

Global trade optimism

Downside risks in 2024 must also be evaluated

The March 2024 edition of the “Global Trade Update” from the United Nations Conference on Trade and Development (Unctad) was released last week and made for optimistic reading. While it estimated that global trade had in fact contracted by about \$1 trillion during the calendar year 2023, it also argued for a reversal of that trend in 2024. Unctad backed up the claim by saying that the first quarter of this calendar year had seen a “small but positive increase in both goods and services trade”. The drivers for positive growth in trade in the ongoing year include a moderation in global inflation and a strengthening of global growth. For India, this is good news. The contribution of trade to domestic growth needs to be increased. Several export-oriented sectors are particularly sensitive to external growth trends, and will see comfortable order books. A recent analysis by Goldman Sachs suggested that India-based information technology (IT) and IT-enabled services companies, for example, would see a 9-10 cent growth rate in revenue over the course of 2024-25, driven by “pent-up demand” and new technological innovations such as generative artificial intelligence.

The broader risks to global trade, however, should not be underplayed. Unctad identifies several, some of which should be carefully scrutinised by Indian policymakers. Disruptions to shipping routes are likely to continue for some time over the course of 2024. The attacks by Houthi rebels, based in Yemen, on shipping may not have taken many lives, but they have increased risks and insurance for the Red Sea route, which matters a great deal for merchandise trade from the Indo-Pacific to the Mediterranean. Unctad also points to unexpected fluctuations in commodity prices as a possible problem. The invasion of Ukraine by Russia two years ago threw energy markets into turmoil. It also created significant problems for the supply chains of several commodities, including agri-commodities. The effect of warfare on input costs and trade cannot be ignored. Indeed, it was reported last week that new sanctions by the US on some carriers of Russian oil had caused delayed deliveries of fossil fuel to Indian refiners. The ripple effect of these and other conflicts on trading networks cannot be foreseen, but are likely to be negative.

Finally, there are a set of concerns that Unctad expresses about geo-economics and those are broadly linked. In response to concerns about the dominance of China over global supply chains, both companies and governments are taking actions of varying intensity. The report points out that supply chains are lengthening. On the one hand, this renders them less efficient and increases costs. On the other hand, it might allow for some countries, including India, to enter into value chains to a greater degree than they had earlier. Certainly that appears to be the logic behind Indian government efforts with regard to semiconductors, mobile phones, and electric vehicles. But related issues, including the hoarding of or trade restrictions on critical minerals, will also have to be forecast and dealt with. Finally, the danger of a race to the bottom on domestic subsidies in several countries is real. India will not be able to compete under those circumstances. Thus, it becomes ever more important for it to create closer economic integration with economies like the US and the European Union, which could moderate these effects.

Compatible iPhones

US govt lawsuit can open up the ecosystem

The US Department of Justice (DoJ) has just filed an antitrust lawsuit targeting Apple and more specifically the iPhone and Apple’s marketing practices centred on that iconic device. Around 58 per cent of Apple’s revenues is contributed by the iPhone. The lawsuit follows on the heels of antitrust action taken against the consumer electronics giant’s app store in the European Union (EU). If it succeeds, it could fundamentally alter practices in the smartphone market. The DoJ was joined by 16 state attorneys general in a lawsuit filed in New Jersey last Thursday. The suit accuses Apple of maintaining a monopoly. The iPhone holds a 65 per cent share in the US smartphone market by revenue and around 20 per cent in the global smartphone market. The DoJ alleges Apple deliberately avoided making the iPhone and the iOS ecosystem compatible with third-party apps, products, and services that would make it easier for users to switch from the iPhone to other smartphones, or to integrate other devices with Apple devices, thus leading to lower costs for consumers and developers. The DoJ estimates “Apple’s anticompetitive conduct has benefited its shareholders — to over \$77 billion in stock buybacks in its 2023 financial year alone — at a great cost to consumers”. The European Commission had earlier acted on a complaint by music-streamer Spotify and forced Apple to allow third-party app stores in the EU.

But this lawsuit is broader. It cites many examples of how Apple has allegedly blocked competition. It has restricted “super apps” with multi-functionalities across e-commerce, food delivery, financial services, and social networking. It has limited the availability of Cloud-gaming apps that can be played without expensive hardware, it has prevented third-party smartwatches from accessing key iPhone functions, and it has denied access to digital wallets that work across smartphone platforms. The suit cites internal communications to buttress claims the company was aware its policies would discourage competition. The DoJ says this has especially harmed the market for other “performance” smartphones, defined as those with “higher quality cameras, better battery life, wireless charging, and advanced biometrics such as face scanning”. The suit also says Apple’s much-touted focus on privacy is selective, and claims it “selectively compromises privacy and security interests when doing so is in Apple’s own financial interest”. For example, text messages from iPhones to Androids are unencrypted despite the fact that these could easily be encrypted.

One major challenge for the DoJ is that it is hard to tell what alternative products and services may have developed if Apple’s policies had been less restrictive. However, it may be able to compare relative consumer experience from other markets where iPhones are not so dominant. If the DoJ wins what is likely to be a bitterly contested lawsuit, remedial actions could have a wide range. The most drastic would be breaking up Apple’s business verticals into different companies. More likely, it would force policy changes regarding the listing of super apps and Cloud-streaming gaming apps on its app store, as well as allowing third-party messaging, smartwatches, and digital wallets to work unencumbered with Apple devices. This would put competitors on a par, potentially reducing the popularity of Facetime, or impacting the sales of the premium Apple Watch. It may also spark innovation and bring down costs. Consumers would certainly benefit in the long run from a more competitive environment and ecosystem.

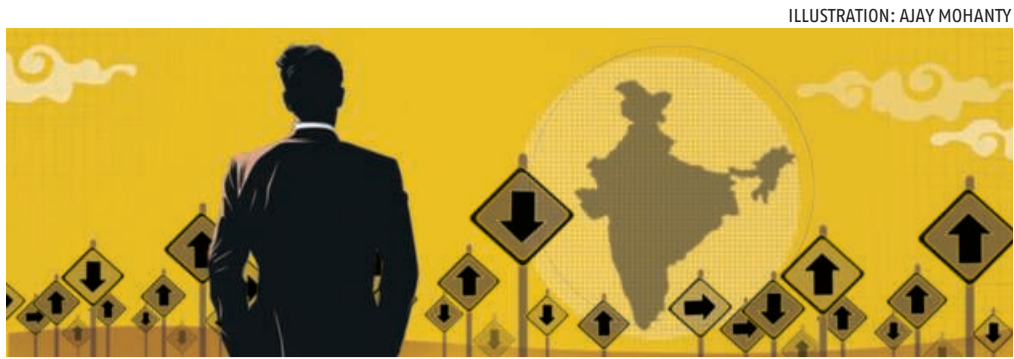


ILLUSTRATION: AJAY MOHANTY

A short report card

Three successes and two failures of policy in the last five years

As the National Democratic Alliance’s (NDA’s) second successive term in office comes to an end — with every expectation that re-election is on the horizon — it is worth considering how it has dealt with five relatively tumultuous years, at least in terms of economic management.

This column’s opinion of the first five years of the NDA government was not entirely positive. It had two major reform successes: The introduction of the Insolvency and Bankruptcy Code, and the formal institution of an inflation-targeting regime at the Reserve Bank of India. What should have been the third, the rollout of the goods and services tax, or GST, was marred by an excessively compromised final version and sequential cuts in the rate that meant it was likely not revenue neutral. Enormous advantages — such as a sharp fall in global energy prices — were largely squandered; programmes like “Make in India” turned out sadly to be more about hype to woo investors than substantial, on-the-ground reform. And there was, of course, the enormous self-inflicted wound that was demonetisation.

The global climate in the next five years was not so positive. While the economy — particularly the informal sector — was still struggling with the after-effects of the GST introduction and demonetisation, the pandemic hit. The broad trend towards fiscal consolidation in New Delhi since 2013 could naturally not survive this once-in-a-century event. Yet the first major achievement of the second NDA administration was unquestionably the macro-economic management of this event. The Union finance ministry chose to use a system of guarantees and targeted welfare rather than opening the floodgates of fiscal spending for a more generalised boost to demand. This turned out to be a wise choice. The deficit did not expand as much as it

could have. While the pace of consolidation since could and should have been faster, the deficit’s downward direction is clear and credible.

The absence of a generalised boost to demand — along with the effects of central bank inflation-targeting — meant that India has largely been spared the bouts of high inflation that have affected some other large economies, both developing and developed. The political priority given to inflation management even through fiscal policy is visible. It has, on occasion, led to problematic choices — such as export restrictions of one sort or another on various agricultural goods such as rice and onions — but overall, the careful management of inflation has to be presented as a positive.

To these two achievements — expenditure management and inflation management — we can add a third. The government’s direct focus on many frontier sectors — from semi-conductors to renewable energy to space — has energised investor interest in these areas. Some of this is borrowed wisdom from the West and China, of course. The return of industrial policy and “picking winners” among sectors is not unique to India. This approach has many problems in general. The production-linked incentive, or PLI, is certainly a worrying expansion of government into the risk-taking and choices of the private sector. But the broader political decision to give special attention to these sectors, in the context of climate change and economic security, is eminently defensible.

A more arguable achievement is the continuing effort to build infrastructure. Public expenditure on physical infrastructure was doubled in successive Union Budgets, even as overall resources were strained. The degree to which this money was well spent cannot yet be judged. It seems certain that highways, for example, have improved. But there is also good reason to



POLICY RULES

MIHIR S SHARMA

Electoral bonds: Where are the disclosures?

Last week, State Bank of India (SBI) disclosed the data on now defunct electoral bonds in two sets. Purchasing these bonds was voluntary; however, which entrepreneur would willingly part with her or his hard-earned money for grasping, self-serving politicians? Entrepreneurs do so under coercion or incentives. Hence, voluntary donation is rather small, as is evident from the large number of companies absent from the list. Today, most large companies of corporate India are listed on the stock markets. And yet, only about 100 listed companies across a few sectors have contributed to political parties through electoral bonds. Very few large companies (Nifty 200 stocks) feature on the list.

While there are Vedanta (over ₹400 crore), Bharti Airtel (₹198 crore), Torrent Power (₹106 crore), and United Phosphorus (₹60 crore), most others have donated small sums relative to their profits. Sun Pharmaceuticals, which made over ₹8,900 crore in net profit last year, donated ₹31.50 crore, barely 0.3 per cent. Mahindra and Mahindra donated a similar amount (₹25 crore), and so did Bajaj Finance (₹20 crore), Bajaj Auto (₹18 crore), Hero Motors (₹20 crore), TVS Motor (₹26 crore), UltraTech (₹35 crore), Maruti Suzuki (₹20 crore), and Piramal Enterprises (₹48 crore). More interesting is the fact that a large number of big listed companies did not donate through electoral bonds at all: Reliance Industries, ICICI Bank, HDFC Bank, Kotak Mahindra Bank, Tata Motors, Tata Steel, and Titan. All the software giants like Tata Consultancy Services, Infosys, HCL Technologies, and Wipro are missing. There are no multinationals on the list, nor is construction giant Larsen & Toubro, even though many other donors were from the construction sector.

For those who have donated, the question is: Where are the disclosures to shareholders? At a time when the market regulator and stock exchanges are insisting on extreme transparency, it is obvious that companies

that have donated money to political parties should mandatorily disclose these to shareholders with an explanation. A quick check of some of 2022-23 Annual Reports of large listed companies like Mahindra and Mahindra, Cipla, Bharti Airtel, and Piramal Enterprises shows no mention of electoral bonds. Vedanta discloses donations under “other expenses” with a footnote identifying that it was for electoral bonds. This disclosure is even more necessary for those who donated while facing charges or, perhaps, other forms of scrutiny or coercion.

While many large listed companies do not figure as donors, it is interesting that all large listed pharmaceutical companies and many unlisted ones have donated. Several of them have been facing government action (some genuine, some allegedly trumped up) for tax evasion, poor quality of drugs, or for overcharging. Apart from Sun Pharma, among the big donors through electoral bonds are Divi’s Laboratories (₹55 crore), Cipla (₹39.20 crore), Alkem Laboratories (₹15 crore), Dr Reddy’s (₹84 crore), and Mankind Pharma (₹24 crore). None of them has significant disclosures to offer regarding electoral bonds.

A close analysis of the electoral bonds makes it clear that companies are either donating out of fear or for orders. Of course, the line between incentive and coercion often blurs in the messy negotiations between political parties and businesses. In any case, shareholders and citizens remain in the dark in both situations. Take, for example, the massive capital expenditure by the central government on roads, bridges, sanitation, drinking water, railway modernisation, and energy. Winning bids for these projects is based on objective criteria but it is not always so in practice. These businesses also spend large sums in cash. Pamireddy Pitchi Reddy’s four companies, led by Megha Engineering (₹966 crore), have emerged the second-biggest donor (₹1,200 crore) on the list. Megha



IRRATIONAL CHOICE

DEBASHIS BASU

wonder if improving the actual performance of assets like the Indian Railways took a back seat to video-friendly developments like the Vande Bharat trains. If it turns out eventually that multi-modal connections have not been built, or “soft” infrastructure like supervisory capacity at ports continues to operate as a bottleneck, then it may turn out that the returns to this spending have not been adequate. Efforts to bring in global capital to assist in this build-out have been made, with some success. But these efforts could have been far more effective if more intelligent financial structures were created to enable the entry of long-term finance.

So with these achievements — three unquestionable, one more doubtful — under its belt, can we give this government a passing grade? I am not so sure. Two giant questions remain unanswered. The first is where momentum for broad-based growth will come from. And the second is about job and employment growth.

The last quarter’s growth, of over eight per cent, is attributable to some one-time statistical phenomena. As Shankar Acharya pointed out recently on these pages, India needs to grow at least eight per cent quarter after quarter, year after year, for 25 years to become a high-income economy. This has been achieved by several countries in the past. But in each case, there were identifiable sources for this growth — expansion of the workforce by including women, increases in labour-intensive export, and rapid foreign investment-led industrialisation. India has none of these. It seems to be depending mainly at this point on domestic demand-led growth. Yet consumer demand is simply not reliable. Nor is it broad-based. And, finally, no country has grown to wealth simply by using domestic demand.

The second, linked, question is about employment. Demand is not broad-based because the number of decent jobs and thus secure wages and wealth growth do not seem to be increasing as much as they should. We can argue at length about what the data about employment says. The government has been happy to use various estimates from private-sector agencies when they suggest employment growth in the millions; and has been as happy to criticise such agencies when their surveys show jobs or wages are relatively stagnant. But the broader failure to create formal employment across the nation is undeniable. The government has not paid a political price for this. But that does not mean that this is a sustainable system over time. India has a few decades to utilise its demographic bulge effectively. In parts of the country, demographic trends have already turned adverse. Countries have to grow rich before they grow old. And they will grow rich only if their definitive generation of young people — the one we in India have now — are given opportunities to be productive and stable members of the workforce. This should have been the major task of the NDA government across its two terms. But it is hard to say it has accomplished this effectively, if at all.

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reportedly purchased electoral bonds, on several occasions, just before it secured major projects. BG Shirke Construction (₹117 crore), the other major construction company on the list, bagged a huge affordable housing project and other deals in Maharashtra.

So what can be done about disclosures, at least for listed companies? IFB Agro’s Annual Report of 2022-23 provides a rare and only example of explicit disclosure. “The business continues to face issues as reported earlier and in order to maintain the continuity of the business and to protect the interest of all the stakeholders, the Company paid ₹18.30 Crs towards subscription of the Electoral Bonds during the year. The Company has further paid ₹15 Crores towards subscription of Electoral Bonds in the Month of April 2023.” In all, IFB Agro has paid over ₹92 crore through electoral bonds since 2021.

In West Bengal, where IFB Agro operates, politically powerful “syndicates” dictate business activities, including hiring staff, contractors, and suppliers, and collect regular payments. On June 26, 2020, and again on December 22, 2020, IFB Agro disclosed to the stock exchanges that its distillery in South 24 Parganas was attacked by 150 armed goons. They forced the distillery to close, beat up employees, and held them hostage. Despite complaints to the police, nothing happened. It also said its alcohol business was suffering because it was “singled out by certain excise officials for not succumbing to their illegal demands”. Since its complaints came to nothing, IFB Agro chose to publicly disclose its reasons for donation. Why can’t other listed companies display the same courage as IFB Agro? If listed companies do not want to disclose their reasons, they have another choice: Follow the example of Kiran Mazumdar Shaw. She controls two listed companies (Synegene and Biocon), neither of which was a donor. But she decided to donate ₹6 crore from her personal account. Given the tens of crores of salaries promoter-managers pay themselves, they can certainly do this rather than spending shareholders’ money — and keeping them in the dark.

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Climate change and desperate journeys



BOOK REVIEW

JON GERTNER

It’s happening already, of course. You can see it in the blazes in California, incinerating homes and forcing residents to escape the terror of wildfires. You can glimpse it in Arizona, where droughts have pushed farmers to give up on growing crops and sell their fields to developers.

On the coasts, tides are rising, flooding vulnerable seaboard cities as a pervasive warmth expands ocean volumes and the green ice sheets of Antarctica and Greenland melt into the water.

And finally, there are the heat waves: Weeks of infernal temperatures that literally kill residents of Western states who venture too long outside. “The places around the world we think we can live in now,” Abraham Lustgarten

explains in *On the Move*, his fascinating new look at the population changes wrought by climate crisis, “will not be the same as the places where we will be able to live in the future.”

In a larger context, he warns, we may now be on the cusp of “the largest demographic shift the world has ever seen.”

Where will we go? When? And will we be welcomed? To answer these questions, Lustgarten gathers academic studies and examines models that simulate future migration scenarios; he then combines his insights with reporting.

He has personal experience to draw on, too. A wildfire-weary Californian, he lives in fear that underwriters could render his home worthless, or that the next conflagration could destroy his town. Should he move his family? With each passing year the question is becoming more difficult to ignore. He keeps a bag packed, water and flashlights at the ready, knowing that burning season means he may have to flee at any moment.

Climate-driven migrations will almost certainly become a widespread

trend in coming decades — computer models indicate extraordinary temperature extremes for many parts of West Asia and northern Africa. In the meantime, sea level increases and flooding will surely become a global phenomenon, too.

Lustgarten’s focus is on the United States, which allows readers to grasp the intricacy of migration scenarios by exploring catastrophes that are now becoming familiar to many of us. And yet: Migration is an enormously complex dynamic that goes beyond a spell of hot weather or floods. “Not everyone, of course, will pack up and go in the face of these changes,” Lustgarten concedes.

Some Americans will be too poor to move. Others will be reluctant to abandon familiar ways of life. What seems likely, based on previous migrations, is that younger people will be the first to uproot themselves.

