatever measure, inadequate way possible, making one worthy of receiving and dispensing grace.

THE HORRIFIC ATTEMPT to assassinate Donald Trump will turbocharge the polarisation of American politics. The security lapses are already grist for the mill of conspiracy theories. Many senior Republicans jumped to conclusions and immediately blamed it on Joe Biden. Democratic politicians have condemned the assassination attempt. But it will not prevent Republicans from using loose internet talk by marginal elements in the "left" ecosystem to underscore that any criticism of Trump's potential threat to democracy is an incitement to violence, and that opponents of Trump are responsible, never mind the identity of the perpetrator. This incident will add to the nervousness about the potential for violence in American democracy.

But while the politics of assassination and the focus on Biden's age will continue, it is also important to see the strangeness of this ideological moment in American politics.

Despite its avowedly rightward tilt, the Republican Party is also trying to occupy much of the ground of the Left. There are two critiques of the American state: The Left critique that America has under-invested in the state, and the Right critique that there is regulatory sclerosis. The problem is that there is truth to both critiques, but often in their ordinary lives in accessing health or housing, or small businesses, many ordinary Americans experience the latter more directly than the former. So the critique of the state can acquire a populist tinge.

The Republican Party is trying to forge a coalition of extremes: It advocates tax cuts for the super rich but it is also positioning itself as the party that has instinctive identification with the working class. In some ways, Trump produced an identification with his persona amongst sections of the white working class that had long felt neglected by mainstream politics. The selection of JD Vance only underscores this phenomenon. His is a quintessential story Americans like: A self-made success who rose out of poverty. He is hyper-articulate and already has four successful careers by the age of 39 (marine, author, investor, senator). And he can combine them with two great political skills: Marketing and an ambitious nose for power. More interestingly, he has a set of

ideas that are very much part of the Left's repertoire: The project of re-industrialisation of America and through that the reinvigoration of the working class. Interestingly, he is on record praising the anti-monopoly, anti-Big Tech trust busting of the Biden administration. Immigration has always been a difficult issue in American politics. In the end, the Biden Administration has to follow much of Trump's cues, especially on the southern border, blurring the difference between the two parties. But there are two interesting moves, again captured by Vance. The first is explicitly tying immigration to the fate of the American working class. In some ways, Vance makes a classic Marxist argument: Elites love cheap labour, and whatever the benefits of immigration, they accrue to elites at the expense of working class wages. He has a pointed response to the argument that there are certain jobs 'whites' will not do and therefore immigrants are needed.

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But the strangest challenge for the Left is to reckon with the fact that Trump plausibly passes off as more of an anti-war candidate; and JD Vance more as a spokesman who understands the limits of American power.

Biden's version of liberal internationalism has been a deep disappointment both at home and abroad, and the mercurial uncertainties of what Trump might bring cannot disguise this fact. The Democratic Party will be doing itself a disservice if the focus on Trump prevents it from seeing the ideological challenges it faces. How much of a threat is Trump to democracy? On a precautionary principle, one might say that one should not wait to find out. But it has been difficult to articulate it as an existential threat. All the signs are that a second Trump administration might want to radically remake all institutions in its image, and like all nationalists create a chill by intensifying a hunt for imagined internal ideological enemies. Freedom will be eroded, institutional quality might be degraded further, but will it be the end of democracy? Voters are not convinced. But it is a striking fact that at the moment, it is the Left that has lost the political credentials on free speech.

The culture war on wokeness remains important to Republicans less for its substance than as a way of buttressing its distance from elites, a symbolic expression of class warfare. The only place where there is a clear distinction with some political bite is on the issue of abortion: An example of a tangible freedom that Republicans are already taking away and that still has mobilisation potential. Here, Trump has had to fudge by making it a federalism issue.

The problem for the Democratic Party is that the focus on the persona of Trump, and the preoccupation with Biden clinging onto power by all means, is obscuring the fact that Trump is acquiring more ideological coherence, governing plausibility and undercutting Democrats on their own terms. No election is over till it is over. But democracy in danger is not enough of an argument. The effects of January 6 have disappeared long ago.

The writer is contributing editor, The Indian Express



SHUBH GUPTA

## STORIES OF OUR OWN

A literature curriculum that is closer to students' culture is welcome, and necessary

THIS NEWSPAPER, IN its editorial ("Home and world", *IE*, July 5), criticising the changes to the literature curriculum in NCERT books, cited Robert Frost's poem, "The Road Not Taken". However, the essence of the poem is the same as what NCERT is trying to achieve. In the final stanza, Frost reflects, "with a sigh," on how it is difficult for a person to choose between the trodden and untrodden paths. The sigh reflects the opportunity missed or gained, "that has made all the difference".

The shift to embracing India's rich and diverse cultural and literary heritage was the untaken road — now, Bharat aspires to know itself. It is as important to know Ramdhari Singh "Dinkar" — "Rashtrakavi" — as it is to know Frost and Sylvia Plath. The nuances of India's politics and society can be best understood by establishing an Indic system of knowledge rather than banking on Western frameworks. India was under foreign rule for centuries and continuously struggled for its *swatva* (selfhood). Post-Independence, India continued its colonial legacy. Now, Bharat is confident enough to embark on its own journey. It is only those who lack confidence in "Made in India" and seek Western legitimacy that may feel discouraged.

The new Class VI English textbook, *Poorvi*, developed as per the National Education Policy 2020, attempts to decolonise Indian literature. Featuring works from Indian authors like S I Farooqi and Sudha Murty, *Poorvi* presents students with the country's diversity and the richness of

its local context and ethos. The editorial asserts that by excluding "international writers largely, it [the textbook] does young people a disservice — it robs them of a window to a wider world". However, it fails to recognise that literature is not just a window to know the world. It is also a way to offer first-hand exposure to the challenges within our society. For decades, students were deprived of their own stories and restricted to cramming tales from and of unseen, unheard settings through literature. *Poorvi* attempts to bring in the Indian Knowledge Systems (IKS) dimensions — textual, performative and embodied through textbooks — to a Bharatiya curriculum.

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The decolonisation of knowledge by promoting IKS strengthens intellectual autonomy and builds cultural capital. It will enable citizens to take on the false narratives established by Western academia about Bharat. However, the exposure to Indian literature is not exclusivist and will not hamper future engagement with global texts; instead, it will provide a solid foundation from which students can explore the world with a deeper understanding of their roots and values.

Will it be easier for students to understand society through Allen Ginsberg's 'Howl' or Munshi Premchand's *Godan*? For Indian students, *Godan* is more relevant than many foreign works as it realistically depicts the socio-economic challenges in rural India. By exposing students to local is-

its local context and ethos. The editorial asserts that by excluding "international writers largely, it [the textbook] does young people a disservice — it robs them of a window to a wider world". However, it fails to recognise that literature is not just a window to know the world. It is also a way to offer first-hand exposure to the challenges within our society. For decades, students were deprived of their own stories and restricted to cramming tales from and of unseen, unheard settings through literature. *Poorvi* attempts to bring in the Indian Knowledge Systems (IKS) dimensions — textual, performative and embodied through textbooks — to a Bharatiya curriculum.

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ference of chief electoral officers, Trivedi said Assam had also suggested that the names of foreigners identified by the tribunals should be deleted from the electoral rolls of 1979.

### THREATS FROM POK

MUHAMMAD ABDUL QAYYUM Khan, former president of occupied Kashmir, has threatened that his party workers would break the ceasefire line in Jammu and Kashmir if needed, on July 15. These statements arose from concerns that the ousting of Farooq Abdullah's administration implied a move to reduce the region's Muslim-majority population.

### ASSAM ROLL REVISION

THE ASSAM GOVERNMENT has suggested that it would revise electoral rolls after the tribunals appointed under the Illegal Migrants Act reveal final determinations, according to the Chief Election Commissioner, RK Trivedi. Addressing the press after a con-

ARMY PULLOUT LIKELY  
PRIME MINISTER INDIRA Gandhi on July 16



## JULY 18, 1984, FORTY YEARS AGO

### KAR SEVA BEGINS

THE BUDHA DAL Nihang chief, Santa Singh, started *kar seva* at the Golden Temple complex on July 16, after which he was questioned by the high priests for undertaking voluntary service despite directives advising against it. He was challenged by Puran Singh, former head *granthi* of the Darbar Sahib among others. When the *sewa* was launched, only about 150 followers of the Nihang chief were present, as devotees were not allowed to enter.

said the Army was keen to withdraw its forces from the Golden Temple, and the troops were prepared to do so as well. However, they were fearful that violence may break out with a decrease in forces, as the Akalis were still observing Shaheedi Divas, which meant confrontation with the Army was a possibility.

# What's needed in Jammu

Upswing of terror attacks requires a military, diplomatic and political response



SYED ATA HASNAIN

THE FLURRY OF recent terrorist encounters in the Jammu division of Jammu and Kashmir has mostly gone against the Indian security forces (SF), resulting in a large number of casualties. Questions are being raised on how and why, after 35 years of experience, the Army — the Rashtriya Rifles (RR), in particular — is having such adverse encounters with terrorists. I have often explained at length here — and elsewhere — why Jammu is becoming the new Kashmir in reference to the greater Pakistani focus in the region. We may briefly analyse the situation with a few observations.

It's important for Pakistan to re-establish its relevance, which was severely diminished after August 5, 2019. The selected area to up the ante in Jammu includes terrain and comparative distances between locations that remain favourable to terrorists. The jungles, heights and rocky ground of the Pir Panjal and even the Kishtwar range have a large number of hideouts. These are in reasonable proximity to the LoC and the international border (IB), facilitating returns after infiltration.

This is unlike the approaches to both urban and village hideouts in Kashmir, which have been difficult to sustain after the NIA's spectacular success against terror funding. We experienced mountain hideouts earlier in Hilkaka on the Pir Panjal in 2003, and in the Hafroda and Rajwar forests in the Valley. Reportedly, a trickle of infiltration over a delayed period could have led to the build-up of reasonable terrorist strength in the Jammu division hideouts. Very little information about them exists on the intelligence grid. A basic support system probably exists, with paid over-ground workers (OGWs) available to stock the hideouts and provide some sustenance in areas where the terrorists operate.

While tackling the insurgency in Kashmir, perhaps we kept our responses limited to these being threat-based and threats in Jammu did not become so evident. Two questions arise here. What are the primary and subsidiary aims of Pakistan in activating Jammu at this juncture? How can these be countered in conceptual and specific terms?

My assessment is that Pakistan's primary aim is the reactivation of an effective proxy war in all of J&K, notwithstanding the abrogation of Article 370. The activation of Jammu is a matter of convenience so as not to lose any further relevance and keep elements in Kashmir equally motivated by supposed success in the Jammu region. The subsidiary aim remains the targeting of the impending assembly elections and creating the conditions to keep them from happening. A cursory analysis of both leads us to the conclusion that, so far, we have only seen some of the extent to which Pakistan may go to achieve its nefarious ends. It's difficult to determine the level of risk that Pakistan is willing to undertake in the execution of its aims. However, considering its political, economic and internal security situation, it is unlikely to take a higher risk. Yet, with Pakistan, the multiple layers of strategic decision-makers, apart from the



CR Sasikumar

elector government itself, make unpredictability an effective weapon.

In view of the above, a full-spectrum counter strategy — with a few specifics related to the context of the situation in Jammu — needs to be considered. It should start with active diplomacy to convey to Pakistan and to the international community the risks involved in the re-activation of the proxy war in J&K. It should be clear that the onus of conventional conflict initiation, if it erupts, lies on Pakistan. India has to communicate internationally that Pakistan's nuclear response threats will not deter it from securing its interests. It's important to convey that the parameters of strategic patience on India's part are in the grey zone and specific Pakistani actions testing these could incur a very high cost. Strategic red lines in such an environment of mistrust are dangerously blurred. The influential big powers need to sensitise Pakistan's political and military leadership. Past failures in this arena must be disregarded. Now that India's stature under NDA 3.0 is of a higher order, a fresh effort is needed.

Politically, the Indian government's decision to conduct Lok Sabha elections in the Valley, the high turnout and the general enthusiasm witnessed all over the Union Territory, should clearly convey that there is a need for early assembly elections to take forward the ongoing integration of J&K. There are arguments against doing this in the prevailing environment of apparent insecurity in Jammu. My contention is that we conducted elections in 1996 even with the threat of a very low turnout. It was acceptable to us and it helped the wider perception of India internationally too — that it is a working democracy and is fair towards people caught in the turbulence of a proxy

There are arguments against doing this in the prevailing environment of apparent insecurity in Jammu. My contention is that we conducted elections in 1996 even with the threat of a very low turnout. It was acceptable to us and it helped the wider perception of India internationally too — that it is a working democracy and is fair towards people caught in the turbulence of a proxy war. In 2002, a year when 1,650 terrorist-related incidents were recorded, assembly elections were conducted — and successful ones at that. It is important to stay the course.

war. In 2002, a year when 1,650 terrorist-related incidents were recorded, assembly elections were conducted — and successful ones at that. It is important to stay the course. We have conducted elections under much more trying conditions and can frustrate all anti-national elements ranged against this process. Postponement by a month or two, to a time conducive from a climatic angle would, however, always be acceptable and the Supreme Court would probably go along with it.

Militarily, the turnaround in the security situation awaits one big successful operation. We can be confident it's not very far. With additional forces being deployed, proper orientation of troops must be carried out, especially in dealing with the civilian population and other forces such as the J&K Police. Although some may not be so inclined, I firmly believe in a larger operational "sweep and churn" of Pir Panjal South to disturb and destroy the logistics and hideouts as well as the neutralisation of terrorists. Technology and the Special Operation Group's intelligence capability must be fully exploited. Poonch, Surankote and Rajouri have already been stabilised and focus should not shift from there while Reasi, Doda and Kathua are addressed. None of this is alien to the Army and JPK. At tactical levels, a focused return to basics will stand units in good stead.

Lastly, let the media hold its horses and not pressure either the government or the Army. Counter-proxy war is a game of patience, and setbacks are inevitable, as are successes.

The writer is a former corps commander of the Srinagar-based 15 Corps

## WHAT THE OTHERS SAY

"A rigid approach will only extend the party's [PTI] needless suffering till the government breaks, while a give-and-take approach may yield better results. Politics should not be reduced to a zero-sum game."

— DAWN, PAKISTAN

# A win for me — and you

As a first-time MP, I pledge to speak for the voiceless and the marginalised



IQRA CHOUDHARY

THIS VICTORY FEELS surreal. I remember the scorching afternoons spent campaigning, my voice hoarse from addressing rallies in dusty villages under the harsh sun. I remember the scepticism — a young newcomer challenging the iron grip of the regional heavyweights.

The journey wasn't easy. But I was fuelled by stories — of unemployed young people with degrees collecting dust; of farmers crippled by non-payment of sugarcane dues and vicious cycles of debt; of families shattered by lynchings and bulldozer demolitions; of lies and hatred against communities; of the ripping apart of India's social and democratic fabric. This is why I refused to back down; this is why I fought against the powerful.

My campaign resonated with voters. People saw themselves reflected in my fight for better representation — all 36 *biradaris*, women, the underprivileged, the forgotten. I spoke of creating opportunities, not just giving out handouts. I promised to fight for fair prices for farmers and to ensure they get their dues, not eviction notices. I vowed to eradicate the stain of religious hatred and the brutal practice of lynching. I stood against "bulldozer justice" that destroys homes before due process can take its course. This win is not mine alone. It's a win for every voice that yearned to be heard, for every dream waiting to take flight.

I come from Kairana, a city merely 100 km and about two hours from India's capital, Delhi. The deprivation and helplessness among people of all communities here are alarming. I want to highlight a few problems that I feel are important and would like to work on in the future.

Women in India and Uttar Pradesh face a web of challenges. These include a high prevalence of anaemia, child marriage, a wide digital gap and low school-completion rates, particularly in rural areas. This restricts their access to skills and job opportunities. Workforce participation for women in UP is dismally low, with wide variation across districts. Further hindering their economic empowerment is wage disparity, where women often receive less for the same work. Even in the realm of sports, societal norms limit female participation. These factors combine to create a reality where women have less control over their lives, limited mobility, and dependence on others.

UP's farmers grapple with a multitude of issues. A major concern is delayed or unpaid dues from sugar mills, sugar being a key crop in the state. This traps farmers in cycles of debt. The average farmer income in the state also remains low compared to the national average. This disparity highlights the difficulties farmers face in turning a profit despite their hard work. Additionally, a lack of crop diversification

and climate change create vulnerabilities such as price fluctuations and possible exposure to droughts and pests.

The spectre of lynching hangs heavy over India's minorities, leaving them in a constant state of fear. Rumours, often spread through social media, can incite mobs to take justice into their own hands, targeting individuals based on religion or caste. The lack of a law against lynching creates a sense of impunity, emboldening perpetrators. These incidents not only claim lives but also sow deep seeds of distrust and hatred between communities. The families of victims live with the trauma, while others from the targeted minority are left constantly on guard, questioning their safety and sense of belonging in their own country. This atmosphere of fear and suspicion undermines the fabric of a pluralistic society.

The recent incidents of demolishing homes, often termed "bulldozer justice", raise serious concerns about the violation of fundamental rights. These demolitions, particularly targeting Muslim properties, are viewed by human rights organisations as a form of extrajudicial punishment. They argue that such actions bypass due process and inflict immense hardship, rendering families homeless and destroying livelihoods.

This practice contradicts the right to life enshrined in Article 21 of the Constitution. This right is not merely about physical survival but also encompasses living with dignity and having access to shelter. The bulldozing of homes is a harsh and arbitrary tactic that fails to address the root causes of social issues. It's crucial to uphold the rule of law and ensure proper legal channels are followed in dealing with criminal activities. Protecting the rights of all citizens, irrespective of religion, is vital for a just and equitable society.

The Lok Sabha elections this year spanned 44 days, making it the second-longest in history after the inaugural election of 1951-52, which lasted over four months. Throughout India, the scorching sun took a toll on the health of candidates, booth workers, and polling staff who tirelessly worked day and night. Tragically, over 55 people succumbed to heat-related illnesses, including 25 polling staff. My heartfelt condolences go out to the families who lost their loved ones. I urge the Election Commission to reflect on these events and avoid scheduling elections during extreme summer in the future.

