Case for consensus

The government needs to build a consensus on delimitation

The monsoon session of Parliament is in its last week without any substantive deliberations or legislative outcomes. There may be several reasons for the stalemate, but at its core are the controversial FCRA amendments and the opacity around the government's delimitation proposals. Overall, it is as if the government views Parliament as an obstacle to be circumvented rather than a forum for deliberation and consensus-building on national issues. That is the attitude that offers no resolution to any question, while it may create winners and losers on some. But in the absence of good-faith conversations and consensus, what may appear to be a victory for the government or the Opposition at one moment could turn out to be a net loss for parliamentary democracy and the nation. A parliamentary majority is a necessary technicality, but democracy is not limited to that. The effort must always be to expand consensus and reduce conflict across the spectrum of opinion on any given issue. India, being as diverse as it is, naturally has multiple views, not only between the government and the Opposition but also within each side. Unfortunately, expressing and reconciling those opinions is given far less priority than marshalling the numbers to support any given move.

The impact of the forthcoming delimitation is going to be far-reaching; it must be preceded by as wide a consensus as possible. The country's representative system is on the cusp of a revision, but the government that is anxious to modify its timeline and terms also wants to be extremely secretive about it. Passing legislation with very little prior deliberation or parliamentary debate has become routine in recent years. Delimitation is a topic about which there is a great deal of misunderstanding and serious concern. A large segment of even the political class may be oblivious to its scope and implications. Rather than trying to change the laws regarding delimitation and the size of the Lok Sabha by somehow aggregating the required number of votes behind it, the government should circulate its proposals and receive feedback from all stakeholders. An all-party meeting, as demanded by the Opposition, can be a good start to the deliberations that should take place in the polity at large and inside Parliament. Anything that is technically legitimised through subterfuge will be seen by the public as such. It must be recalled that in 1976 and in 2001, under a Congress government and a BJP government, respectively, decisions with regard to delimitation were taken unanimously. The government and the BJP should once again take the initiative to build a consensus on delimitation for the sake of the nation's unity and progress.

Tracking nursing

A fully updated live nurses portal will be of immense benefit to the nation

For a country where the human resources in health care will always fall short of the recommended patient-professional ratio, it is important to make sure that every single resource is harnessed. However, government data tabled in the Lok Sabha have shown that the Nurses Registration and Tracking System, created over seven years ago, has registered less than a third of the total nurses in the country. Only 14.24 lakh of the 46.02 lakh registered nursing personnel have been enrolled, leaving 31.78 lakh outside the national system. Clearly, the move to create an accurate national registry and streamline registration-related services on a single platform for all nurses is far from yielding satisfactory results. There are also stark regional disparities, and unexpected performances with the large southern States (Tamil Nadu, Karnataka, and Andhra Pradesh) figuring among the laggers, while Bihar, Jharkhand and Odisha show between 80%-99% enrolment rates. The Indian Nursing Council has attributed the delays to issues rooted in jurisdiction, and federal tension, on the grounds that primary registration is legally the responsibility of individual State Nursing Registration Councils. To receive a National Unique Identity card and nurse passbook, nurses rely on verification by their respective State Nursing Councils. Further, the charge is that several State councils have resisted migrating fully to the central portal and continue operating independent parallel systems.

Poor nurse registration – irrespective of whether it is caused by incomplete digital tracking systems, outdated State registries, delayed licensing, or regional autonomy – has widespread consequences across health-care systems, apart from personally affecting nurses. For nurses, there will be delays in sanctioning their requests for inter-State transfer and credential verification for overseas employment. For the nation, without a centralised live registry that can provide a true measure of how many nurses (with specialisations) are available where, there might be artificial surpluses or deficits on paper, leading to less-than-ideal deployment of resources, and implementation of policy decisions. Fragmented registries also make it easy for unverified individuals, impersonators, or personnel with revoked licences to practise using fraudulent credentials, thus compromising patient safety. A live tracker would be of utmost use during public health emergencies – including disease outbreaks and natural disasters. Else, it could be impossible for state agencies to track, mobilise or deploy specialised nursing personnel to high-alert zones. Given the crucial complementary role, and in some areas, even the primary role that nurses play in the health-care system, efforts must be made to ensure that all nurses are brought into the portal.

English in India, a language that has earned its place



Y.L. Srinivas

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What makes a language Indian? A recent observation by the Supreme Court of India has revived the debate over whether English can be considered an indigenous language of India. The debate over the place of English in India has often been framed as a contest between English and Indian languages. Such a binary is both historically misleading and politically unhelpful. The promotion of Indian languages such as Hindi, Tamil, Telugu, Odia, Kannada, or Marathi need not – and should not – be predicated upon denying recognition or patronage to English. The future of India's linguistic diversity lies not in choosing one language over another but in nurturing multilingualism. English may not be an indigenous language in the same historical sense as Sanskrit or Tamil, yet, over two centuries, has acquired a legitimate claim to belong to India.

A language transformed

The strongest objection to treating English as an Indian language is that it arrived with British colonialism. It was introduced to facilitate administration, commerce, missionary activity, and what the colonial rulers described as their civilising mission. In its early history, English undoubtedly served the interests of the Empire. Yet, languages cannot be permanently imprisoned by the circumstances of their arrival. Their identities are continually reshaped by the people who speak them. Once English entered India, Indians appropriated it, transformed it, and made it serve Indian aspirations rather than colonial objectives.

By the early 19th century, English had already become an instrument of Indian political and intellectual expression. In 1823, Raja Ram Mohan Roy and his associates submitted one of the earliest petitions in English defending the freedom of the Indian-language press in Calcutta. Later in the century, Dadabhai Naoroji marshalled his famous "Drain Theory" in English to expose the economic exploitation of India under British rule. Swami Vivekananda addressed educated India in English through his celebrated lecture, 'My Plan of Campaign', delivered in Madras in 1897. Mahatma Gandhi himself translated *Hind Swaraj* into English, recognising that the language could carry Indian ideas to both national and international audiences. To deny English a place in India is, in some measure, to overlook the contributions of generations of Indians who employed the language to articulate Indian nationalism, social reform, and cultural renaissance.

After Independence, India indeed found a place for English. The Constituent Assembly debates on the language question adopted a balanced resolution. Moved by K.M. Munshi and N. Gopalaswami Ayyangar, it recognised Hindi as the Official Language of the Union and retained English for official purposes. Over the subsequent decades, English has evolved into one of the principal languages of Indian academic and administrative domains, including but not limited to the legislature, the executive and the judiciary.