At the start, the moves may not be extreme. Rural dwellers tend to migrate to nearby towns; those in towns shift to cities. And more dramatic moves — akin to the African American “Great Migration” in the first half of the 20th

century, or those fleeing the Dust Bowl in the Depression — may come only later.

Lustgarten’s narrative sometimes bogs down with data and research arcana: Readers are frequently informed about the potential vulnerabilities of various states under various climate scenarios, as well as what a particular scholar may believe could happen to the American populace or agricultural yields.

What consistently enlivens the book are the author’s eloquent personal insights. His visits to Guatemala, especially, are astonishing as well as gripping, presenting an intimate understanding of why poor agricultural workers, beset by droughts and calamitous economic circumstances, risk everything to come to northern neighbours that greet them with hostility. For Lustgarten, this offers a test case for how the planet’s most

vulnerable populations could respond in a climate emergency.

While reading, I sometimes wondered if Lustgarten should have further tempered the speculative nature of the migration models upon which his book depends. Tonally, he veers between confident future-casting and caveats that the shifts he’s writing about are merely predictions, the “threshold of discomfort” that will force a person to move difficult to ascertain.

Personal reluctance to moving, after all, combines unpredictably with external factors. We can’t be assured that interstate politics in, say, 2050, will allow for waves of relocation. And, if we succeed in reducing carbon dioxide emissions and avoid the worst scenarios for a warming climate, we may find that human ingenuity can lead us to adapt better to water shortages and rising sea levels (or excessive heat).

In any event, climate maps and projected patterns mainly “seed the imagination,” as Lustgarten puts it, for

what might transpire decades hence.

In that regard, this book should fill readers’ minds with possibilities. We know that many Americans are heading into a future that’s either too hot, too dry, too wet or too chaotic for comfort. And — if our current immigration disputes are any indication — too mean.

When Lustgarten travels to Michigan, he wants to investigate whether some Rust Belt cities, now diminished in population, have the historical infrastructure and capacity to regrow. It’s an exciting idea; whether the region would welcome millions of new arrivals is a bigger question. When he asks the sustainability director for the city of Ann Arbor whether she thinks residents are more concerned with climate change or newcomers, her response is telling: “The people coming in, without a doubt.”

With so much to fear, and so much work ahead to make our environment livable, the thing we seem most afraid of is... one another. As *On the Move* convincingly demonstrates, with all the heat and disruption coming our way, we’ll need to do much better than that.

The reviewer’s most recent book is *The Ice at the End of the World: An Epic Journey Into Greenland’s Buried Past and Our Perilous Future*. ©2024 The New York Times News Service

What to Make of America's EV Lifting

Biden coaxing the market to change lanes

In politically-charged pre-election America, EVs have become a key poll issue. Last week, the Biden administration issued one of the most key climate regulations in history: a rule designed to ensure that most new passenger cars and light trucks sold are all-electric or hybrids by 2032. The new rule is not a calibrated ban on ICE vehicles and doesn't mandate EV sales. But it's a hard nudge towards getting EVs on roads by requiring carmakers to meet to-tough new average emissions limits. This may be a tactic worth following from the nascent EV shores of India.

The emissions rule is part of Joe Biden's four climate regulations, including restrictions on emissions from power plants, trucks, and methane leaks from oil and gas wells. These are intended to help meet the target of cutting US GHG emissions in half by 2030, and eliminating them by 2050.

Meanwhile, Donald Trump has been picketing on the highway saying he will roll the rule back if he's elected as EVs will 'kill' America's auto industry. But his anti-EV heavings may not cut ice with voters. One, most jobs reportedly being created in the EV supply chain are going to red states. Two, more than \$114 bn has been poured into the EV supply chain since the 2022 Inflation Reduction Act. Three, for automakers, quick regulation changes — despite fighting to make new emission rules roll out more slowly — will create market uncertainty and deter them from making fresh investments.

But it isn't Trump who's EV's roadblock, but basic transition problems like lack of charging stations and tax credit issues (only 18 models are eligible for full credit). The final push must come from consumers, and green policies alone may not be enough to change gears. A lesson worth noting for the India EV market.

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MACROECONOMICS

Controlled Inflation Gives Elbow Room

Finmin has an optimistic projection on the inflation trajectory that, if shared by RBI, could signal a resumption of interest-rate cuts earlier than anticipated. True, core inflation — filtering out volatile food and fuel prices and the metric that rate-setters watch most keenly — seems to have been tamed as the commodity cycle has turned. This is expected to endure as the global economy continues to cool down, barring geopolitical developments that could cause energy and shipping costs to rise. Episodic food inflation has been drawing swift supply responses from GoI, although their effects are debatable. Export bans on rice and wheat have had insufficient effect on inflation in cereal prices.

India has fewer reasons to synchronise its rate-cutting cycle with the rest of the world than it had during the coordinated 'up-move'. It had a relatively shallow climb in interest rates post-Covid and will have an equally shallow dive to negotiate. Economic growth has been remarkably resilient, and India will want to use this to its advantage to draw in a bigger share of global capital. This imposes a constraint on its interest-rate movements vis-à-vis advanced economies, where the markets expect rates to begin trending down later this year. But interest rates in the US will have to decline considerably to reach their historical differential with those in India. There is a possibility interest rates in advanced economies will settle somewhat higher after the rate-cutting cycle than they were at before the pandemic.

Against this backdrop, Indian policymakers will try to feed a revival in private investment demand with cheap credit. There are indications that investment is supplanting consumption, which put the economy on the path to recovery. RBI's timing for interest-rate cuts will probably be guided by the transition in domestic demand more than by developments in the external environment. A gov embarked on a multi-year capex programme would like to see lower interest rates sooner to crowd in private investment.

JUST IN JEST

The holiness of Holi is joined at the hip with its loud, OTT celebration

Laughter and Holi, A Holy Concoction

By a neat trickery of inter-language language, 'Holi' and 'holly' coalesce and coincide in one phonetically indistinguishable word puff. The festival of colours, love and spring to toast the eternal love of Radha and Krishna also celebrate the divine love, bringing in the gulaal of the sacred, the 'holly'. But this meeting at the crossroads of a Hindi and an English word may throw light — and colour — on one fundamental aspect of 'Holiness' that is usually missed out by our standard interpretation of 'holiness': it's joyous, celebratory aspect that is far removed from matters held serious and full of gravitas. That the sacred can be — and, indeed, is — a whirlwind, full of loudness and laughter is underlined by all that is holy in Holi and all that is Holi in things held holy.

In his 1979 masterpiece, 'The Book of Laughter and Forgetting', Milan Kundera hit the proverbial nail on the head in the line, 'To laugh is to live profoundly.' In the grand melee of Holi over the next couple of days, what we witness, share and experience is this profundity of laughter. Solemnity has its place in the world — of quietude, of reflection, of prayer. But whoever said that the sacred is to remain solemn to remain sacred? Christmas is simultaneously sacred and joyous because of 'Ho! Ho! Ho!' As is 'Ho! Ho! Holi!' reminding us that to laugh is to be divine.

Why RBI's disproportionate action against fintechs may be bad for business, investor sentiment

Too Much Tough Love, Guv?

Ateesh Tankha & Ganga Narayan Rath

Nothing that Valmiki says in the Ramayan before it happens prepares us for the violent spectacle of Kumbhakarna being prematurely woken from slumber. But there is no relief. Once that has been experienced, one is subjected to his sudden alacrity and unmitigated violence on the battlefield. These unexpected acts are accepted — even praised — as part of his duty to his kingdom, and his personal *raison d'être*.

Something analogous is happening in the world of non-banking financial services. In less than five weeks, RBI shut down Paytm Payments Bank, served Visa a cease-and-desist order with regard to card-based vendor payments and P2P transactions, prohibited IIFL Finance from sanctioning new gold loans, and debarred JM Financial from providing finance against shares and debentures, and for new IPOs.

Had this been all, one could have excused this as a specific set of actions against a small number of significant players. But the central bank has subsequently also carried out a plethora of audits targeting fintechs that disburse small-ticket personal loans. The stated reason: exuberant unsecured loan growth.

Now, while it is true that unsecured loans present great risk when things go sour, they also present more profitable opportunities than regular loans when default is controlled. Credit card loans have grown fastest in this space (34% y-o-y), accounting for some ₹2.4 lakh cr in outstanding value as of November 2023, with just four large banks controlling more than two-thirds of this volume. Other unsecured personal loans disbursed



Easy, tiger

by banks and NBFCs grew at 23% y-o-y. And fintech loans — historically provided through digital lending apps to those with no, or poor, credit history — also grew exponentially during this time.

According to two recent reports — 'Fintech Personal Loans, Apr 2018-Sep 2023' by FACE, and 'Charting New Horizons for Fintech Lending' by Experian — fintech loans have doubled their sanctioned volume since FY19, accounting for 62% of personal loan volume and 10% of personal loan value in H1 FY24. But fintech loans — the average ticket size of which is about ₹10,000 — only account for 5% of the total personal loans market.

On the other hand, like rural micro-finance, they make credit available where banks will not: two-thirds of fintech borrowers are under-35, and 40% come from tier-3 cities and 108 outlying districts. Moreover, this credit growth is healthy, as credit bureau vintages have slowly crept past the 5-year mark, loan profiles present mid-to-low credit risk, and outstanding loans that are 90 days

While unsecured loans do present great risk when things go sour, they also present more profitable opportunities than regular loans when default is controlled

past due stood at a paltry 3.6% in 2023.

Even RBI's sentinel publications — Annual Report, Report on Trend and Progress of Banking, and Financial Stability Report (FSR) — don't carry any material warning that warrants corrective action. FSR states that while retail loans grew at a CAGR of 25.5%, 'which was greater than the headline growth rate of 18.6%... underlying asset quality has improved', and that there are no 'imminent signs of stress in the retail credit segment'.

Claiming, however, that the unsecured sector presented systemic risk — by H2 of 2023, bank lending to NBFCs had grown at CAGR of 26.2% over two years vis-à-vis a more modest 14.8% for overall bank credit — RBI tried to curb growth by increasing the risk-weighted cost of capital for all unsecured loans by 25%. But unsecured loans from banks continue to grow (credit card spend was up 30% y-o-y in January) despite the elevated interest rates.

The same is true of fintech loans, for very different reasons:

► Loans are sanctioned by fintechs at higher interest rates, typically above 35% for 90-180 days. Obviously, a 2-4% hike is hardly likely to dissuade credit-hungry applicants.

► Foreign investors are the main source of funds because Indian banks are unwilling to lend to these firms directly. And since bank-funded NBFCs are willing to lend to fintechs after applying a substantial markup, domestic funding is untenable.



This is not to say that RBI should not keenly watch developments. But by stepping beyond the bounds of moral suasion, it appears to be applying a sledgehammer to both boulder and pebble

Despite these differences, RBI has unleashed a wave of inspections, calling into question business models, funding mechanisms and compliance methods employed by hundreds of fintechs. Many have begun to fear for their very existence.

This is not to say that RBI should not keenly watch developments. Since commercial banks have seen their deposit volume decrease in the last two years as household net financial savings have shrunk by more than half from 11.5% in 2020-21 to 5.1% in 2022-23, loan exuberance could destabilise the system. But by stepping beyond the bounds of moral suasion and asking lenders, big and small, to close the gates on non-collateralised lending while investigating new-age lenders, RBI appears to be applying a sledgehammer to both boulder and pebble.

In a situation where financial liabilities of citizens have grown from 3.8% to 5.8% of GDP between 2021 and 2023, is it not reasonable to expect that regulatory and supervisory actions are taken in a 'calibrated' fashion, keeping an eye on customers credit needs and financial convenience? In an age when gov and corporations promote light-touch digital solutions as a universal panacea, should regulatory boundaries remain static and stifle new lending models?

Though not immediately apparent, this is bad for business, consumer confidence, investor sentiment and market development.

Eventually, it was only when Kumbhakarna was vanquished that the full extent of his destructive excesses became apparent to all but the most fanatical admirer. Perhaps the moral of the story is that sometimes even little people should be allowed to press their case legitimately. And then maybe their cause can win.

Tankha is founder-CEO, ALSOWISE Content Solutions, and Rath is former chief general manager, RBI



Heart Of Holi

RADHANATH SWAMI

Holi is a festival of colours, fun, happiness, love and devotion. In many ways, it is the battle of love. These colours represent love. To conquer each other with love is what Bhakti is all about. Holi also signifies the victory of good over evil.

The Holi festival is associated with the great devotee Prahlad. He was in the midst of the most gruesome situation we could imagine. But he was undisturbed and always blissful. This is because he revived his eternal relationship with the Supreme Lord through Bhakti Yog. He is always experiencing the unlimited love of Lord Narsimhadev. This loving relationship can alone bestow everlasting satisfaction and joy as stated in Bhagwad Gita 6.22.

The divine being the Supreme Controller protected Prahlad in all circumstances, even from being burnt in fire when Holika, who had the boon to enter fire unscathed, took Prahlad on her lap and sat in the fire with the intention to kill him on the instruction of her brother Hiranyakshyap. However, Prahlad was saved because of his extreme devotion for the divine, while Holika got burned. The tradition of Holika dahan, burning Holika, still continues.

We are living in a world plagued by lust, anger, greed, pride, illusion and envy. The solution: revive our devotion following Prahlad's footsteps. This way, we can celebrate every moment of Holi in our heart in any situation. This Holi of heart is the heart of Holi.

BLISS OF EVERYDAY LIFE

Crossword Puzzles

Engaging in crossword puzzles is a delight that blends mental stimulation, relaxation and satisfaction. From the moment you pick up a newspaper and turn to the crossword grid, armed with a pencil or pen, you're full of anticipation as the sense of challenge fills the air. Each clue presents an intriguing puzzle, a tantalising conundrum waiting to be solved. Solving clues requires a combination of knowledge, logic and creativity, encouraging cognitive agility and problem-solving skills. With each successfully completed clue, there's a surge of accomplishment and pride, spurring you in pursuit of the next challenge. Immersing yourself in a puzzle provides a temporary escape from the world of people into that of words. Only the task at hand matters while you're taking a crack at your daily fix. The rhythm of filling in letters, crossing out incorrect guesses and gradually unravelling the puzzle's secrets induces a state of flow, where time stands still and all else fades away.

There's also the sense of camaraderie among fellow crossword solvers. Messaging a fellow crossword solver about a tough clue, or sharing the difficulty of solving a particularly difficult one has a fellowship of the grid written all over it.

Chat Room

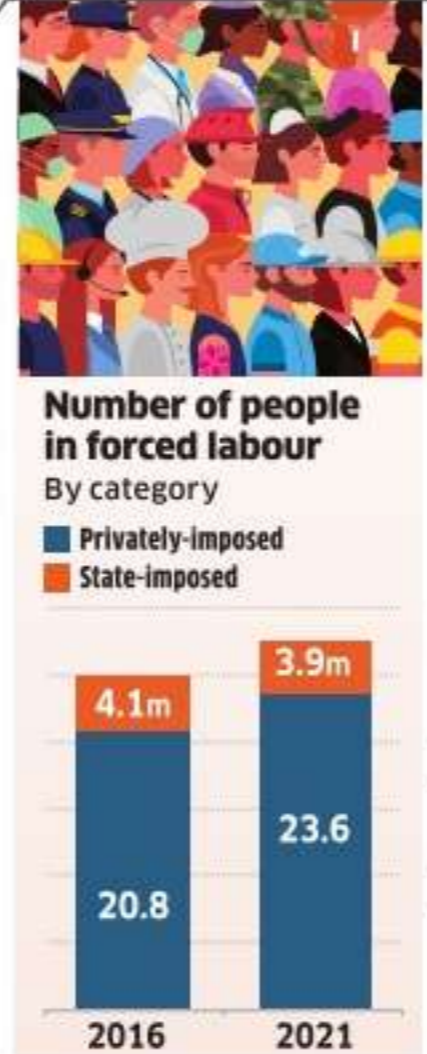
No Bar on Office Behind Bars

Appropos 'Focus on L-G as Kejriwal Continues to be CM; Experts: Any Place can be Jail' by Nidhi Sharma (Mar 23), while Article 361 grants immunity to certain high-ranking officials from court proceedings for acts done in their official capacity; this protection does not extend to elected officials like CMs. Moreover, the Prisons Act 1894 and state government prison manuals focus on the management and rehabilitation of prisoners rather than facilitating governance from behind bars. Additionally, governance falls under the state list of the Seventh Schedule of the Constitution, placing the administration of prisons within the domain of state governments. So, while there is no direct prohibition on governing from jail, the lack of a legal mechanism, coupled with logistical challenges and the reliance on the L-G's role in Delhi, would likely hinder effective governance from behind bars.

AMARJEET KUMAR Hazaribagh, Jharkhand

ChatGPT SHAIRI OF THE DAY

In streets filled with colours, they prance,
For Holi, they're ready to dance!
With hues in the air,
They splash without care,
Till even the pigeons wear pants!



Forced Labour

On any given day in 2021, an estimated 27.6 million people were in forced labour* — a 10% rise from five years earlier, according to a report by ILO. The Asia-Pacific region was home to more than half of those, while Africa, the Americas, and Europe-Central Asia each represented about 13% to 14%. The report said some 6.3 million people faced situations of forced commercial sexual exploitation on any given day — and nearly four in five of those victims were girls or women...

By region	In million	% share	Per 1000 population
Asia & the Pacific	15.1	55	3.5
Africa	4.1	15	2.9
Europe & Central Asia	3.8	14	4.4
Americas	3.6	13	3.5
Arab states	0.9	3	5.3

*All work or service that is exacted from any person under the menace of any penalty and for which said person has not offered himself voluntarily

Source: ILO

Bell Curves ■ R Prasad

Lord, I'm not seeking favours; I'm demanding my rightful commission for spreading your word!

Prioritise, Don't Tick All Boxes

Kodjo E Mensah-Abrampa, Thomas C Munthali & Bjorn Lomborg

Every country faces a multitude of challenges and competing wishes for the future. Ideally, we would all like to address everything. But scarce resources means that in real life, we have to prioritise.

Saying that some things must come first is controversial, because it also means saying many things *won't* come first. That is why a lot of politicians shy away from explicit prioritisation and would rather make it appear that they can, indeed, attempt to do everything.

Globally, this approach has been cemented in UN SDGs. These are promises signed on to by every single country to achieve almost literally every good thing imaginable by 2030. Over the course of 169 wordy targets, the world has promised to eradicate extreme poverty and hunger, end AIDS, tuberculosis and malaria, stop wars, climate change and corruption, improve education and healthcare, save biodiversity, reduce inequality, provide jobs for everyone — and even promote sustainable tourism and increase urban parks for the disabled.

Because of failure to prioritise these goals, money has been spread thinly by development organisa-

tions, donors and governments across all these areas. Consequently, the world is falling short on every one of its promises.