With the support of 36 *biradaris*, I stand before you as their representative in the highest temple of democracy, embodying their hopes and aspirations. Now begins the real work. The 18th Lok Sabha marks a significant shift from the past decade, with a balanced house that includes a strong Opposition capable of exerting pressure on the ruling party to prioritise people-centric initiatives. As your elected representative, I pledge to speak for the voiceless and champion the marginalised. Together, let us forge a path towards a brighter future for everyone.

The writer is Samajwadi Party MP, Lok Sabha



VIKRAM SINGH

# Targeting the PM

Pennsylvania shooting shows the perils of polarising rhetoric

AS SOMEONE WHO has spent a career in politics and security, I can understand the implications of the assassination attempt on former US President Donald Trump during his campaign rally. The incident has also compelled me to think about how polarised and fragile the American polity is at present.

The attempt also brings to light a larger problem — the increasing inability to agree to disagree. Far too often, people are turning to violence, bullying and threats to make their voices heard. Sections of the political class even support this for short-term gains.

For us in India, such antics have been increasing over the last decade, and are often seen in the targeting of Prime Minister Narendra Modi. This is linked to his popularity and how he has weakened the decades-old unchecked grip on power by a section of our polity. While Modi was subjected to diatribes even before 2014, the provocations against him intensified once he took over as Prime Minister, freedom of speech being invoked to defend it.

Ironically, much of this has been normalised by a party that tragically lost two of its prime ministers. Instead of taking a lesson from those gruesome chapters of the past, the Congress, especially during elections, makes similar provocations against the Prime Minister. Even people supporting the

BJP are ridiculed by the left liberals and sections of the media.

Modi has always been high on the target list of terrorists. As the prime ministerial candidate in 2013, during his rally in Patna's Gandhi Maidan, serial bomb blasts had killed six and injured many more.

Since he took office 10 years ago, the language used by PM Modi's opponents against him has been provocative. Hate tweets against him have been normalised. Addressing the security breach of the Prime Minister's cavalcade this June, Rahul Gandhi said that people are no longer scared of him: "His (PM's) idea of running a government is to frighten people, to make people not speak. Now what has happened is that people are not scared of him", he said, pointing to a slipper thrown at the PM's car in Varanasi.

Earlier, in February 2020 as well, Gandhi could be seen to normalise violence against the PM, saying that in another six to eight months, it would be impossible for the PM to step out of his home, for he would be attacked by the youth of the country on the issue of lack of employment opportunities: "Ye Jo Narendra Modi bhashan de raha hai, 6 mahine baad yeh ghar se bahar nahi nikal payega. Hindustan ke yuva isko aisa danda mareng, isko samjha denge ki Hindustan ke yuva ko rozgar diye bina yeh desh aage nahi

*badh sakta*", he was quoted as saying by news agency ANI.

In January 2022, the Prime Minister's security cavalcade was stuck for around 20 minutes on a flyover in Punjab's Ferozepur district. The pre-decided route had been blocked by protesting farmers. The ruling Congress was quick to pin the blame on the SPG, giving a clean chit to the state police. Congress also conveniently labelled the security breach as a "political drama". The then Punjab CM, Charanjit Singh Channi, went into denial mode saying there was neither any security lapse nor any attempt to attack the PM.

Several comments that could be construed as threats were made against PM Modi during the farmer agitation at the Singhu border near Delhi. However, none of the political parties called them out, and were instead seen to be siding with the protesters, even as they unleashed violence in Delhi on January 26, 2021. Videos were circulated that drew a connection with the assassination of former Prime Minister Indira Gandhi. Till date, the Congress has not once condemned the actions of such protesters.

Congress leader Pawan Khera was detained at Delhi airport at the request of Assam Police in 2023. He deboarded the

plane and on the tarmac, aggressive slogans were raised against PM Modi.

Elected to the Lok Sabha from Saharanpur on a Congress ticket in 2024, Imran Masood threatened the then BJP's PM candidate with explicit violence in 2013. He is often seen with the leadership, including Priyanka Gandhi. Rahul Gandhi in 2019 said that after elections that year, there will be an inquiry and the "Chowkidar" will go to jail — a reference to the Rafale deal.

Subodh Kant Sahay, a senior Congress leader, said in June 2022, "I feel he has surpassed Hitler... If Modi follows Hitler's path, he will die like Hitler, remember this". During the 2022 Uttar Pradesh Assembly elections, Congress leader Ajay Rai used abusive language against PM Modi and UP CM Yogi Adityanath, and he was accused of sedition.

Given the terrible, polarising rhetoric in the US that preceded the attack on Trump, this may be the opportune time for India's political class to reflect on its own conduct and speech and its potential consequences. The attempted assassination of Trump is a loud and clear warning of the perils of such a discourse.

The writer is former director general of police who served in Uttar Pradesh

## LETTERS TO THE EDITOR

### ASSAM FLOODS

THIS REFERS TO the article, 'In the name of flood control' (IE, July 16). Assam has always been vulnerable to floods but this year has been particularly intense. The state has over 120 rivers, including the mighty Brahmaputra, flowing through it. There are many factors relating to hydrology, terrain, and climate that make Assam prone to flooding. However, governments have not been able to manage the situation effectively. The recommended strengthening of embankments with afforestation has not taken place. The state needs more effective measures

SS Paul, Nadia

### NOT AT GUNPOINT

THIS REFERS TO the editorial, 'Aiming at democracy' (IE, July 15). Though the US is no stranger to political violence, the assassination attempt on Donald Trump, former president and Republican nominee in this year's race for the White House, is shocking. It demonstrates the heights hate has scaled in the US. In recent years, hooliganism and breach of civil order date back, at least, to January 6, 2021, when the nation witnessed the storming of the US Capitol by a mob of Trump supporters. This incident calls for all politicians to unite. Common Americans need to rise above petty partisanship and save their nation.

SH Quadri, Bikaner

### PASSED IN HASTE

THIS REFERS TO the article, 'New codes,

the same old,' (IE, July 17). The new criminal codes were notified under a mist of haste and confusion. The first order of business should have been to ensure that the common citizen is entirely aware of how the new system works. As the article emphasises, and many others have pointed out, the new codes are laden with procedural hiccups. In a system like ours, the goal should be simplifying the process. That many laws like sedition have been tightened further is a concerning, too, on multiple accounts. As citizens of a democratic country, citizens who stand to be deeply impacted by these "reforms", we must demand deeper discussion. A change this massive must be planned and implemented with much more deliberation and across-the-board involvement of stakeholders.

Shrey Gupta, Thane

### BALANCING POWER

THIS REFERS TO the article, 'A vote for federalism' (IE, July 16). When drafting the Constitution, BR Ambedkar and others who fought for India's freedom recognised the importance of a comprehensive document that protects people. Federalism, with the division of power between the Centre and states, is crucial for effective governance. However, politicians who are driven by power, often oppose this division to centralise control, especially when their parties face defeat at the state level. The constitutional powers granted to the states must be protected at all costs.

Ajay Corriea, Vasai

# Opinion

THURSDAY, JULY 18, 2024



## HEALTHCARE HUB

Union minister Jitendra Singh

Gone are the days when people used to visit other developed nations to access medical facilities; now India has become a hub and is the most sought-after destination for medical tourism

## A welcome U-turn

Karnataka's move to interfere in hiring decisions of the private sector was a hugely regressive step

**A**MID OBVIOUS BACKLASH, the Karnataka government has wisely put on hold a contentious Bill reserving jobs for natives in the private sector. The state cabinet's decision to mandate companies to appoint 50% of local candidates in management categories and 75% in non-management categories is a hugely regressive step. Chief Minister Siddaramiah also said in his now-deleted tweet that the cabinet had also approved a legislation that made it mandatory for all private industries to hire only Kannadigas in group "C" and "D" jobs. Apart from the fact that the government has no business in interfering in hiring decisions made by private companies, two clauses of the Bill seeks to give bureaucrats overriding powers to play god. One of them says some relaxation can be provided only after these establishments apply, and the government may pass "appropriate orders after due enquiry". A nodal agency will also be set up under the Act, which will verify reports on people employed by industries. It is simply unbelievable that any state government can come up with a proposal that enables government officers to sit on recruitment committees of the private sector. This is like bringing back the worst form of an Inspector Raj.

This is absurd and myopic thinking. The move also goes against the fundamental principle that people must be free to travel and work where they wish to. Reservation for the economically and socially backward sections is one thing, but seeking to introduce reservation for a linguistic majority is unprecedented. Businesses should never be forced to compromise on merit and profitability at the altar of the government's political agenda. The fundamental question is why would anyone choose Karnataka for private business enterprise if the state did not provide the freedom to choose one's employees.

It's surprising that Karnataka appears to have not heeded any lessons from the Punjab and Haryana High Court's earlier decision to quash the Haryana State Employment of Local Candidates Act, 2020, that provided for 75% reservation to state domiciles in the private sector in jobs that offer a monthly salary of less than ₹30,000. The court stated that it was beyond the purview of the state to legislate on the issue and restrict private employers from recruiting people from the open market. It also held that the Act was violative of equality guaranteed under Article 14 and freedom under Article 19 of the Constitution. The court also said the Act militates against the rights of citizens of the rest of the country, and that such Acts could lead to other states coming up with similar enactments, in effect putting up "artificial walls" throughout India.

Karnataka is home to more than 5,500 information technology (IT) and IT-enabled services (ITes) companies and around 750 multinational companies. The IT and ITes industry in the state provides direct employment to more than 1.2 million professionals and generates over 3.1 million indirect jobs. Karnataka's share of software exports, nearly 40% of the country's total, solidifies its position as a global IT powerhouse. The state also hosts around 40% of global capability centres in India. Workers move to other states seeking job opportunities that are relevant to their skills and abilities. States should not build walls and impose restrictions that prevent job seekers from other states from accessing opportunities. If states like Karnataka are truly concerned about protecting workers' rights, they should avoid knee-jerk reactions like these and prioritise investing in education, entrepreneurship, and upskilling initiatives to bolster local talent development. In any case, protectionism in the labour market can never be the answer. After all, talent hubs aren't built through reservation policies.

## China Inc heroes forced to make tough choices

**A**PLAN BY Contemporary Amperex Technology Co. to set up a fund to invest in members of its supply chain is a pragmatic move for the world's leading electric-vehicle battery maker. But a company whose cash pile more than doubled to \$40 billion in just two years shouldn't need to seek external investors. Unless it's Chinese.

CATL is looking to raise \$1.5 billion from sovereign wealth funds and private offices of the super rich, the *Financial Times* reported last week. Mercedes-Benz Group AG and families connected to other automakers have also been approached, the newspaper said. The Ningde, Fujian-based company plans to put about 15% of its own cash into the fund.

Overseas expansion is a long-term goal for the Chinese company that already operates at least six facilities on foreign soil. Customers include Tesla Inc., Stellantis NV, and Ford Motor Co. An extensive foreign customer base makes CATL a rarity among major Chinese firms and helped its overseas revenue expand to 33% of the total last year from just 4% in 2019.

With so much cash, and more coming from abroad, CATL has enough firepower to make its own investments without ceding control to others. And there's good reason why it would want to expand quickly. The long-term growth trajectory of EVs is strong. Batteries and their related components are a major expense in the purchase of a new vehicle, but as prices decline economies of scale will be a major competitive factor. Sure, tying up with others in the sector offers strategic benefits by ensuring both clients and suppliers have skin in the game. But it also means having to answer to investors in the fund whose interests may not fully align with that of the battery maker.

What's really at play, though, are the speedbumps CATL faces in quickly getting money overseas. Capital controls imposed by Beijing are hurting thousands of local companies and their foreign stakeholders, many of whom are increasingly reticent to invest in the world's second-largest economy.

One reason Beijing imposes these restrictions is to better manage the yuan and prevent a collapse in the currency. They're also designed to keep cash at home, so it can be reinvested in local industries instead of funding offshore manufacturing or repaying investors.

That worked for an inward-looking economy more concerned with building a local production base than an overseas footprint. CATL, however, is unique in being a Chinese company in a crucial part of global supply chains where foreign manufacturing makes more sense. Big and heavy EV batteries are best made near a car's final assembly site than in a low-priced labour hub like China.

It doesn't help that President Xi Jinping has publicly expressed having mixed feelings about the company's overseas expansion. Instead of wholeheartedly supporting one of the nation's global leaders, Xi said he's both happy and worried about CATL's development.

Its decision, soon after Xi's concerns were voiced, to pause plans for a \$5-billion Swiss share sale heightens the sense that its next best option is to raise money from foreigners through an offshore fund. That's an ironic and unintended consequence of China's desire to keep money and manufacturing within its borders.

Given the freedom to invest cash anywhere at any time, CATL would have a real chance of becoming a truly global Chinese company with its name on factories across the planet as well as on the investor list of numerous international suppliers. Instead, it's in a position where it may need to tap outsiders to share the investment, and the spoils that come with it, or risk losing its global leadership position.

That's not the kind of dilemma Beijing should be forcing on its national champions at a time when China needs industrial heroes more than ever.

## REINING IN INFLATION

ANY RATE CUT MAY GET DELAYED MUCH LONGER THAN EXPECTED

# Monetary policy in a tight spot

**A**TAN ANNUAL 5.1%, June's Consumer Price Index (CPI) inflation was a little higher than consensus expectations (4.8%). Indeed, the last stretch of disinflation is not just proving to be gradual and protracted, but increasingly frustrating as well. The prime culprit, if described so, food inflation, has continued to firm up; with uneven monsoons, the future seems more uncertain than many analysts would like to believe. This would certainly dampen any expectation of an early rate cut, as governor Shaktikanta Das recently cautioned against any hasty action. Thus, high real interest rates — 2% or above 3% if measured vis-à-vis core inflation — will inevitably persist for much longer and possibly extract a larger growth sacrifice as two dissenting Monetary Policy Committee (MPC) members (J.R. Varma and A. Goyal) apprehended at the last review meeting.

Should the other MPC members review their hawkish position on food inflation? A legitimate question could be this: If headline CPI inflation remains well-anchored, core inflation is sub-target (<4%), and there is very little sign of food inflation spilling to the core, then why the hesitation? Are there other factors driving caution, especially in the Reserve Bank of India (RBI) leadership?

We would like to deliberate if financial stability concerns have become more critical for the central bank than is publicly acknowledged. While financial sector-related issues are not in the MPC's remit, the RBI has a dual role to perform, delicately maintaining a balance between the two concerns. The recent weeks have seen several news reports of how the RBI is cautioning commercial banks to keep tabs on the tight credit-deposit ratio. According to the central bank data, the aggregate C-D ratio was ~78% in mid-June, as bank deposit growth lagged that of credit. Such

a situation is simply not sustainable because banks would compete for deposits, thereby raising the costs, which would be counter-intuitive at a time when the MPC is waiting to ease the policy rate.

Imagine the sheer anomaly if indeed the MPC decides to cut the policy or repo rate. Because a large and growing share of retail assets are benchmarked to the repo rate, banks will have to pass on the new and lower rate to existing customers. If unable to achieve a commensurate reduction in their cost of funds, or lower deposit rates, their margins will suffer; quite likely, this may compel them to increase risk premium on fresh loans, thus slowing or even completely blocking the transmission of monetary policy. In the worst-case scenario, some banks may even be pushed into a very tight corner, necessitating an increase in their effective lending rates, a counterproductive outcome.

How have things come to such a pass? Benchmarking lending rates to a policy variable has an inherent risk with structural rigidities in the banking sector. Problems could magnify because of several asymmetries and imbalances in key macro variables, especially buoyant asset prices and markets coexisting with declining financial savings. This complicates the

## RENU KOHLI

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central bankers' task, especially assessing what is an acceptable real rate to restore the demand-supply mismatch!

What could the RBI do? The central bank has already imposed some macroprudential measures to slow the galloping retail loans, check bank credit to the non-banking financial companies, and it must possibly be monitoring the impact. But any hurry to encourage wholesale credit by lowering lending rates could complicate the situation. Certainly, macroprudential policies will not be effective if operating at cross purposes with monetary policy action. The two must be aligned.

This delicate situation is further complicated by slowing foreign capital inflow. A persistent decline in net foreign direct investment (FDI), the bedrock for current account financing for several years, has arisen as the new pressure point in India's external account. While the narrowed current account gap is a positive recent development, the \$9.8 billion net FDI received in 2023-24 was a multi-year low and could become a source of concern. The significance of portfolio inflow in India's external account has become more critical as a result. While its equity component has been volatile and beyond the RBI's policy space, the central bank could be finding it difficult to delink

itself from the monetary policy cycle of advanced economies, especially the US Federal Reserve.

Despite India's inclusion in the JPMorgan Emerging Market Bond Index from June 28, fresh foreign institutional investor investments in the bond market have been underwhelming so far. Market expectations are that these will gather momentum as India's weight will increase by a percentage point each month to reach the 10% cap by March 31, 2025. The RBI could be carefully evaluating if any rate action would throw a spanner in this wheel. What is important to note here is that falling FDI could have inadvertently caused some degree of loss in the independence of monetary policy setting, focusing exclusively on domestic factors.

While the RBI has been alert and keenly minded these developments, resilient growth has allowed it the time and space for bringing inflation closer to target on a durable basis with core inflation well-anchored. However, there are incipient signs of global commodity prices firming up, domestic producer prices gaining some momentum, pushing up input costs, and, in forthcoming months, pressuring corporate margins. In a protected economy and oligopolistic market structure where dominant players can set prices, the risk of rising wholesale prices spilling to retail ones could be much quicker. Further, if the government chooses to focus on reviving consumption and freeing petroleum retail prices in the Budget, there could be upside risks to the RBI's inflation forecast for FY25 and FY26.

In an economy that displays signs of growth anxiety, the RBI has been adroit in managing expectations. However, if growth outcome turns out slower than projected, the room to manoeuvre will disappear faster. The central bank must be wishing food prices to normalise soon although the clouds appear thicker in the horizon.

Industry is a critical pillar not only to place ourselves in supply chains but also to generate jobs and create a greener economy worth trillions

# Turbocharging green industrial growth



## HEMANT MALLYA

Fellow, Council on Energy, Environment and Water. Views are personal

**I**NDIA HAS A new government and is on the cusp of a potential multi-decadal growth trajectory. But as it prepares the Budget, harnessing most of this growth potential requires rethinking our industrial policies. India's growth in this decade faces several global headwinds — current and potential armed conflicts in several geographies, increasing trade barriers and protectionism by developed regions such as the US and European Union (EU), a new world order mimicking the politics of the Cold War era, and to top it all, a global climate emergency which often gets undermined in international fora. In the five years of the new government, much will depend on how effectively it can navigate these challenges while ensuring jobs, growth, and sustainability at home.