India has also recognised English as a language of Indian creativity. The Sahitya Akademi has treated English as one of the languages of Indian literature, conferring annual awards. Indian Writing in English has developed into one of the richest literary traditions in the postcolonial world. From R.K. Narayan, Mulk Raj Anand to Amitav Ghosh and Vikram Seth, Indian writers have demonstrated that English can express Indian experiences with authenticity, subtlety, and artistic distinction.

English is no longer colonial and has evolved into a language, shaped by how Indians speak, think, and imagine themselves

Reach and scale

It is often argued that only a small section of Indians speak English. This is not exactly the case. The Census of 2011 reports that nearly 129 million Indians chose English as a first, second or third language. These numbers make India one of the largest English-speaking countries in the world. Nearly 2,60,000 people reported English to be their mother tongue. A whopping 83 million identified it as their second language. About 46 million spoke it as their third language. Scholars observe that the number of Indians who possess at least a functional knowledge of English may well have further increased to the range of 180 million to 250 million given the rapid expansion of English-medium education over the last decade. These statistics suggest that English has become the language of aspiration for a large segment of the Indian society.

As an aspirational people, Indians invest considerable effort and money in education. Nearly 31,000 schools affiliated to the Central Board of Secondary Education (CBSE) impart education primarily through English. So do the 3,000 schools which are affiliated to comparable boards such as the Council for the Indian School Certificate Examinations. Let us not forget that English is also the principal medium of education in all premier higher educational institutions of India.

In a wide range of professional fields that produce wealth and service, English has become the language through which India engages with the world. This is an advantage that India presently possesses over several other competing nations, and it would be wise for it to continue to invest its resources in further expanding the English language skills of Indians.

It also needs to be pointed out that India has Indianised English. Raja Rao spoke about it in the well-known Foreword to his novel *Kanthapura* way back in 1938. Just as Canada and Australia had fashioned their own versions of English, Rao felt, so would India. That prediction has been fully realised. Indian English today possesses its own pronunciation, vocabulary, idioms, and rhetorical conventions. It reflects Indian social realities and cultural sensibilities while remaining part of the larger global family of Englishes.

Taking root

This process of linguistic naturalisation is captured in V.K. Gokak's poem 'English Words': "O winged seeds! You crossed the furrowed seas/To nestle in the warm and silent earth./...You ripened into nectar in fruit-jars/That hung like clustered stars." Gokak's metaphor is striking. English words arrive as seeds from distant shores, but they do not remain foreign. They take root in Indian soil, acquire new life, and bear fruit that belongs as much to India as to anywhere else. A similar sensibility informs A.K. Ramanujan's 'Prayers to Lord Murugan', where an Indian poet employs English not as a borrowed medium but as a natural vehicle for expressing Indian mythology, philosophy, and devotion. Such works demonstrate that languages are ultimately shaped not by their origins but by the communities that inhabit them.

Ironically, many of the strongest advocates of Indian languages have themselves turned to English when addressing a pan-Indian or international audience. Kannada scholar and Jnanpith awardee V.K. Gokak argued for the unity of Indian literature through English in works such as *The Concept of Indian Literature* and *Pathways to the Unity of Indian Literature*.

Monolingualism has never been the historical reality of Indian society. India has always deeply cherished languages that Indians speak in their homes and among kith and kin. At the same time, they have spoken in other languages with considerable facility and comfort. English is not in competition with Hindi or Tamil. Rather it is a language that provides Indians with an already historically familiar bridge to connect with other language-speaking communities both within and beyond India.

It is not an important question, therefore, whether English is an indigenous language. It is not. More important is the realisation that through history and literature, constitutional practice and governance, and through everyday usage, English has earned the right to be regarded as one of modern India's own languages. It is useful to remember that English has long ceased to be the language of colonial rulers. It has evolved into one of the several languages in which Indians imagine themselves. Indian English belongs to India.

Do not write the obituary of international law yet



Jyoti Singh

Advocate based in Delhi and a former legal consultant to the Legal and Treaties Division, Ministry of External Affairs, Government of India

Is international law really dying? The question has become increasingly difficult to ignore. The ongoing conflicts in Ukraine and Gaza, instability in West Asia, violence against civilians, and the inability of international institutions to respond effectively, have led many to conclude that international law is no longer relevant.

International law was premised on the idea that relations between states should be governed not merely by power, but by rules and legal principles built on consensus. When wars still take place, the effectiveness of the system is naturally exposed to scrutiny. However, it would be too early to write an obituary for international law.

'It will prevail'

In July 2026, while addressing the International Law Commission recently, United Nations Secretary-General António Guterres remarked that "international law is under pressure – but it will prevail". The second half of the statement deserves as much attention as the first. International law undoubtedly faces serious challenges, but it continues to shape the conduct of states and remains the language through which international disputes are contested.

Paradoxically, wars actually demonstrate why international law still matters. Had it really become irrelevant, the states concerned would not bother to justify their actions by referring to international law. They invoke the UN Charter, sovereignty, territorial integrity, self-defence and international humanitarian law. Even states accused of violating international law rarely argue that the law itself is meaningless. Rather, they claim that their actions are consistent with it. A legal system under which states continue to justify their conduct cannot simply be described as dead.

International law scholars Abram Chayes and Antonia Handler Chayes argued that states often comply with international law not because they are threatened with sanctions, but because they are influenced by the dynamics created within the treaty regimes to which they belong. It is a pertinent observation even today. The significance of international law cannot be determined only by instances of violation; it also lies in providing a framework through which state conduct is assessed, disputes are addressed and cooperation is sustained. The difficulty is that compliance goes unnoticed whereas violations dominate headlines.

International law remains relevant in a troubled world

The quiet power of international law

The quiet accomplishments of international law are visible every day. Aircraft fly across international boundaries because states comply with international aviation regulations. Ships sail across seas because of international maritime law. Diplomacy functions because governments observe established legal norms. International trade, communications and travel continue because states honour thousands of international obligations. Even as armed conflicts continue to dominate headlines, states still negotiate multilateral legal agreements. Recent endeavours such as the High Seas Treaty, international efforts towards pandemic preparedness, and the United Nations Convention against Cybercrime demonstrate that states continue to rely on international law. International law also affects individuals. The moment a person crosses an international border, international law begins to matter. The recognition of passports, consular assistance, international air travel and the protection of refugees all depend upon international legal rules. We often notice international law only when it fails, but millions of people rely on it every day.