Fortunately, around the world, more and more govts and orgs are focusing on what would *really* work among all the promises. One of the most phenomenal solutions is to improve primary school learning by using tablets with educational software for one hour a day. This makes each student learn much faster, because the tablet is teaching at exactly the level adjusted to the student.

Economists with Malawi's National Planning Commission identified this approach as one of the very best policies for this southeast African country. Although resources are scarce, studies showed that every dollar spent teaching the student better with tablets would deliver an amazing \$106 of long-

TO-DO LIST:
1.
2. EVERYTHING
3.
Unhelpful way of doing things

term higher productivity.

This is one of the reasons the Lilongwe government decided to dramatically focus resources on this policy. Malawi has already put almost half a million children in front of educational tablets, and the goal is to get adaptive learning on tablets to all 3.5 million children in the first four grades in this decade.

Tablets are not the only way. India has embraced a cheaper, lo-tech solution in which schools shuffle students' classes for one hour each day, so that all students go to the class that is at their actual learning level. This can lead to some awkward social interactions with children of different ages. But because it needs no new technology, it's also much cheaper. One year of this approach has been shown to have the learning equivalent to two years of normal schooling.

Teaching students at their own level is incredibly effective. Colombia is trialling this approach, designed to improve literacy in low-income communities and rural schools.

Similarly, getting gov online offers to dramatically drive up efficiency. Working with Ghana's National Development Planning Commission, research showed digitisation to streamline bureaucracy and cut down waiting times and uncertainty for citizens. Ghana's local governments, responsible for infra and service delivery, still depend on central gov transfers to fund their development, generating only about 20% of their total budget with their own resources.

Streamlined, digitised revenue

collection has the potential to improve their autonomy. Digitising property and business fees can make tax collection much more efficient, and this will help municipalities to provide best possible services to citizens. Calculating both cost and time and money saved, each dollar spent on this intervention yields a return nearly nine times higher.

Other countries are also prioritising digitisation by putting all their purchasing online — e-procurement. Since govts are often the largest buyer in the country, and procurement is often very corrupt, more transparent transactions can deliver less corruption and more value for taxpayer's money. Brazil has shifted to an e-procurement system that has been recognised for reducing losses to bribery, while Indonesia's reform has led to a 'significant decrease' in corruption. e-Procurement was recently implemented in Ghana and is underway in Malawi.

There is huge potential for more countries to identify and prioritise policies that would deliver most impact for every dollar. Instead of pretending to achieve everything for everyone by promising all good things, we need to shift to a sharper, smarter focus. We can't do everything. So, we should start with policies that would achieve the most bang for the buck.

Mensah-Abrampa is DG, National Development Planning Commission, Ghana. Munthali is DG, National Planning Commission, Malawi, and Lomborg is president, Copenhagen Consensus

Opinion

MONDAY, MARCH 25, 2024



INDIA'S GROWTH STORY

Vice president Jagdeep Dhankar

Recent years have been a testament to India's journey from fragile five economies in the world. We had the good fortune to be in the big five leaving behind Canada, UK and France

Another 'Maruti moment'?

JSW wants to create one with its EVs, but it's going to be a long, rough ride ahead

JSW GROUP, ONE of the country's top business houses with a strong presence in steel, energy, infrastructure, cement, and paints, has ventured into the passenger vehicle segment. The company has partnered with China's MG Motor, which already has a presence in India, and the duo plan to sell one million electric passenger vehicles by 2030 and have a market share of 33%. Sounding euphoric and ambitious, JSW Group chairman Sajjan Jindal, while announcing the plans for the auto venture, said that JSW MG Motor will create a "Maruti moment" in the EV space. As is well known, in 1983, Maruti changed the face of the domestic auto industry by bringing lightweight and efficient cars, which sent incumbents—Ambassador and Fiat—into oblivion. Today, Maruti has a market share of around 50% in the passenger vehicle segment. Jindal's plan is to build scale by launching an EV every 3-4 months beginning September. It wants to disrupt the market in the EV space, which is a nascent segment at present, and create the Maruti moment of the 1980s.

There is nothing wrong in being ambitious and Jindal has an impeccable track record. However, is there really a room to create a "Maruti moment" in this day and age? Way back in 1981, when Maruti was born, the annual sales of cars in India was stagnating at less than 40,000 units, with the presence of only two manufacturers. In 2023, Maruti manufactured two million cars and exported over a quarter million. On an overall basis, car sales in FY24 are set to cross the four million-mark, and India today ranks as the world's third largest passenger vehicle market, with all the global players having a presence here.

The share of EVs may still be small, at around 2% of the total PV sales, so technically a 1983-kind of comparison with Maruti can be made. However, the low-share of EVs is not because of a dearth of models—there are around eight models available in the market today, and four launches are in the pipeline. Tata Motors is the largest player with a 73% market share, while M&M has a share of around 5%. The price of the available vehicles range between ₹8 lakh to around ₹26 lakh. Market leader Maruti may not be present in the EV segment today but plans to enter in 2025. The second largest manufacturer, Hyundai Motor, has made a beginning and has chalked out ambitious growth plans.

The market, if not crowded, is well-served, unlike 1983, and it's a buyer's market, not a seller's which was the case in the 80s. Market disruption happens either in terms of price or product, and on both these counts, the ride is not going to be easy for Jindal. The incumbents are vibrant and compete strongly on both the fronts, plus they have an added advantage of an extensive sales and distribution network. Marquee global brands like General Motors and Ford failed in India because they could not match the scale of incumbents in this regard. In the EV space, the big challenge is to create the infrastructure for charging networks. If "Maruti moment" means exhibiting a successful partnership between a local and a global player, certainly, Jindal has a clear field. But if it means disrupting the market, it's going to be a long, tough ride.

Aerospace is the canary in the coal mine on safety

IT SEEMS AS if planes are coming apart at the seams in the sky.

United Airlines Holdings Inc. suffered the latest mishap after a ground crew discovered a missing panel on a Boeing 737-800 after the safe landing of a March 15 flight to Medford, Oregon. Also this month, a United plane lost a tire soon after takeoff from San Francisco, and a United flight from Houston to Fort Myers, Florida, made an emergency landing after an engine spewed flames.

Then there was the nosedive of a Boeing 787 during a March 11 Latam Airlines Group SA flight to Auckland from Sydney after the cockpit seat pushed the pilot against the flight controls. These troubling safety issues add to the terrifying Jan. 5 incident in which a door-sized panel blew off a Boeing 737 Max during an Alaska Air Group Inc. flight. The concerns over safety at United Airlines were enough to prompt Chief Executive Officer Scott Kirby this week to call for a review of its safety procedures and training. Airline executives also plan to meet with Boeing board members to discuss the safety issues plaguing the planemaker.

Despite the string of safety concerns, flying remains the safest mode of travel and has been getting safer over time, mainly because of technology such as the terrain awareness and warning systems. Last year, there were no fatal commercial jet airliner crashes, and the number of jet airliner accidents dropped to 94 from 121 the previous year, according to an annual safety report by the Flight Safety Foundation published this month. The average for the previous five years was 116.

Still, there is a widespread assumption that safety and quality control have eroded since the pandemic, and not just in aerospace. Recalls announced by the Consumer Product Safety Commission hit a six-year high in 2023, and Sedgwick, a firm that assists companies with recalls, found they jumped last year among pharmaceutical and food manufacturers, according to the Wall Street Journal.

Dr. Hassan Shahidi, chief executive officer and president of the Flight Safety Foundation, echoed that concern in a March 11 letter that accompanied its report. He warned about complacency as a "stealthy threat that can erode safety and quality unless it is actively countered with a robust safety culture."

The word complacency could easily be swapped with turnover. That's because a large number of workers exited the airline industry during the pandemic when commercial flight activity plummeted. Many experienced employees — from pilot to mechanics — retired early. Others were forced to move on to other jobs, hustling to feed their families and keep their houses. When the airline industry took

off again, there was a worker shortage. New employees had to be hired and trained. More than a third of United's 100,000 workforce consists of employees hired in 2022 and 2023, the company said on its January earnings conference call.

Naturally, safety and quality issues caused by workforce upheaval — if this is the case — would show up first in aerospace, which is the most heavily scrutinized industry on safety and quality. The aerospace supply chain was one of the most severely impacted by the pandemic because the large suppliers are often fed by many small machine shops that make specialized parts at relatively low volume. These small suppliers struggled financially during the downturn and lost veteran workers, making it difficult for them to ramp production back up.

There are signs that quality has become top of mind for companies. A survey of 1,353 global manufacturers last year by Rockwell Automation Inc., which sells gear that controls automation equipment, showed the top goal for digital transformation projects was to raise quality. Increasing automation and forecasting accuracy came in second and third, respectively.

A few companies, including Spirit AeroSystems Holding Inc., GE Aerospace, and Parker Hannifin Corp., have publicly discussed their goals of zero defects. The concept isn't new. It was popularised by Philip Crosby, a quality guru who wrote several books starting with Quality is Free in 1979. That kicked off a continuing debate about whether the zero-defect goal is truly attainable. New tools, such as robotics etc, coupled with artificial intelligence, are helping companies strive toward the goal.

All of that will come in handy. The bedrock for quality and safety, however, will always be a well-trained and experienced workforce.



THOMAS BLACK

Bloomberg

● REVVING UP
A COMBINATION OF SHIFTS IN TASTES AND POLICY, WITH GOVERNMENT AID, WILL FUEL THE EV REVOLUTION

EVs will drive us into 2030

I HAVE OFTEN been asked, "What will the EV scene be in 2030?" So I decided to take a trip to the year 2030 and see it for myself. Reports indicate that India sold more than seven million four-wheelers as compared to four million about seven years ago in 2023. This really looks attractive, but not in growth percentage terms. It works out to just around 7%, a rate at which car sales grew in 2023. What seems more attractive is the number of E-4Ws — as EV cars are now commonly called, sold in the country. In 2030, at least 20% of all new vehicles sold are powered by electricity. This means a sale of closer to 1.5 million E-4Ws against a mere 81,000 EVs sold in India in 2023.

The more important point is how it looks on the roads. Are E-4Ws a rare sight? Not at all on city roads. At least half of new vehicles bought in metropolitan centres like Delhi-NCR, Bengaluru, Mumbai, and other metros are running on electricity. Even in tier-two and -three cities, EVs are common, as are charging points. Highways in 2030 present enough charging spots. Many of these are fast chargers, offering the option to the EV owner to "refuel" while having coffee and snacks. Almost all shopping malls and public parking spaces in all metro and prominent towns have fast chargers. At least 40% of parking slots in high-rise residential buildings have access to chargers.

It is estimated that more than 80% of electricity generated in India comes from renewable energy sources, which has made the critics crying hoarse on "EV is no less polluting" fall silent. There are many other factors that have changed the perception on E-4Ws since 2023. One important reason is the change in perception of con-

JYOTI MALHOTRA

Managing Director, Volvo Car India
Views are personal



sumers. Vehicles are no more mere mechanical devices taking the passenger from one place to another but have become mobility solutions, with better software, more connectivity, and naturally, more convenience. The range of EVs have gone up and the replacement cost of batteries has fallen down substantially, thanks to the lithium found in Jammu in 2022, which is being commercially mined and put to use.

Clearly there have emerged a new breed of consumers apart from the one who need a vehicle merely for transportation. The younger, tech-savvy generation look for mobility solutions that helps them in their daily chores, bordering on the next phase of autonomous vehicles which are in advanced stages of implementation on many roads. The digital age by 2030 has moved over to the age of Artificial Intelligence. The AI generation understands and uses only EVs for their mobility solutions. India, one among the fastest growing global economies in the last seven years, experienced a shift towards EVs which offer mobility solutions to the aspiring car buyers in an aspiring economy

leading to more upgradations to luxury e-mobility. This shift also meant that our fossil fuel import has gone down substantially and we are now "atmanirbhar" for our energy.

Travelling back in time to 2024, India's passenger car market did not have a better opening than what was recorded in January 2024. Total sales in the first month of the year missed the 400,000 mark by a whisker. Hidden amidst such a record number is an increasing sale of EVs as well — sales in January were 9% higher than the sales in December 2023. But it is still early, judged by the E-4W market data, to state that EV sales have reached the take-off stage. The vehicles sold are mostly in the lower end of the market, indicating larger adoption of EVs in the car rental and taxi segment. In the luxury EV segment, a better indicator of EV adoption, the sales numbers are still modest, though growing.

All the manufacturers dedicated to electrification will continue on this path as pioneers. The doubters will continue to raise issues. But the customers are the kings and queens, and

will opt for an electric car, especially in the luxury segment, offering a range of more than 500 kms. The early users will become brand ambassadors, thereby neutralising hesitation and worry over range per charge by sharing their personal experiences. Charging facilities require long-term investments and need volume for adequate return, as EV sale volumes cannot increase sharply without the spread of fast charging facilities. It is a classic chicken and egg situation and needs the government to come in and untie the knot. Many CPOs have now invested and the spread will widen sharply in 2024 and 2025. By 2030, thanks to proactive policies of governments which opted for tech-savvy mobility solutions for the aspiring generation, fast chargers will be readily available, given that an incremental policy shift takes place in collaboration with industry.

By 2030, EVs on highways will be a common enough sight. I am confident that the proposed plan of placing charging points on Golden Quadrilateral will catch up even on the state highways. The new grids laid out will solve a potential problem of grid collapse arising out of E-4W charging pressure. Fast chargers will be common with slow chargers moving over to residences. The change that is now at a nascent stage will see a major boost in the next phase of India's growth. The tech savvy, environment conscious younger car-buying population in general, and women in particular, will like to enjoy the convenience of driving an EV. Their demand will open the next phase of the automobile boom with matching infrastructure growth. This trend will be most pronounced among the younger luxury car buyers in India.

The proposed plan of placing charging points on Golden Quadrilateral will catch up even on the state highways. The new grids laid out will solve a potential problem of grid collapse

The devil is in the details



JAYATI GHOSH

Professor of economics, University of Massachusetts Amherst and co-chair, Independent Commission for the Reform of International Corporate Taxation

Developing countries must decide between two different versions of a subject-to-tax rule (STTR). They must consider the details to choose the better alternative

WHILE THE TECHNICAL details of international agreements may seem arcane or even trivial, they often commit governments to policies that have major economic consequences. This is especially true for low- and middle-income countries, which have long been on the receiving end of unfair treaties.

International tax agreements are a case in point. Bilateral tax treaties are rife with inequalities. They tend to be more advantageous for the home countries of multinational companies (MNCs), diverting much-needed resources from developing to developed countries.

Multilateral agreements are not much better. The OECD's Inclusive Framework on Base Erosion and Profit Shifting (BEPS), for example, was supposed to ensure that MNCs could be taxed in countries where they operate (as opposed to shifting profits to low-tax jurisdictions). After nearly eight years of tedious negotiations, however, the process has yielded only modest results: a global minimum corporate tax rate of 15%, well below that of most countries. According to the South Centre, developing economies will derive few gains from this global minimum tax, which will benefit mainly tax havens.

And now, developing countries must decide between two different versions of a subject-to-tax rule (STTR), a provision that will be added to existing tax treaties to combat tax-base erosion and profit shifting. The first is from the OECD, with advanced economies leading discussions as part of the BEPS process, while the second is from the United Nations

Committee of Experts on International Cooperation in Tax Matters (UNTC).

An STTR is an obvious way to eliminate the "double non-taxation" of certain intra-group payments, including interest, royalties, and fees for services. Most tax treaties restrict the source country's right to apply a withholding tax to these payments, which are generally deductible from the payer's business income. This in effect erodes the source tax base. MNCs can then channel this income to affiliates that act as conduits and are resident in a country that applies low or zero taxes to such income and, crucially, is a treaty partner with the source country. Including an STTR in all treaties would allow the source country to tax a recipient of such income if the other country does not tax it at an agreed-upon minimum rate.

This may seem like a straightforward solution, but the devil is in the details. According to the BEPS Monitoring Group's comparison of the two agreements, there are crucial differences regarding the degree of complexity and the scope of taxation rights. The OECD's STTR is complex and limited, applying only to specific types of income and to payments between connected legal persons, which could exclude many services in an increasingly automated world. By contrast, the UNTC's model STTR is simpler and gives significantly broader tax-

ing authority to source countries, as it covers all forms of income—including capital gains—regardless of whether it is paid to a related or unrelated entity.

The OECD version further reduces the potential for taxation by requiring thresholds (the UNTC version contains no such requirement). The rules would apply only to connected recipients with aggregate annual covered income of at least €1 million (\$1.1 million) in the jurisdiction, or at least €250,000 if either jurisdiction has a GDP less than €40 billion. It adds a further mark-up threshold, which specifies that the income (other than interest and royalties) must be higher than the direct and indirect costs incurred by the recipient, plus 8.5%. There is no logical—or, indeed, economic—reason for any of these thresholds. They would shrink the tax base and limit revenue potential for the source country, thus serving the interests

of MNCs.

Moreover, the OECD's STTR would be more complicated for tax authorities, because it specifies that collection would occur only in the year following that to which the tax applies, based on tax returns. The UNTC's STTR, however, proposes that the tax could be deductible directly from payments on a current basis. Lastly, the OECD version fixes the minimum tax rate at 9%, taking into account the tax paid by

recipients, whereas the UNTC version leaves the rate open to negotiation between countries.

There is no doubt that the UNTC's model STTR would be easier for developing countries to administer and, more importantly, would enable them to generate more revenue. The choice should be a no-brainer, especially because the provision could eventually become part of the multilateral tax convention that is currently under discussion at the UN.

But despite the UNTC version's obvious advantages, the OECD version is already complete and ready for implementation. And the OECD is anxious to get as many countries as possible to sign on to the proposed multilateral instrument at a ceremony planned for mid-2024. Once again, developing countries are coming under pressure to agree to a treaty that appears favorable but, in reality, reduces their potential for revenue generation. Moreover, signing this treaty would effectively prevent governments from adopting a simpler and more effective instrument, like that proposed by the UNTC.

Low- and middle-income countries must be aware of these nuances and their implications. The differences between the two treaties may be technical, but they are not minor. If these countries are to benefit from a more just international taxation framework, they must be willing to fight for the better alternative.

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LETTERS TO THE EDITOR

New-age communication

Satellite internet stands as a beacon of hope for India's quest to democratise internet access, particularly in rural and remote regions where traditional infrastructure struggles to reach. With nearly 40% of the population lacking connectivity, solutions like Starlink and JioSpaceFiber emerge as forces of change, promising high-speed broadband even in the most isolated

areas. This push not only aligns with the government's Digital India initiative but also holds the potential to revolutionise sectors like healthcare, education, logistics, and beyond, empowering communities with newfound opportunities and connectivity. Moreover, the versatility of satellite broadband extends beyond basic internet access. Its ability to transcend geographical limitations makes it a game-changer. As satellite technology continues to

evolve, its impact on India's digital landscape promises to be profound.