There are many non-aligned options and choices to be made to leverage global headwinds for India's green economic growth. First, the government must consider a singular energy security and transition mandate for all related ministries. This concerns both energy-producing and -consuming industries and their value chains. Multiple energy transitions are simultaneously underway in India. Fossil fuel prices have been volatile in the post-pandemic period, and the Russia-Ukraine crisis is reshaping energy and core sector supply chains. To optimise its energy mix, India is expanding solar, wind, green hydrogen, and biofuels, while also increasing natural gas supply to 15% of the mix. Several ministries are overseeing these transitions — ministry of petroleum and natural gas, ministry of coal, ministry of power, ministry of chemicals and fertilis-

ers, ministry of heavy industries, and ministry of new and renewable energy — with their own energy efficiency and fuel-specific mandates. This could lead to suboptimal energy transition pathways for the country as a whole. While a singular ministry for energy with a clear vision of how to transition would be ideal, the new government could alternatively think of a high-powered interministerial group at the Prime Minister's Office that determines the national energy mandate. The group could develop a clear road map for all ministries and highlight the role of different fuels and technologies. Second, implementing internal mechanisms to guard against protectionist sustainability actions in international trade must be considered and evaluated. These non-trade measures (NTMs) include monetary penalties like the EU Carbon Border Adjustment Mechanism (CBAM), and entry barriers like the EU Deforestation Regulation. The Council on Energy, Environment and Water estimates that 32% of Indian exports to the EU (as of 2022) amounting to \$27 billion are at risk from non-CBAM NTMs. This affects a wide range of sectors, including textiles, chemicals, select consumer electronics, and plastics. The government, primarily the ministry of commerce, has to set up a clear internal governance structure to identify and evaluate action on these ever-increasing NTMs. Further, a clear process is required to translate and transmit the

## LETTERS TO THE EDITOR

### Resolving dilemma of gig economy

Apropos of "A flawed Bill" (*FE*, July 17), the gig workers' Bill presents an opportunity to redefine the future of work in India. Instead of solely focusing on social security and welfare, the government could explore innovative solutions such as portable benefits, where workers accumulate benefits regardless of their platform or job. Moreover, the

government could establish a Gig Workers' Development Fund to support skilling and reskilling programmes. To address industry concerns, the government could consider a phased implementation of the Bill, starting with larger platforms and gradually extending to smaller ones. This would allow the industry to adapt and innovate while ensuring gig workers' rights are protected. Additionally, the government could establish a Gig Economy Regulatory

Authority to oversee compliance, provide guidance, and foster collaboration between platforms, workers, and the government. —Amarjeet Kumar, Hazaribagh

### A welfare state?

Apropos of "End employed poverty" (*FE*, July 17), this government has favoured business over the interests of the working class. Reduction in corporate taxes while giving no corresponding benefits to the

working class has resulted in the growing inequality of wealth. Many working in the private sector are paid less than the minimum wages mandated by law. The dip in household savings indicate that earnings are not keeping pace with expenditure. This is a welfare state and the government cannot abdicate its responsibility. —Anthony Henriques, Maharashtra

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— Rammath Goenka

## ARREST LANDSLIDES WITH SCIENTIFIC METHODS TO BUILD INFRASTRUCTURE

A massive landslide on Tuesday morning near Ankola in Karnataka's Uttara Kannada district has buried at least 12 people, of which six are confirmed dead. The slide deposited a heavy gasoline tanker and its crew into the adjoining Gangavalli River and swallowed a part of NH-66, a coastal thoroughfare used for industry and tourism. This was only the latest such event in a series across the country. Earlier this month, the Char Dham pilgrimage was stopped when incessant rainfall triggered large landslides in Uttarakhand and Himachal Pradesh. Not long before, access to seven Arunachal districts was cut off by landslides and rockfalls.

The tragedies are a wake-up call for road engineers across India. They are known to compromise on conducting appropriate tests before taking up road projects in hilly areas. Experts have cautioned against engineers conducting only soil tests, but not soil chemistry studies, before such projects. This leaves them blind to the impact of the angles at which hills are cut into to make way for, expand or maintain roads. Soil in hilly regions contains large subsurface rocks that tend to put pressure on lower-layered soil; during heavy rains, when water presses the rocks outwards on the slopes, landslides occur. The more vertical the cuts, the higher the chance of slides. It's more so when deforestation loosens the soil, providing a ready recipe for disasters. According to the Geological Survey, 4,20,000 sq km across India, or about 12.6 percent of the total area across 15 states and four Union territories, are prone to landslides. At least 3,710 people have perished and hundreds of villages destroyed in landslides between 2010 and 2021.

When such events cause death and destruction, there is a tendency to blame nature, not the persisting human follies and official apathy. They are a huge threat not just to lives and habitations, but also to ecosystems. Intensive urbanisation and infrastructure development in hilly areas; deforestation loosening the subsurface soil; shifting cultivation involving burning forests; and mining activities that remove vegetation and gravel are the main causes. All these directly involve human activity. Serious contemplation is needed on balancing infrastructure requirements and safeguarding ecosystems, as well as protecting regional biodiversity. Ensuring growth today at the cost of destroying the ecosystems our future generations need would be suicidal. It's time to act now, rather than repent later.

## DEBT RELIEF COMMISSION A NECESSITY ACROSS INDIA

TRUE to its word, the Congress government in Telangana has begun waiving crop loans, with over 11 lakh farmers getting relief of up to ₹1 lakh on Thursday. Loans of up to ₹2 lakh will be waived in two more phases by independence day. It is a bold move by Chief Minister A Revanth Reddy to waive loans in such a short span, unlike the previous BRS government that did it in phases between 2014 and 2023.

If the then BRS government shelled out close to ₹29,000 crore, the exercise now requires ₹31,000 crore. Before going into the need for frequent crop loan waivers, let us look at the criterion set by the government. It is good that it has excluded taxpayers. All India Service officers, government employees, present and former ministers and other such relatively well-off categories—unlike the BRS, which had declared a waiver for one and all. The purpose of big-ticket loan waivers is to rescue distressed farmers and, logically, the beneficiary must be identified. In that sense, the government guidelines are sensible, notwithstanding barbs from the opposition. There is also a mechanism to address grievances.

However, one needs to ask a pertinent question at this juncture. Why do farmers in the state need a loan waiver despite producing more than before in the last decade and receiving loan waivers twice in that period? The phenomenon is not limited to Telangana. Many states have announced crop loan waivers in the last 15 years costing lakhs of crores of rupees. For Telangana, the prominent reasons are meagre compensation for crop losses that mainly affect marginal farmers and their continuing failure in getting healthy prices, not to speak of the high interest on loans from non-institutional sources.

It is time we found a permanent solution to the crisis in our agriculture sector. Without getting carried away by growth rates, we must look at engaging farmers in crop selection and urgently institute a debt relief commission like Kerala did. It is a tragedy that such an idea was entertained in pre-independent India and we are today looking at short-term solutions. It would not only help farmers but also the state government, as crop loan waivers account for a huge chunk of funds that could otherwise be spent on upgrading our rural infrastructure.

### QUICK TAKE

#### REACH OUT TO COVID ORPHANS

THE government has rejected more than half the applications received under a scheme to support Covid orphans. The PM CARES for Children scheme aimed to support minors who had lost their parents or guardians to the pandemic till May 5, 2023. Of the 9,331 applications received, only 4,532 have been approved. The numbers hardly reflect the reality. Per official data, more than 5.3 lakh Indians died of Covid till 2023 end; the number of orphans is likely to be much higher than those who could apply for support. The scheme was essential and well-meant. But we might need to make an extra effort to help the affected children.

S HIVRAJ Singh Chouhan has taken charge at New Delhi's Krishna Bhawan as the Union agriculture minister. A political heavyweight in his own right, Chouhan's long tenure in Madhya Pradesh saw the agriculture sector performing well. But now, a wider variety of concerns is on his table.

To make headway on them, I would first urge him to make a realistic assessment of crop production issued by his ministry from time to time. We face a peculiar situation where production estimates are reaching record levels, yet food prices are skyrocketing. If the production is indeed touching record figures, prices should logically start retracting. However, reality is going the other way.

The government claimed record wheat production last year, but had to impose stock limits on the grain on June 13, 2023. This year, too, government estimates set another record for wheat production at 112.9 million tonnes, but the same restriction had to be imposed sometime back. Is this a paradox of sorts?

It's not just about wheat—the oddness is true for most agricultural products. This explains our desperation for a good monsoon, which has been erratic this year with a lower-than-expected start followed by a deluge in parts. Climate change is exposing our problem and we need to accept that the days of assured surpluses may be over. Meanwhile, severe heat waves are delaying the sowing of kharif crops. It is also affected by insufficient water levels in reservoirs in the early part of the season.

In the 2023-24 estimates of GDP, growth in gross value added (GVA) of the agriculture sector was 1.4 percent, while the GVA of the entire economy was 7.2 percent. But in the first advance estimates, the GVA of agriculture was 0.7 percent. Some experts consider the latest estimates inflated.

Despite the efforts of the government, food inflation in May 2024 was 8.7 percent. Foodgrain inflation in the month reached 10.4 percent, while the next crop will take at least three months to arrive in the mandis.

So, are we really in surplus in terms of major agricultural produce, or are we in deficit? To understand this, we need to look at some examples. For the current year, the government has allocated 590 lakh tonnes of foodgrains for the National Food Security Act and other schemes. Of this, wheat accounts for 184.1 lakh tonnes and rice 419 lakh tonnes. Keeping the quantity of wheat low clearly means there is a deficit.

As per the third advance estimates, wheat production is 112.9 million tonnes, which is a record. But in the current rabi

Food inflation is refusing to climb down despite the government's efforts. So we must ask whether we really have surplus production of grains, pulses and sugar

## THE PARADOX OF HIGH FOOD PRICES AMID SURPLUSES

HARVIR SINGH

Editor in Chief, Rural Voice



SOURAV ROY

marketing season, the government procured 266 lakh tonnes of the grain, slightly higher than last year's 262 lakh tonnes. At the same time, wheat prices are hovering around ₹2,600 per quintal, against the minimum support price (MSP) for the current year of ₹2,275. Wheat export is also banned. The central pool had 299.5 lakh tonnes as of June 1, 2024, compared to 313.8 lakh tonnes on the same day last year. On April 1 this year, the wheat stock in the central pool was at 75.02 lakh tonnes, marginally higher than the buffer norm of 74.6 lakh tonnes, but the lowest level in 16 years.

Last year, the government imposed stock limits on wheat on June 13, amid estimates of record production. Despite the claim, a stock limit was imposed on June 24 this year too. The government seemingly does

not want to accept that this year crops have been damaged in Madhya Pradesh, Maharashtra, Gujarat, and Rajasthan, and there has been a production drop.

Another example is gram. The government initially estimated its production for rabi 2023-24 season at 121 lakh tonnes, which was later revised to 115.76 lakh tonnes in June, whereas the market estimate was around 105 lakh tonnes. The government tried to buy gram for the buffer stock through the National Agricultural Cooperative Marketing Federation of India Ltd and the National Cooperative Consumers Federation of India, but due to higher prices, the agencies procured only 45 thousand tonnes. Last year, the government had 37 lakh tonnes of gram in the buffer stock, but to control the prices, the government

## WHEN FIERCE FANS HAVE TO COPE WITH FAVOURITES' FALLIBILITY

WHEN the Canadian Alice Munro, one of the world's leading short-story writers and the winner of the 2013 Nobel Prize in Literature, died in June 2024, no one expected her illustrious life to be damned by a posthumous scandal. Her daughter, Andrea Robin Skinner, claiming that Munro had poohpoohed her revelations of sexual abuse by her stepfather, Gerald Fremlin, standing by him even as he was convicted.

Skinner wrote in an essay titled, 'My stepfather sexually abused me when I was a child. My mother, Alice Munro, chose to stay with him', "She said that she had been 'told too late', ... she loved him too much, and that our misogynistic culture was to blame if I expected her to deny her own needs, sacrifice for her children and make up for the failings of men. She was adamant that whatever had happened was between me and my stepfather. It had nothing to do with her."

Munro's stories, set mostly in small-town Ontario, are full of what the British Council called "the stirring of the creative impulse, the bohemian rejection of provincial anonymity and conservatism, the refusal to be bound by narrow definitions of womanhood, and the complexity of female sexuality". That her real life was antagonistic to her celebrated oeuvre "focused on women at different stages of their lives coping with complex desires", as the NYT wrote in her obituary, is what has sent the literary world reeling.

Margaret Atwood called it "a bombshell" and said she was "shocked". Joyce Carol Oates, five-time finalist for the Pulitzer Prize for Fiction, posted, "If you have read Munro's fiction over the years, you will see how often terrible men are valorised, forgiven, enabled; there seems to be a sense of resignation." Joyce Maynard posted that Skinner's words "carry the unmistakable ring of truth," but added, "I will not cease to admire—and study—the work of Alice Munro... There is art. And then there is the artist."

Munro aficionados woke up to a feeling of having been duped. And, never far behind the juggernaut of deconstruction, the cancel culture, fattened on its own toxicity, exploded across the litverse.

But, oddly enough, most people across the world fulminating against Munro won't have read Skinner's essay; it is behind a paywall. Ergo, one of the most dismayingly significant literary events in

recent times is being mediated by a media monopoly. People know of Skinner's distress only via other sites. Fortunately for us, an earlier, abridged divulgence, 'Andrea: To Heal Is Truth & Peace', is available on The Gatehouse website.

The perplexity among the readers is as real as the culture sirenning them to cancel Munro's breathtaking corpus of 162 short stories. Many will, many will not.



Nobel laureate Alice Munro's daughter Andrea Robin Skinner's revelation of her mother ignoring her stepfather's sexual abuse has opened a literary can of worms. Back under the scanner are other reputable writers such as Marion Zimmer Bradley, Piers Anthony, Neil Gaiman and China Miéville

For a vast number of readers, Munro will be difficult to give up—her stories being relatable, flowing and layered. She is a rite of perpetual passage.

The negation has taken over the literature-driven sections of social media. It has revived regard-worthing memories of another icon, science fiction and fantasy writer Marion Zimmer Bradley, the feminist who was accused in June 2014 by her daughter Moira Greyland of incestuous paedophilia. Bradley had been dead since 1999, but the communitarian despair was unmediated by time. The sales of her books thinned, until a promise by the publisher of her digital backlist to donate all the income from her ebooks to the charity

Save the Children stanch the bleed. The genre exploded with readers' nullifications and authorial repudiations. In July 2020, author Alexandra Rowland accused married writers Scott Lynch and Elizabeth Bear of abusing her—claims they staunchly denied. But the damage was done.

Critics have targeted Piers Anthony for misogyny and underage sexualisation in his works. (He does sometimes detail paedophilia in excruciating detail. Placing them in a fantasy paradigm does not grant them acceptability. For that way lies moral dodges.) This guilefulness clearly has its readers. Many of his books have appeared on the NYT bestsellers list. Anthony responded to the criticism by claiming, in 2002, that while it has "been a number of years since I tried counting the ratio of fan letters I received, but when I did it ranged from something like 60-40 to 80-20 in favour of female, and I believe I still get more fe-mail than male-mail". It's all a bit hair-raising, this wilful blindness to and defence of misogyny in sword-and-sorcery myth-building.

The Munro disclosures have not only wrenched the focus back on older transgressors—such as Lewis Carroll and J M Barrie, and J P Lovecraft and Roald Dahl, the latter two clear-as-day social reproaches—but also presumed unimpeachable writers such as Sandman legend Neil Gaiman, lately accused of non-consensual "rough and degrading sex" by two women (whose roughness Gaiman does not dispute, but has defended as consensual); and the lionised China Miéville, accused in 2013 by an ex-girlfriend of extreme emotional abuse, which he explained as the result of an "open relationship with my partner, of which I made [the complainant] fully aware".

How possible or advisable is it to cancel these legends of literature for harrowingly human ferocity? I have no answers. The cards have two faces. And I wager the jury will tear itself apart and never make it back to court.

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

### MAILBAG

WRITE TO: letters@newindianexpress.com

#### Aggressive politics

Ref: *Edge of democracy: Between dividends and divisiveness* (Jul 17). Political parties today adopt aggressive approaches for power. Instead of dwelling on their own agenda, they adopt slanging matches, sluffings, vilification and character assassination. Their political discourses are just incendiary speeches. It was not so in the old days.

K Jayanthi, Chennai

#### Tourism potential

Ref: *TN faces tough choices to raise welfare funds* (Jul 17). It is true that there is a financial crunch in Tamil Nadu due to various social welfare measures. The state government is taking steps to attract global investments for sectors like IT. If the tourism potential of TN is fully tapped, there won't be any dearth of money for welfare measures.

G Nataraja Perumal, Belagavi

#### EV limitations

Ref: *UP policy to bring hybrids, EVs on par should be emulated* (Jul 17). Promoting hybrid vehicles presents a realistic and environmentally sustainable strategy, given the limitations of a policy focused on the sole promotion of EVs, such as inadequate charging apparatus, high purchasing price and the impending stagnation of the world EV market. The policy should indeed be emulated by other states.

Lavanya Karki, Bengaluru

#### CNG discounts

It is high time the Centre and states realise the negative impacts of 28 percent GST besides state road tax for registration of vehicles. States like West Bengal and Delhi completely exempted CNG vehicles from registration and road tax. All other states should take similar measures.

Ramamoorthi Palaniyappan, email

#### Water sharing

Now that the rain gods have shown mercy in the Cauvery catchment area, there is a good amount of water available in the reservoirs. Now is the time for all stakeholders, especially Karnataka and Tamil Nadu, to sit together and resolve the water sharing issue. Else, the Supreme Court will be forced to keep intervening every now and then.

Jaikishan N. Kengeri

#### Nation's pride

Ref: *Capt followed the call of duty, says proud dad* (Jul 17). The statement of the martyred Capt Brijesh Thapa's father, a retired colonel himself, that he is proud of his son for laying down his life for the country is heart-touching indeed. The country owes much to the parents, who lost their only son in the sacred duty of safeguarding the nation from terrorists.