The continued relevance of international law is perhaps most evident in the way states seek peace, which is built through negotiations, commitments and legal arrangements. Whether these are described as peace agreements, ceasefire arrangements, diplomatic understandings or negotiated settlements, even adversarial states recognise the need for legal commitments that establish expectations and obligations for the future. India provides a good example in this respect. India's experience with the Indus Waters Treaty demonstrates that even during periods of political discord, legal frameworks continue to provide a basis for engagement between states. That is precisely why international law remains indispensable for India and the wider Global South. The problems of climate change, pandemics, cyber-attacks, and economic instability cannot be addressed unilaterally by any state. They require cooperation, which in turn depends on agreed rules of conduct. A rules-based international order provides an opportunity to developing states to protect and advance their interests through negotiations rather than power alone.

There are imperfections

The reality is that international law has never been perfect. It has always coexisted with political realities and has frequently been condemned for reflecting unequal power structures. Recent conflicts have reinforced these criticisms, revealing the structural limitations within the UN Security Council and the broader international legal order. However, these are not reasons enough for the abandonment of the system altogether. No legal system can guarantee perfect compliance. Its significance lies in establishing the standards against which conduct can be judged. History suggests that crises have rarely marked the end of international law. More often, they have prompted its adaptation and renewal.

International law is under pressure, but it is far from dead. The greater danger is the growing belief that its violations prove its irrelevance, a conclusion that serves only those who prefer a world in which might makes right. As long as states continue to invoke, interpret and rely on international law, its obituary is being written far too soon.

LETTERS TO THE EDITOR

Issue of accountability

The article by the Leader of the Opposition in the Lok Sabha (Editorial page, August 10) makes sound points. Parliament has been in session for a while, yet the Home Minister has not made a statement on the brutalities unleashed on students. The students who protested were not aliens from outer space threatening the government, but India's sons and daughters seeking accountability for examination paper leaks and education reforms. Even by its own standards, the government of the day cannot defend the alleged use of pellet guns on unarmed students, which has left deep scars on many of us.

G. David Milton,
Maruthancode, Tamil Nadu

The government has exhibited its total inefficiency in ensuring tamper-proof examinations. When paper leaks continue unabated, they become a political issue. Student victims collectively voicing their protest being brutally crushed, and the Prime Minister expressing forgiveness instead of offering an apology, reflects both culpability and incompetence. Due corrections are imminent.

A.G. Rajmohan,
Anantapur, Andhra Pradesh

Peace, political courage

The Israeli Prime Minister's rejection of a U.S.-backed peace plan, even as Hamas signals acceptance, underscores how electoral calculations often overshadow the pursuit of peace. The tragedy is that both sides seem trapped by their internal politics, with civilians paying the price. Sustainable peace requires leaders on both sides who are willing to risk their political careers for the sake of human lives. That courage seems rare today.

K. Chidanand Kumar,
Bengaluru

Corrections & Clarifications

NATO's Article 5 was invoked once, in the aftermath of 9/11, and not "never invoked" (Editorial page, "A new security triangle emerges with the Makkah Pact", August 10).

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How personality cults derail democracy



Nirupama Rao
is a former diplomat

In 1937, as the country stood poised between colonial subjugation and the uncertain promise of freedom, an essay appeared in *The Modern Review*, titled 'The Rashtrapati' and was signed, cryptically, "Chanakya." Its author, as we know now, was Jawaharlal Nehru, but the reader at that time, was unaware of this. The piece remains one of the strangest acts of political self-examination in modern history: a leader at the height of his popularity writing anonymously about the dangers that his own popularity posed to the country.

Nehru was, by then, much more than a politician. To millions, he symbolised India's aspirations and was the embodiment of its longing for freedom. The adulation for him overflowed and, as the writer of the essay recognised, it was also unsettling. "Therein lies danger for Jawaharlal and for India," he wrote. "For it is not through Caesarism that India will attain freedom, and though she may prosper a little under a benevolent and efficient despotism, she will remain stunted and the day of the emancipation of her people will be delayed."

Nehru wrote in the shadow of Mussolini's Italy and Hitler's Germany, but the anxiety around despotism transcended his own age. The gravest threat to democracy as he understood it, is not always tyranny imposed from above. Sometimes it emerges from below, from the yearning of ordinary people to surrender the burdens of citizenship to a figure who appears larger than life.

Leave devotion out of politics

Politics is a fertile field for mythmaking. Nations tell stories about themselves; stories that crystallise around individuals – Washington crossing the Delaware, Mao's famous crossing of the Yangtze in 1966 and the like. A society pours its hopes and fears into what is perceived as a messianic figure. But democracy rarely survives the elevation of leaders into objects of worship.

Nehru understood this. The phrase that leaps out from 'The Rashtrapati' is not "despotism" but "stunted." It was not that India might become authoritarian. It was that India might cease to grow. A people habituated to looking for salvation in a single individual would lose habits that sustain republican life: scepticism, argument, participation and responsibility. Freedom was never simply the transfer of power from British hands to Indian hands. It was the emancipation of the citizen's mind.

A dozen years later, on the eve of the Republic's birth, B. R. Ambedkar returned to the same theme, though in a much more severe language. Addressing the Constituent Assembly on November 25, 1949, he offered what remains one of the most profound warnings in Indian political thought. "Bhakti in religion may be a road to the salvation of the soul. But in politics, Bhakti or hero-worship is a sure road to degradation and to eventual dictatorship."

A profound understanding of Indian civilisation inspired these words. Devotion occupies a sacred place in our spiritual traditions. But politics, Ambedkar insisted, belongs to another realm. Scrutiny supplants devotion, and accountability rejects surrender.

More than dictatorship in its classical form, Ambedkar feared the slow erosion of democratic culture. Constitutions can be drafted and elections will be held. But republics depend, ultimately, on habits of the mind. They depend upon citizens who are willing to ask difficult questions, to distrust concentrations of power, and to distinguish between loyalty to a nation and loyalty to a leader.

This age-old anxiety defines our century. Recently, Ezra Klein, reflecting on Christopher Nolan's adaptation of *The Odyssey* and the age of Elon Musk and Donald Trump, suggested that we are witnessing a clash between two visions of human greatness. One prizes restraint, reciprocity and the difficult art of belonging to a community larger than oneself. The other celebrates disruption, conquest, and the charismatic individual who breaks rules and bends institutions to his will.

> The tragedy of personality cults is that they encourage us to outsource our judgment and to mistake admiration for patriotism

Making a messiah

The attraction of the modern strongman, whether political or technological, lies in the promise of transcendence. The entrepreneur who will colonise Mars; the outsider who promises to sweep away corruption and inefficiency. In an age of social media, these narratives acquire an almost epic quality. Politics becomes theatre and citizens become spectators.