—Amarjeet Kumar, Hazaribagh

More on electoral bonds

It is not surprising that donors of electoral bonds have not just donated to the party in power but the opposition too. Every business person likes to have all bets covered. It gets to the government to look the other way and the opposition not to raise a stink about it. Now that the

details of the bonds are out, a scrutiny will show that most who donated to the party in power donated to the opposition too, but in lesser amounts. It is time for the people to realise they are being duped. Instead of donations to the political parties, these companies could have slashed the prices of their products to benefit the consumers.

—Anthony Henriques, Maharashtra

● Write to us at feletters@expressindia.com



OPINION

The
Hindustan Times
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OUR TAKE

After the terror strike in Moscow

The attack by Islamic State in Russia renews the call for a global alliance against terrorism

Reports of the involvement of Islamic State (IS), especially its so-called Khorasan Province affiliate, in the gruesome terror attack last week on the outskirts of the Russian capital that left 133 people dead should be a cause for concern. It was believed the IS was past its peak and had been stripped of its networks and firepower in West Asia, and was only capable of carrying out attacks within Afghanistan, where it remains locked in conflict with the Taliban.

It is also significant that Russia was alerted by the US early this month about a planned attack in Moscow and that Washington has concluded the IS bears sole responsibility for the strike. The IS claimed responsibility for the attack on messaging app channels, providing gruesome images of the terrorists involved. The terror group has a strong motivation to target Russia since President Vladimir Putin supported President Bashar al-Assad against the group in the civil war in 2015. The IS has frequently criticised Putin and security analysts believe the group's networks in Afghanistan and Central Asia give it the capability to carry out such an attack.

How Putin responds to this terror attack could have larger repercussions for global power relations, especially at a time when Russia is locked in a dragging war with Ukraine. It would be disingenuous for Russia to claim there is some sort of Ukrainian link to the terror strike, especially since Moscow has presented no evidence to back up such allegations. On the other hand, there is evidence purportedly linking some of the attackers to Tajikistan, which fits in with Islamic State-Khorasan Province (IS-KP)'s efforts to expand to Central Asia. A UN Security Council report in January had warned about IS-KP's ability to project influence into the region and beyond, and about its increased appeal within Tajik networks.

The Russian leadership will do well to focus on the real source of the problem and work with countries in the region, including Afghanistan, where the Taliban has been fighting IS-KP in its backyard. Unlike the Moscow theatre siege by Chechen terrorists in 2002 or the Beslan school hostage crisis in 2004, the implications of the IS attack won't be restricted to Russia's borders. Russia can hardly afford to open any new fronts, and the need of the hour is more focused action, including collaborating with countries where the IS has a presence, to hunt down those responsible for the carnage.

BJD-BJP tie-up slips on Odisha goals

It is no surprise that the Bharatiya Janata Party (BJP)-Biju Janata Dal (BJD) talks did not translate into an alliance, given the BJP's vaulting ambitions and the internal contradictions that came up at the prospect of the two largest political parties in Odisha joining hands. The BJD, the dominant player in the state, has been standing with the BJP in Parliament, even helping the latter's ministers get elected to the Rajya Sabha. This arrangement insulated the BJD's interests from coming in the crosshairs of the Centre; however, it faced an electoral hurdle since both parties aspired to dominate Odisha's electoral landscape. And the bonhomie among the top leaderships of the parties, clearly, had not percolated down to the cadres.

The BJD has been in office in Bhubaneswar since 2000 while the BJP has been expanding fast in Odisha: In 2019, it won eight Lok Sabha seats, up from one in 2014, and replaced the Congress as the primary Opposition party in the state. The BJP's internal survey reportedly suggests that politics in Odisha has reached a tipping point, which could pivot the party to pole position. If the seat talks still lingered on, it was because the BJP central leadership was keen to increase its LS tally even if it meant ceding space in Bhubaneswar — the party had reportedly sought 14 of the 21 Lok Sabha seats.

Data from 2019 elections suggest a BJP-BJD seat deal could have led to a clean sweep in both elections: The two parties fought separately and had a combined vote share of 81.1% and 77.2% in the parliamentary and assembly elections, respectively, in the state. The absence of a deal will now spice up the contest in Odisha.

Anticipating Biden versus Trump rerun

On several issues, there has been continuity in US policies over the past eight years under Trump and Biden. However, there are important differences in their approaches to alliances, climate policy, immigration, tariffs, and democracy

As India prepares for polls, another election is looming in the United States (US). The presumptive presidential candidates are incumbent Joe Biden, a Democrat, and former president Donald Trump, a Republican. Public opinion surveys currently give Trump a slight edge, with voters expressing dissatisfaction with Biden's age and his handling of inflation, border security, and the West Asia policy. But Biden's campaign believes that factors such as the strong performance of the economy, low unemployment, debt relief, and Trump's legal woes could reverse the tide by November, when people go to the polls.

At this early stage, predicting the outcome of the US presidential election is futile. The result in all but a handful of states is already a foregone

conclusion, and the overall result may well be determined by about six crucial "swing states" and less than a million votes. Nonetheless, it would be prudent for observers to start anticipating policy implications. While many areas might witness policy continuity or greater transactionalism on the part of Washington, trade and immigration policy could see some dramatic changes.

On several issues, there has been significant continuity over the past eight years under both Trump and Biden. One, China is increasingly understood as the US's foremost strategic competitor, leading to shifts in US domestic, economic, and security policy in the Indo-Pacific. Two, the US believes it should no longer offer non-reciprocal market access in the spirit of neoliberalism or globalisation. Trade deals that do not tilt the playing field in the US's favour are out of the question. Three, the US body politic is firmly against direct and open-ended military expeditions, which critics decry as "forever wars". Four, despite complications, the US has mostly stood firm in its support for Israel and the Gulf Arab States.

There are, however, some important differences between Biden and Trump on alliances, climate policy, immigration, tariffs, and democracy. While Trump readily criticises US allies as freeloaders, Biden has adopted an allies-first approach in Europe and the Indo-Pacific. A Trump

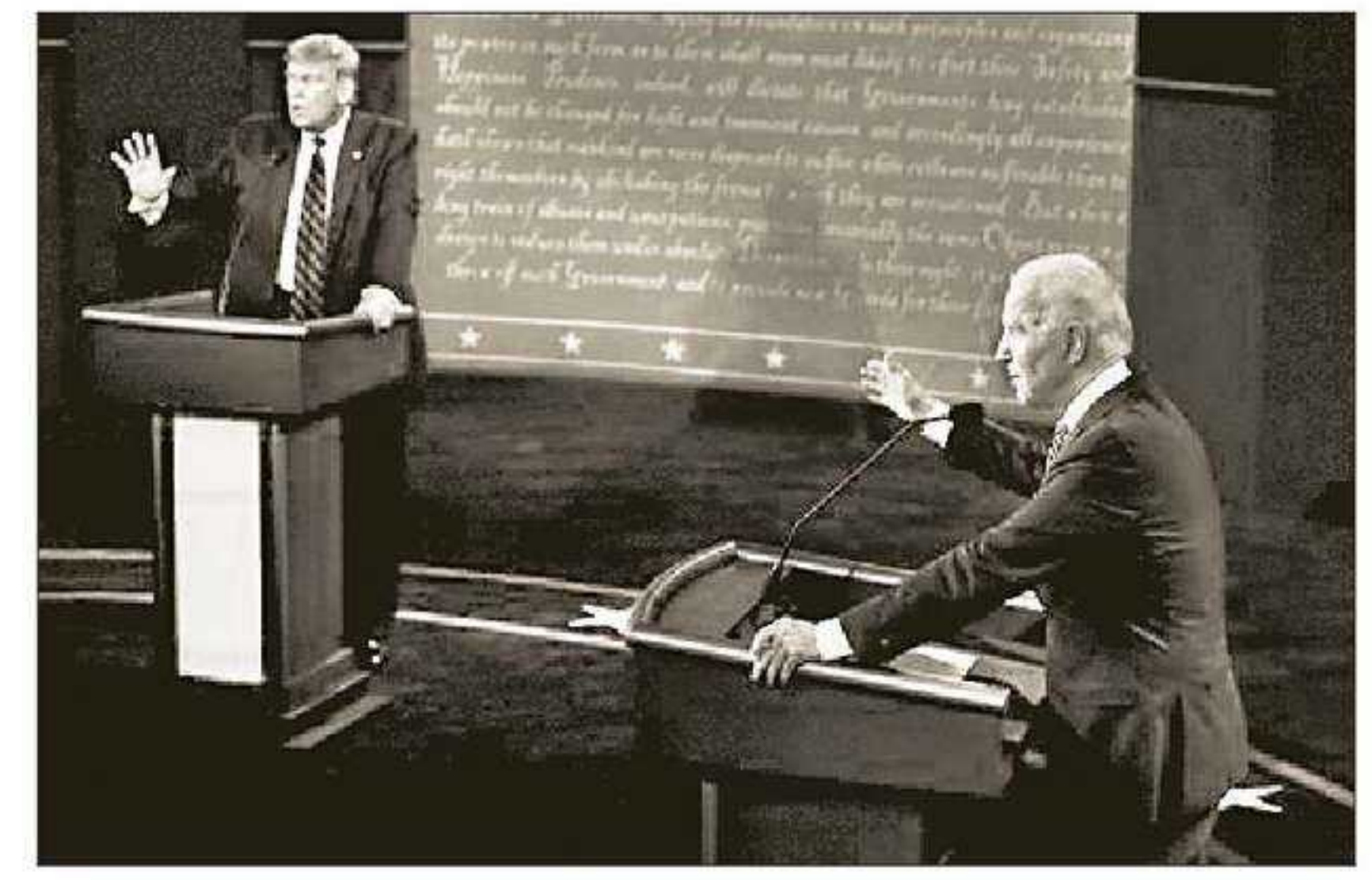
victory would have particular implications for the North Atlantic Treaty Organization (NATO) and US support for Ukraine. On climate and environmental policy, which is important for the Democratic base, Biden has supported large subsidies for domestic industry and active climate diplomacy. While Trump may not scrap subsidies (which benefit Republican constituents), he would certainly walk back international climate commitments.

Another area of difference is immigration, which the Republicans seek to stem and the Democrats hope to facilitate. On the Mexican border, a Republican administration will adopt a deliberately brutal approach to deter illegal migration. Trump has also expressed a greater willingness to employ tariffs and other punitive measures to counter perceived trade imbalances. Finally, while Biden has often cast his worldview as one of democracies vs autocracies, a Trump administration would care less about the state of democracy and human rights around the world.

Some US allies and partners, including in Asia, are already anticipating the implications of a potential second Trump presidency. His return will be accompanied by greater conviction about his agenda — particularly on military assistance, trade, and immigration — but also greater professionalism in its execution. Unlike in 2016, when Trump surprised even



Dhruva Jaishankar



Public opinion surveys currently give Trump a slight edge, with voters expressing dissatisfaction with Biden's age and handling of border security

himself by winning the election and entered office somewhat unprepared, his return would see a much more adept operation to execute his vision. Much more of the rank-and-file of the Republican Party would be behind him. Former trade negotiator Robert Lighthizer, ex-national security advisor Robert O'Brien, and domestic policy advisor Stephen Miller are among those who would play key roles in shaping trade, foreign policy, and immigration policy. Preparations are underway to staff key government positions on the first day of a Trump administration and many erstwhile Trump critics in the Republican Party are reaching out to him about the possibility of joining his administration.

What are the implications for India? Compared to US allies who depend upon Washington for deterrence or military aid, or major trade partners reliant on US market access, the outcome of the election will matter somewhat less for New Delhi. In many respects, India will adjust to Trump's transactionalism, as it did between 2017 and 2021, presenting itself as a partner willing to burden-share.

Nonetheless, New Delhi will have to brace for dramatic changes in at least two areas — trade and immigration. Given India's trade surplus with the US, tariffs will have to be anticipated and some tough negotiations will be inevitable. A shared understanding of the need to de-risk from China while hedging against the prospect of US tariffs is already animating discussions among the world's other large economies: India, Japan, the United Kingdom, and Europe.

Immigration will be more dramatic. Indians will have to anticipate slowdowns and greater scrutiny in the processing of legal migrants — permanent residents, high-skilled professionals, and even students, tourists, and businesspeople. The rising number of undocumented migrants will almost certainly face harsher detentions. Overall, while India may be less directly affected than most other countries in the event of a Trump victory, the contours of his policies can already be anticipated.

Dhruva Jaishankar is executive director, ORF America. The views expressed are personal

UP's journey towards a trillion-dollar economy

Our unwavering commitment to serve, protect, and foster the prosperity of the 25 crore people of Uttar Pradesh (UP) completes its seventh year. Embracing the vision of Prime Minister (PM) Narendra Modi as our mission, the double-engine government embarked on a transformative journey in 2017. The result is the emergence of a new UP, an example of good governance.

The overwhelming support received from the public throughout the development journey of the state has strengthened the belief that diligent efforts, transparent policies, genuine intentions, and steadfast planning inevitably lead to success. At the heart of this positive change lies the "Triple C" mantra — culture, connectivity, and commerce.

Recognising the significant role of tourism as a catalyst for economic growth, planned efforts were made in UP in the realm of tourism and culture. Consequently, the state is on its way to becoming a premier tourism destination in India. The consecration of the Shri Ram Lalla temple in Ayodhya, the rejuvenation of the Shri Kashi Vishwanath Temple, and comprehensive development efforts in the Vindhyashankar Corridor, Braj Bhoomi, Naimisharanya Dham, and Soron-Sukar area, among others, have bestowed a fresh identity upon the state as the core of India's cultural consciousness.

In the past few years, millions of devotees from various parts of the country have flocked to the state, significantly boosting the local economy. Today, UP boasts of excellent road, water and air connectivity. The state provides the country's largest rail and road network. This is the only state with five international and 16 domestic airports. The junctions of the Eastern and Western Dedicated Freight Corridors are located here. Besides, six expressways are operational while seven are under construction. A new expressway connecting Chitrakoot Link, Farrukhabad Link, and Purvanchal Expressway to the Agra-Lucknow Expressway is in the works.

Our aim is to ensure that by early next year, when saints and devotees from across the globe gather for the Prayagraj Mahakumbh, they relish a delightful experience on the Ganga Expressway. The country's first inland waterway was initiated in our state. In line with these endeavours, the Inland Waterways Authority was also constituted in the state. Today, the country's first rapid rail, Namohat, is showcasing UP's cutting edge transportation services to the world.

By recognising its talent, tradition and potential, the state has become synonymous with effective governance and progress where there is reverence for faith, tradition, and heritage, alongside a dedicated focus on economic prosperity. Today, UP is the second largest economy in the country, contributing 9.2% to the national Gross Domestic Product. Its gross domestic income has more than doubled in the

THE PAST SEVEN YEARS OF THE DOUBLE-ENGINE GOVERNMENT HAVE BEEN A JOURNEY FROM RESOLUTION TO ACCOMPLISHMENT

last seven years. It is the result of well-planned efforts that UP has gained an identity as a revenue-surplus state and is moving rapidly towards achieving self-reliance. The PM has envisioned making India a \$5-trillion economy. By aligning with this goal, UP is swiftly progressing towards achieving a \$1-trillion economy. Investment proposals of Rs40 lakh crore from across the globe at last year's Global Investors Summit (GIS) were an unprecedented milestone. Within just one year of the success of GIS, we also started the implementation of projects worth more than Rs 10.24 lakh crore.

While substantial investments will propel the state towards achieving a \$1 trillion economy, they will also contribute to realising the aspirations of our youth. During these years, 6.5 lakh youth have secured government jobs in a transparent manner. Our journey from attracting initial investment proposals of Rs 4 lakh crore to proposals amounting to Rs 40 lakh crore has fostered a culture of innovation and startups in the state. Consequently, today, the youth of the state are transitioning from being mere job seekers to becoming job creators.

These seven years of the double-engine government have been a journey from resolution to accomplishment. By completing irrigation projects pending for decades, we have managed to create additional irrigation facilities for 23 lakh hectares of land. This achievement has led to a decrease in farming costs and an increase in both production and productivity. UP farmers are now exempted from paying power bills for irrigation.

There is absolute clarity in our promises, claims, policies, intentions, and planning. For us, "Viksit aur Atmanirbhar Uttar Pradesh" is not merely a slogan, but an ongoing mission. The concept of *Ramrajya* serves as the foundation for our policies and ideology. Initiatives like Ujjwala Yojana, Saubhagya Yojana, Pradhan Mantri Awas Yojana, SVANidhi, Ayushman, construction of toilets, free ration, etc, are improving the lives of all, regardless of caste, creed and religion. The Direct Benefit Transfer is a great example of how technology can positively impact the lives of people. Whether it is the Pradhan Mantri Kisan Samman Nidhi, housing instalments, monthly pensions, or funds and scholarships for school children's uniforms and study materials, all benefits are now directly credited to the bank accounts of beneficiaries. This has eliminated leakages in the system and improved the ease of living.

Today, through the Swachh Bharat Mission, the entire state has become free from open defecation. The dream of providing pure tap water to every household in Vindhyashankar and Bundelkhand is becoming a reality. By end-2024, tap water facilities will be available to 26.5 million families in the state. The significant reduction in encephalitis cases in eastern UP can be attributed to the availability of toilets and clean drinking water.

Today, UP is on the path to transforming from a labour-centric state to an economic powerhouse. The double-engine government remains steadfast in its commitment to fulfilling the dreams of the people of the state.

Yogi Adityanath is the chief minister of Uttar Pradesh. The views expressed are personal

{ ELON MUSK } FOUNDER, SPACEX AND TESLA

US immigration is completely backwards: trivial to enter illegally and nightmarishly difficult to enter legally!

{ STRAIGHTFORWARD }

Shashi Shekhar



Who stands to gain from anti-corruption politics?

The coming general elections will have a distinction: It will be the first elections in which two chief ministers (CMs), a deputy chief minister, a Member of Parliament, and a minister are in prison on the charges of corruption. There are dozens more who have either spent time in jail or are headed for it. Is this an outcome of Prime Minister Narendra Modi's declared anti-corruption agenda, or a plot to weaken the Opposition?

Let's start with Delhi CM and Aam Aadmi Party (AAP) chief Arvind Kejriwal. In the early years of the last decade, Kejriwal emerged as a "crusader" for the truth. He had quit the Indian Revenue Service to work for an NGO and as a Right to Information activist. His involvement in the 2012 Anna Hazare-led anti-corruption movement brought him recognition. His comrades and he had then proclaimed they had nothing to do with electoral politics and were merely fighting for truth, fraternity, and justice. So, his admirers were startled when he announced the launch of the AAP. He argued then that cleaning politics required getting your hands dirty. He projected himself as an unconventional leader. He could be spotted sitting with auto-rickshaw drivers or members of the working classes. But after the first election, he took help from the Congress, a party he had earlier accused of corruption, to gain power. The AAP is fighting the general elections, this time, with the Congress.