NA Joseph, Ettumanoor

## Haute Floating for The Fine Investor

Fancy mutual funds availability for HNIs

Sebi has floated the idea of allowing mutual funds to offer higher-risk products to well-heeled investors. Since these products are already on offer by portfolio management services (PMS) and AIFs, the proposed lower investment cut-offs will allow a larger section of investors access to sophisticated methods of wealth creation now available to HNIs. There is demand for such investment products as witnessed in the growth of unregulated PMS offerings, and Sebi is tailoring oversight of this segment accordingly. Its intermediary of choice for what is being termed a new asset class, with independent branding and regulation, are MFs that have accumulated impressive assets under management in recent years. The products will come with popular systematic investment and withdrawal mechanisms, and risk management will have to be adjusted accordingly.

There can be little to disagree with the notion that Indian investors need a bigger investment buffet menu so long as the higher associated risks are managed professionally. The question arises whether MFs are better placed to do so than PMS and AIF providers. Sebi's preference for established track record weighs the scales in favour of the mutual fund industry — although the playing field may need to be levelled progressively for PMS and AIF players. Since the matter is related to creation of wealth, initial cannibalisation upwards into the bigger-bracket PMS and AIF segments will be the more acceptable solution for a regulator. It also helps to contain risks towards the top of the funnel while arresting its spread to the bottom where adverse outcomes can have an outsized impact on household savings.

An asset class offering higher returns can nudge more household savings into the capital markets and reduce intermediation by banks. This is the direction India must follow for financial evolution that lowers the cost of capital. Scope for creativity in designing thematic investment options makes Sebi's suggestion for a new asset class a compelling one.

## Don't Allow Prejudice To Imprison Us

The insides of a prison mirror the society outside it. So, it's unsurprising that discrimination is deeply entrenched among jail officials, workers and inmates. Earlier this week, GoI asked states, UTs and prison authorities to ensure that all incarcerated are treated equally and that no person, especially those of the LGBTQ+ community, is discriminated against in any manner. It reminded the states/UTs that Model Prison Manual 2016, and Model Prisons and Correctional Services Act 2023, state that every prisoner, including non-heteronormative ones, must be allowed reasonable facilities for seeing or communicating with family members, and that they may communicate with visitors either in person or virtually. GoI's reminder is welcome. States should listen and ensure that jail authorities follow the code in letter and spirit.

Last year, GoI nudged states to create separate enclosures or wards and earmark separate toilets and shower facilities for transgender men and women to preserve their right to privacy and dignity. The advisory came in light of the Transgender Persons (Protection of Rights) Act 2019. Earlier this month, a division bench of the Supreme Court, headed by CJ D Y Chandrachud, indicated it would direct GoI to appoint a nodal officer to eliminate caste-based discriminatory practices in prisons.

In a constitutional democracy that bars discrimination against any citizen on the grounds of religion, race, caste, sex or place of birth, these episodes of discrimination only show that India has a long way to go to fully internalise this promise. These periodic nudges from the court and the state are welcome tools to ensure we don't lose our way in our journey to achieve constitutional goals and uphold our humanity.

## JUST IN JEST

Munich's first alcohol-free beer garden is not woke, it'll be trendy

## Oktoberfest in Sept, Non-Beer Biergarten

The city that gave us lederhosen, pretzels and the world's most enthusiastic beer consumption today unveils its latest masterpiece: Die Null, Munich's first alcohol-free *biergarten*. Yes, you heard that right. A beer garden without the beer. It's like opening a bakery that only sells gluten-free air crossants. But, hey, innovation knows no bounds, especially when it's fuelled by sparkling water, and a need for residents to keep their sanity from kölsch louts.

When Munich mayor Dieter Reiter inaugurates Die Null today, and the crowd erupts in polite applause, know that rowdy cheers are so 20th century. And the ultimate power move: 'I'll have a non-alcoholic beer, bitte. And while you're at it, could you also fetch my silent accordion?' Mocktails that mock your life choices. Juices so fresh they're still on the tree. And for adventurous souls, a shot of schnapps that's as potent as dandelion wine. But why, some of you may well ask, would anyone voluntarily choose sobriety during Oktoberfest (which confusingly starts in mid-September)? Well, because we're entering the era of 'post-hangover chic' with clear-eyed Mondays. And nothing says sophistication like swirling a giant alcohol-free beer mug and hailing for another round. So, teetotalitarian reader or otherwise, raise your glass to the *option* of beer-free beer in Beer Country. Prost!

If America sees regime change, it may go easy on Russia and take a more hostile stance on China

## Why India Comes Up Trump



With Donald Trump impressing America with his survival skills last week — after Joe Biden's disastrous show earlier on in the presidential debate — a key question India is increasingly facing is: will the ex-prez as the next prez benefit India?

A Trump presidency could, indeed, be advantageous for India. A look at the current geopolitical landscape, Trump's views on Russia and China, and how India could fit into a new framework in the event of a regime change at the Oval Office could buttress this view.

Earlier this month, Vladimir Putin welcomed Narendra Modi in Moscow, greeting him as his 'dear friend', even as Washington was hosting a Nato summit in these times of a Russian war in Ukraine. Days later, Modi described Trump as 'my friend' while sending a message expressing concern and relief over the assassination attempt on the Republican leader. In all this melee of bro-hood, Xi Jinping did his bit by calling Putin his 'old friend'.

The use of the word 'friend' offers an awkward peek into the transactional relationship that exists in international affairs. India-Russia as well as China-Russia trade have expanded to record levels since the Biden regime imposed economic sanctions on Russia in 2022. China became Russia's biggest trade partner, surpassing the EU in 2023. Of course, the Biden administration didn't like



Not in the line of fire

the sight of Modi and Putin bearing hugging in Moscow earlier this month. US national security adviser Jake Sullivan warned, 'We've made clear to every country, including India, that a bet on Russia as a long-term, reliable partner is not a good bet.' US ambassador to India Eric Garcetti said New Delhi would risk its relationship with Washington if it continued to deal with Ukraine's aggressor. 'No war is distant anymore,' Garcetti said, urging India not to 'take this relationship for granted', adding, 'I respect that India likes its strategic autonomy. But in times of conflict, there is no such thing as strategic autonomy.'

New Delhi has made it clear it's not going to sacrifice its decades-long relationship with Russia, which remains the biggest supplier of arms. Discounted oil supplied by Russia has led to a saving of \$10 bn for India since 2022. New Delhi has abstained from voting during resolutions brought up in the

UN condemning Russia for the war in Ukraine.

So, will the US' stance towards India change if Trump wins?

S Jaishankar recently said the India-US relationship had been in good shape during Trump 1.0. 'Like any relationship, there were issues. But overall if I look, in those four years, did our relationship deepen? Did it grow? Absolutely, it did,' he said, providing some clues — and hope — to a possible future scenario.

If Trump wins, the US is unlikely to object to India's dealings with Russia in the manner it's now objecting. The presidential challenger's statements indicate that the US won't obsess over Ukraine if he takes over. 'There are signs he may reduce US military support for Nato to Ukraine. 'You wouldn't have had Ukraine attacked if I were president,' Trump said in the presidential debate. 'I had a very good relationship with President Putin. We get along very well.'

On the China front, it could be very different. Trump is expected to intensify the offensive against China in trade and technology-sharing that he launched during his earlier tenure if there's Trump 2.0.

Discussing the Ukraine war, J D

Vance, Trump's choice for veep, said this week that his boss would negotiate with Russia and Ukraine to 'bring this thing to a rapid close so America can focus on the real issue, which is China... That's the biggest threat to our country and we are completely distracted from it.' Music to India's ears?

A future president Trump would probably engage Xi, who is facing an adverse economic climate at home, in a series of mini battles over trade, technology transfers, Taiwan and South China Sea. He could also encourage regulators to investigate US-listed Chinese companies routinely accused of being non-transparent. This is a soft target because the market capitalisation of 265 US-listed Chinese companies was \$848 bn as of January 8. Rising economic problems for Beijing, including a high unemployment ra-

te, can result in serious unrest in several parts of China, which the ruling Communist Party fears most.

New Delhi, on its part, has been unhappy about the Biden administration's criticism of human rights issues in India, including CAA and Manipur, and Washington's suspicion over an Indian hand in the attempted murder of a Khalistani leader on American soil. Trump, on his part, has shown earlier that he's not much bothered about human rights issues.

Despite these positives, though, there is one area of concern about Trump's possible presidency: his attitude towards immigration. This would adversely affect Indian students and IT workers in the US, not to mention have a grave impact on Indian tech companies. Much depends on whether GoI can bargain for concessions in this area in return for supporting the US in countering China.

The writer is author of *Running with the Dragon: How India Should Do Business with China*

## Holding a Gun to America's Head?



'Sic semper tyrannis' — 'Thus always to tyrants' — shouted John Wilkes Booth after fatally shooting Abraham Lincoln in Ford's Theatre in Washington DC on April 14, 1865. Despite committing a heinous crime, the assassin believed he had saved post-Civil War America from tyranny, something Brutus had unsuccessfully attempted to do for the Roman Republic some 19 centuries before. Donald Trump's would-be assassin could have acted from a similar compulsion last week.

But while the motive for Lincoln's murder, like that of JFK and the attempted one of Trump, was the result of individual choice — possibly aided and abetted by vested interests — the sanction to do so may have an official provenance that goes back to the late 18th century.

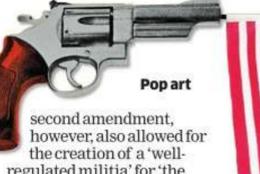
The US is no stranger to gun-related violence. The average number of such homicides totalled 13,620 in 2022. This is not surprising. According to a Pew survey, about 41% of US households own guns, possession of which is enshrined in the Second Amendment to the US Constitution,

which grants citizens the right to keep and bear arms.

Of all rights, this is undoubtedly the most contentious, but also, for some, the most sacrosanct. The Pew survey suggests that many gun-owners and their apologists believe the second amendment provides a coherent sense of identity, enables personal protection and equals liberties such as freedom of speech and right to vote. Yet, while the survey correctly identifies the source of the domestic problem, it omits the broader historical scope, by way of suggestion, of the licence to revolt and participate in political violence.

By 1789, the fledgling republic that had been created from 13 erstwhile British colonies in North America experienced a constitutional war between the Federalists, who supported the creation of a strong central government under the president along with the ratification of the Constitution first proposed in 1787, and the Anti-federalists, who preferred a federal structure that made state governments more powerful than the one at the centre, and felt that the original Constitution had not adequately protected many individual liberties.

As a result, 10 amendments — the Bill of Rights — were proposed and finally ratified in 1791, which explicitly guaranteed individual rights against infringement by the government in a court of law. The



second amendment, however, also allowed for the creation of a 'well-regulated militia' for 'the security of a free state'.

Inspired by the inclusion of such a provision in the British Bill of Rights of 1689, which allowed its citizens to bear arms for self-defence and to act in concert with official forces in defence of the realm, the American amendment conferred the same right. But it did so from a deep sense of suspicion rather than any concern for personal safety.

The militia, composed of ordinary and well-intentioned individuals, was encouraged to curb the power of presidential overreach and 'repel the danger of a federal army'. In this, president and government were viewed with the same wariness and loathing with which most Americans viewed European monarchs as 'who were afraid to trust their people with arms', lest the latter forcefully wrest concessions not in the state's interest.

It's easy to see how some may be willing to misconstrue the letter of the amendment as a call to take up arms — and even the law into their own hands — if a clear and present danger to the national interest sug-

gests itself to the imagination. While Trump was the most recent presidential candidate to have been targeted, there have been at least scores of political assassinations since 1791, including that of four sitting US presidents.

Similarly, while the attempt to storm the Capitol in January 2021 remains fresh in public memory, one mustn't forget the 4-year-long civil war, in which militiamen on both Union and Confederate sides were pressed into service to overturn an election result and save the nation.

Unfortunately, the burden of proof to condemn or excuse acts linked to concepts like the protection of personal liberty and, by extension, taking up arms against a tyrannical state resides with the prosecution rather than the defence. As such, any move to criminalise the misinterpretation of the second amendment exte will be challenging, if not impossible.

In an election year marked by deep polarisation, caustic rhetoric and likelihood that neither side will accept an unfavourable outcome at the polls, the spectre of the second amendment appears more formidable than ever before.

The writer is founder-CEO, ALSOWISE Content Solutions

## Disinvest, But With Right Interest



To disinvest or not to disinvest is a Hamletian conundrum all governments face when drafting a budget. The choice is no longer binary as several ideologies can interfere with key policy decisions.

Disinvestment has been an option since the start of the reform process, though success has varied. Initially, the goal was to maintain GoI ownership above 51%. Now, there's discussion of reducing this threshold further to incentivise full private ownership and management of these enterprises. In the last decade, the disinvestment programme has progressed in the following trajectory:

- ▶ GoI has received ₹4.28 lakh cr from disinvestment.
- ▶ Between 2017-18 and 2018-19, there were rich harvests of about ₹1.85 lakh cr, primarily on account of the success of ETFs.

Otherwise, it has been a mixed bag for GoI, with targets not be-

ing met. There are three reasons for missing targets:

● **Easy targets** When India embarked on its disinvestment journey, low-hanging fruits (non-controversial products or services) were picked for sale. But the truth is that it becomes progressively challenging to sell shares of these companies as the best ones were already out of the bag and taken.

● **Valuation targets** Getting the right price is important, and since the market can never be gauged accurately, plans are often deferred for better times.



● **Ideological issues** These disinvestment plans can often be at odds with other national goals.

Keeping this shifting background in mind, one option could be to exclude disinvestment proceeds from the coming budget. This way, the budget numbers would be free of this uncertainty. Else, given that past fulfilment has been low, the question often asked is whether the target will be met or not.

This also spooks the stock market repeatedly. However, once disinvestment takes place, the proceeds can go into a 'discretionary fund' and be drawn upon by GoI for any expenditure. Hence, any inclusion of disinvestment proceeds in the budget will be based on money already received.

There is also an argument that if companies are doing well, they can be run with less government interference and more like private companies. Interestingly, in the last decade, total dividend paid by PSUs to the government was higher than the amount divested — ₹4.66 lakh cr. In 7 of the 10 years, dividend has exceeded the disinvestment amount. Hence, if companies are doing very well, there's no need to sell

them because of dividend ideology. The ones in the red are not exciting for any potential buyer.

Another ideological factor comes into play when disinvestment decisions are made: GoI's social commitment. Today, financial inclusion is a top priority for GoI, and PSBs shoulder almost all the responsibility. For example, Jan Dhan Yojana, which involves opening a basic savings bank account for all, has PSBs accounting for 77-78% of the total balances and accounts in the system. This leverage will be diluted if the banks are sold.

A similar situation exists in the petroleum sector. Fuel continues to be the single-most sensitive commodity that can upset inflation. While the market is theoretically free, prices are controlled by statute, which is made possible because the major refiners are in the public sector. Hypothetically, the sale of these companies could make it difficult to control prices.

Therefore, it is unsurprising that the trade-offs are real and require careful deliberation. Observing GoI's preferences when budgets are announced in the coming years will be interesting.

The writer is chief economist, Bank of Baroda



THE SPEAKING TREE

## A Spark of Divine Love

ANANDMURTI GURUMAA

Divine love existed even before the world came into existence; it is present today and will be there even after the world perishes. It is the basis of our entire existence. There is a clause in the New Testament that exquisitely explains the reason this world came into being. Why did this world come into existence? When God was overwhelmed with his own love, his love overflowed and became the basis for the world's existence. And when his love grew boundless, he felt the desire to be known, understood and sought. That is why he created human beings.

It is another matter that today, the word 'love' has come to be aligned with almost everything and, more often than not, used meaninglessly. A Sufi poet has said that the heart that is attracted to and falls in love with just about anyone has not learnt to be a lover in the real sense. If at all you want to be a lover, you must burn in the flame that is in your own heart. Be a lover like a moth whose attraction for the flame drives him mad and, despite knowing the consequences, it gets destroyed eventually, immolating the self in a self-inflicted fire of love.

Has anyone ever seen such a love where the lover is seen, but the beloved is not seen anywhere? One who is invisible is 'the reality', and what we see — the visible self — is a fallacy. Almighty is invisible yet true, and the path of love is among various paths on the journey to Truth.

## STEP UP TO THE PLATE

### Hiša Franko

Kobarid, Slovenia

There are two interesting nuggets about Hiša Franko — 'Home of Franko' in Slovenian. One, its location at the foot of the Oak mountains and just a stone's throw from Soca river, one of Europe's cleanest. Two, Chef Ana Ros was destined to be a diplomat but landed in this kitchen after teaching herself to cook here — now she has two Michelin stars under her belt.

Ros not only runs the top restaurant but also ages local Tolmin cheese, and has an impressive cellar filled with natural wines. Raw material for dishes is sourced from communities of pickers, shepherds, cheesemakers, hunters and fishermen.



This year, Hiša Franko is offering a tasting menu, '50 Shades of Red', dedicated to art. As always, it's based on seasonal produce — garden leaves with a brown butter emulsion, quail egg and alpine caviar to capelletti with black pear and Jerusalem artichoke. Also, don't miss trout cured with fig leaves, inoculated barley and elder blossom water, trout belly and fig leaves praline. There's also pasta filled with apricots, pork broth infused with apricot pits and rose water. And enjoy the sumptuous view while eating that picturesque meal.

## Chat Room

### Cut Tax Load on Beast of Burden

Apropos 'Expect More of the Same' by Swaminathan S Anandaraman (Jul 17), for a few years, just before the budget is presented, news about relief for middle-class salaried employees makes the rounds only to be dashed when the actual budget is presented. The writer has done well to tell the people not to raise their hopes too high. The special state demands of the two coalition partners, if accepted, will make the budget a more difficult tightrope walk for the FM. Watching the antics of some of our rich and famous, there is no reason why the government cannot think of imposing a billionaire tax. Instead of burdening the already squeezed middle class, GoI can think of a more efficient taxing system. With discretionary spending at an all-time low, the consumption figures don't really inspire confidence in the GDP numbers.