Homer would have appreciated this irony. Odysseus, after all, is not merely a conqueror. He is flawed, cunning, restless and often consumed by his own legend. The greatness of *The Odyssey* lies not in its celebration of heroic power but in its recognition of heroic limits. The epic ends not with conquest but with homecoming. Its lesson is that no individual, however gifted, can exist apart from the obligations of community.

That is the lesson Nehru and Ambedkar were trying to teach India in their own way. The Republic is an argument against the idea of the indispensable man. It argues that institutions matter more than personalities and that power must remain accountable to something larger than itself. Democracies require visionaries, but they also require sceptics.

The tragedy of personality cults is that they encourage us to outsource our judgment and to mistake admiration for patriotism. They tempt us into believing that history is made by singular heroes rather than by the often invisible labour of millions of ordinary men and women. The true measure of a republic is not whether it can produce extraordinary leaders. It is whether it can renew itself without becoming dependent on them.

Row in Kerala over pension delivery

Government needs to find a balance between various modes of welfare transfers

STATE OF PLAY

Tiki Rajwi

An in-principle decision taken by the Congress-led United Democratic Front (UDF) government in Kerala to end doorstep delivery of welfare pensions and fully shift to the Direct Benefit Transfer (DBT) mode has drawn sharp reactions from the Opposition alliance, the Left Democratic Front (LDF).

At present, the social security pensions for the elderly and distressed sections are paid either into their bank accounts via DBT or delivered to them under a Direct-To-Home (DTH) method through primary agricultural credit societies. A little over 23 lakh social security pensioners receive their monthly payment of ₹2,000 through the DTH method. In Kerala, the monthly welfare pensions paid out to roughly 60 lakh people – social security and welfare fund board pensions combined – enjoy considerable space in the political discourse, given the beneficiary size and the fiscal commitment. The prestige this welfare measure commands was evident during the 2026 Assembly elections. A promise that the pensions would be hiked to ₹3,000 had ranked high on the manifestos of all three fronts.

At the centre of the current political controversy is a July 27 State Finance Department order stating the government's intention to fully replace doorstep delivery of social security pensions with Aadhaar-linked bank transfers. While the abruptness of the decision had come as a surprise, it was apparently based on a recommendation by the Kerala Social Security Pension Ltd (KSSPL) which advocated for DBT as the preferred mode. The reasons given included the delays in returning unpaid pension money, payments made to ineligible individuals, and in some cases, multiple payments made to the same individual. Other reasons included the financial burden caused by the 'incentive' paid to people making the delivery and a possible loss of central financial assistance for non-compliance with DBT requirements.



Strong backlash

The reaction of the Communist Party of India (Marxist)-led LDF to the order was swift. The Leader of the Opposition, Pinarayi Vijayan, demanded an urgent roll-back of the decision on the grounds that it would bring needless hardship to senior citizens, particularly people with limited access to banks. K.N. Balagopal, who was Finance Minister in the 2021-2026 LDF government, accused the Congress-led government of harbouring an ulterior motive to weaken and phase out the pensions.

The doorstep delivery mechanism was introduced by the LDF when it came to power in 2016. Prior to that, pensions were paid through local self-government institutions or post offices. The LDF's rationale for replacing it was that the system was inefficient. The government's claim that Kerala could lose central assistance is baseless, since the 8.4 lakh welfare pensioners eligible for a central share in their payments were already receiving it through the DBT method, the LDF said.

However, it is pertinent to recall that the Comptroller and Auditor General of India (CAG) had, in 2023, flagged serious issues with the doorstep delivery mode. The CAG wanted Kerala to bring more beneficiaries under DBT in order to curb malpractice and possible fraud. Besides, finance department data revealed that Kerala had spent ₹434.89 crore across eight fiscals from 2016-17 on the incentive given to individuals for physically delivering the pensions.

While it will be interesting to see how Chief Minister V.D. Satheesan responds to the Opposition backlash, the controversy has coincided with his plans to develop a 'Kerala silver economy.' On taking charge, the CM had created a dedicated department for elderly welfare and announced plans for a 'comprehensive silver economy policy.'

Although not without drawbacks, DBT is widely regarded as a model that eliminates intermediaries and prevents fraud. What is equally true is that Kerala's cooperative sector is a robust, nationally-acclaimed institution with strong grassroots connections. Kerala's large ageing population, social structure and time-honoured thrust towards decentralisation make it inevitable that its local cooperative networks should have a role in the welfare of senior citizens. Under such circumstances, it would not be amiss for the government to take a considered decision on the matter after weighing the pros and cons and consulting with stakeholders.

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How India climbed up the Commonwealth ranks

India's medal share rose from 0.5% in 1934 to a peak of 12.2% in 2010, and stood at 5.8% in Glasgow, where it finished fourth

DATA POINT

Devyanshi Bihani
Gauri Singavarapu

India finished fourth at the 2026 Commonwealth Games in Glasgow, which concluded last week on August 2, with 39 medals – 13 gold, 17 silver and nine bronze. The result came despite the absence of several sports disciplines that have historically supplied the bulk of India's Commonwealth haul, marking another chapter in a medal history that has grown from one medal in 1934 to 603 across editions.

India's Commonwealth success has long been concentrated in a handful of sports. Shooting, wrestling and weightlifting alone account for 390 of India's 603 medals, roughly two-thirds of the total. Boxing, badminton, and table tennis have added another 113 **(Table 1)**.

Shooting, wrestling, badminton, table tennis and hockey, all important contributors to India's past medal tallies, were absent in this year's games. Glasgow hosted a pared-down programme of 10 sports after the Commonwealth Games was forced to find a replacement host following Victoria's withdrawal. The 2026 programme included athletics, swimming, track cycling, weightlifting, 3x3 basketball, lawn bowls, netball, artistic gymnastics, judo and boxing, alongside para events.

Even without many of its traditional medal-producing sports, India still finished fourth.

A brief history

India's Commonwealth journey began in London in 1934, when wrestler Rashid Anwar won India's first medal, a bronze in the 74kg freestyle category and a 12th-place finish. India missed the 1930, 1950, 1962, 1986 editions, won no medals in 1938, and remained unranked in 1954. Its first gold medals came in 1958, when Milkha Singh won the 440-yard race and wrestler Lila Ram triumphed in the 100kg category, and Lachmi Kant Pandey won a silver. The tally steadily grew, reaching 10 medals in 1966, 12 in 1970 and 15 in 1974, when India finished sixth each time. By 1990, it had risen to 32 medals and fifth place.

Women gradually became a larger part of India's medal haul **(Chart 1)**. Their first Commonwealth medal came in 1978, when badminton players Ami Ghia and Kanwal Thakar Singh won bronze in the women's doubles at Edmonton. India then won two women's medals in 1994 and three in 1998.