Over time, some of Kejriwal's colleagues started noticing inconsistencies between his words and deeds. Many either left the party or were dismissed. Kejriwal has an incredible ability to understand voters from the underprivileged and middle classes. The AAP won the hearts of the residents of Delhi through measures such as offering subsidies on water and electricity. His government also did well in education and health. In exchange, the people of Delhi gave him an overwhelming majority in two successive elections. His party also succeeded in forming the government in Punjab and was recognised as a national party, when it cornered 12.92% of the votes polled at the Gujarat assembly elections.

The question now, though, is: Despite these successes, how did Kejriwal's journey land him behind bars? Did it happen due to the high cost of contesting elections, where all parties require funding from known and unknown sources? If so, how is he different

from the others? It's also notable that he was detained for the alleged excise scam. Kejriwal and colleagues developed an excise policy that made Indian-made foreign liquor cheaper in Delhi. The AAP was gaining momentum by relaxing the liquor policy.

Vijay Nair, one of the new faces that emerged in the AAP, had a say in the new alcohol policy. He was the first among Kejriwal's colleagues to be arrested but is out on bail. Later, deputy chief minister Manish Sisodia and Rajya Sabha member Sanjay Singh were sent to Enforcement Directorate (ED) custody. Kejriwal's detention has prompted numerous questions. The AAP argues that their leaders were imprisoned despite no "money trail" being established and that they have yet to receive justice from the courts.

Kejriwal, who is used to forging new paths, did so again this time. In the past, politicians suspected of corruption or other such charges, used to resign if they faced arrest. Jharkhand's Hemant Soren was the most recent example. Kejriwal's colleagues have indicated, though, that he will not step down. The question that arises in this context is: Can a government be run from jail? The Constitution is silent on this matter, but provisions in the jail manual will prove to be an impediment. In political circles, speculation is rife whether Kejriwal and Soren would gain from a sympathy wave. It's also said that only those who oppose the Bharatiya Janata Party (BJP) are being detained. That the BJP is not a party, but a "washing machine". Is this a new trend? Certainly not. Who was in control when the Supreme Court referred to the Central Bureau of Investigation as a "caged parrot"?

Another difficulty arises. After Kejriwal and Sisodia are jailed, there is no popular figure who can keep the AAP unified. Following Soren's imprisonment, his party, the Jharkhand Mukti Morcha, faces a similar predicament. Hemant's sister-in-law, Sita Soren, has sought refuge in the BJP. If Soren remains in jail for an extended duration, how will his family keep the party in their control?

With the general elections looming, both the BJP and Congress are hoping to see these movement-based parties become embroiled in scandals. They understand that bystanders reap maximum benefits when the market is plundered.

Shashi Shekhar is editor-in-chief, Hindustan. The views expressed are personal



OUR VIEW



Apple Inc: A victim of its own digital revolution?

It once led a digital revolution but now stands accused of monopoly abuse by the US Justice Department. Has Apple's dream of empowering 'the rest of us' gone against our interests?

Are most revolutions doomed to become the very thing they sought to overthrow? In the world of business, this question arises in the case of Apple, widely seen as the world's top brand. It began with a mission to bust the paradigm of centralized big-frame computing by empowering "the rest of us" with personal computers of our own. This was the story captured by 1984, a TV commercial it aired that year which showed it taking on Big Brother of George Orwell's novel by that name. Directed by Ridley Scott, this ad-film was 60 seconds of fantasy iconoclasm that made an icon of Apple, although the 'knowledge byte' of its logo also projected it as a champion of digital democracy. The company's real revolution, though, was wrought more than two decades later, and not by virtue of an easy-to-use computer, but a hand-held gadget called the iPhone that gave us access to the internet's wonders at the swipe of a thumb. Instead of one giant screen looming over everyone in an Orwellian metaphor for central authority, we have billions of little screens ready to run apps for us in a triumph of individual liberty. Or so it may seem till we consider the power that Apple wields over the apps we use and online spaces we reach. Is Apple Inc the Big Brother of our cyber lives today?

In India, such a charge may sound odd, since most smartphones are Android devices, loaded with Google's rival operating system. In the US, however, where Apple's iPhone has over two-thirds of the market, the Department of Justice (DoJ) last week charged the company with abusing its monopoly by acting in ways that throttle rivals and thwart innovation. Denying the charges, the iPhone-maker said it

will defend itself in court. At the core of the dispute is the 'walled garden' of apps curated by the company. It's a diverse place, no doubt, and iPhone users who spend much of their waking lives there arguably do have reason to thank Apple for keeping it safe from bugs and other menaces. Yet, Apple's role as gatekeeper not only means that some apps are barred, those granted entry are charged a sizeable chunk of in-garden payments as service fees. As handsets are the dominant man-machine interface now and every business must get past that gate to reach the world's 2 billion iPhone users, or risk being left hard-to-reach, both aspects have drawn protests from app makers. As the DoJ's case alleges, among those kept out are super-apps that serve multiple ends and gaming apps that use cloud resources. On the face of it, this seems motivated less by safety concerns than by the profit potential in reduced rivalry for its own software services and hardware. The company is also alleged to make non-Apple gizmos sync so poorly with its phones that we need Apple's costly accessories. The matter of its chunky fee has attracted scrutiny beyond the US too. The EU's recent Digital Markets Act forced its walled garden open to apps with parallel payment systems. All in all, given Apple's undeniable dominance of rich-world markets, it has become harder for it to argue that none of the \$97 billion it made last year on revenues of \$383 billion was from rent earned off its fabled garden.

Many expect an AI inflexion to curtail Apple's power and the market to correct itself. If so, maybe antitrust authorities needn't intervene. The big problem of the digital age, however, is its winner-takes-all tendency. This makes every revolution vulnerable to its own success.

MY VIEW | THE INTERSECTION

The West's disregard for global norms is endangering the world

Its blatant retreat from multilateralism will have grave consequences for everybody on the planet



NITIN PAI

is co-founder and director of The Takshashila Institution, an independent centre for research and education in public policy.

In the summer of the year 416 BCE, an Athenian naval fleet turned up on the island of Melos and demanded that its population submit to slavery. The Melians argued that since they had refused to side with Sparta—Athens' main adversary in the ongoing conflict—and instead wished to remain neutral, it would only be right for the big powers to leave them alone. The Athenian response, one of the famous lines in world history, was "You understand as well as we do that in the human sphere judgements about justice are relevant only between those with an equal power to enforce it, and that the possibilities are defined by what the strong do and the weak accept." In Richard Crawley's classic 1874 translation of Thucydides's *History of the Peloponnesian War*, the words are punchier. "The strong do what they can and the weak suffer what they must."

We are seeing this in world affairs today as a rules-based international order crumbles under blows inflicted by the US, China and Russia. But I was reminded of the pithy Athenian statement reading a reflective essay by Angus Deaton for the International Monetary Fund. The 2015 Nobel laureate repudiates the economic benefits of globalization and immigration over the past 30 years. More worrying than this conclusion is his claim that he had

"seriously underthought (his) ethical judgments about trade-offs between domestic and foreign workers. We certainly have a duty to aid those in distress, but we have additional obligations to our fellow citizens that we do not have to others." In other words, the eminent economist is telling us that it is ethical for rich countries to prefer their own citizens' interests over those of the world's poor. If you didn't know Deaton was a leftist, you would believe this argument came from a populist right-winger in the West.

The West's retreat from free trade and a rules-based international order has ominous prospects for the world. Simply put, it is no longer tenable to take any deal or norm at face value. Now realists will note that this has always been the case, and the West's preference for multilateralism and international law since the fall of the Berlin Wall has been on account of its own interests. Even so, there was—until perhaps a decade ago—an increasing belief that thorny issues of international politics and economics could be sorted out through international laws and institutions. This is not the case anymore. The World Trade Organization is dysfunctional because the US asphyxiated it. The United Nations has become a bit player because the West has stopped caring for its niceties. Russia and China cannot escape their share of the blame for this, but neither country claimed to be promoting a rules-based international system.

I do not think the trend in Western behaviour will change in the near future. The retreat from globalism seems to be bipartisan. Right-wing arguments are mostly weak, poorly constructed and wrapped in angry populism. The Left wraps its case in sanctimony and righteousness. The outcome is similar: restrictions on trade and immigration and disregard for international law. The rest of the world is noticing the West's disposition

and is bound to act accordingly.

The biggest question is the one concerning climate change. A lot of developing countries around the world are already making painful compromises and expensive investments in the hope that the West will keep its end of the bargain. What if the West reneges on climate commitments? This is not far-fetched. It already happened before. The Donald Trump administration of the US, for example, withdrew from the Paris Agreement in 2017. The European Union is more committed to achieving climate goals, but its approach is to pass on the burdens to other countries without caring for the consequences. Worse, the world's governments and industries might have to simultaneously deal with an America that flouts international climate norms and a Europe that doubles down on them.

Indeed, if we were all to apply Deaton's ethical judgement, then every country would be justified in privileging the immediate interests of its own citizens over the rest of the world. They would be even more justified in doing so because it was the West that is largely responsible for dumping carbon into the atmosphere over two centuries.

Global economic policies cannot be disconnected from environmental policies. It is absurd to argue that it is ethical to be selfish in international trade while demanding others be selfless in environmental protection. Unfortunately, I do not see politics in Western countries throwing up leaders who can rejuvenate internationalism.

Tailpiece: After the negotiations in the 5th century BCE, the Athenians laid siege to Melos, walling the population in and cutting off food supplies. The Melians resisted for a while. But the following year, the Athenians broke through, killed all men and enslaved the women and children, before sending 500 settlers to colonize the island.

10 YEARS AGO



JUST A THOUGHT

I am a multilateralist. I am deeply convinced that there is no other way to deal with global challenges than with global responses, and organised in a multilateral way.

ANTONIO GUTERRES

MY VIEW | MODERN TIMES

Why the arrest of Kejriwal may have big consequences

MANU JOSEPH



is a journalist, novelist, and the creator of the Netflix series, 'Decoupled'

There might be some people who think like this: India's Enforcement Directorate (ED) is an independent investigative body that has gone after some key people in the Aam Aadmi Party (AAP) purely to rid the nation of corruption. But I personally do not know a single person who thinks this.

There is a perception that Arvind Kejriwal was arrested on Thursday night for political reasons. Even so, people believe that the ED must have some sort of dirt on AAP to prove its claim that Kejriwal took kickbacks to devise a liquor policy that favoured some "wholesalers from the south." Otherwise, how could a sitting chief minister of Delhi be arrested from his home, and his former deputy, Manish Sisodia, spend so many months in jail?

As publicly known so far, what the ED has as evidence against them in the Delhi liquor policy case are statements of co-accused who turned approvers. If there is further evidence, we do not yet know.

While denying bail to Sisodia, who has been in prison since February 2023, the Supreme Court observed that just because a policy enriches some people, and it is natural for government policy to benefit some people, it does not automatically prove that politicians adopted it for kickbacks. The ED is yet to show a money trail establishing that AAP leaders received bribes.

The liquor policy case has demonstrated the ease with which the ED can put popular politicians in jail under the Prevention of Money Laundering Act (PMLA) and the reluctance of courts to grant bail. What is the consequence of this extraordinary phase in Indian politics? What is the consequence of Kejriwal finding himself in a lock-up on corruption charges?

I guess that the Bharatiya Janata Party's analysis is that it stands to gain. The typical BJP supporter may not be enraged by Kejriwal's arrest, but I am certain there are millions of voters who are.

People in general do not like bullying. Especially in South India. This is probably because when a person seems to be getting bullied, onlookers are reminded of their own bullies. Also, even though the BJP is clearly wary of Kejriwal's charms, it appears to underestimate an important aspect of his

popularity. Many people who do not vote for him still like and admire him. Many people are found to admire Kejriwal, whose party has swept Delhi assembly elections more than once, for understanding what many Indians want—good education for their children and free quality healthcare. So the arrest of Kejriwal could have increased his

heft as politician. Another consequence of his arrest is not so obvious—the de-intellectualization of the sacredness of institutions.

It is now becoming clear to the average Indian why institutions are important, and this realization is dawning without the annoying mascots of institutions—sanctimonious scholars and activists. It is not an easy realization because from a voter's point of view, the government's right of way is strong and obvious. That institutions, like courts, investigative agencies and the Election Commission, should be equal counterweights to an elected government is usually a pious argument made

by Indian intellectuals that seems more like an expression of their own fight for relevance. The government, however, is an expression of the people; how can it fulfil their broad wishes if institutions come in the way? Aren't institutions, after all, the fiefdom of eggheads whom people rarely elect?

The high-profile nature of the case could draw popular attention to the importance of fairness

what right do some bureaucrats have to decide what they are?

But then, Kejriwal's arrest has amplified the importance of institutions as emphasized in civics lessons from school. In this way, the arrest of the AAP leader may have inadvertently done more to underline the

importance of independent institutions, especially the courts, than any other event in recent memory.

If it comes to be that a court hears Kejriwal's plea for justice, and he comes to court himself to exploit the occasion as a politician, some ludicrous aspects of the money laundering act could be laid bare for the public. The Supreme Court may put the extraordinary powers that can be exercised under the PMLA to a test of consistency with basic principles. If the Court could deem electoral bonds illegal, as it recently did, perhaps a draconian law could get a similar look-in as well.

If that happens, it would demonstrate that untested institutions could act in a more democratic way than a government. Ordinary people might then be able to see that an institution is an election of ideas. There is campaigning and persuasion, even biases and superstars. Eventually, the fittest idea wins, and the fittest idea is usually the most ethical idea that has considerable public support.

There is an aspect of a nation's moral character that cannot be measured by votes, and need not be measured at all. It just wins. Because it protects everyone from bullies.



THEIR VIEW

MINT CURATOR

Minimally disrupted schooling can reduce high drop-out rates

States must promote schools that go from the primary to higher secondary level to minimize transition ordeals in education



BIBEK DEBROY, SANJAY KUMAR & ADITYA SINHA are, respectively, chairman of the EAC-PM, secretary of the department of school education & literacy at the ministry of education, and officer on special duty at EAC-PM.

From 2014 to 2023, the education sector in India has witnessed notable strides in student enrolment and retention, with the gross enrolment ratio (GER) for secondary education increasing from 75.7% to 79.2%, and for higher secondary from 46.3% to 56.8%. Retention rates at the elementary level rose from 67.4% to 75.8%, and at the secondary level from 57.2% to 65.5%, signalling advances in educational engagement and policy efficacy. Nevertheless, the fact that neither the GER nor retention rates have reached 100%, a target that the National Education Policy aims to achieve by 2030, underscores the challenges that exist.

Attrition in the school system tends to occur at critical transition points, particularly during class changes at the 6th, 9th and 11th grades.

But why are there so many transition points? Not many know this, but in many states, students have to navigate through an array of 10 distinct school types, including high secondary schools (HSSs) for grades 6-12, HSSs for grades 1-12, HSSs for grades 9-12, secondary schools (SSs) for grades 1-10, HSSs for grades 11-12, SSs for grades 6-10, upper primary schools (UPSs) for grades 1-8, SSs for grades 9-10, UPSs for grades 6-8 and primary schools (PSs) for grades 1-5. Each school category represents a potential transition point, necessitating adjustments that can be challenging for students.

Data for 2023 from the Unified District Information System for Education (UDISE) also supports this hypothesis. It reveals a stark pattern of student attrition at pivotal transitional stages within the education system, with the most significant drop-outs occurring at junctures where students are required to change schools—specifically after classes 5, 8 and 10. Class 6 sees almost 1.7 million students drop out as they move from primary to upper primary school, while class 9 records nearly 2.5 million students leaving, likely due to the shift to upper secondary education and the associated increase in academic rigour. Class 11 has an even more pronounced attrition rate, with almost 4.2 million students not progressing from class 10 to 11. In total, these transitions contribute to an alarming annual drop-out figure of approximately 12.4 million students from an initial cohort of 250 million, indicating that nearly 5% of students are lost at transition points due to school changes. This highlights a critical need for structural reforms to reduce these educational disruptions.

It needs to be emphasized that composite schools offering a complete spectrum of classes from 1-12 boast a retention rate of nearly 100%, a stark contrast to the decline seen in institutions with a narrower grade range. Yet, a critical question arises: What drives the significant drop-out rates at these pivotal transition stages?

Ecological systems theory provides a useful



framework for understanding this. According to this theory developed by psychologist Urie Bronfenbrenner, an individual's development is influenced by different environmental systems, ranging from the immediate surroundings, such as family and school, to broader societal factors, including education policy and cultural norms.

At each transitional phase, students must acclimatize to new educational environments, teaching methods and peer groups. These adjustments demand resilience and adaptability, which, if not adequately supported, can lead to disengagement and eventually drop-outs.

The fact that the GER and retention rates haven't reached 100% can be analysed through the challenges presented at transition points. As students move from one educational level to another, they are not just transitioning within the immediate environment of a school (the micro-system), but also navigating the larger educational structure (the exo-system), which encompasses various school types and educational policies that mandate these transitions.

The meso-system, which includes the interplay between various layers of a child's environment, is disrupted when students transition between the 10 different school types. The lack of continuity across these transitions can create friction in the meso-system, leading to a lack of engagement and increased drop-out rates, as highlighted by the

stark drop-out figures at classes 6, 9 and 11.

Furthermore, data suggests that the complexity of navigating through different school types and the educational disruptions that occur as a result are contributing factors to the high drop-out rates. It indicates a need for systemic reform at the exo-system level to create a more seamless educational pathway and reduce friction within the meso-system. The near 100% retention rates in schools that operate all class levels indicate that a stable and consistent learning environment (i.e., a strong meso-system) holds the key to reducing drop-outs. This suggests that government policies at the macro-system level should focus on supporting schools that provide a comprehensive K-12 education, thereby minimizing transitions and stabilizing the meso-system for students.

The primary reason for drop-outs at transition points can be traced to disruptions of the student's ecological system. When transition points are poorly managed and the educational system needs more cohesion, students can experience increased stress, decreased engagement and challenges that can overwhelm their ability to adapt, leading to higher drop-out rates. Thus, state governments should promote schools with all class levels and remove all transition points. This will significantly increase the schooling retention rate across the board.

These are the authors' personal views.