ANTHONY HENRIQUES

Mumbai



A thought for today

I have spent my life judging the distance between American reality and the American dream

BRUCE SPRINGSTEEN

Trump's Telugu Touch

Telugu diaspora is affluent, largely in tech & finance. Usha Chilukuri has got them excited politically

Trump VP pick JD Vance's wife Usha Chilukuri's Telugu origins has sent the Andhra-Telangana diaspora in US into a tizzy. The possibility of a "son-in-law" as US veeep has engaged the Telugu diaspora in US's Nov election in many ways - if not voter, certainly campaign contributor, volunteer, supporter. The development is especially significant given the Telugu diaspora has been the fastest growing Indian ethnicity in US over the last two decades.

Tech boom | US-based Telugu community grew at a rapid clip on the back of Y2K. Numbers of Telugu speakers leapt from 320,000 in 2016 to 1.23mn in 2024 - the Indian diaspora is 4.9mn-strong and growing. The tech boom of the 2000s saw Telugu become the third most spoken Indian language in America after Hindi and Gujarati. Given their tech tilt, most live in California, Texas and New Jersey. Such was their community, that by 2017, Telugu association in California founded a university for Indian performing arts - University of Silicon Andhra with courses in Carnatic music and Kuchipudi dance.



Growing rich | According to Indian Mobility Report 2024, AP and Telangana form the largest cohort of Indian students in US - accounting for 12.5% of total students, the majority pursuing STEM. Indians, the "model minority" for the longest time, have also suffered backlash in a spate of attacks in recent times. Such backlash saw Telugu associations advise "don't flaunt your wealth" and encourage the community to engage locally in politics - so "politicians would look at issues that matter to the Indian diaspora". With average household earnings of over \$100,000, Indian-Americans are the highest earning ethnic group, and 70% are graduates, surpassing the American population average in wealth and college education.

Political smarts | Per research by Vaishnav and others, voter turnout is higher among Indian-Americans than other Asian-American groups. They mostly vote Democrat. Will the Chilukuri connection swing some? But Indian-Americans are a mere 1.3% of the US population, and they are scattered across states. So, the value of their vote is not much. This makes Indian-origin US politicians' impact notably outsized. Not just Kamala Harris, recall the two Indian-Americans on the 2024 presidential campaign trail - Ramaswamy and Haley. The new Telugu political touch, affluent and educated, will likely have influence beyond the election.

It's Merit & Migrants

Good that K'taka bill fixing quotas for locals in pvt sector jobs is on hold. Better will be to junk it

That Karnataka govt has decided to put on hold Bill mandating reservation for 'local candidate' in managerial (50%) and non-managerial (70%) jobs in private sector should be a lesson for all politicians intent on mixing populism with economic sense. Yesterday's late-evening decision followed outrage from industry bodies in state over Bill's implications. By using 'local candidate' - any person domiciled in state for 15 years and proficient in Kannada - in place of 'Kannadiga' in the Bill, Siddaramaiah govt was hoping to sidestep legal troubles a similar law brought by a previous Congress govt ran into. Such a 'son-of-the-soil' policy has been taken up by several states of late. Haryana passed such a law, only for it to be struck down by Punjab & Haryana HC last Nov. Jharkhand and AP have similar laws, with the legislation being challenged in respective high courts.

Harm to private enterprise | But the issue here is not just the legal tenability of such laws. As industry veterans have stressed, a govt is supposed to skill people so that they can get jobs. Mandating quotas in private sector may allow a govt to pander to local voters, but it runs the grave risk of impacting private sector, which thrives on merit and efficiency. Besides, with neighbouring states laying out the red carpet, such a law would hit investment in the state.

A country of migrants | It is also unacceptable in a country in which migrants constitute 37% of the population. A migrants-unfriendly policy doesn't just ignore their contribution to local economies and fragment the country's labour market. It carries the danger of pitting communities against each other. Karnataka needs to do hard work on education, skilling and job creation to benefit its population. Quotas in private sector jobs are a shortcut that neither the state's economy nor larger national interests can afford. The ill-conceived Bill must be junked altogether.

Don Cochlearone

Usually shoots his mouth off. Then he got an earful

Bachi Karkaria

'Ear today, gone tomorrow'. Threat turned to photo-op. On July 13, Teflon Trump proved he's also literally unputdownable. After being shot in the ear, he rose, fisted the air and, with one indelible gesture, punched a Biden-sized hole in the Democratic campaign. It will take a brave heart to stand up in a stand-off against this guy who never backs down or shuts up. Everyone knows this, from the internal revenue service he dodges as deviously as his taxes to the porn star he tried dismissing as a Stormy in a D Cup. To reference Elton John's tribute to another sex bomb associated with another libidinous president, "The 20-year-old Crooks lived his life like a candle on a rooftop; the legend of Trump-it never dies."

That image of The Don shouting 'Fight, fight!' with blood running down his cheek once again evoked 'my head is bloody but unbowed' from James Ernest Henley's 'Invictus'. In the eponymous 2009 film about Springboks lifting post-apartheid 1995 Rugby World Cup in South Africa, the White captain was inspired by this classic poem - handed to him by President Nelson Mandela played by Morgan Freeman. Sorry for now linking it with a guy for whom Black lives don't matter. In real-life Mandela had presented not 'Invictus', but a text by President Theodore Roosevelt - who, btw, too had taken a bullet (in chest, not mere ear) while campaigning in Milwaukee. It went through his steel eye-glass case and a 50-pg copy of his speech, but missed his lung. He'd continued - with the opening remark, "Friends, I shall ask you to be as quiet as possible." Roosevelt succeeded assassinated President William McKinley.

Like Henley thanking "whatever gods there be for my indomitable soul", Trump attributed the gunman's bad aim to 'God, who alone prevented the unthinkable from happening'. Ironically, the encumbered incumbent had declared, 'Only the Lord Almighty could convince him to quit. Now that He has handed his rival a trump card, plus an ad-Vance, Go-Go Joe might need the hymn, 'A-Biden with me.'

Alec Smart said: "Everyone's singing 'Spanish Eyes' and no one's 'cry'ing in 'Argentina'."

IS BJP IN DENIAL?

In the ABCD of politics, D doesn't help. Just because BJP returned to govt, doesn't mean June 4 didn't change anything. Rumblings in UP are also saying it's got problems. The party needs to make changes

Chetan Bhagat



Everything's the same, and yet everything is different, after June 4. It's the same govt, although with fewer seats and dependent on alliance partners. It's the same opposition, although in higher numbers. So it's easy for BJP to view Lok Sabha seat losses as a setback maybe, but with limited consequences in terms of actual govt. Several BJP statements allude to this business-as-usual attitude. Key ministers remain identical to the previous term.

But there are also rumblings of unease, calls to confront what caused the party's performance to dip, rather than turn a blind eye. In UP, where the setback was particularly unnerving, rumours of discontent are also more conspicuous. "Party organisation is bigger than the govt and nobody is bigger than the organisation," deputy CM Keshav Prasad Maurya told a BJP workers' conference in Lucknow on Sunday. UP party chief Bhupendra Chaudhary met Modi yesterday. These are signs that, far from business as usual, there's some churning in the party. And that's as it should be.

Election results have said something's shifting in the Indian voter's psyche, BJP has new vulnerabilities, and it must face them, study them. To understand where it remains strong and where it has weakened, let's split BJP voters into three categories.

BJP-A voter | A can stand for Aggressive or Advani or Aligned. This is BJP's solid core base, estimated to comprise 20-25% of all Indian voters. They will vote for BJP no matter what. They are ideological about imposing their ideology. BJP-A can also stand for BJP voters in Advani's time, who gave BJP 20-25% vote share under his leadership. This was a solid number, but not enough for BJP to comfortably form govt.

At present, this base is still secure. They probably believe BJP lost seats in 2024 because it wasn't hardline enough. This base's need for aggression creates a problem for BJP, especially when it is in a coalition and facing a stronger opposition, which means it has to be more consensus driven.

BJP-B voter | B can stand for Balance or Business or Builders. These voters believe BJP is the 'better' party to 'build' the nation and encourage

'business', that it's overall better for India's economy and governance. Bs believe that if for this BJP must have a somewhat communal agenda then the 'balance' is worth it.

A bit of bigotry for a better economy? Fine, is what they say. These are the educated and professional class of Indians who in 2014 felt BJP deserves a chance, especially after news of scam after scam during UPA-II. Bs also comprise poorer sections of society, who have liked BJP's welfare schemes and promises, and have shown more trust in these than in Congress.

BJP-B voters probably comprise around 10% of all Indian voters, who helped boost BJP's vote shares from the Advani era, leading to solid victories in 2014 and 2019. This category of BJP voters, however, has become shaky. Somewhere, the 'BJP for better development or better welfare' voter is disappointed. A bigger problem

is that BJP did not get this feedback.

Perhaps delivery of promises has not happened at the ground level. Did the over-centralised control not work? Were the real problems suppressed by officials working on the ground out of sheer fear? Did BJP focus on BJP-As too much? Whatever it was, a portion of BJP-Bs lost trust in the party, leading to a lower vote share and a massive drop in Lok Sabha seats.

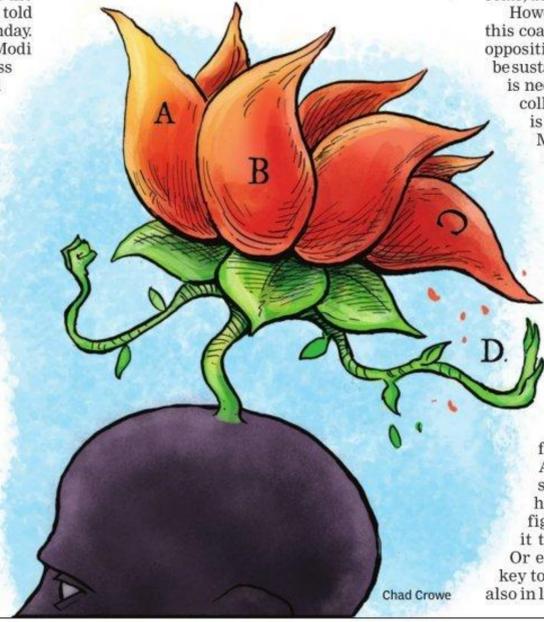
BJP-C voter | C stands for Charisma or Charm. This may be around 5-10% of Indian voters, who will choose a strong and larger-than-life neta over anyone else. Modi's first two terms with big majorities and certain bold decisions (Article 370, demonetisation, surgical strikes etc) cemented an ultra-strong persona. That is immensely attractive to some people. BJP-Cs helped BJP even in 2024 elections. This is why the party still won so many seats, despite BJP-Bs not being as enthusiastic.

However, this segment is at risk now. Functioning in this coalition govt with a strong, loud and aggressive opposition may not allow that larger-than-life image to be sustained as well as in the past. Maybe a reinvention is needed, an image that is charismatic but is also collaborative. Incidentally, this is why opposition is currently heckling, criticising, and taking on Modi non-stop in Parliament. The idea is to make BJP-Cs scatter.

These three segments together represent a vote share of 35-45%. This is enough to keep BJP in govt. However, right now Bs and Cs are shaky. And as the past has shown, just BJP-As are not enough.

For BJP to only listen to their sycophants, feel that 'everything is great' and 'it's all just due to misinformation spread by Congress' is incorrect. Congress has always tried to give voters a certain narrative and message. Why are these being heard now? Rahul Gandhi has always given speeches. Why is he having a bigger impact now? BJP must take these questions seriously.

Of course, the above analysis is oversimplified. Politics is far more complicated than ABC, but what doesn't help is D-mode, where D stands for Denial. And that is what seems to be happening right now. Rather, accept the reality, figure out the problems, adapt and act. Do what it takes to get your non-base supporters back. Or else, they will fritter away. Adaptation is the key to survival and growth, not just in politics, but also in life.



Chad Crowe

Time To Deliver Another Pir Panjal Punch

Terror is back in Jammu. Twenty years back, an army operation destroyed terror havens in the area. A similar exercise is needed today to counter extremists seeking to derail J&K peace

Arjun Subramaniam



The recent history of counterterrorism and counter-infiltration operations in J&K reveals that irrespective of the political turmoil in Pakistan, extremist networks continuously look for 'soft spots' south of the Pir Panjal when their operations come under pressure in north Kashmir. The current spate of encounters in Doda region merits a revisit to 2003 when Gen NC Vij was the army chief and Northern Command under the leadership of Lt Gen Rostum Nanavatty launched Operation Sarp Vinash to clear the terrorist-infested hilly areas of Hilkaka around the town of Surankote in the Poonch region.

Modus operandi | A large densely forested bowl on the southern and south-eastern slopes of the Pir Panjal, bounded in the west by the Ranjati Ridgeline, and in the south by the Suran river, the terrain was rugged with innumerable ridges, spurs and nalas. In summers, it supported a migratory population of Bakarwals and Gujjars from the surrounding villages and beyond who would graze their livestock in the region. It was pockmarked with temporary shelters - dhoks and bahiks. The area was completely void of locals in winter. Lying a couple of days' march east of LoC at the crossroads leading to Pulwama-Anantnag in Kashmir Valley to the north and Doda-Kishtwar south of the range, it had become a haven for terrorist groups in J&K.

Led by LeT, JeM and Al-Badr, the terrorists brazenly felt secure enough to play cricket with locals in Surankote. For almost three years, the Surankote area remained a haven for terrorists south of the Pir Panjal till the Romeo Force of Rashtriya Rifles was tasked to make the final push to 'clear, secure and hold' the area of Hilkaka north of Surankote in early 2003.

Clearing Hilkaka | On the termination of Operation Parakram in Oct 2002, Nanavatty decided that an operation to secure Surankote and Hilkaka was essential and

could only be carried out after the winter of 2002-03. The one term of reference was that the seasonal migration of the civilian population with their livestock into the area would have to be disallowed that summer. The CM thought the proposal preposterous, but it was quietly put to him that there would be no operation unless agreed to. The civilian govt would have to make suitable alternative arrangements to compensate the population and arrange the fodder supply if it wanted the Hilkaka problem resolved.



Planning Sarp Vinash | The task was assigned to 16 Corps, who in turn assigned it to Counterinsurgency Force (Romeo) under the command of Maj Gen (later Lt Gen) HS Liddler. Liddler had distinguished himself as CO 9 Para (Cdo) in Operation Pawan in Sri Lanka and knew about the terrain and terrorist activity in the Rajouri-Mendhar-Poonch sector. At a preliminary briefing-cum-discussion of the operation, it became plain to Nanavatty that the task was beyond the capabilities of RR units in general and the RR sector in particular because of both their existing operational commitments and the very nature of the task itself. Therefore, Nanavatty directed that 163 Infantry Brigade, a reserve formation of 16 Corps, less a battalion, be

allotted to CIF (R) to 'clear and secure' the area. A 9 Para (Cdo) team was assigned special tasks since they knew the area well. D Day was set for May 1, 2003.

Liddler set to his task methodically, constructing helipads with IAF support and operational tracks to supply points, ensuring the work-up training of the infantry formation allotted, and intelligence collection by a team of 9 Para (Cdo) that had been operating in the area and notched up several successes. The plan was simple. Infantry columns using Para (Cdo) guides would infiltrate their assigned areas under cover of darkness from three different directions, secure and occupy bases, and then commence search and destroy operations within their assigned areas of responsibility. Liddler also liaised with HQ 15 Corps to ensure the simultaneous establishment of stops and ambushes to cater for terrorists attempting to escape across the Pir Panjal into the Kashmir Valley region.

Decisive results | Liddler recalls that the operation was advanced by a week and completed by May 1, 2003. Replying to a question in Parliament, George Fernandes, the then defence minister, set the record straight by saying, "In Operation Sarp Vinash, troops were moved by NC in the last week of March 2003, and the operation in Hilkaka was launched on April 21, 2003. The operation resulted in the neutralisation of 65 terrorists and the arrest of three, the busting of 119 hideouts and the recovery of 79 major weapons and large quantities of warlike stores. During the operations, five army personnel were killed, and five were wounded."

Twenty years later, though the magnitude of infiltration and number of terrorists in the area may not be the same, the security establishment cannot let its guard down in what remains a battle zone. A similar clearing out operation along with other carefully calibrated coercive action may be inevitable and necessary to ensure that the road to peace in J&K is not derailed by a desperate Pakistan.

The writer is a military historian and strategic commentator

Calvin & Hobbes



Sacredspace

Loving kindness and compassion are the basis for wise, powerful, sometimes gentle, and sometimes fierce actions that can really make a difference - in our own lives and those of others.

Sharon Salzberg

Adopt Non-Violence As A Philosophy Of Life

Janina Gomes

M K Gandhi called non-violence a weapon of the strong. He said non-violence and truth are inseparable and presuppose one another. We may never be strong enough to be entirely non-violent in thought, word, and deed, but we must keep non-violence as our goal.

Non-violence instils a sense of morality, equality and respect for the rights of all human beings. It fosters appreciation of all cultures and religions, as well as ecological concern and awareness. It is an expression of universal love that promotes unity among people.

Four principles of non-violence among the six enumerated by Martin Luther King Jr are that non-violence seeks to defeat injustice, not people. It holds that suffering can educate and

transform. Non-violence chooses love instead of hate. It is based on the premise that the universe is on the side of justice. The principle of non-violence rejects using physical violence to achieve social or political change.

Martin Luther King Jr explains his non-violent civil rights philosophy as follows: "You not only refuse to shoot a man, but you refuse to hate him. Injustice anywhere is a threat to justice everywhere."

At the individual level, non-violence has a more profound value, and a love for righteousness can often bring us prosperity in the long run. A wisdom story demonstrates this effectively. The story goes that Dharam Das was a man of virtue; he used to spend a lot of money to help others. So, he was constantly

surrounded by a lot of people. Soon, he spent all he had. All those who were coming to him suddenly disappeared. He became destitute but never strayed from his righteous ways, even during those hard days. He prayed to God every day to bless him with enough to help the needy who came to him.

One night, he had a dream. A divine person came to him and said, "Dharam Das, there is one way you can get a lot of wealth. Tomorrow, you will find me coming to the shadow of a big tree in front of the temple. I will sleep in the shade. All you have to do is pick up my staff and hit me on the head. My body will turn into a heap of gold. You can take it all."