The breakthrough came in 2002, when the tricolour began to rise on the Commonwealth stage. India crossed the 50-medal mark for the first time, winning 69 medals and finishing fourth. It followed that with 50 medals and another fourth-place finish in 2006. Then came its greatest Commonwealth campaign at Delhi in 2010, where India won a record 101 medals – 64 by men, 36 by women and one in a mixed event – finishing second.

In Glasgow 2026, India won 39 medals, with women accounting for 41% of India's tally.

The longer-term trend puts Glasgow in perspective. India accounted for just 0.5% of all medals awarded in 1934, when it won its first Commonwealth medal. Its share crossed 5% for the first time in 1990, when it won 32 of the 638 medals awarded. The share rose sharply from 2002 onwards, reaching 7.7% in 2002 and 6.7% in 2006. At the Delhi 2010 Games, India reached its peak, winning 101 of the 828 medals awarded –12.2% of the total. Its share remained above 7% in 2014 and 2018, at 7.8% and 7.9%, respectively, before falling to 7% in Birmingham in 2022.

In Glasgow, India won 39 of the 671 medals awarded, accounting for 5.8%. This was its lowest medal haul since 1958, when it won three medals. However, the smaller programme and the absence of several sports in which India had historically performed strongly make direct comparisons with earlier editions difficult.

Overall, India won 603 of the 10,636 medals awarded across editions, accounting for 5.7% of the total **(Chart 2)**.

Australia back on top

Australia finished first in Glasgow, returning to the top of the Commonwealth medal table after England topped the standings at Birmingham in 2022.

Australia's dominance is also striking when viewed against India's much larger population. It has accumulated 2,773 Commonwealth medals, compared with India's 603, despite having a population of roughly 28 million against India's 1.46 billion.

Canada has won 1,709 medals with a population of about 41.7 million, while New Zealand has won 743 medals with just 5.3 million people **(Chart 3)**.

The comparison is not intended as a medals-per-capita ranking – the countries have competed in different circumstances and across different numbers of Games – but it highlights the very different sporting systems behind their Commonwealth records.

Australia has consistently converted a much smaller population into a far larger medal haul, as children have access to many sports, usually experimenting with multiple sports before finding their specialisation. Its nation-wide 'Little Athletics' is their initial introduction to athletics, equipped with experienced coaches, who are unrestricted by bureaucratic central bodies. Australian athletes aren't pushed to perform young, and many gain experience in American colleges before competing officially. In contrast, India's medals have historically been concentrated in a relatively narrow group of sports.

With inputs from Sachin Swaraj who is interning with The Hindu's Data Team. Gauri Singavarapu is also an intern with the team.

Medal milestones

The data for the charts were sourced from World Bank, International Olympic Committee, Indian Olympic Association and Australian Bureau of Statistics



TABLE 1: India's Commonwealth medal tally by sport since 1934

India's Commonwealth success has long been concentrated in a handful of sports. Shooting, wrestling and weightlifting alone account for 390 of India's 603 medals, roughly two-thirds of the total. Boxing, badminton, and table tennis have added another 113

Sport	Gold	Silver	Bronze	Total medals
Shooting	63	44	28	135
Wrestling	49	39	26	114
Weightlifting	47	57	37	141
Boxing	18	16	20	54
Badminton	10	8	13	31
Table Tennis	10	5	13	28
Athletics	6	19	21	46
Para Athletics	3	2	1	6
Archery	3	1	4	8
Judo	2	6	7	15
Hockey	1	4	1	6
Squash	1	2	2	5
Tennis	1	1	2	4
Lawn Bowls	1	1	0	2
Powerlifting	1	0	2	3
Gymnastics	0	1	2	3
Cricket	0	1	0	1
Swimming	0	0	1	1

CHART 1: India's Commonwealth medals by gender across editions. The chart excludes 16 medals won in mixed/ team events, as these cannot be categorised by gender

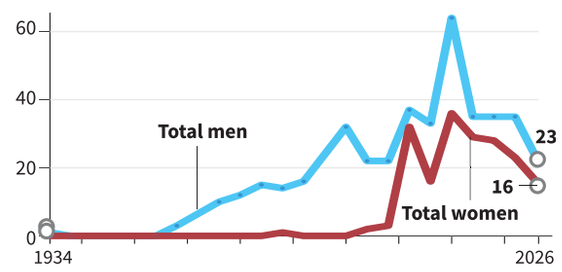


CHART 2: India's share (%) of total medals awarded in the Commonwealth Games it participated in since 1934

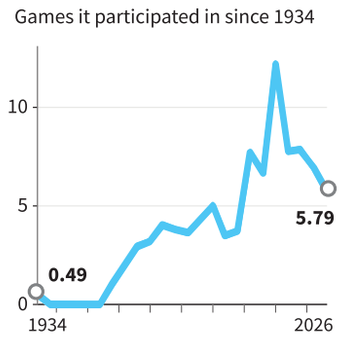
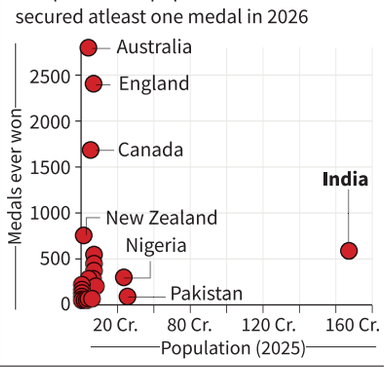


CHART 3: Commonwealth medal haul compared with population of nations that secured atleast one medal in 2026



FROM THE ARCHIVES
The Hindu.

FIFTY YEARS AGO AUGUST 11, 1976

Choice of IIT courses not based on aptitude

New Delhi, August 10: The choice of course of the candidates seeking admission to the five Indian Institutes of Technology does not appear to be related to their aptitudes or interest. They are guided much more by their assessment of job opportunities that will be available at the end of the five-year course, according to Prof. A.K. Basu Chairman of Admissions.

He told Samachar, however, the assessment in most cases was not based on facts. The pattern of choice of courses, on the whole, remained the same this year as in the last year with electrical (electronics), mechanical and chemical engineering being the top three popular courses respectively. Ample opportunities were available in these institutes for teaching and research in all courses including the so-called unpopular ones and there was good scope of securing jobs on completion of the courses, he said.

A total of 4,531 candidates applied for the joint entrance examination this year. Of them, 282 came on the merit list. The corresponding figures for the last year were 3,936 and 216.