We should listen to the Global South's outcry on the Gaza war

It's emerging as the world's conscience in a war that's gone too far



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



Calls for a ceasefire and increase in aid need to be taken up urgently

There is a rising chorus of voices, mostly from the Global South, calling for an immediate ceasefire in Gaza and the urgent provision of aid to a population that is facing imminent famine. Is anybody listening?

Singapore's foreign minister Vivian Balakrishnan is the latest to intervene, telling Israel that it had "gone too far" in its war against Hamas in Gaza. "I have communicated that both to the prime minister, to the foreign minister, and to the other Israelis whom we have met," he said last week on Wednesday.

The tiny island state has been grappling domestically about the sensitivities of dealing with this issue—just under a fifth of the population is Muslim. Like other leaders, Balakrishnan condemned the horrific events of 7 October, when Hamas militants killed 1,200 people and took more than 200 hostage. Since then, Israel's military has killed more than 31,000 Palestinians, the majority of them women and children, the health ministry in the Hamas-run territory says. An urgent solution is necessary, although there seems to be little hope of one anytime soon, despite ongoing talks in Qatar aimed at freeing the hostages and pausing fighting for several weeks. A famine will escalate the scale of death exponentially.

Which is why the Global South—a collection of post-colonial and developing countries that by some estimates represent 88% of the world's population—has taken on the cause of Gaza so passionately: It feels like no one is listening. Australia and Southeast Asian nations have also called for a lasting ceasefire, and the need to urgently upscale aid deliveries. Brazilian President Luiz Inacio Lula da Silva has advocated the recognition of Palestine as a sovereign state before the United Nations. There are domestic issues at play—Brazil is home to an estimated 60,000 Palestinian immigrants and refugees, including their descendants. Lula has described Israel's prosecution of the war as "genocide"—a position taken by South Africa, too, in its case in the International Court of Justice, but also, further afield, by Ireland.

At a St. Patrick's Day celebration at the White House this week, Leo Varadkar—an outspoken critic of the impact on civilians of Israel's war—who until last week was Ireland's prime minister, called for a ceasefire and an increase in humanitarian aid. This conflict has particular resonance for the Irish, given their own history of resistance to British rule. Ireland is one of the more supportive European nations to

Palestinians and was the first to call for a Palestinian state in 1980. "When I travel the world, leaders often ask me why the Irish people have such empathy for the Palestinian people," Varadkar said. "The answer is simple: We see our history in their eyes."

These comments have shone a light on the depth of feeling about the inhumanity of Israel's war in Gaza, not just among the political elite, but also with the youthful populations of the US and the UK including Scotland and Europe.

Their words bear weight and are worth listening to. US President Joe Biden, one of Israel's staunchest supporters and the global leader most able to influence the course of the ongoing war—by restricting weapons sales and pushing for an immediate ceasefire in the United Nations—should pay attention to this growing tide of dissent. Perhaps no one has said this as eloquently as Malaysia's Prime Minister Anwar Ibrahim, when he asked: "Where have we thrown our humanity, why this hypocrisy?" What he said struck a chord. In an interview on 16 March with *DW News*, the German public broadcaster, he asked why there is "selective amnesia"—suggesting that the difference in treatment and attitude from some Western governments to the extraordinarily high civilian death toll and destruction of hospitals, universities, mosques and churches in Gaza, compared to Ukraine, has something to do with skin colour and the Islamic faith.

Of course, Anwar Ibrahim has ideological reasons to support the plight of Palestinians, and has refused to cut ties with Hamas's political wing. Popular opinion is also causing him to speak out, given the strength of support domestically. It would be easy to dismiss his demands given his roots in Islamic student politics and the dependence of his government on the goodwill of the strong Parti Islam Se-Malaysia (PAS) party. But he has long been an articulate voice on human rights, and what he is asking for is a transparent, consistent and cohesive voice on these conflicts.

Ibrahim is not alone. The Global South is stepping up as the world's conscience on Gaza. Their views are reflective of a far wider swathe of public opinion than ever before—and they need to be heard.

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MY VIEW | GENERAL DISEQUILIBRIUM

Trust could be the cornerstone for this election season

RAJRISHI SINGHAL



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Courts across the country have been alluding to the word 'trust' a lot these days. Occasionally, they use the term directly. But even when they don't, it's presence can still be felt front and centre, especially when courts point to its deficit in public life or refer to its diminution in the social contract between citizens and various organs of the state. In case after case, courts are holding authorities to account for breach of promise, for violating individual rights enshrined in the Constitution, or for skewing the hierarchy of rights in favour of Corporate India. The courts seem concerned about plutocratic tendencies in which the individual citizen's concerns get short shrift. As election season rolls around in the middle of a scorching summer, it might be worth asking whether trust—or the lack of it—will play a role in influencing voter choices.

Many social scientists have pointed to trust and social capital as critical building blocks for national prosperity. Specifically,

trust will become non-negotiable if India wants to become the world's third largest economy. The court's pronouncements are only a symptom of how the development process seems to be ignoring this critical element of trust. Its interventions on issues related to urban civic problems can help us understand how citizen rights are being de-prioritized and why trust is so important.

A dry and thirsty Bengaluru, short of drinking water, exemplifies the damage haphazard urban planning can wreak; indiscriminate construction, wanton destruction of natural water bodies to enable fresh construction and overuse of underground aquifers have all combined to create a 20-25% drinking water shortage in the city. The courts, including the Supreme Court, have in the past pulled up Bengaluru's municipal authorities for their failure to act in the interest of the city and its citizens but these admonitions made no difference. As summer progresses, the situation is likely to worsen. But, because it is election season, some politicians have instead been busy raking up sectarian issues rather than trying to address the crisis by working with the state government or municipal authorities.

On the West coast, the Bombay high court recently reprimanded the Brihan-

mumbai Municipal Corporation (BMC), the country's richest municipal body, for reneging on its promise to the court to reconstruct a skywalk between the suburban commuter station Bandra and business district of Bandra Kurla Complex. The high court's division bench, while expressing concern over the "pathetic" condition of the footpath, said that it was not fit for use by "humans in a civilised society." The court further observed: "To our surprise and dismay... the work of reconstruction of skywalk has yet not started. If that is so, assurances extended by BMC by filing an affidavit in reply clearly appeared to be farce... The responsibility, it is needless to say, is that of BMC to provide at least a clean and walkable footpath."

The Bombay high court was also compelled to intervene in a case related to rising pollution in Mumbai. The court asked the Maharashtra Pollution Control Board to start a rigorous audit of industries causing air pollution within the city's metropolitan

limits. The court also asked the state government and municipal corporation whether it had a policy for shifting polluting industries out of residential areas. Local citizen welfare associations in Mumbai have been raising with BMC and local legislators the issue of polluting industrial units located within residential areas, but these appeals have gone largely unheeded, until the courts were forced to step in.

The BMC's disregard for pollution and its impact on public health was revealed recently when former municipal commissioner I.S. Chahal conceded during a press conference that city authorities had sanctioned 6,000 construction projects at the same time, over and above all the excavation related to the Metro and coastal road projects.

Actually, the BMC's attitude is perhaps reflective of a national trait. The *World Air Quality Report* for 2023 found Delhi to be the most polluted capital in the world. In India, Begusarai (Bihar), Guwahati (Assam)

and Delhi were found to be the three most polluted cities. Blame-sharing and power-play between the Centre, states and municipal authorities routinely ignores the citizen, leaving her relatively disenfranchised.

The trivialization of trust was evident in the drama surrounding electoral bonds (EBs). After banning EBs, calling them unconstitutional, the Supreme Court ordered State Bank of India (SBI) to share details of all donors and recipients with the Election Commission for display on its website. The court felt citizens had a right to know which corporate organization had donated how much to which party. Oddly, SBI—in which the state holds 57.49% on behalf of all Indian citizens—trotted out what seemed like excuses to avoid revealing the details. The Supreme Court upbraided SBI and the subsequent data dump has provided citizens with a glimpse of the biases and distortions in campaign finance. SBI, by appearing to prioritize the government's political strategy over citizens' right to information, devalued trust.

In a country battling widespread poverty and chronic inequality, income support rather than gaps in social capital probably influence voting patterns. But, as history has taught us, never underestimate the voter.

Courts have been chiding authorities repeatedly for overlooking the rights of Indian citizens



CONTRAPUNTO

What is happiness? It's a moment before you need more happiness

-DON DRAPER OF MAD MEN

Phony Joys

When the young are less happy than the old, personal tech could be the reason

It's a near-universal phenomenon: The cult of youth. Books to movies and music, most countries' cultural indicators would have us believe that it is their young who are really living it up. While the elders are sighing it down. In reality, the picture is rather uneven. This is an interesting aspect of World Happiness Report 2024. It highlights a wider social science finding that there is divergence between countries on whether the young or the old report greater life satisfaction. India, interestingly, is an outlier among its income-group peers.

Happy old men | Generally, high-income countries report overlapping increases in age and life satisfaction. Highly representative of this income-group is US, with those under 30 seriously lagging those 60 and older. Many experts put the blame squarely on social media and an overall decline in "pro-social behaviour". India is at a very different stage of economic development. What would explain younger people already showing lower life satisfaction here?

Happier old women | Equally interestingly, higher levels of life satisfaction are reported for older Indian women than older men. Here, too, a crucial hinge is older women's wider and more diverse social networks, including more friends and confidants. Loneliness can be hydra-headed in its impact on perception and memory, leading one to attach more importance to the negative aspects of one's life.

Group pic | Thinking seriously about these fuzzy matters is quite important. Not to lock everyone into the same idyllic picture of youth or age. Or push some draconian mass treatment. Individual experience of well-being forms the bedrock of the collective experience. Policymakers need to learn the right lessons, to nudge the collective in the direction of greater overall well-being.

Young and stuck | The shortage of quality jobs has to be taking a toll. Fixing this is obviously imperative. But another reason Indian and US youth could be experiencing something similar despite living in different-stage economies, is that the smartphone became our naveline at the same time. In both countries, influencers could be shaping unrealistic expectations of work-life balance to comparable degrees.

Holi-by-self | There will be infinite Holi selfies today. And these will tell us little about how much happy exchange of colours is taking place between family, friends and strangers. Watching cricket on a personal screen is one thing, playing it in the neighbourhood gully quite another, endorphins wise.

Piscean Story

Indians are eating more fish. Great. And more Indians are eating fish. Even better

Welcome to the blue foods club, said Coastal India, fabled lovers of all things fish, to India's new fish frat. In 2005-06, about 73cr Indians ate fish. By 2019-20, almost 24cr more are consuming fish – considered among the healthiest proteins. This was the finding of the recent 'Fish consumption in India: Patterns and Trends' study by WorldFish India in collaboration with Indian Council of Agricultural Research and other govt and global bodies.

Existing consumers of fish are eating more: per head they're consuming 12.3kg per year, up from 7.4kg in 2005-06. Of course, the India average of 9kg per head is still nowhere near the world average per capita fish and seafood consumption of 20.5kg, but, it is a healthy growth that's expected to continue. Fish on the menu has the additional advantage of being a low-emission animal protein, farm to finger.

The rise in demand is attributed to increasing incomes and availability. With farming, processing, and supply chains improving, availability in landlocked states in the country's north has expanded exponentially. Add to that the fact that a 2023 study by Central Marine Fisheries Institute found 91% of 70 species had healthy numbers. This was heartening given the global picture – 34% of stocks are overfished, 60% are being fished at maximum sustainable levels.

The trend of more men eating fish that the study reported is backed by widely observed anecdotal evidence. Men eat out more often – the daily working lunch for instance – and cleaning and cooking fish at home is not everyone's cup of tea, as it were. That said, the explosion of tips and tricks online, to flip fry that fish just right, has done great service in reeling in the fish, all the way to the dinner table. May the tribe grow.

Bygone brand

How expat fam lost its status

Bikram Vohra



Columnist based in Dubai

In the early days when Indians were mad about 'phoren' goods it was so easy to give gifts on trips home and win the love and gratitude of sundry family members and friends. Packets of orange-flavoured Tang and huge tins of powdered milk were par for the course.

If one overlooked a fond relative, well, a little clever mixing of two used perfumes or colognes did the trick and if someone noticed the seal was broken, we could blame the nasty little Customs who, before the turn of the century, were heartily loathed for their hostility to us Gulfis. Open your bags, was a common airport mantra.

Then we bought cheap ripoffs of clothes, fake Belgian chocolates and 'branded' watches made in China.

Everyone was happy and even daughters-in-law were forgiven their trespasses because they came laden with gifts. If one of those was a gold disco chain, life was a double bed of roses. Even Quaker Oats, cornflakes and Cheerios were given a warm welcome as were tins of tuna and cheese of all sorts. Cheddar, Brie and Camembert were shared with inordinate pride, evidence that son had done well abroad. And, of course, clothes, especially jeans, were the cherry on the sundae. How could we not be showered with affection, for thoughtfully bringing in mayo in glass jars.

Cosmetics were another winner: Shampoos smelling of apples and lemons, foundations and creams, and lipstick were distributed with zest like we were Santa on steroids. Everything was good enough.

That has all gone now. Expats find shopping for presents tedious and intimidating. What can we possibly take that will be welcomed with glee when it is all available at home, and it's fresh and of global standards. New gen fam members know fake from real and you can't play anymore con games by wrapping up seconds and passing them off. Unless you are buying real 24k gold or 18-year-old single malt or a 50-inch TV and a high-end mobile phone, no one is impressed. Gone are the days of fobbing off Meera aunty with a dollar spray or thinking you have got uncles Ramesh, Raj and Mani thrilled by the battery-powered razors that were 70% off as a set and you tore the foil to make three separate gifts.

Actually, shopping has gone into reverse. Us Gulf types are the big shoppers back home, landing with half-empty suitcases and returning loaded with Made in India stuff. Way beyond 30kg per person. Way to go.

Holi, IPL, Elections

All festivals have their unsavoury bits. But they give us distinct forms to express ourselves individually and collectively. Festivals bring us together. So our need for them endures

Santosh Desai



Nothing looks and feels more like a festival than Holi. To be sure Diwali, the other big name on the festival calendar, has its moments. Diwali is the time to buy things, stuff ourselves with food, play cards with real money, and the sound and fury of the fireworks that begin well before the actual festival and end well after. Diwali also has the advantage of being attached to other holidays – Dussehra, Durga Puja and Navratri – which makes the entire period feel like an endless celebration.

But even so, Holi done well, is special. No other festival carries with it the kind of unadulterated joy, the licence to let go a little, to shed inhibitions and become part of an undifferentiated mass of humanity.

We use colours to brighten up our lives. We wear them on our person. We decorate our homes with colour's evocation of life.

We are timidly coloured when it comes to our bodies; we need to augment our essentialness, drabness with colours borrowed from nature. On Holi our everyday colourless lives get a shock of vibrance, and a splash of water to shake us out of the routine we are locked into. Symbolically we wear spring on our faces and celebrate its fecundity.

To see so many people with faces obscured by colour, unrecognisable as they go about greeting others with an openness that is less discerning and discriminating than is the case in our regular lives. The idea of hugging each other and taking the liberty of smearing gulaal on friends and strangers alike is really the essence of what festivals should be about – a reminder of what unites us.

With age, one has to admit that the form in which one enjoys the festival has changed. Gone is the exuberant excitement of youth that revelled in making as much noise as possible during Diwali. The excited hoarding of fireworks, the careful sequencing of fireworks with the relatively tame stuff being used first and the blockbuster items like rockets and atom bombs being preserved for later have given way to a focus on more material sources of enjoyment. Food, drink, the occasional card game now take precedence.

Similarly with Holi, water and fast colours that took weeks to scrub off, and that too never quite completely with portions behind the ears and fingernails carrying tell-tale signs of Holi well into summer, are now off the table. What has taken its place is the polite and ceremonial exchange of pinches of gulaal. Other pleasures such as bhanga that were not permitted in one's youth are now accessible. But are dealt with cautiously given the unpredictable nature of said stimulant.

has come to typify these events, on-the-ground elections resemble just another mass festival.

Posters, street signs, loudspeakers on tempos, door-to-door contact programmes, mass rallies that are like a paid outing for the participants combine to create a sense of a community festival. Rise of social media has dimmed some of the fervour we see on the streets as now it is possible to carry out much of the campaigning in the virtual domain, but even so elections are still fought, mohalla by mohalla, polling booth by polling booth by way of personal contact.

The other big festival that shares some characteristics with Holi is IPL. While cricket is clearly at its heart, there is a lot more going on. The more hedonistic aspects of IPL with its wild after-parties and salacious stories may now be a thing of the past, but the atmosphere it conjures up both on the ground and off it is noisy, joyous and celebratory. With time, some franchises have built strong loyalties and this shows in the raucous enthusiasm they display in support of their heroes. For viewers at home too, it is a two-month-long diversion, default programming that one can always tune into.

All festivals come with their issues. With Diwali, there is the question of noise and air pollution, and with Holi the question of hooliganism and safety, particularly for women. Elections bring with them a whole world of unsavouriness, with ugly conflict, unaccountable sources of money and gutter level language. IPL, too, comes with a lot of baggage – of crass commercialism and excess.

But sometimes it is necessary to look beyond these issues and connect instead to the intent behind the festivals. Festivals exist to bring us together and give us reasons to express ourselves individually and collectively in ways we don't otherwise.

In an earlier time, we lived from festival to festival, anticipating the next one as soon as the current one finished. Today we have a lot more going on to engage us. Even so festivals retain their magic, fuelled by consumption and affluence. They may have changed character, but our need for them continues. And nothing captures the spirit of festivals more than Holi.

The writer is a leading advertising professional



Social media has dimmed some of the poll fervour on the streets. Still, posters, loudspeakers on tempos, door-to-door campaigning, mass rallies that are like paid outings for the participants, make elections feel like another mass festival

This year, Holi is part of a larger festival season. Two other events are coinciding with Holi. The first are the elections. In India, for all the unsavoury controversies that surround the political landscape, with electoral bonds, alleged scams committed by various parties, arrests of chief ministers and the charged rhetoric that

'Who decides what core values of nationalism are? Is dialogue possible or is it all exclusive?'

Anthropologist, expert in politics of memory, and president, Goethe-Institut worldwide, Carola Lentz, on her first India visit, tells Narayani Ganesh nationalism's a double-edged sword, that knowing languages is the first step to intercultural understanding, that aging Germany can't do without its young migrant populations.

Germany is the world's third largest refugee-hosting country. How does it affect the cultural fabric?

Germany has mostly regular immigrants and a small portion is of refugees. The most visible impact is on cuisine since the 1970s. In my apartment complex in Munich, there are two Indian restaurants, south and north Indian.

In theatre, literature, sports, many non-Germans are there, and they've greatly enriched German culture. Someone who fled Sarajevo is an important German writer today. Similarly, we have writers of Japanese origin.

Notwithstanding this, we have rightwing nationalists who think we need to return to 'purity', thereby trying to negate this enriching trend.