Dharam Das went to the tree the next day. True to the word, a holy man was



THE SPEAKING TREE

there. As soon as he reached the shade of the tree, he put aside his staff and the long sack and went to sleep. Nobody else was around. Dharam Das could easily hit the sleeping man and take the gold. But he would do nothing of the sort. Attacking another person is violence, even if permitted by the victim. He sat there looking at the calm face of the sleeping man for several hours. Finally, the holy man woke up. He asked with amazement: "Why? You had the chance of a lifetime? Don't worry, I will give you another chance."

Dharam Das said, "No master, even then, I am not going to do anything wrong." The holy man smiled. With the blessing, "You will be prosperous," the man gave him the sack he was carrying, and, in a moment, he was gone. The good man's amazement was doubled when he saw that the sack was full of gold coins.

## The Tribune

ESTABLISHED IN 1881

### Rift in UP BJP

Party top brass struggling to curb discord

ALL is not well with the BJP in Uttar Pradesh, which is rightly regarded as the all-important state in political and electoral terms. Chief Minister Yogi Adityanath caused a flutter during the state party unit's working committee meeting on Sunday when he said that 'shifting of votes and overconfidence' had hurt the BJP's prospects in UP in the recent Lok Sabha elections. The fissures were plainly visible when Deputy CM Keshav Prasad Maurya said at the meeting that the party organisation was always bigger than the government. Adding to the intra-party intrigue, Maurya met BJP president JP Nadda in New Delhi on Tuesday. Another key stakeholder is state party chief Bhupendra Singh Chaudhary, who has held separate meetings with Nadda and Prime Minister Narendra Modi this week.

The primary reason why the saffron party fell short of a majority in the Lok Sabha this time was its below-par performance in UP. It won just 33 seats (down from 62 in 2019) as the Samajwadi Party-Congress alliance surged ahead with 43 seats in the state that sends 80 members to the Lower House. A big shocker for the BJP was its defeat from Faizabad parliamentary constituency in Ayodhya district, where PM Modi had inaugurated the Ram Mandir in January. The PM himself won the Varanasi seat by around 1.52 lakh votes, nowhere near his victory margin of 4.79 lakh votes in the 2019 polls.

With 10 Assembly seats in the state set to witness byelections in the coming months, the party high command is struggling to bring Yogi, Maurya and Chaudhary on the same page. Once seen as an understudy to PM Modi, Yogi now finds his stature diminished due to the recent electoral setback. Considering the spirited resurgence of the SP-Congress combine, the BJP will only cede more ground if it doesn't put its UP house in order on priority.

### Educational deadlock

Punjab, Centre must resolve differences

THE Punjab education sector has been caught in the crosshairs of the ongoing political feud between the Bhagwant Mann-led AAP government in Punjab and the BJP-led regime at the Centre. The recent setbacks in both higher and school education systems underscore the urgent need for a resolution to safeguard the future of students and the welfare of teachers and other staff. A significant blow was dealt recently when the President of India returned the Punjab Universities Laws (Amendment) Bill, 2023. This Bill, passed during a special Assembly session in June last year, sought to replace the Governor with the Chief Minister as the Chancellor of state-run universities. The President's refusal to clear the Bill has left the administrative structure of Punjab's higher education in limbo.

Compounding this issue is the Centre withholding Punjab's share of over Rs 500 crore under the Sarva Shiksha Abhiyan. This crucial funding, meant for upgrading the public school infrastructure, has been halted because of the state's withdrawal from the PM Schools for Rising India (PM SHRI) scheme. Punjab says that it has done so as it already has its own comparable schemes, like 'Schools of Eminence', 'Schools of Brilliance' and 'Schools of Happiness', which would be linked with the National Education Policy. The impasse has stalled vital upgrade of school infrastructure, impacting the quality of education. The Centre must ensure a fair distribution of funds.

The state and Central governments need to resolve these disputes on priority. It is imperative that educational institutions receive the necessary support and resources to operate effectively, fostering a stable and conducive learning environment. The ongoing political tussle threatens to undermine the state's long-term developmental goals, underscoring the need for a more collaborative and less adversarial approach to governance.

#### ON THIS DAY...100 YEARS AGO

## The Tribune.

LAHORE, FRIDAY, JULY 18, 1924

#### Common programme

NO newspaper has oftener or more consistently pleaded for a common political programme for the whole of the party of self-government in India than ourselves. It is, therefore, with peculiar interest that we have read the article which Mahatma Gandhi has written in the current issue of *Young India*. The opening lines of the article are a clear statement both of its genesis and of the Mahatma's views on this vitally important subject. "Friends have asked me," he writes, "to suggest one universal programme in which Rajas, Maharajas, No-changers, Pro-changers, Liberals, Independents, practising lawyers and all others could join without reserve. I am asked to suggest such a programme with the conditions that it must be effective and swift enough for the attainment of Swaraj. The most effective and swiftest programme I can suggest is the adoption and organisation of *Khaddar*, the promotion of Hindu-Muslim unity and the removal of the Hindus of untouchability. It is my unalterable belief that if these three things are achieved, we can establish Swaraj without the slightest difficulty. I further believe that if all the parties wholeheartedly work on the programme, it can succeed within one year." Before we examine the suggestion itself, it may not be out of place to say a word regarding the method by which the Mahatma has sought to arrive at a common programme. The method he has followed is the method of elimination instead of being what we for ourselves have always held that it ought to be, the method of coordination and integration.

# Budget must aim for inclusive development

Policymakers would do well to maintain the steep rise in capital expenditure



SUSHMA RAMACHANDRAN  
SENIOR FINANCIAL JOURNALIST

THE first Budget of the new government is being prepared in the backdrop of continuing tensions in the geopolitical arena. The Russia-Ukraine war and the Israel-Hamas conflict show no signs of abating. The domestic economy may be growing in a sustained manner at around 8 per cent, but the outlook may alter, depending on the stability of the external environment. Finance Minister Nirmala Sitharaman must be hoping that global oil prices would remain subdued and that Western economies emerge from recessionary trends that have affected export growth. Keeping international ocean lanes free from strife will also be critical to avoiding an undue rise in costs of inbound or outbound trade. Clearly, the external headwinds have the potential of playing spoilsport with the India growth story. It is, therefore, essential that the Budget keep the focus on strengthening key sectors like infrastructure and services while supporting agriculture and the rural economy in equal measure.

On the infrastructure front, policymakers would do well to maintain the steep rise in capital expenditure recorded over the past few years. The 2024-25 Interim Budget scaled down the earlier 30 per cent rise in capex to about 16.9 per cent, but a higher increase is warranted, given the vast infrastructure gap in the country. Though this may not create a huge number of skilled jobs immediately, it will undoubtedly have a long-term impact on employment creation. The fact that the Reserve Bank of India has transferred Rs 2.11



PRIORITY: Job creation is bound to be high on the government's agenda. PTI

lakh crore to the Central Government exchequer gives it considerable cushion to continue in this direction during the current fiscal as well.

The Budget will also need to move towards creating an easier climate for private investment, which has been lagging behind the public sector. While policies already in place — such as the production-linked incentive schemes — will give a boost to manufacturing, procedures need to be further streamlined. The regulatory environment has certainly come a long way since the 1991 economic reforms. But comparisons with the past are no longer relevant. Comparisons now need to be made with other emerging economies. Countries like Vietnam and Indonesia are offering simpler and easier investment regimes, an attraction for multinationals to set up base there. India, in contrast, is not looking so appealing.

Domestic investors have to contend with higher capital and logistics costs. Yet, the main hurdle for both domestic and foreign investors remains the plethora of clearances needed to set up new projects. These issues are now largely at the level of the

skilling and land acquisition.

The only snag in this plan is that not all states will cooperate despite the availability of loans to carry out reforms. BJP-ruled states are bound to comply with directives from the Centre, but the same response may not be forthcoming from other states. The aim of kickstarting next-generation reforms may, thus, be only partially successful. At the same time, some states, especially in the southern region, already seem to have streamlined regulatory processes. The result is that investors are making a beeline for them. For instance, tech giants like Apple and Microsoft are locating new projects primarily in Tamil Nadu, Karnataka and Andhra Pradesh. Policies adopted by these states need to be studied and replicated in others.

In this context, budgetary provisions need to be made for the critical segment of education and skilling. While job creation is bound to be high on the government agenda, the fact is that many sectors are facing a shortage of skilled personnel. There is also a mismatch between the type of education and the specific skills needed by the industry. Long-

Social welfare policies are clearly welcome in the short term, but they must make way for sustainable development in the long run.

states or even local municipalities. Bringing the ease of doing business down to this level needs to be part of next-generation reforms.

An indication that this is already being considered lies in the economic statement issued with the 2024-25 Interim Budget in February. It referred to improving governance at the block, district and village levels. A one-time loan to states, amounting to Rs 75,000 crore, was also offered for growth and development-oriented reforms. The focus areas were identified as health, education,

#### THOUGHT FOR THE DAY

The ultimate resource in economic development is people. —Peter Drucker

## Myriad hues of life in Heritage Street

RAMESHINDER SINGH SANDHU

WATCHING the hustle and bustle of daily life from the large windows of a fast food joint on the Heritage Street in Amritsar has become a Sunday morning ritual for me. The eatery is located merely steps away from the Jallianwala Bagh and the Golden Temple. I usually take the same centre table, which affords me a perfect vantage point. With a cappuccino in hand, I get ready for showtime, putting my phone away.

The street is lined with an array of tourist shops, and there's always a flood of visitors — some coming and some departing — all depicting the many hues of fashion. There are families, newly wed couples, large tourist groups and even solo travellers, whose faces tell many stories.

There's always someone to distract them — usually beggars or street vendors selling pens, fridge magnets, handkerchiefs, toys and more. Interestingly, most of them don't give up till they have sold you something. Employees of small hotels nearby also turn up and open their colourful brochures with pictures of the rooms. With a diary in hand, some also do bookings or calculations and end up leading the to-be guests directly to the hotel, maybe for a quick look or instant check-in. Many ignore them, but that doesn't make them lose their zeal.

The street photographers, however, are the most successful in attracting clients, from young couples to family groups. They wander with their latest equipment, and just one or two words get them going. They know the perfect spots for the best shots. They demonstrate one pose or the other to the couples, promising to make their pictures more engaging and romantic. It's intriguing to note how some customers exude confidence and others shyness. After all, everyone is different. Worth admiring is the confidence and enthusiasm of these photographers — usually in their twenties or thirties — some of whom also stand out for their attire.

It's amusing when sellers of *kulfi* and chilled *lassi* suddenly turn up; both items are sold out quickly. Within minutes, the young and the old get busy savouring the goodies. Dogs sit around, enjoying the treat in their imagination and, at times, they do get lucky. Many can be seen relishing *golgappas* even around 9 am — such is the fascination for them. Souvenir shop owners keep beckoning customers, announcing attractive deals.

Amid all this activity, there are many who are seated around me, glued to their phones, missing out on the 'live exhibition' and its many surprises. That's why I can't wait for the next Sunday morning to take the same table. Roy Thurston, an American artist, said, "The most satisfying and basic art experience is looking — pure, unmediated observation and sensation." Absolutely true.

#### LETTERS TO THE EDITOR

##### Review counter-terror approach

Apropos of the editorial 'No let-up in J&K terror'; there has been a rise in the number of terrorist attacks and terrorism-related incidents in the region in recent months. Jammu, which remained mostly untouched by terrorism until recently, has recorded an alarmingly high number of casualties. This has raised questions about the effectiveness of the current strategies and the need for a re-evaluation of the approach to counter-terrorism and internal security. Following the abrogation of Article 370 of the Constitution, there was a glimmer of hope that peace would last in J&K. But with the region slipping back into the cycle of terror and violence, the hope appears to be dimming.

GREGORY FERNANDES, MUMBAI

##### Intelligence compromised

When militants get away with killing four soldiers, including an officer, in an operation launched by the security forces, it indicates a systemic failure. Jammu and Kashmir DGP RR Swain has blamed regional politics in the Valley for Pakistan's infiltration into the Kashmiri civil society. It is apparent that intelligence about the operation had been compromised. This calls for a review of the 'hot pursuit' strategy. Besides, all efforts at creating a 'unified command' since the early days of terrorism have come to naught. With the J&K Lieutenant Governor receiving more powers, the situation is unlikely to change.

LT COL GS BEDI (RETD), MOHALI

##### Time for America to reflect

The brutal attempt on Donald Trump's life must be condemned in the harshest terms. It throws the spotlight back on the gun culture prevalent in the US. Four US Presidents have been assassinated in the past while they were in office. America is always quick to lecture the rest of the world on human rights, intolerance, the plight of minorities and democracy. Yet, it harbours Khalistani terrorists on its soil. It is time for Washington to reflect on which direction it is heading.

SHAM MURARI SHARMA, CHANDIGARH

##### A shot in the arm for Trump

The assassination attempt on former US President Donald Trump has sent shockwaves across the US and the world. The episode carries huge consequences. Trump's message to 'fight, fight, fight!' has already become a rallying cry for his supporters. Notably, the shootout came at a time when Joe Biden's viability as a candidate was under the scanner. The incident is set to shake up the presidential campaign. Trump, who often portrays himself as a political martyr, will surely benefit from the attack electorally. How Biden gets his campaign back on track will be closely watched.

DILPREET KAUR, CHANDIGARH

##### Vance the right choice

Donald Trump's decision to pick Senator James David Vance as his running mate may be the shot in the arm his campaign needed. Once a vocal critic of Trump, Vance has transformed into his most ardent defender. Their personal affinity and shared populist ideology could energise the Republican voter base. Vance's youth, military background and Yale Law School credentials make him an excellent V-P candidate. His connection with White working-class voters and his potential to attract Silicon Valley donors are assets for the party. This ticket may be the most formidable of our lifetime. Love him or hate him, Trump's V-P pick could reshape the political landscape.

SARGUNPREET KAUR, MOHALI

##### Indians take over the world

From US Vice-President Kamala Harris to Usha Chilukuri, the wife of Donald Trump's running mate, women of Indian origin have been taking over the world. It just adds to the pantheon of Indian women who have brought laurels to the country. Astronauts Sunita Williams and late Kalpana Chawla, former South Carolina Governor Nikki Haley, business executive Indra Nooyi and Akshata Murty — the list of Indian-origin women attaining success in the West keeps growing. It is a matter of great pride for our country.

SQN LDR KK SHARMA (RETD), NANGAL

# Address ethical concerns to optimise AI use



**AMAL CHANDRA**  
AUTHOR AND COLUMNIST

INDIA is at a pivotal juncture in its technological evolution, with artificial intelligence (AI) rapidly advancing in sectors like healthcare, agriculture, education and finance. Government initiatives such as the National Strategy for AI (NSAI) and NITI Aayog's efforts highlight India's ambition to be a global AI leader. The 'AI For All' initiative aims to democratise AI, ensuring inclusive growth and accessibility for all citizens. Collaborative efforts between government bodies and private sector companies are fostering a robust environment for AI innovation and application.

A robust policy framework is crucial for sustainable AI development. The Personal Data Protection Bill, 2019, emphasises safeguarding citizens' data, addressing surveillance, data misuse and ethical AI use. Given AI systems' handling of vast personal data, stringent data protection laws are central to ensuring secure data handling and prevent breaches. Ethical AI development must align with guidelines promoting fairness, transparency, accountability and bias avoidance. Regulatory sandboxes can facilitate supervised testing of AI solu-

tions by startups and researchers, encouraging innovation while upholding ethical standards. Addressing algorithmic bias is essential to ensuring fairness and inclusivity in AI applications. Frameworks for ethical AI use that promote fairness, accountability and transparency can build public trust. It involves educating people about AI's benefits and potential risks.

India faces challenges pertaining to technological infrastructure, data availability and a skilled workforce. These challenges present opportunities for upskilling and education initiatives to build AI expertise. Investment in AI infrastructure, like data centres, cloud computing and high-speed Internet, is crucial. Encouraging AI research through grants, scholarships and collaborations between academia and industry can drive innovation. Building public trust in AI involves transparent communication about its benefits and risks and addressing fears of job displacement due to AI automation. Global collaborations, learning from the EU's AI strategy and OECD AI Principles enhance India's AI policies. Leveraging AI boosts India's global tech competitiveness. A balanced regulatory approach fosters innovation aligned with public interest and ethics. Incentives for AI research, development and startup investments nurture a vibrant innovation ecosystem, supporting AI-driven startups and SMEs (small and medium enterprises).

AI can tackle major societal



**BENEFICIAL:** In healthcare, AI enables early diagnosis, personalised treatment and efficient delivery. ISTOCK

challenges. In healthcare, it enables early diagnosis, personalised treatment and efficient delivery, improving outcomes. In education, AI-driven tools offer personalised learning and adaptive technologies, revolutionising the landscape. For environmental sustainability, AI helps monitor resources, predict natural disasters and mitigate the impacts of climate change, optimising energy, agriculture and waste management for more sustainable practices.

In agriculture, AI-driven precision farming boosts productivity, optimises resources and supports farmers with predictive analytics. In healthcare, AI improves diagnostics and treatment recommendations. Public-private partnerships with tech giants like Google, Microsoft and IBM foster AI research, training and capacity-building, keeping India at the forefront of AI innovation.

India is actively advancing

India's unique demographic and socioeconomic context provides a fertile ground for AI applications.

AI through initiatives like the NSAI by NITI Aayog, promoting AI research, development and deployment in healthcare, agriculture, education, smart cities and infrastructure. The 'AI For All' initiative aims to democratise AI, enhancing literacy and capacity-building. Practical applications, such as the Aarogya Setu for Covid-19 contact tracing and health updates, highlight AI's real-world impact.

A balanced AI policy involves creating a regulatory environment that fosters innovation while protecting the public interest. Developing and enforcing ethical standards for AI development and deployment are crucial. Ensuring AI systems are designed with fairness, accountability and transparency is essential to building public trust. Comprehensive data protection laws are critical to safeguarding personal information and promoting best practices for

data security and privacy, preventing data breaches and misuse and ensuring responsible AI use.

Inclusive and participatory policy-making is essential for effective AI policies. India's AI landscape is grounded in substantial data and real-world examples, highlighting its transformative potential. For instance, AI-driven initiatives like the Ayushman Bharat Digital Mission aim to integrate digital health infrastructure with AI capabilities to improve patient outcomes and streamline healthcare services. Accenture predicts that AI could add \$957 billion to India's economy by 2035, underscoring the economic imperative of robust AI integration.