A HUNDRED YEARS AGO AUGUST 11, 1926

More wonders of science

An "Englishman" cable dated London, August 8, says:-

"The Daily Mail" says the latest scientific instruments exhibited at the meetings of the British Association bring nearer the discovery of the source of life, and a new source of power with a trigger to set it off and a boiler to control it. Some scientists foresee the day when an engine will be driven from London to Edinburgh on a handful of cobblestones.

This year's meetings of the Association show that women are participating more in scientific inquiry, but they are better analysts than creators.

Perhaps the most curious feature of the sectional meetings has been Professor Macdougall's demonstration of the intelligence of rats, which can move fourteen different catches separating them from food locked in a box. Professor Macdougall believes that rats have intelligence similar to man's and that the intellectuality of later generations of them can be increased, but the general view will probably be that rats are cunning enough already.

Text&Context

THE HINDU

NEWS IN NUMBERS

Suspected illegal immigrants detained by Bengaluru Police

100 The Bengaluru city police have detained over 100 people suspected of being illegal immigrants, officials said on Monday. Some of those detained are suspected to be Bangladeshi nationals, though their documents are being verified, they said. PTI

Indian institutions in QS World University Rankings

52 The number of Indian institutions featured in the QS World University Rankings increased from 11 in QS WUR 2015 to 52 in QS WUR 2027, since the launch of the National Institutional Ranking Framework (NIRF) in 2015, the government informed the Lok Sabha on Monday. PTI

Increase in India's Asiatic lion population as of 2025

891 India's Asiatic lion population increased from 523 in 2015 to 891 in 2025, Environment Minister Bhupender Yadav said. The Project Lion, launched in 2020, focuses on habitat enhancement, disease monitoring, scientific population tracking and community participation. PTI

Medals India won at U-23 Commonwealth Fencing Championship

17 India won 17 medals, including four gold, four silver and nine bronze, on the opening day of the U-23 Commonwealth Fencing Championship in Lagos, Nigeria. Indian fencers reached the podium in all six individual events across Sabre, Foil and Epee categories. PTI

Number of migrants who crossed the Channel in single boat

230 A record 230 migrants, including more than 20 children, crossed the English Channel to Britain in a single small boat, France's lifeboat service SNSM said. The number breaks the previous record of 165 people set last month. AFP

COMPILED BY THE HINDU DATA TEAM

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UPI and the cost of policy reversal

The government's proposal to allow an MDR of 0.25–0.5% on UPI transactions above ₹2,000 reverses a decade-long policy; taxing the payment rail could weaken incentives for banks and fintechs to invest in UPI while undermining its role in financial inclusion, formalisation and wider digital adoption

ECONOMIC NOTES

Parag Waknis

The government has just given itself the legal room to tax the very payment habit it spent a decade building. Tucked into the Taxation and Other Laws (Amendment) Bill, 2026, is an amendment to Section 10A of the Payment and Settlement Systems Act, 2007, which would allow the government to notify charges on specified electronic payment modes. The number being proposed is a Merchant Discount Rate (MDR) of 0.25-0.5% on UPI transactions above ₹2,000. The official stand is that this threshold would touch only about five per cent of transactions by volume, sparing the milk-and-vegetable payments that make up the bulk of UPI's use. But it would cover roughly 65% of transaction value, which is precisely why it matters.

This is not a small, technical fix. It runs counter to a decade-long policy commitment and deserves more scrutiny than it has received.



The official stand is that this threshold would touch only about five per cent of transactions by volume, sparing the milk-and-vegetable payments that make up the bulk of UPI's use. J. ALLEN EGENUSE

The policy reversal

Consider the arc. Demonetisation in November 2016 was justified, among other things, as a push towards a less-cash economy. UPI, launched earlier that year, became the vehicle for that push, and its zero-MDR regime was a deliberate subsidy to get merchants and consumers off cash. It worked spectacularly. UPI now processes more transactions each month than most of the world's card networks combined. Having successfully weaned the country away from cash and towards electronic payments, the government now wants to undercut the very success it engineered.

There seems to be a continued pattern of privileging one payment mode over others via policy. India has long taxed even credit cards. Credit card interest and fees attract 18% GST, making the use of credit cards unnecessarily costly. Taxing interest on revolving credit is unusual by international standards; most jurisdictions treat consumer credit interest as a private financial cost, not a taxable service. India taxes it as if using a credit card itself is a luxury.

Now UPI, the payment rail the government spent political capital promoting, is in line for similar treatment. The pattern suggests a need for a more coherent payments policy than giving in to the temptation to tax every transaction that can be observed.

There are at least two problems with this specific move beyond the optics.

Who really pays?

First, basic economic theory tells us that the person on whom a tax is levied and the person who actually bears its cost are not always the same. Moreover, UPI or any payments interface is a two-sided market, and taxing two-sided markets is genuinely tricky.

The MDR would nominally fall on merchants, as argued by the government, collected via banks and the National Payments Corporation of India's ecosystem. But whether that cost gets passed through to merchants, on to consumers, or absorbed by banks and payment service providers depends on competitive intensity on each side of the market. Banks and fintechs compete for merchant relationships and cannot easily raise prices without losing volume to a rival offering free UPI acceptance.

The more likely outcome is that intermediaries – the banks and PSPs that built and maintain the plumbing – absorb the cost, which erodes their incentive to invest in reliability, fraud prevention and expansion into underserved segments. A tax that cannot be reliably passed through does not disappear; it most likely shows up later as degraded service or slower innovation. This is completely counterintuitive if government is proposing this tax as necessary to fund the next stage of UPI growth.

Cost to inclusion

Second, UPI has done real work on financial inclusion at the margin. It has pulled informal transactions into a recorded, traceable digital trail – the very outcome that formalisation and tax-compliance advocates have wanted for years. There have also been attempts to provide credit based on the digital trail created by electronic payments. Every rupee that moves through UPI instead of cash is a rupee the financial institutions can eventually see and use to build a spending profile.

Charging the rail directly could undercut the incentive to use it, cutting against long-standing financial inclusion goals. The government does not need to raise revenue from every rupee that moves electronically; it needs those rupees to keep moving electronically, because that is what delivers the inclusion and compliance dividends it has been chasing since 2016.

Ideally, which payment mode to adopt should be an economic decision for participating actors. Factors such as the size of the business, consumer preferences, and relative cost of using alternative payment systems should determine their usage. Deliberate policy intervention and the current government's war on cash tilted the scales in favour of UPI. Taxing it now – however nominal or small – could change its usage patterns, and policymakers should not be surprised if one outcome is reduced UPI usage.

The proposal is being dressed up as a modest, targeted measure affecting only large-value transactions. But modest measures on payment rails have a way of expanding once the legal architecture exists. Section 10A, once amended, does not expire when this particular MDR proposal is shelved. The better outcome is for the government to leave the payments system alone, let UPI's network effects keep compounding, and find its revenue elsewhere.