Q&A

Does such nationalism impact society?
Many leaders of independence movements would've seen nationalism as an integrating force. Nationalism and patriotism were indeed seen as being very close.

But nationalism does have the tendency to see others as strangers, and then it becomes narrow. Context and interpretations make nationalism positive or negative. Nationalism is a double-edged phenomenon. I've worked in Ghana – their nationalist movement was against colonial domination, and even among early nationalists, views differed on what kind of nationalism.

The central question for me is who gets to decide what the core values are, and is dialogue possible or do you want to make it exclusive?

If you associate values with ideological or religious trajectories, then you'll categorise non-Germans living in Germany as outsiders – so we need to be as

liberal as possible.

Has Germany's refugee & immigration policies adversely impacted job opportunities for locals?

No, that's not true. Germany is an aging society. We desperately need skilled and unskilled labour, more than the German population can provide. Imagine if all the immigrant nursing staff and doctors left. What will happen to our health services and old age homes? Engineers...and others...



Rightwing activists who protest are mostly in areas where there are very few immigrants.

Does collective remembrance help people move on?

It depends how memory sites and memorials are constructed. If a family has experienced Partition in India, for example, we know from psychological studies that these memories continue to work at a subterranean level – the way forward perhaps is to have societal dialogues and help them overcome these.

As for Germany's Holocaust memory, it's so important a reminder to young people that it should never happen again. More importantly, it's a reminder that it could happen again. It's not so much about emotions but about knowledge. You need to know how it came

about, so we can prevent future recurrence.

9/11 is contemporary. I found it intriguing that they had a room of remembrance with ashes of unidentified victims, including undocumented workers from Philippines, so people could mourn them and communicate with the dead.

9/11, like all memory sites, has multiple layers of how you could direct collective memory in a positive direction. A civic association organised the 9/11 monument and events around it. The high-ranking bankers, firemen, all are accommodated.

Flip side, can it reinforce hatred and animosity?

Well-constructed inclusive memory politics can help us be free to reach a better future. But it can also be buttressed to boost hatred, to not get anywhere, so it is tricky. How inclusive can you make it? Of course, ideological entrepreneurs – not only state agents but even universities and individuals – who propagate a certain agenda try to hijack memories. Then, it is a problem.

What has Goethe-Institut's experience been in promoting intercultural understanding?

An important aspect is language teaching. Mutual understanding isn't possible without language. It transports world views, creates possibilities of different perspectives, making understanding possible. Goethe-Institut's (Max Mueller Bhavan in India) language courses enable mobility and increase cultural knowledge. We offer spaces for exchange, cultural events, discourse, discussion, so that Indian spectators can know more about Germany. And discuss. Uniquely, the Institut isn't a govt organisation. It is independent.

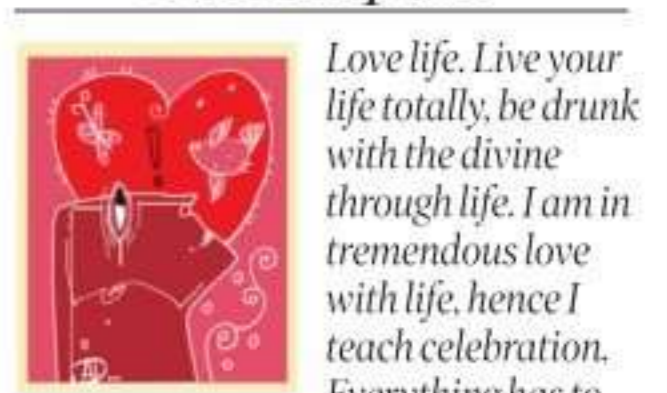
As anthropologists, our trademark is the politics of listening, of trying to understand world views and actions of others, before judging. This is relevant to Goethe-Institut, to bring mutual understanding and dialogue.

Problems we face as humankind are global. Over a third of our population is not of German origin. So, the world is at home in Germany, hence it's important to respect international perspectives.

Calvin & Hobbes



Sacredspace



Love life. Live your life totally, be drunk with the divine through life. I am in tremendous love with life, hence I teach celebration. Everything has to be celebrated, everything has to be lived, loved. To me nothing is mundane... All is sacred.

Osho

When Do You Plan To Be Happy?

Gurudev Sri Sri Ravi Shankar

All the world's teachings speak of finding great happiness because they know it's what everyone is ultimately searching for. Happiness doesn't depend on what we have or don't have; it's simply a state of mind. It's not something you can buy; it's already within you, right here and right now. Everything we really want outside is already within us.

In life, there are always things that bother us. This is called maya, delusion. For example, if someone loves you, that can be a botheration and if they don't love you, that's also a botheration. Friends and enemies can both be a source of botheration. That's why it's important to hold onto a resolve: 'No matter what happens, I will not lose my happiness.' Even if you face losses in business, relationships, or any other

aspect of life, you should not lose your happiness. This is a measure of your growth. When you go to the source of happiness, your senses become stronger, your mind becomes content, and things start going in your favour.

Don't stress about being perfect. If you're too focused on perfection, you'll end up feeling angry. The world might seem imperfect, but deep down, everything is perfect. Perfection is hidden, while imperfection is visible. Wise people look beyond the surface. In this world, things can't always be perfect. Also, don't make the mistake of constantly pointing out others' mistakes. Mistakes happen all the time. To correct them, you need both authority and love. Authority without love feels oppressive. Love without authority lacks depth.

When you accept that mistakes can happen, you can be both firm and kind.

Everyone keeps delaying their happiness. A child thinks they'll be happy when they go to college. In college, they think they'll be happy when they start earning. Then they think they'll be happy once they are married. The cycle continues, and that special day never arrives. It is like trying to make your bed whole night and not being able to sleep. Instead of waiting to be happy in the future, choose to be happy now.

Look at the world where there are bigger problems, so your problems seem smaller. This gives you the energy and confidence to deal with them. Reflect on your own past. You've faced many problems before, and they've all passed. This problem will also pass, and you have the strength to

overcome it. Practice breathing exercises, meditation, and relaxation techniques. Instead of giving up in anger, say, "I give this problem up to the Divine." Have confidence that you will be helped. Turn your mind inward for solutions. Spend a few minutes in deep introspection each day.

Smiling when everything is going well is easy, but if you can smile and stay positive even when facing challenges, you'll find tremendous inner strength, and the problem will disappear. Remember, you are responsible for your happiness. Be determined to not let anyone take your happiness away. Consider all situations as opportunities for your spiritual growth.

Go inward to find the source of happiness. When you connect with that source, your senses will be strong, your mind will be content, and things will start going your way.

The Tribune ESTABLISHED IN 1881

PM's Bhutan visit

Reaffirming commitment to building stronger ties

BARELY 24 hours after putting off his trip to Bhutan due to heavy rain in the neighbouring country, Prime Minister Narendra Modi availed a spell of good weather to visit Thimphu. India's efforts to ensure that the bilateral ties did not enter a state of limbo were reciprocated by Bhutan, which conferred its highest civilian honour on PM Modi. As was expected, Bhutan PM Tshering Tobgay received his counterpart at the airport. In another indication that PM Modi's quick visit was a win-win proposition for both sides, both Tobgay and the Bhutan King, Jigme Khesar Namgyel Wangchuck, were present to see him off.

These courtesies reflect the two countries' willingness to be receptive to each other's aspirations in a rapidly altering geopolitical landscape. Bhutan's expectation of more aid from India, the world's fastest-growing major economy, was met when PM Modi doubled the assistance for Bhutan's next Five-Year Plan. India will also shoulder the financial burden of the Gyalsung Initiative, an integrated training programme for Bhutan's youth. New Delhi is readily backing King Jigme's Gelephu Special Administrative Region Project by financing a railway line that will be connected to the plains of Assam.

However, India's steadfast commitment to Thimphu is inseparable from its security interests vis-à-vis China, as the Doklam standoff of 2017 had demonstrated. New Delhi has shown respect for Bhutan's sovereignty by revising the India-Bhutan Friendship Treaty to enable Thimphu to decide its own foreign policy. Understandably, Bhutan cannot keep itself away from greater diplomatic engagement. India had facilitated Bhutan's emergence from isolation by sponsoring its membership of the UN and the World Bank. The bonhomie among the leaders at Paro airport suggests that both sides will continue to synchronise their geopolitical moves.

Liquor tragedy

Combating underground trade a challenge

THE 21 deaths attributed to the consumption of poisonous liquor in Punjab's Sangrur district are a tragic reminder of the enormity of the illicit liquor trade. The setting up of a special investigation team and the registration of a case under Section 302 (murder) of the IPC are steps in the right direction; these must be backed by unwavering commitment to uncovering the network behind this criminal activity. The potential influence of such activities on the electoral process, as indicated by the police statement about a link to the Lok Sabha elections, is a disturbing prospect. This underscores the need for heightened vigil and measures to prevent the enticement of gullible voters for political gains. The intervention of the Election Commission and the National Human Rights Commission in the case should spur concerted action.

Over the years, Punjab has witnessed several such incidents. There was a spate of illicit liquor trade-related deaths in Tam Taran, Amritsar and Batala in 2020 — the toll crossed 110 — leading to a clamour for holding the authorities accountable. Two years later, the Supreme Court expressed dissatisfaction over the progress of the probe into the case and pulled up the state government for treating the issue with 'kid gloves'. In February 2023, the Punjab and Haryana High Court said it was a known fact that the illegal liquor trade was a serious problem in Punjab.

The recurrence of such tragedies shows that the challenges persist despite a campaign to crack down on bootleggers. Sustained action is needed, including stringent law enforcement to curb the illegal, parallel sale of liquor and meting out exemplary punishment to the culprits. Also, efforts must be made to raise consumer awareness about the hazards posed by the consumption of liquor purchased from unauthorised shops or persons.

ON THIS DAY...100 YEARS AGO

The Tribune

LAHORE, TUESDAY, MARCH 25, 1924

A heated debate

THE animated debate which took place in the Council of State last week on the motion of Mr GA Natesan urging the Government of India to take effective steps to prevent the repeated attempts of the Union Government of South Africa to impose restrictions and disabilities on the Indian community shows at once the strength and unanimity of patriotic and self-respecting Indian opinion on the subject and the length of absurdity to which some Indians can go. The best and most outspoken speech on the occasion was, of course, that of Mr Srinivasa Sastri, to which we have already referred, and in which he made mincemeat of the plea that the Government of India and the British Government had done, were doing and might be trusted to do all that could possibly be done in this matter. The measure of what the British Government had done and was doing in this respect, said Mr Sastri, was its decision in respect of Kenya, which was a Crown Colony and in respect of which it had not even the excuse that, being a self-governing country, it could not be coerced into submission. As regards the Government of India, he expressed the definite and emphatic opinion that its policy of weak protest and mild remonstrance had not been and was not going to be of much avail. "I have come to the conclusion," he said, "that there might be some awakening of the British conscience, some rousing of a deeper sense of responsibility in the British nation if, on some occasion in the future, the Government of India should say to a listening world that it was impossible for them to carry on their duties if His Majesty's Dominions were unable to protect the just rights of His Majesty's Indian subjects and, on this ground, resign from their offices."

What to expect from Putin's new term

President to redraw energy markets as oil, gas remain key sources of prosperity for Russia



KP NAYAR STRATEGIC ANALYST

FOR a week now, since Vladimir Putin's re-election as Russia's President, the world has been divided — although not equally — in congratulating him or deriding his re-election. Prime Minister Narendra Modi was swift in messaging his "warm congratulations" and "looking forward to working together... in the years to come." Two days later, as soon as a phone call could be scheduled, Modi had an extended conversation with Putin.

Equally swiftly, European Union foreign ministers said the Russian presidential election was a fraud — just as Western countries prematurely wrote Putin's political obituary in June 2023 after segments of the Wagner militia organisation revolted against the Russian army's hierarchy! Or like two years ago when the US, in particular, fantasised that Russia would be crippled by its illegal sanctions, which do not have United Nations' approval.

The normally cautious and reticent Kremlin Press Office has made an intriguing announcement that Modi-Putin "meetings will take place in the first half of this year, we hope, in a multilateral format, and there will also be bilateral talks on the margins." Realising that he had revealed too much, and, perhaps, out of tum, Kremlin spokesperson Dmitry Peskov hastened to tamp down speculation about a Modi visit soon after the new government is formed in India. "This has yet to be agreed through diplomatic channels," Peskov added as a rider. Clearly wishing to understate his own curious statement, the spokesperson



SPLIT WIDE OPEN: Vladimir Putin's re-election as Russian President has evoked a mixed reaction. REUTERS

added: "Of course, the Prime Minister of India has an open invitation to visit our country."

The next summit of the plurilateral BRICS group, hosted by Russia, is not scheduled to take place in Kazan until October when the Tatarstan capital will have its most salubrious weather. So, clearly, there is much that is going on behind the scenes. Adding to the intrigue is the sudden speculation that Ukraine's Foreign Minister Dmytro Kuleba will visit India this week. New Delhi's grapevine began buzzing about Kuleba's visit as soon as Modi put his phone down after a surprise call to Ukraine's President Volodymyr Zelenskyy on Wednesday. If Kuleba's visit takes place, he will be the highest-ranking Ukrainian minister to travel to New Delhi since the conflict with Russia began. Ukraine's First Deputy Foreign Minister Emine Dzharparova was in New Delhi last April, but she had clearly invited herself to India with help from her spiritual connections in this country, according to resourceful grapevine. Dzharparova did not get much access to Raisina Hill, the seat of power in the national capital, during her visit.

To presume that Putin's new presidential term will maintain the status quo, merely because

For the sake of its energy security, India must choose where it fits into the scheme of things.

his victory was widely anticipated, is to misread Russian politics. Since oil and gas will continue to be the main sources of prosperity for Russia in the medium-term future, Putin's focus in his next six years as President will be to redraw its energy markets. He will no longer trust Europe to buy Russian oil and gas as it did before the Ukraine conflict — and Europe would not trust him. Turkey and China will be critical to these diversification efforts through gas hubs and pipelines while prioritising collaboration with the Gulf states, both in production stability and infrastructure-building for an Arctic energy

corridor. India, for its own energy security, must choose where it fits into this scheme of things. Modi and Putin have signed on to bright ideas previously — such as the Vladivostok-Chennai Eastern Maritime Corridor. But like many Indian projects, such as the decades-old, slow-paced Chabahar port project in Iran, the corridor has remained in limbo. The Vladivostok-Chennai link was conceived to bring coal, oil, liquefied natural gas, fertilisers and so on from the fabulously resource-rich Russian east, which is Asian, to meet India's growth needs.

Unlike in the US, there has been no discussion in Russia — even in private — about its ageing President. Donald Trump is 77, and Putin will be of the same age when his new six-year term in office ends. Joe Biden, too, was 77 when he moved into the White House. There is no obvious successor to Putin and all his trusted top aides are older than him, even if slightly. Putin is likely to induct next-generation leaders into his administration as his next term gets underway. He will only bring in new faces he implicitly trusts, in view of the pervasive culture of absolute loyalty in the Kremlin. Putin is said to be grooming his former bodyguard Alexei Dyu-

min — in his early 50s — who is gaining experience on the ground as an incumbent provincial Governor. Russia's notoriously inefficient state industrial sector needs modernisation. Russian media has reported that family friend Boris Kovalchuk — in his mid-40s — who has considerable experience in business and modern management techniques, has been tapped for induction into the new presidential team. There may be more such entrants.

Kremlinologists in Modi's team are not letting any grass grow under their feet. Just a day after Putin's re-election, India named a new Ambassador to Russia, Vinay Kumar, who has vast experience of Russian, East European and former Soviet republics' affairs. India did not wish to keep the Moscow post vacant after Ambassador Pavan Kapoor, another Moscow veteran, moved to the headquarters as a secretary. In a significant contrast, the Ambassador's post in Washington has been vacant for two months.

The Modi-Putin and Modi-Zelenskyy conversations have triggered speculation in domestic and international media about a peace offensive. Both Putin and Zelenskyy have outlined peace plans, but there is absolutely no meeting ground between those divergent offers. Besides, the US and the EU are unlikely to let such plans make any headway. The West still seems to be under the illusion that Russia can be defeated on the ground. But it lacks both the commitment and the resources to make such plans work. Meanwhile, Yulia Navalnaya, widow of the late Opposition leader Alexei Navalny, continues to be a puzzle. Like the hundreds of prominent dissidents in the Soviet era, Navalnaya, who has a personality much more charismatic than her late husband, appears to have decided to fight her battles against Putin outside Russia, on welcoming foreign soil, mostly Western. It appears to be an enterprise that is doomed from the start.

THOUGHT FOR THE DAY

If the Opposition disarms, well and good. If it refuses to disarm, we shall disarm it ourselves. — Joseph Stalin

A jilted lover and a hostage crisis

SATISH KUMAR SHARMA

JILTED lovers can be dangerous. They can harm or even kill the person they love. During my career in the police, I was very careful in handling such cases.

In 2010, I was a Joint Commissioner of Police in Ahmedabad. One day, I was sitting with the Commissioner of Police (CP) when information came that a dagger-wielding intruder had taken a middle-aged woman hostage in her house. He demanded that the CP should come there and listen to him. On my request, the boss let me handle the situation.

When I arrived at the spot, a crowd had gathered outside the ground-floor house. Before entering it, I asked an officer to call an ambulance in case anything went wrong. I went inside and found that in an about 12'x12' bedroom, a bearded young man was sitting on the bed. He had the woman in a chokehold and was brandishing a big knife.

On seeing me, he shouted: 'Stay out! Who are you?' I introduced myself. He said: 'You stay there but send everyone else out!' I did the needful and told him from the door: 'I am unarmed. You need not be afraid of me. I have come to listen to you. Just don't harm the woman. Give me the knife!' He did not give it, but lowered his hand and started talking.

The man said that he and the woman's daughter studied at a college in Indore. He fell in love with her, but she made a false complaint of harassment against him to the police, who lodged a case and arrested him. On being released on bail, he had come to confront her. On not finding the girl at home, he had made her mother a hostage.

I realised that he was desperate. He said he wanted the girl to give it in writing that her report was false. He wanted me to send it to the Madhya Pradesh Police so that they could drop the case against him. I told him that the girl was not in the city and any statement made under duress was not admissible in a court; still, I assured him that if he let the woman go, we could talk to the MP cops to resolve the matter.

He looked uncertain. I kept talking to him and told him that the woman was innocent and if he harmed her, things would become more complicated. In half an hour, he realised that his action was rash. He handed me the knife and let her go. We registered a case and arrested him. I counselled him to try to forget the girl and focus on his studies. I assured him that if his conduct was good, we could try to persuade the girl to not proceed further against him.