India's unique demographic and socioeconomic context provides a fertile ground for AI applications. The Indian Council of Agricultural Research collaborates with IBM to use AI for crop yield prediction, pest control and weather forecasting, significantly aiding farmers in the decision-making process. AI-driven precision farming techniques, as per the Ministry of Agriculture, can increase crop yields by up to 30 per cent, showcasing the tangible benefits of AI adoption in this sector.

In the field of education, AI-powered platforms like Vedantu have revolutionised learning by providing personalised education experiences. These platforms leverage AI algorithms to tailor educational content to individual learning styles and paces, improving student engage-

ment and performance. The market size of Indian online education, driven by AI advancements, crossed \$5 billion in 2023, highlighting rapid sector expansion.

AI's deployment in urban development is exemplified by initiatives such as the Smart Cities Mission, under which AI manages traffic, enhances public safety and improves urban planning. Surat's AI-driven integrated traffic management system uses data analytics and machine learning to optimise traffic flow, reduce congestion and enhance road safety, resulting in a 12 per cent reduction in traffic delays and a 20 per cent improvement in emergency response times.

NITI Aayog is partnering with C4IR India to create ethical AI frameworks addressing bias, accountability and transparency. This collaboration aims to deploy AI technologies respecting human rights and promoting social equity. For example, AI-based predictive policing systems in Hyderabad and Delhi were piloted with protocols to prevent discriminatory practices and ensure data privacy. Partnerships with countries like Japan, the US and Israel have facilitated knowledge exchange and technological advancements. India's journey towards AI excellence involves a comprehensive and multifaceted approach. By integrating AI into various sectors, establishing robust policy frameworks, addressing ethical and societal concerns and fostering innovation through collaboration, India can harness the full potential of AI.

# India needs a strategic approach to hybrid warfare



**RK ARORA**  
EX-COMMANDANT, BSF

IN the evolving landscape of modern warfare, India must adapt to the concept of hybrid warfare to strengthen its defence and deterrence strategies. Hybrid warfare, characterised by a blend of conventional weapons, irregular tactics, cyberattacks and other unconventional methods, requires a nuanced and resilient approach to effectively counter the multifaceted threats from its adversaries. According to NATO, hybrid threats combine military and non-military as well as covert and overt means, including disinformation, economic pressure, deployment of irregular armed groups and the use of regular forces. "Hybrid methods are used to blur the lines between war and peace, and attempt to sow doubt in the minds of target populations. They aim to destabilise and undermine societies... the speed, scale and intensity of hybrid

threats have increased in recent years," observes the US-led alliance.

The cornerstone of India's strategy should be resilience. Leveraging its inherent strengths, India can put adversaries at a disadvantage and fortify its strategic stance against hybrid threats. Eschewing the traditionally rigid distinctions between conventional and irregular warfare, India's approach should recognise the continuum of conflict, integrating various methods and modes of warfare.

India's western border with Pakistan is a significant area of concern. Pakistan has been accused of engaging in hybrid warfare tactics, including sabotage, terrorism and cyberattacks, particularly in regions like Jammu and Kashmir and Punjab. Recent incidents underscore the gravity of the threat. In a deadly encounter in Doda, four Army soldiers, including a Captain, were killed earlier this week, bringing the total number of personnel killed in the region to 48 over the past 32 months. The joint operation by the Army and the Jammu and Kashmir Police highlights the persistent danger of cross-border terrorism. The Army has claimed that a



**PAK HAND:** Cross-border terrorism remains a persistent threat for security personnel in J&K. PTI

number of measures have been instituted to enhance synergy between various agencies, such as joint training with the J&K Police and Central Armed Police Forces and "a robust intelligence-sharing mechanism between the Army, the police and other intelligence agencies".

The rise of narco-terrorism and the use of drones for cross-border insurgency reflects the evolving nature of this hybrid conflict. Pakistan's support for proxy forces, terrorist organisations and drug cartels poses a severe threat to India's security. The blending of advanced military capabili-

Leveraging its inherent strengths, India can put adversaries at a disadvantage and fortify its strategic stance against hybrid threats.

ties with irregular tactics has been a persistent issue, necessitating preparedness to deflect these 'wars in the shadows' while enhancing collective defence capabilities.

On the northern front, India's relations with China present a different set of challenges. China's strategy includes psychological, political and legal tactics — collectively known as the 'three warfares' — to achieve its geopolitical goals. The Chinese investment in the United Front Work Department to influence the Chinese diaspora and foreign communities, along with the use of front organisations, exempli-

fies its hybrid warfare strategy. Beijing's increasing use of commercial security operations to protect its interests abroad, coupled with its blurred tactics and quasi-military forces in the maritime domain, underscores its innovative approach to hybrid conflicts. The likelihood of indirect and proxy Chinese intervention is a growing concern, particularly as China expands its influence across Asia and beyond.

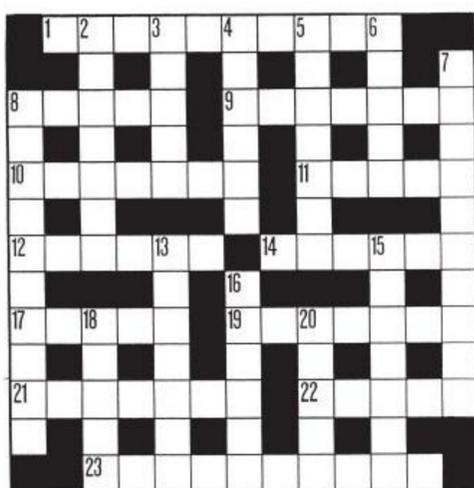
The insurgency landscape within India also demands attention. The spate of terror attacks in the Jammu region and the continued unrest in Manipur highlight the internal challenges. Additionally, the Naxal insurgency in central India remains a significant threat, with numerous attacks on security forces and civilians. In response to the rising terror incidents, Prime Minister Narendra Modi has reviewed the security situation, discussing counter-terrorism efforts with top officials. The situation in Punjab is also concerning, with increased activities of narco-terrorism and drone infiltrations from Pakistan necessitating a robust response.

To effectively counter these hybrid threats, India must integrate hybrid warfare into its defence strategies. This involves over-

coming natural disadvantages and leveraging India's strengths, interests and values. India's strategic approach should emphasise resilience, with border guarding forces and Army personnel equipped to handle advanced technologies and hybrid threats. The ongoing conflicts in Jammu and Kashmir, Manipur and other regions underscore the need for a robust and adaptive defence strategy. India must be prepared to counter both direct and indirect threats from Pakistan and China, utilising a comprehensive approach that includes conventional military capabilities, irregular tactics and cyber defence.

As India navigates the complex landscape of hybrid warfare, it is crucial to adopt a flexible strategy. By integrating hybrid warfare into its defence framework, leveraging its strengths, and preparing for the diverse threats from Pakistan, China and internal insurgencies, India can enhance its security and maintain stability in the region. This strategic shift, while challenging, is essential for safeguarding India's national interests and ensuring its sovereignty in an increasingly hybrid conflict environment.

## QUICK CROSSWORD



### ACROSS

- The largest portion (5,5)
- Made a fool of (5)
- Protest bitterly (7)
- Having no brand name (7)
- Fashionable elegance (5)
- Chop apart (6)
- A summary (6)
- Imposing display (5)
- Describe graphically (7)
- Warhorse (7)
- Surface shine (5)
- Down-to-earth shrewdness (5,5)

### DOWN

- Encroach (7)
- Lowest point (5)
- Informer (6)
- Counsellor (7)
- One of Bronte sisters (5)
- Bashful amorous glances (6,4)
- Virtually no prospect (4,6)
- Traveller (7)
- Eager to know (7)
- Thinly scattered (6)
- Arrive at (5)
- Scoundrel (5)

### Yesterday's solution

**Across:** 1 Imbibe, 4 Squirm, 9 Stomach, 10 Aspen, 11 Ditto, 12 Combine, 13 For the birds, 18 Cry wolf, 20 Peace, 22 Ample, 23 Ecuador, 24 Lessen, 25 Adroit.  
**Down:** 1 Inside, 2 Boost, 3 Bear out, 5 Qualm, 6 Implied, 7 Monkey, 8 Chicken feed, 14 Olympus, 15 Impound, 16 Scrawl, 17 Ferret, 19 Obese, 21 Audio.

## SU DO KU

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

V. HARD

## YESTERDAY'S SOLUTION

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

## CALENDAR

**JULY 18, 2024, THURSDAY**

- Shaka Samvat 1946
- Aashadh Shaka 27
- Shravan Parvishte 3
- Hijri 1446
- Shukla Paksha Tithi 12, up to 8.45 pm
- Shukla Yoga up to 6.13 am
- Brahma Yoga up to 4.44 am
- Jyeshtha Nakshatra up to 3.25 am
- Moon enters Sagittarius sign 3.25 am

## FORECAST

CITY	MAX	MIN
Chandigarh	35	26
New Delhi	36	29
Amritsar	37	29
Bathinda	39	29
Jalandhar	36	30
Ludhiana	36	27
Bhiani	37	31
Hisar	35	28
Sirsa	37	28
Dharamsala	29	19
Manali	29	20
Shimla	23	17
Srinagar	32	19
Jammu	35	27
Kargil	32	18
Leh	30	13
Dehradun	30	24
Mussoorie	24	17

TEMPERATURE IN °C



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PAPER WITH PASSION

## A new lease of life

The Govt reconstitutes NITI Aayog, inducts union ministers and NDA allies to enhance strategic planning

In a significant move to bolster its policy-making prowess, the Indian Government has reconstituted the National Institution for Transforming India (NITI) Aayog. This reconstitution includes 15 Union Ministers and notable allies from the National Democratic Alliance (NDA), marking a strategic shift in the country's planning and development framework. This underscores the Government's commitment to integrating diverse ministerial insights into the policy-making process. These ministers come from various portfolios, ensuring that a broad spectrum of expertise and perspectives is brought to the table. This comprehensive approach aims to address multifaceted national challenges more effectively. The reconstitution also sees the induction of key NDA allies, signalling a collaborative effort to drive the nation's development agenda. By involving NDA allies, the Government aims to foster a more inclusive and cooperative environment within the Aayog. Among the notable ministers included are Finance Minister Nirmala Sitharaman, Home

Minister Amit Shah, and Defense Minister Rajnath Singh. Their presence is anticipated to significantly influence the economic, internal security, and defence policies of the country. The inclusion of ministers from portfolios such as Health, Education, and Rural Development indicates a holistic approach to addressing India's development needs.

This reconstitution is seen as a strategic shift from the traditional Planning Commission model to a more dynamic and inclusive NITI Aayog framework. It reflects the government's intention to leverage the collective wisdom of its senior ministers and allies to drive forward its vision of a 'New India'. The Aayog's reconstitution aims to facilitate better coordination between the central and state governments, ensuring that policies are effectively implemented at the grassroots level. One of the primary goals of this reconstitution is to enhance the implementation of policies. The government hopes to streamline the execution of key initiatives and programs. This is expected to result in more efficient policy delivery and improved outcomes on the ground. NITI Aayog was established on January 1, 2015, as a replacement for the Planning Commission. Its primary purpose is to promote cooperative federalism by involving state governments in the policymaking process. However gradually it lost its importance. The Indian government has increasingly favoured a centralised approach, leading to reduced involvement of states in planning and decision-making processes, undermining NITI Aayog's role. It lacks financial powers and direct allocation of funds, limiting its influence on actual policy implementation. Besides, there has been a tendency to prioritize immediate economic and political goals over long-term strategic planning, diminishing NITI Aayog's relevance in sustainable development. As the NITI Aayog embarks on this new phase, there is a sense of optimism about its potential to drive substantial progress. It is anticipated that the Government's latest move will lead to more robust policy frameworks.



Minister Amit Shah, and Defense Minister Rajnath Singh. Their presence is anticipated to significantly influence the economic, internal security, and defence policies of the country. The inclusion of ministers from portfolios such as Health, Education, and Rural Development indicates a holistic approach to addressing India's development needs.

## PICTALK



Shia mourners participate in the 9th Muharram procession, on boats, at Dal Lake, in Srinagar

## Parliament: Duty over disruption

The opposition can leverage parliament debates to engage with their constituencies but they often waste this opportunity by walkouts and protests



PRAFULL GORADIA

It is difficult to understand, especially since parliamentarians, appeared to overlook an essential of their vocation. That is, that the legislature usually does not take much time. The rest of the session is the opportunity for the opposition to demonstrate their talent and commitment through television. The ruling party or parties do not need the legislature except to have bills passed and enacted into law. If there are no laws that need to be passed urgently, the government and ruling party can do without the legislature virtually for an entire year. Of course, there remains the presenting and passing of the Budget, which can be legitimized only by the legislature, particularly the Lok Sabha.

What has been stated hitherto has been well demonstrated by the state assemblies in India. They pass the odd bill once in a while, and the annual budget is the other essential item of business during the year. Most state legislative assemblies meet for three or four days at a time. Otherwise, for the few times they have to statutorily meet, each session is seldom for more than three or four days. However, the members of the legislative assemblies (MLAs) draw their pay and perks for the entire term of the legislative body.

This applies to Parliament too, although it has the budget, monsoon and winter sessions, which are long enough. In short, to restate, most of the time the legislatures can work for the benefit of the opposition members, who can display their skills, knowledge, familiarity and touch with their constituencies. With the advent of full-time coverage by television channels—Sansad TV being a prominent one—a great advantage has fallen into the hands of the Opposition. This is a boon for them; it is a free and constant medium to, as it were, communicate with their constituencies.

This institution was introduced under the time I was in Parliament. Back then, most Members who spoke made full



use of the television channels by speaking for as long as possible. During the question hour between 11 am and 12 pm, only five or six questions and their answers could be completed, instead of all twenty. The reason was that those who had asked the questions spent as long a time as possible over asking their supplementary question, which was a privilege to the Member(s).

The ruling party/parties have a better opportunity of exposure than opposition parties generally get. Yet, the opposition mindlessly throws away a lot of the session time by walking out, protesting otherwise, compelling the Speaker to adjourn the House for several hours or even the rest of the day. July 2 was another example when the Prime Minister rose to thank the President for her inaugural speech. For well over two hours, groups of opposition members took turns shouting slogans in an attempt to drown the Prime Minister's address to Parliament, or perhaps even to prevent him from speaking. Little do they realize that most television channels were telecasting his speech live, duly cutting out the sloganeering.



THE OPPOSITION MINDLESSLY THROWS AWAY A LOT OF THE SESSION TIME BY WALKING OUT, PROTESTING OTHERWISE, COMPELLING THE SPEAKER TO ADJOURN THE HOUSE FOR SEVERAL HOURS OR EVEN THE REST OF THE DAY

The only people who could hear the PM's speech being disturbed by slogans were the Members of the Lok Sabha. All that the slogan-shouting Members gained was a reputation of being wasters, as members who cost the taxpayer a lot, merely to put in negative effort to try and prevent the Prime Minister from being heard. Each session and day of Parliament cost several crores of rupees. Each Member of Parliament costs several lakh rupees a year to serve the country and its people, and not to prevent Parliament from functioning. There are many better ways of protesting, such as, such as wearing black bands on one's sleeves, sometimes wearing black caps, or sometimes, dressed fully in black. Members can also refuse to take their seats for the entire day, instead, occupying the adjacent aisles for the duration of the session, as a mark of protest, but let the work go on. This would assure all the people, including their constituents that they are spending money on the functioning of Parliament with its thousands of employees constructively and in the interests of the nation. They should realize that the

British departed from India long ago, and such negative activities have no place in our country anymore. Let it be borne in mind that being elected to Parliament (or the state legislative assemblies) is a national duty more than the privilege it has come to be mistakenly understood. What we have witnessed over the two days of July 2 and 3 portends ill for the institution of democracy, which everyone, from the opposition parties to the media and academia, not to forget their cheerleaders overseas, keeps shouting is "under threat in India". But where is the real threat to democracy coming from? This needs to be clearly understood. No democracy can be threatened because its electorate gives a clear mandate for stable governance for a developed economy and a better future. It is the cavalier fashion in which certain parties—and political families living in a sense of entitlement—treat Parliament and its protocols and rules that are emerging as the real threat to democracy.

(The writer is a well-known columnist, an author and a former member of the Rajya Sabha. The views expressed are personal)

## LETTERS TO THE EDITOR

## RBI'S NEW GUIDELINES FOR BANKS

Madam — According to a report, the Reserve Bank of India (RBI) has mandated that banks cannot label borrowers as frauds without giving them a hearing. Banks must now issue a 21-day show-cause notice before classifying an account as fraudulent. This decision follows a Supreme Court order. The RBI has instructed banks to develop a fraud risk management policy, approved by at least three board members, including one full-time director and two independent or non-executive directors, to ensure compliance with the principles of natural justice. Additionally, banks are required to update their Early Warning Signal (EWS) systems within six months, integrating data analytics to detect unusual patterns. The RBI has set a threshold of Rs. 1 crore for reporting frauds to the state police, with private banks also reporting to the Serious Fraud Investigation Office and the Ministry of Corporate Affairs, while public sector banks report frauds above Rs. 6 crore to the CBI, as usual.

In consortium lending, if separate offenses are committed, each member may file separate complaints; otherwise, one member can file a complaint with support from the others. In summary, the new RBI rule mandating a 21-day notice before classifying borrowers as frauds enhances borrowers' rights by allowing them to present their cases and defend against allegations, ensuring fair treatment. This rule will improve transparency, foster trust between borrowers and financial institutions, strengthen governance through board-approved risk management policies, and regulate and streamline the processes of borrowing and lending.

Bhagwan Thadani | Mumbai

## THE PLIGHT OF GIG WORKERS

Madam — This letter addresses the plight of gig workers in our country. Gig workers are a pitiable lot. Regardless of the weather, they must fulfill their cus-

## Defeating global warming



A well-defined quadrilateral encompassing solar, wind, green hydrogen, and nuclear clean energies as its four vertices is essential to effectively combat global warming and related weather catastrophes, which lead to loss of lives, assets, and properties. "Well-defined" means urgently establishing both global and national annual

targets for each of the four clean energy sources. What percentage should be allocated to solar energy? What percentage should be allocated to nuclear energy? And similarly, for wind and green hydrogen? Currently, the world lacks direction, resulting in slow progress towards achieving 100% clean energy and 0% carbon emissions. The "greater capacity" and "economic power" of nuclear energy, compared to the other three clean energies, cannot be ignored. Increasing the capacity of existing nuclear reactors is more economical than constructing new ones. It would be much better and safer if all nations signed a pact to use nuclear energy solely for peaceful purposes, such as generating clean energy and electricity, rather than for making bombs, weapons, and war paraphernalia.