(Parag Waknis, Professor & Head, Economics Department, SRM University AP)

THE GIST

- The proposed framework could allow payment charges to expand beyond the current MDR plan, creating a broader revenue lever once the legal architecture is in place.
- UPI's network effects depend on keeping digital payments cheaper and more convenient than cash, making any new cost a potential distortion in how businesses and consumers choose payment modes.

Why does handloom remain a key part of India's economy?

The sector supports millions of livelihoods, but declining returns and fragmented markets threaten its future

Priyambada Jayakumar

The story so far:

From the Swadeshi Movement's boycott of British textiles to Mahatma Gandhi's adoption of the spinning wheel as a symbol of self-reliance, weaving became an instrument of economic resistance and national identity. National Handloom Day, marked on August 7, commemorates the launch of the Swadeshi Movement in 1905 and honours generations of Indian weavers.

A legacy beyond craft

Today's handloom sector is often viewed as a small artisanal activity – important culturally but peripheral economically. Long before the Industrial Revolution transformed manufacturing in Europe, India's handlooms were among the world's greatest industrial enterprises. Indian textiles travelled across continents, powered global trade and established India's reputation as one of history's foremost manufacturing economies. Handloom was the backbone of India's manufacturing strength and one of the foundations of its global influence.

The sector remains far more significant than it is generally acknowledged. It provides livelihoods to more than 35 lakh weavers and allied workers across over 31 lakh households, with women constituting nearly 70% of the workforce. It remains one of rural India's largest sources of non-farm employment while producing nearly 15% of the country's cloth despite relying largely on manual technology. Few manufacturing sectors create as many jobs with such modest capital investment.

While celebrated traditions continue to enjoy strong recognition, hundreds of lesser-known weaving traditions face gradual extinction. Younger generations are leaving the profession as returns diminish, markets remain fragmented and traditional skills are no longer transferred within families. Every disappearing weave represents not merely the loss of a product but the disappearance of centuries of accumulated knowledge, distinctive design vocabulary, and cultural identity. Therefore, protecting handloom heritage is not only an economic necessity but also our civilisational duty.

The government's recent policy and programme support seems to be making a difference. The National Handloom Development Programme has focused on skill development, design innovation, technology adoption, branding, and improved market access. Greater integration with e-commerce platforms and expanding export opportunities have enabled many artisan clusters to reach consumers who were previously inaccessible.

Several success stories illustrate what targeted intervention can achieve. The revival of *Tangaliya* weaving in Gujarat, the transformation of Badturang village in Odisha's Sambalpur district and the growing popularity of Siddipet *Gollabhama* sarees demonstrate that traditional crafts can thrive when design, market access and institutional support converge. It was more than just a fashion statement when Brad Pitt wore a handcrafted shirt in the traditional *Tangaliya* weave in the *F1* film.

The Office of the Development Commissioner for Handlooms, in collaboration with UNESCO, has initiated the identification and documentation of India's languishing and endangered weaves. This should be extended to every nook and corner of the country. This aligns with Textiles Secretary Neelam Shami Rao's focus on promoting India's rich, Geographical Indication (GI)-tagged handloom and handicraft products and strengthening their presence in domestic and international markets.

Making handloom aspirational

The next phase of policy must shift from preservation to aspiration. For younger consumers, especially Gen Z, handloom must become contemporary, fashionable, and aspirational rather than merely traditional. Celebrity ambassadors, collaborations with leading designers, limited-edition collections, digital storytelling, and partnerships with influencers can reposition India's weaves as premium lifestyle products. The objective should not be to celebrate handloom because it is old, but because it represents craftsmanship, sustainability, and exclusivity. Limited production should become a premium feature.

India must also think beyond domestic markets. The world increasingly values authenticity, sustainability, and handcrafted luxury – all areas where Indian handlooms enjoy a natural competitive advantage. Expanding exports, however, will require consistent quality standards, stronger branding, better GI protection, and vigilant action against cultural misappropriation.

Measuring the contribution

India should leverage its traditional weaves, which for some global markets are ancient imports, to build its soft power. Unlike most manufacturing sectors, India's handloom economy is inadequately measured. Policymakers need reliable data on its contribution to GDP, exports, tax revenues, employment and household incomes. Better measurement will enable better policy and allow the sector to be recognised for the economic value it already creates.

Similarly, establishing a national platform through which States, producer organisations and cooperatives can exchange successful practices would accelerate innovation across the sector.

Handloom is not a relic of India's past; it is a strategic asset for its future. Few sectors simultaneously generate rural employment, empower women, preserve cultural heritage, promote sustainability, and strengthen India's global brand. As the country pursues the vision of Viksit Bharat, handloom deserves to be viewed as a serious economic sector. The measure of success will be how many looms remain active, profitable, and capable of attracting the next generation of weavers.

(Priyambada Jayakumar is a historian, public speaker, handloom advocate, and the author of 'The Man Who Fed India')

CACHE



Photo of a satellite image, used for representational purposes. REUTERS

How did Google's AI satellite images raise safety concerns?

Google rolled back its AI image-generation feature in Google Earth within a day after users created satellite deepfakes that appeared to show violence, disasters, and other policy violations; the feature raised concerns over the misuse of fake satellite imagery for misinformation and scams

Sahana Venugopal

The story so far:

A new AI feature launched by Google in late July remained active for around a day before it was pulled down by the company, amidst serious safety and misinformation concerns. The launch of the feature and its quick rollback showed how easily even casual internet users broke past Google's enterprise-level safeguards in order to create deepfake satellite images, in spite of the risks they pose.

What was the AI feature launched by Google?

Put simply, users could open Google Earth – the company's immersive satellite map of the planet – in order to zoom into a place, choose the "create image" option, and type whatever they wanted to see built on top of the original imagery.

On July 30, Google Earth's Product Manager Bryan Horowitz shared a blog post that invited users to "transform any place," with AI, the process powered by the company's image generation Nano Banana technology.

Google suggested several wholesome use cases for the feature, such as re-imagining (not visualising) how modern-day landmarks looked in ancient times, as well as generating mock-ups of completed real estate projects, creating educational infographics, and giving real-life locations a fantasy feel. Teachers, architects, and urban planners were invited to get creative with the prompts, and Google shared examples as well.

Why was the AI feature taken down?

On July 31, the company posted an update to its launch blog post, confirming that the AI feature in Google Earth had been rolled back over possible policy violations by others.