He was released on bail some days later. Before leaving for Indore, he asked me: 'Sir, why is the MP Police not like the Gujarat Police?' I said nothing. He then asked: 'Where are you from, sir?' Pat came my reply: 'MP. That's where I got selected in the police service.'

LETTERS TO THE EDITOR

The Kejriwal conundrum

Refer to 'The devil is in the timing of ED action' (Nous Indica); the writer is right to note that the timing of AAP national convener Arvind Kejriwal's arrest is questionable. But in all fairness, he was given ample time and several summonses by the Enforcement Directorate, but he remained evasive. Around a year ago, his former deputy, Manish Sisodia, was arrested by the ED in this case. If Sisodia was wrongly arrested by the agency, why has he not got bail yet? The ED should expedite its investigation into the matter. The fact that Kejriwal plans to continue as the CM and run the government from jail is ridiculous. There is no doubt that, as the chief minister of Delhi, Kejriwal has transformed government schools and improved healthcare facilities. But offering freebies to garner votes is a sign of bad governance.

WG CDR CL SEHGAL (RETD), JALANDHAR

Making a martyr of the CM

Apropos of "The devil is in the timing of ED action" (Nous Indica); the arrest of Delhi CM Arvind Kejriwal will make a martyr out of him. The alleged targeting of Opposition leaders by the Centre can backfire as it can evoke sympathy for the politicians being victimised and coalesce a divided Opposition into a united bloc amid the threat of a crackdown by government agencies. PM Narendra Modi must understand that there can be no free and fair elections if his key political rivals are behind bars or the accounts of the principal Opposition party, the Congress, are frozen. The misuse of Central agencies raises questions about the BJP's ability to win the elections for the third consecutive time.

CAPT AMAR JEET (RETD), KHARAR

Onus on ED to prove charges

With reference to 'Kejriwal's arrest'; once a champion of the anti-corruption movement, Arvind Kejriwal has now come to be known as a chief minister who got arrested in a money-laundering case. But however serious and solid the case may be, the timing of his arrest is doubtful. It seems like the ED action was politically motivated. Going by Kejriwal's non-compliance with repeated summonses issued to him by the ED in the recent past, it is clear that the Delhi CM is trying to get mileage out of being under the scanner

of the probe agency. The real issues should not get lost in the heat of politics. The onus is on the ED to prove the case against Kejriwal.

DVG SANKARA RAO, VIZIANAGARAM (AP)

Beleaguered Congress

Apropos of 'Congress crippled'; it is a matter of great pity that the Congress, which has ruled the country for decades, is facing many challenges. Its electoral performance has declined considerably in recent years. And now, just ahead of the General Election, its accounts have reportedly been frozen. It is obviously hitting the grand old party hard. A party cannot fight an election without sufficient money at its disposal. It remains to be seen how things will pan out between the ruling BJP and the Congress in the Lok Sabha elections.

SUBHASH C TANEJA, GURUGRAM

The cost of human suffering

Refer to the news report 'Russia, China veto US bid in UN for immediate Gaza truce'; the veto by Moscow and Beijing on the US-led UN resolution for a Gaza ceasefire is more than just a diplomatic setback. It is a failure of epic proportions. With innocent lives hanging in the balance, the veto shows a callous disregard for human suffering. As the international community clamours for peace, Russia and China hide behind political manoeuvres, ignoring the urgent need for a truce. Their actions speak volumes about their priorities — giving importance to their own interests over the humanitarian crisis. It is time for true leadership to emerge, one that prioritises humanity over politics.

AMANJOT KAUR, MOHALI

Tap AI for safer commute

Apropos of the middle 'Artificial intelligence is the road to take'; the writer has rightly highlighted the plight of commuters in this country. Roads everywhere are riddled with potholes. Reckless driving is also common these days. Potholes and many commuters' blatant disregard for traffic rules often lead to road accidents. Since AI-powered algorithms can predict accidents, optimise traffic flow and facilitate efficient rerouting, the government must use the power of AI to ensure a safer and smoother commute for all in the country.

AMARJEET MANN, UNA

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

Make couples aware of risks involved in IVF



SHAILAJA CHANDRA
EX-SECRETARY, HEALTH MINISTRY,
AND FORMER CHIEF SECY, DELHI

WHEN Punjabi singer Sidhu Moosewala was gunned down about two years ago, who would have thought that his mother would go on to have a baby, and that too at the age of 58? The surprise development has raised a host of questions about the safety of everything surrounding the in vitro fertilisation (IVF) procedure, which is used to help a woman get pregnant. During IVF, the ovaries are stimulated to produce multiple eggs, which are removed and fertilised with the man's sperm to create embryos in a laboratory setting. The embryo is later transferred back into the uterus, where it is expected to develop, grow and result in childbirth.

Newspaper reports say that Moosewala's parents had gone abroad for IVF treatment, while the baby was delivered at a hospital in Bathinda. Regardless of the claims or the alleged harassment faced by the family, the regulation of IVF in general and its use on older women in particular remain pivotal for needy parents.

While the procedure has given hope and brought joy to countless couples, questions about the safety of the mother and child, the rights of women versus family pressure to bear a child, the legal status of the embryo and the care of a child born to older women are being raised.

Under the Assisted Reproductive Technology (ART) Regulation Act, 2021, the normal upper age limit to undergo the ART procedure is 50 years. The Department of Health Research of the Health Ministry has asked the Punjab Government to investigate the matter and report on the pregnancy, which Moosewala's mother underwent several years beyond the prescribed age limit.

The ART Act restricts the upper age of the woman to 50 years because several adverse risks are associated with age. Dr Shalini Singh, Director of the National Institute of Cancer Prevention and Research at the Indian Council of Medical Research, talked to me about the increased risk of gestational diabetes, pre-eclampsia and multiple births, among other risks, that older women face. Hormones need to be pumped into the woman to stimulate conception, and it could have adverse fallouts, the extent of which may not be fully explained to or understood by the couples. The possibility of preterm deliv-



CAUTION: There is a need to strike a balance between a woman's desire to become a mother and the potential medical problems she might face during pregnancy. ISTOCK

eries, stillbirths and multiple births increases, which is why a comprehensive health check-up is essential even when IVF is sought to be undertaken in much younger women.

Apart from age, there is also the question of clinical capability at the IVF facility. The 2021 Act lays down a slew of regulations with regard to registration with a national registry and freezing of gametes and embryos that clinics and assisted reproductive technology banks must adhere to. A national board is expected to lay down the code of conduct to be observed by persons working at fertility clinics and set the minimum standards of physical infrastructure, laborato-

India has come a long way by introducing and regulating infertility clinics as well as the whole process of donation and conception.

ry and diagnostic equipment and the engagement of expert manpower. The state boards have a responsibility to follow the policies and plans prescribed by the national board.

Sperm and egg donors must be registered and monitored by the banks, which are required to keep accurate and current records of all donors. The regulations also provide for a grievance cell, adhere to embargoes on genetic testing for sex determination or alteration of the genetic characteristics of the embryo, prescribe guidelines for cryopreservation and provide for insurance cover for unforeseen events. India has one of the high-

est numbers of ART centres that perform numerous cycles across the country. Though it has come as a ray of hope for countless couples, numerous legal, ethical and social issues have complicated the picture. There is a need to balance the desire of a woman to become pregnant with the potential medical problems she might face. From a feminist point of view, socialists have highlighted that IVF technologies can further strengthen the prevalent patriarchal values, including the immense pressure on a woman to become a mother and produce a healthy baby.

The legal age limit of 50 years shows concern for the fact that as a woman grows older, her eggs also age, which increases the chances of genetic anomalies and miscarriage. That is the reason why some couples opt for donor eggs. Even so, the age limit of 50 years is not cast in stone because, under Section 21(g)(i) of the Act, exceptions are possible after a medical evaluation that certifies that the woman is fit to undergo the procedure. The question is: how does one obtain that certification? That process is not widely known and needs to be publicised.

India has come a long way by introducing and regulating infertility clinics as well as the whole process of donation and conception. It

speaks volumes about the technological prowess of the medical fraternity and the availability of regulations to administer the entire gamut of infertility treatment. What remains are concerns about the efficiency and reliability of law enforcement agencies in the states, where it is common knowledge that the capacity and willingness to enforce the law are irregular or even deficient. Only if the national registry and the board exercise tight control and do it without creating unnecessary hurdles can one hope for compliance, tempered with compassion.

The other important concern is the cost. While public sector hospitals that undertake IVF are reported to charge around Rs 50,000 for a procedure, private clinics are known to charge anything upward of Rs 5 lakh — it can double or triple, depending on the facility. It is difficult to regulate prices when there is a willingness to pay, but overt commercialisation must be reined in.

As hundreds of couples hope to have a child in long last, the onus is on governments to make them aware of the risks involved. Besides, there is a need to exhibit empathy and understanding when dealing with this sensitive area, and not just confine regulation to a narrow interpretation of a law that can gift a life!

China losing economic heft amid widespread trust deficit



YOGESH GUPTA
FORMER AMBASSADOR

IN an interview to Bloomberg Television on March 5, Sharmin Mossavar-Rahmani, chief investment officer of the Private Wealth Management Company at Goldman Sachs, advised investors not to invest in China's stock market despite the CSI 300 index hitting a five-year low in February. There were many uncertainties in China's policy direction, the recent security measures had worsened the global sentiment, and there were worries over its declining domestic demand and escalating geopolitical tensions, she explained. Though the stock market had improved after the regulators took steps to reduce selling and increase institutional purchases, there were doubts whether the measures would lift the economy. China claimed that its economy grew by 5.2 per cent in 2023, but many economists and China experts doubt this figure, given the ailing property sector, declining foreign investment, trade and low consumption expenditure.

The gloomy economic scene

in China is borne out by facts and figures. China's net FDI plummeted to \$33 billion in 2023, about one-tenth of \$344 billion in 2021, as per China's State Administration of Foreign Exchange. The American chip-related global investments in China plunged from 48 per cent in 2018 to 1 per cent in 2022, shifting to India, Singapore and Malaysia. A US company, Teradyne, which manufactures testing equipment for chip fabrication, and British company Graphcore, which makes chips for artificial intelligence, recently shifted out of China. Japanese automakers such as Mitsubishi Motors, Toyota and Honda have either closed or reduced their presence in China, even as Chinese companies have become more competitive.

The situation worsened after China's crackdown on foreign companies, including the arrest of business executives on the charges of commercial espionage, since May 2023.

The competitive manufacturing, efficient supply chains, streamlined logistics and increasing exports supported by the government have been the hallmarks of the Chinese economy. China has been responsible for 31 per cent of the global manufacturing (value-added). After years of rising trade with advanced economies, China's exports to the US and EU countries, which account for about 40 per cent of its total exports, declined by



STRATEGY: At the policy level, China desires self-sufficiency in critical technologies and food products while making other countries more reliant on it. REUTERS

more than 10 per cent in 2023 due to the high tariffs imposed by the US, efforts to diversify purchases of certain items and declining economic growth in the EU. Last year, China's total exports declined for the first time after 2016 (compared to 2022) by 4.6 per cent to \$3.38 trillion. The saviour was China's exports to Russia, which surged by 46.9 per cent; otherwise, the decline would have been sharper. China is trying to find new markets in the developing countries of Asia, Africa and Latin America.

Besides trade and investment, expatriates from the West and other regions stationed in China are also decreasing. China gave 7.11,000 residence permits to foreigners in 2023, down by 15

Global interest in visiting, understanding and doing business with China has waned of late.

per cent from 2019, as per its National Immigration Administration. The US State Department has kept China on its 'reconsider travel' list since March 2023, citing the risk of "detention and arbitrary enforcement of local laws". The number of passport renewals, as per the US Embassy in Beijing, has sharply reduced from the pre-pandemic level. The number of British nationals in China has declined by about 50 per cent from 2019 to about 16,000, as per the British Chamber of Commerce in China. The number of the Japanese has reduced by about 13 per cent and South Koreans by around 30 per cent from 2019, as per official figures.

Similarly, foreign tourist arrivals in 2023 were down by

about 60 per cent from the pre-Covid level. As per a Chinese analyst, major airports in the country are 'eerily empty', with international flights bringing few foreigners due to China's increasing quarrels with the US and other countries, reports of arbitrary arrests and detention, its obsession with security and China's support for Russia in the Ukraine war.

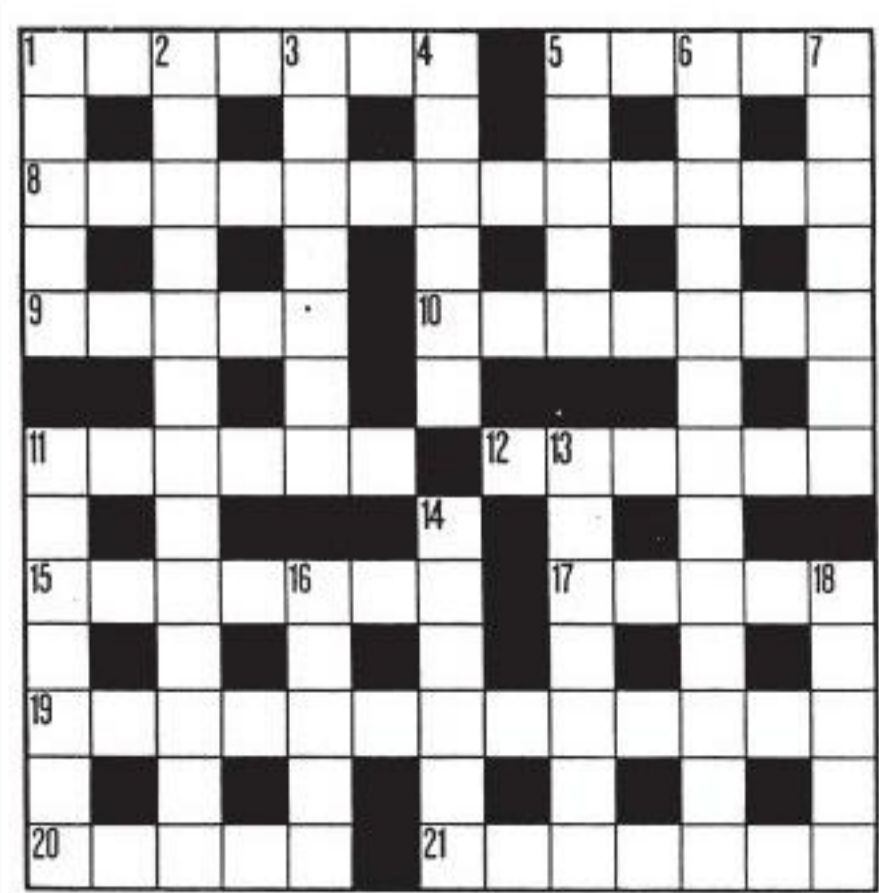
Foreign students in China returned to their home countries after the outbreak of Covid-19 in 2020. Most of them are yet to return, deterred by the geopolitical tensions, reports of a decline in the Chinese economy, high unemployment, low prospects of getting a decent job and China's new counter-espionage law, which has made it difficult to do research work. Many keen on learning Chinese are instead going to Taiwan. The number of American students in China declined from about 15,000 in the 2011-12 academic year to about 350 in 2022, as per the US Embassy in Beijing. According to the Chinese Ministry of Higher Education, the number of foreign students freshly enrolled in higher education institutions dropped from 1,72,571 in 2019 to 1,14,112 in 2022.

As remedial action, China has pledged to improve the participation of private companies in major national projects, to allow them to borrow more, expand consump-

tion of consumer goods and promote high-technology industries such as those involved in electric vehicles, batteries and solar energy projects. China has scrapped tourist visa requirements for 15 countries, including France and Germany, broken down market barriers for multinationals and eased restrictions on cross-border data flows. At the policy level, China desires self-sufficiency in critical technologies and food products, while making other countries more reliant on it. It wants to create new markets dependent on China, control supply chains and secure access to key resources for its industry, energy and food needs.

Not long ago, there was a lot of global interest in visiting, understanding and doing business with China. That has waned now as many countries, such as the US, UK, EU nations, Japan, India and the Philippines, consider China as a threat to the current world order as well as their security and are taking steps to reduce their dependence on her, establishing supply chains in their own or in friendly countries. While the complete exclusion of China from global supply chains is not possible, given its vast involvement and ability to manufacture many items at lower prices, the diversification of supply chains is underway for many items, though at a slow pace.

QUICK CROSSWORD



ACROSS
1 Conscience-stricken (7)
5 Greek woodlands deity (5)
8 Thievish (5-8)
9 Resistance to attack (5)
10 Give a just claim (7)
11 To last (6)
12 Trouble constantly (6)
15 A light slightly sweet bread (7)
17 Artistically planned furnishings (5)
19 Vice versa (5,3,5)
20 Faithful (5)
21 Betrayer (7)

DOWN
1 North African mountains (5)
2 Imperious (4,3,6)
3 Bullfighter (7)
4 Silly nonsense (6)
5 A view (5)
6 Use profitably (4,2,7)
7 Rectify (7)
11 Involve in conflict (7)
13 Small Pyrenean principality (7)
14 Renounce former belief (6)
16 Christmas song (5)
18 Corollary (5)

SATURDAY'S SOLUTION
Across: 1 Smack, 8 Keep dark, 9 Inane, 10 Daylight, 11 Grate, 12 Bet, 16 Caruso, 17 Action, 18 Gig, 23 Donor, 24 Teamwork, 25 Minor, 26 Foul play, 27 Lying.
Down: 2 Montreal, 3 Consume, 4 Senate, 5 Apply, 6 Gauge, 7 Skate, 12 Bog, 13 Tag, 14 Atrocity, 15 Go to town, 19 Inroad, 20 Stuff, 21 Gamut, 22 Swipe.

SU DO KU

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

FORECAST

SATURDAY'S SOLUTION

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

CALENDAR
MARCH 25, 2024, MONDAY

- Shaka Samvat 1946
- Chaitra Shaka 5
- Chaitra Parvishite 12
- Hijri 1445
- Shukla Paksha Tithi 15, up to 12:30 pm
- Vridha Yoga up to 9:30 pm
- Uttarphalguni Nakshatra up to 10:38 am
- Moon in Virgo sign
- Phalgun Purnima
- Holi

SUNSET:	MONDAY	18:36 HRS
SUNRISE:	TUESDAY	06:28 HRS
CITY	MAX	MIN
Chandigarh	32	15
New Delhi	32	16
Amritsar	31	18
Bathinda	32	16
Jalandhar	32	17
Ludhiana	32	13
Bhiani	33	18
Hisar	32	18
Sirsa	33	19
Dharamsala	21	09
Manali	16	12
Shimla	18	09
Srinagar	22	06
Jammu	30	15
Kargil	10	02
Leh	10	-02
Dehradun	32	15
Mussoorie	23	11

TEMPERATURE IN °C