PV Madhu Nivriti | Secunderabad

tomers' demands.

I used to wonder how much they earn by zipping and zapping on their bikes, risking their lives in India's urban jungle. My curiosity was answered when I saw a delivery boy working on a rainy day. The bags on his bike were covered with a plastic sheet, but he was drenched to the bone. Since then, I have made it a point to order via the "Cash on Delivery" mode, so that I can tip gig workers generously. Surprisingly, most of the time my tip is politely declined ("Arre sir, yeh to humara kaam hai") or accepted with reluctant embarrassment.

Avinash Godbole | Dewas

## STRENGTHENING INDIA-NEPAL RELATIONS

Madam — In the neighboring country of Nepal, which borders India to the east, west, and south, KP Sharma Oli's appointment as Prime Minister was met with congratulations from PM Modi. India and Nepal have shared a deep bilateral relationship since early days, but the abolition of the monarchy in

2008 introduced challenges. Enhancing trade, investment, and infrastructure development can provide mutual economic benefits. Joint ventures in hydropower projects and tourism can foster economic interdependence. Promoting cultural and educational exchanges can strengthen people-to-people connections, building a stronger foundation for bilateral ties. Short-sighted and selfish politicians sought to please China, which exploited the situation.

The Modi government must provide aid to Nepal and invigorate the relationship more than ever before, ensuring that Nepal does not feel the need to turn towards China, which would harm India's interests. India must infuse new energy into its relationship with Nepal, ensuring that both nations work together for mutual growth and regional stability.

Jakir Hussain | Kanpur

Send your feedback to: letterstopioneer@gmail.com

## Defying the Western pressure, India prioritises national interests

Prime Minister Modi's visit to Moscow highlights significant gains for India on strategic, economic, and diplomatic fronts, despite Western reservations

Despite a concerted campaign by the US and Western countries to isolate Russia following its 2022 invasion of Ukraine, several nations, including India, have prioritized their national interests. This has allowed President Putin to bolster Russia's economy, with India's \$65 billion worth of crude oil imports playing a crucial role in mitigating the impact of US-imposed sanctions. India maintains close strategic ties with the United States, yet it has become the second-largest importer of Russian crude oil after China. This alignment with Russia serves as a counterbalance to US influence. In recognition of this support, President Putin awarded Prime Minister Modi the Order of St. Andrew.

The US, as expected, reacted by urging India to ensure that any resolution to the Ukraine conflict respects the UN charter and Ukraine's territorial integrity. State Department spokesman Matthew Miller emphasised the importance of these principles in international engagements with



Russia.

In this context, experts view Prime Minister Narendra Modi's visit to Moscow through multiple lenses, highlighting significant gains for India on strategic, economic, and diplomatic fronts.

India's geopolitical strategy significantly revolves around balancing China's rising influence. Strengthening ties with Russia serves as a counterbalance to China's aggressive posturing in the region. The visit underscored mutual interests in ensuring a multipolar world order, acting as a strategic buffer against unilateral actions by any major power, including China.

## Strategic Gains:

A key highlight of Modi's visit was the reinforcement of India-Russia defense ties. Historically, Russia has been one of India's most reliable defense partners. Discussions around the S-400 missile defense system and potential future collaborations in defense technology were central to the visit, enhancing India's military capabilities and contributing to regional stability.

Western sanctions against Russia have led it to seek stronger ties with non-Western countries, including India. Both India and Russia advocate for a multipolar world order, balancing US influence. Modi's visit reflects India's independent foreign policy, maintaining strong ties with both the US and Russia.

Energy security is a cornerstone of India's economic policy, and Russia plays a critical role with its vast oil and natural gas reserves. Modi's visit focused on long-term supply agreements, investments in energy infrastructure, and collaboration in nuclear energy projects, ensuring a stable and diver-

sified energy supply for India. Boosting bilateral trade and investment was another focal point. Despite historical ties, trade volumes between India and Russia have not reached their full potential. The visit aimed to address this by exploring new trade avenues in sectors like pharmaceuticals, information technology, and agriculture, promising long-term benefits for both economies. Modi's visit signifies a reaffirmation of traditional alliances. Reinforcing ties with Russia offers India a more balanced foreign policy amidst the US's increasingly transactional approach. The visit likely included discussions on expanding cooperation in space exploration and nuclear technology, fostering innovations that benefit both nations. Cybersecurity is crucial in the digital age. Modi's visit likely explored collaboration in these fields, ensuring both nations can safeguard their digital infrastructures and harness economic benefits.

(Writer is a political analyst; views expressed are personal)



K S TOMAR



## FIRST COLUMN TAKE THINGS AS THEY COME

Accepting events as they happen brings a great sense of calmness



RAVI VALLURI

Aeons ago in ancient China lived an old farmer who worked on his land for several years. One day his horse ran away. Upon hearing the news, a group of neighbours came to commiserate with him. "Such misfortune," the agitated group of villagers reacted. "Maybe," the farmer replied nonchalantly. A few days later the horse returned, accompanied by three wild horses. Another group of villagers approached the house of the agriculturist to sympathise. "Maybe," replied the aged farmer.

The following day, the farmer's son tried to mount one of the untamed horses and was thrown off. The strapping youngster broke his leg. The overwrought neighbours once again queued up to offer their sympathies at this misadventure. "Maybe," was the desultory answer yet again. A few days later some military personnel swooped on the village to draft young men. Looking at the incapacitated stripling, he was disqualified from being recruited. The exuberant neighbours congratulated the old grazier on the turn of events. "Maybe," was the laconic reply yet again. Sri Sri Ravi Shankar has succinctly elucidated the significance of the aphorism, 'to accept people and situations as they are' in his teachings.

### The 4 Ds of Abnormal Behaviour

Abnormal behaviour can be construed as behaviour that is disturbing (socially unacceptable), distressing, maladaptive (or self-defeating) and often the result of distorted thoughts (cognitions) as per Wikipedia. There are four strains in this abnormal behaviour. These are deviance, dysfunction, distress, and danger. Deviant behaviour is usually different, extreme, and unusual and could even include bizarre behavioural patterns. The second in the series is distressing behaviour.

People who are related to such individuals feel unpleasant and unsettled in their presence. Dysfunctional behaviour discommodates the patient to such an extent that it acts as a deterrent in his day-to-day functioning and behaviour and interferes with his range of activities. Five specific patterns of anxiety disorders fall into this category. The first is termed General Anxiety Disorder. This is a prolonged, vague, quite inexplicable fear having no objective basis, accompanied by hypervigilance, and attached motor tension of the brain. Next is what in quotidian parlance



is called panic disorder. These are none other than perpetual and frequent anxiety attacks which are accompanied by psychological symptoms such as breathlessness, palpitations, a trembling feeling, dizziness and even a sense of total loss of control over the self.

Next in the line of mental disorders are phobias. Humans have irrational phobias such as Acrophobia (fear of heights), Glossophobia (fear of addressing an audience), Claustrophobia (fear of enclosed spaces), and Aviophobia (fear of flying). In such situations, a human being is preoccupied with a wide range of thoughts, which are normally irrational. Last, but no less distressing — on this ill-fated checklist is Post Traumatic Stress Disorder (PTSD). These individuals suffer repeated and recurrent nightmares, flashbacks, impaired concentration, and emotional numbing which invariably follows traumatic or stressful events. Our country is plagued by three major issues namely, addictions, women's issues, and psychological disorders. Generally, citizens approach tantriks, babas, and quacks hoping for a miraculous cure. It is paramount to meet a qualified medical practitioner. The first step to recovery is medication under the expert guidance of a doctor. Next, after a period of treatment, it would be prudent to contact self-help groups, which sustain the treatment. For instance, undergoing the Happiness Course of the Art of Living, where one learns the Sudarshan Kriya breathing technique which harmonises the body and thought. "No matter how hard the past, you can always begin again," said Gautama Buddha.

(The writer is the CEO of Chhattisgarh East Railway Ltd. and Chhattisgarh East West Railway Ltd. He is a faculty of the Art of Living; views are personal)

# Focus on employment, innovation and skill



DINESH SOOD

## The Union Budget 2024 must factor in rising unemployment and need for innovation for boosting the economy and sustaining economic growth



The upcoming Union Budget on July 23 will shed light on initiatives that may reshape economic priorities under the Modi3.0 government. Amid various expectations and commitments, the government's focus on skills, employment, and innovation emerges as a key strategy in addressing current challenges and shaping future opportunities. The decision to rename the Cabinet Committee on Employment and Skill Development to include livelihood emphasizes a shift to provide employable skills to the most vulnerable 67 per cent of the country's underprivileged population.

Placing skill development ahead of employment underscores a proactive approach to addressing the issue of a shortage of skilled workforce, especially in the health & wellness, manufacturing, and technology sectors. This not only recognizes the immediate need for a trained workforce but also positions skill development as a key driver for sustainable employment generation.

As the Budget approaches, stakeholders across sectors eagerly await concrete measures that go beyond mere promises and lead to tangible outcomes. The effectiveness of these initiatives in translating into job creation, technological innovation, and sustainable economic growth will be carefully scrutinized. The government's steadfast commitment to enhancing skills holds the promise of unleashing India's potential as a global economic powerhouse in the years ahead.

The rebranding and revitalization of the 15-year-old National Skill Development Mission (NSDM) as the Skill India Mission under PM Narendra Modi has sparked concerns about the effectiveness of the ambitious Skill India program. This program has received support from two governments over 15 years — first the UPA and then the NDA. India is in the midst of an urgent unemployment crisis due to an employment



SKILL INDIA WAS DESIGNED TO ATTRACT UNSKILLED YOUNG PEOPLE AND EQUIP THEM FOR THE JOB MARKET, BUT UNEMPLOYMENT RATES REMAIN HIGH

deficit. Issues such as the delayed implementation of PMKVY 3.0 and lack of placement support are exacerbating this problem. The latest data underlines the severity of India's unemployment crisis, making it crucial to prioritize employment generation to confront the challenges facing the Indian economy, especially with a significant number of young people entering the working age each month.

In July 2015, PM Modi stated that "Skill India aims to build self-confidence among the underprivileged, rather than just providing jobs". However, nearly a decade later, the youth's interest in the program seems to be waning. The Ministry of Skill Development and Entrepreneurship has implemented strict attendance monitoring and centralized student information. Unfortunately, this has led to a decline in student retention, with many dropping out due to the rigid attendance requirements. Skill India was designed to attract unskilled young people and equip them for the job market, but unemployment rates remain high. Data from the International Labour Organization reveals that the proportion of educated unemployed individuals has risen sharply from 35.2% in 2000 to 65.7% in 2023. Established in 2014, the Ministry of Skill Development and Entrepreneurship absorbed the NSDC and other programs to train 300 million people by 2024. Despite partnering with various organizations and raising awareness, the programs have not been as effective as envisioned. Experts argue that even traditional degrees do not guarantee employment, and the education system is outdated and not job-focused. Only a small percentage

of candidates certified by the PMKVY program have found jobs, indicating a fundamental challenge with the current skilling initiatives. Boosting skilling programs and industry partnerships is an urgent necessity to create ongoing skilling avenues and improve employability for school dropouts, and unskilled, or semi-skilled workers who need to secure a livelihood.

Although the announcement of setting up 75 skilling e-labs for simulated learning in the 2022-23 Union Budget is a positive move, we must recognize that our problem is far-reaching. API-based trusted skill credentials and discovery layers to find relevant jobs and entrepreneurial opportunities won't suffice beyond a certain point, necessitating an urgent need to skill the masses and empower the country's youths. We must acknowledge that over 40% of Indians aged 15 to 24 are neither in education, employment, or training, which is significantly higher than the South Asian (30%) and global (24%) averages. Indian firms report substantial skill shortages compared to other countries, and they assess only about 46% of graduates as employable.

The majority of students lack the necessary skills, and the skills they do possess are not aligned with the needs of their employers. Every year, more than 12 million young people in India become employable, yet we are unable to absorb them into the workforce. Many of these individuals hold higher education degrees, but they lack the necessary employable skills. The India Skills Report (ISR) 2024 highlights that only 50.3% of graduates from higher education institutions are deemed employable. A skill gap study conducted

by the NSDC during 2010-14 indicates that by 2025, India will need nearly 109.7 million additional skilled workers across various sectors. While the government's interventions in promoting skill development are commendable, more needs to be done to bridge the skill gaps. Wish List: In the 2024-25 Union Budget, it is crucial to prioritize upskilling initiatives for gig workers, due to the eight-fold increase in young people's participation in the gig economy from 2019 to 2023, the majority of these youth come from Tier-I and Tier-II cities and rural areas.

While the government is working to make employable skills more accessible through public-private partnerships, there is a need to facilitate and incentivize the establishment of more skill development universities to steer the youth, especially undergraduates towards skills. This will help align the skill courses with global standards and significantly enhance the youth's skills, contributing to the nation's workforce development. I strongly urge a significant budget allocation to provide employable skills, particularly to school dropouts on a priority basis. This will not only empower them but also significantly contribute to the growth of the Indian economy, aiming to reach \$7 trillion by 2030 and position India as the world's third-largest economy.

(The writer is Co-Founder and MD, of Orane International, a Training Partner with the National Skill Development Corporation (NSDC), and a Network Member of India International Skill Centres.; Views expressed are personal)

# Kerala: Beyond the well-crafted image of a tidy, literate State

## Behind its progressive facades lies a struggle with industrial stagnation, healthcare shortcomings, and a surprising reliance on superstition

The assumption among the people outside Kerala is that it is the most literate, intelligent and hygienic State in the country. The ruling CPI(M) leaves no stone unturned to portray it as the land of people with a scientific temper and is the numero uno in all spheres of life. There are no countries in the world where you will not find expatriate Malayalees. S.K. Pottekkadu, the best travel writer the State has produced in the last 150 years has written articulately about the Keralites whom he met in South Africa and Rhodesia (present-day Zimbabwe) even in the days when there were no diplomatic ties between India and these countries. The modern-day reality of Kerala is entirely different and far from



KUMAR CHELLAPPAN

what is projected by the CPI(M). Malayalees are leaving en masse from Kerala to Europe, Australia, the USA, Canada, Latin America, Africa and of course the West Asian countries in search of livelihood and for higher studies. There are no major industries worth their names in the State other than some public sector companies like FACT, Cochin Refineries and Cochin Shipyard. Industrialists and entrepreneurs have translo-

cated their enterprises to neighbouring States like Tamil Nadu, Karnataka, Andhra Pradesh and Telangana. The claim by Kerala Chief Minister Pinarayi Vijayan and his minister of health Veena George that the State is a role model in health care and well-being for the rest of the country and the world is a great joke. The chief minister boards the first available flight to the USA whenever he is afflicted with the common cold. Recently, a four-year-old girl was admitted to Government Medical College Hospital in Kozhikode for the removal of her sixth finger. However, the doctor who performed the surgery operated on her tongue while leaving the finger untouched. Though her parents alerted the hospi-

tal authorities, the initial reaction was denial of the faux pas by the latter. Remember, the Kozhikode Medical College and Hospital is a most sought-after institution by prospective medical students! This is not an isolated incident as such things happen quite regularly in the State's government hospitals. The doctors have their justification for such mistakes. Most of them say they are overworked and underpaid. When they work under pressure, such errors are bound to happen, claim the doctors! The aim of this column is not to embarrass the doctors or their minister of health who was a mere news reader in one of the many TV news channels that have mushroomed in the State over the last two decades.

The recent controversy about sorcerers digging out (or mining?) copper plates, miniature artefacts and bones of some birds like hens or ducks from the residence and office of K. Sudhakaran MP who is president of the Kerala Pradesh Congress Committee is an issue that shows the large scale obscurantism prevailing among the descendants of Jawaharlal Nehru, the wholesale dealer of scientific temper. According to sources close to Sudhakaran, the sorcery was the handiwork of people in the party itself who wanted to see the KPCC chief remain in bed for the rest of his life. There are black magicians across Kerala who have the "expertise" to neutralize one's enemies or help you to become a minister or even chief min-

ister! This is not an exaggerated statement as this writer himself has spoken to a sorcerer who was into this kind of business for decades. When Oommen Chandi was the chief minister (2011-2016), there was this Congress leader who felt left out during the formation of the UDF Government. When his efforts to become a minister failed, he approached a sorcerer from Malabar who offered the former to make him a minister and that too with a plum portfolio by performing puja. The sorcerer said that witchcraft had to be done and it would cost the politician Rs 12 lakh and the latter accepted the proposal with glee. The magician rang up this writer and said that the puja would begin the next morning

and the politician would become the minister in three months. Presto, in three months, the politician was sworn in as a minister with a coveted portfolio! The story did not end there. The sorcerer was not paid the promised money and he had to warn the politician that he had the know-how to get the minister dismissed from the government. Last heard, the politician (nay, minister) hushed up the issue by paying half the amount he had agreed to pay earlier. Politicians cheating the electorate is quite common but hoodwinking even wizards and warlocks is new information. Sorcery and black magic are not confined to Kerala. They are a global phenomenon with even our Dravidian politi-

cians who swear by rationalism seeking guidance from astrologers, wizards and sorcerers for survival. Some of the countries that played in the World Cup football championship in the 1970s and 1980s used to have an official sorcerer for the team. His mission is to perform witchcraft near the rival team's goalposts to ensure that the ball enters the post without failure! If you feel that sorcery is restricted to politics, business and sports, you are mistaken, Sir. There are many instances of it being used by scientific researchers in the US and Russia. Wait for another occasion.

(The writer is special correspondent with The Pioneer; views expressed are personal)

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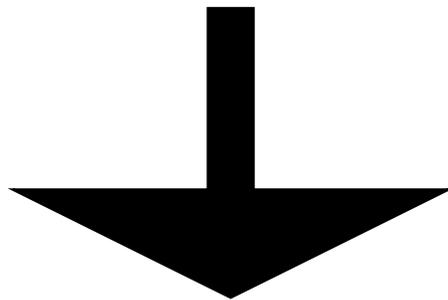
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