"We know that people uniquely trust Google Earth for a reliable view of the world. We've seen geospatial professionals using this feature for a range of useful purposes, however we've also seen people sharing screenshots of generated imagery that appear to violate our policies. So we're rolling back this feature in Google Earth while we work on implementing stronger guardrails," stated the update, adding, "It's important to note that generated images didn't appear in the main Google Earth experience for others to see and were watermarked as AI generated."

While the official notice did not blame specific parties or provide examples of the offending images, the social media platform X (formerly Twitter) showed satellite deepfake screenshots that depicted terrorist attacks, human crises, industrial accidents, environmental destruction, and more.

Some of these images were generated by casual users who managed to access the feature, while others were the result of safety tests run by researchers. The deepfakes ranged in quality from unrealistically violent to highly natural, sparking experts' concern.

Many users online criticised Google over the rollout of the feature, claiming that the potential for misuse of AI in satellite images far outweighed any benefits such a feature could have. Others questioned why the enterprise-level safeguards were so weak and easy to bypass when creating satellite image deepfakes that depicted violence.

What are the risks of fake AI satellite images?

Google defended its feature by highlighting that the AI-generated images did not appear as part of the public Google Earth experience. Even so, there are risks in allowing casual users to create AI satellite deepfakes for personal, commercial, or entertainment value.

Watermarks can be easily cropped out of such media, and the average user may lack the time and knowledge to further investigate a suspicious-looking satellite image – especially if it is presented in a short-form news video that is shared on social media and designed to go viral.

Satellite image deepfakes could also be used to run real estate scams by changing land or geographic details, to the buyer's detriment. Furthermore, these images would not be appropriate to use in serious academic projects or scholarly works.

At a higher level, satellite image deepfakes could be created to spread harmful misinformation about ongoing conflicts, humanitarian tragedies, or even natural disasters.

This is not a hypothetical danger; during the Iran war in February and March this year, the Tehran Times account on X shared an AI image that appeared to show the aftermath of bombing a U.S. target. This was made with older satellite images, which helped researchers classify it as a fake.

Furthermore, satellite images themselves are not a perfect source of evidence. Multiple regions across the world have not been accurately updated over time, either due to inaccessibility or security regulations that prevent detailed street-level mapping. India and Israel are examples of such countries. To integrate high-quality AI deepfake generation features into these still fallible yet necessary resources adds yet more layers of risk.

The rollback of AI image generation in Google Earth shows that the world's largest internet company is still not ready to address these basic risks.

THE DAILY QUIZ

Here is a quiz on the 'king of beasts' on the occasion of World Lion Day that is observed every August 10

V.V. Ramanan

QUESTION 1
Name the conservation charity that came up with the idea of World Lion Day in 2013.

QUESTION 2
What is the scientific name for the Asiatic Lion subspecies found in India?

QUESTION 3
If 'Project Tiger' was launched in 1973, on which date and year was 'Project Lion' announced in the country, and what is the current population of the Asiatic lions as of 2025?

QUESTION 4
Which lion was the subject of the first of the Twelve Labours of Heracles?

QUESTION 5
In Frank Baum's '*The Wonderful Wizard of Oz*', which quality does the Cowardly Lion seek from the Wizard?

QUESTION 6
In the famous flick, '*The Lion King*', if the protagonist is Simba, what are the names of his father and villainous uncle?

QUESTION 7
Which famous sculptor designed the four enormous bronze lions at the base of Nelson's Column in London's Trafalgar Square?



Visual Question:
This is the inspiration for India's National emblem. Where can one see the Lion Capital now?

Questions and Answers to the previous day's daily quiz: 1. The establishment of the museum is closely linked with this paramount event in 1789. Name the event. **Ans: The French Revolution**
2. A steel-and-glass pyramid, known as the Louvre Pyramid, serves as the entrance to the museum. Name the architect who designed it. **Ans: Chinese-American architect I. M. Pei**
3. During the Nazi occupation of France in the Second World War, many treasures of the museum, including the Mona Lisa, were transported to secret hiding places. Name the director of the museum who was responsible for ensuring the safe transport of these artifacts. **Ans: Jacques Jaujard**
4. The Louvre was once the official residence of French Monarchs. When did it stop becoming the royal seat? **Ans: 1682**
5. Last year, the Louvre was burgled by brazen thieves who entered the museum disguised as construction workers. What did they steal? **Ans: 8 pieces of the French Crown Jewels**
Visual: What is this building and where is it located? **Ans: Louvre Abu Dhabi on Saadiyat Island, United Arab Emirates**
Early Birds: Sunil Madhavan | Piyali Tuli | Suchit Narottam | Dodo Jayaditya | Sitaram Saharay

Please send in your answers to dailyquiz@thehindu.co.in



FROM THE ARCHIVES

Know your English

S. Upendran

"How was your trip to Madras? Was your sister happy to see you?"

"I don't know if she was happy to see me or not. But she was definitely happy to note that my water bottle was full."

"Your water bottle!"

"...there's an acute water shortage there. If you were to walk into a stranger's house with a couple of bottles of water, he would welcome you with open arms!"

"It's that bad, eh? Did you inform that you were planning to take up a job in Bombay?"

"No, I didn't..."

"...you should have informed that you were...."

"....informed her."

"What?"

"You should have informed her. You don't merely 'inform', you 'inform someone' of something. You have to let the listener know who that someone is."

"Would it be wrong to say 'I informed that there would be a meeting tomorrow'?"

"Yes, it would."

"I see. Then how about this? The Principal informed some of the students that there would be no school tomorrow."

"Wishful thinking on your part. But the example is fine."

"The teacher informed me that I had done fairly well in the test. How does that sound?"

"Sounds great! I must say that you cotton on fast."

"What's that supposed to mean?"

"Why don't you guess the meaning?"

"Well, let me see. I gave you an example and then you said that it was right. And then... Does cotton on mean that I understand things quickly?"

"When you 'cotton on' to something, you begin to understand it or realise it."

"Is it an expression that is used often?"

"It is an expression used by native speakers of English in informal contexts."

"I see. How about this example then? At long last Harish cottoned on to the fact that Chitra wasn't interested in him at all."

"That's a pretty good example. Most of the students cottoned on to what the teacher was trying to say."

"That never happens in my case. Whenever my Physics teacher says something, it takes me at least half an hour to cotton on to what it is she is saying."

"That's because you don't cotton to physics like some of your other classmates."

"You mean cotton on to, don't you?"

"No, I mean 'cotton to'. Jaya doesn't cotton to Karunanidhi."

"That example makes everything clear. Everyone knows that the two can't stand each other. So does 'cotton to' mean to like someone."

"When you 'cotton to' someone or something, you like the person or thing."

"How is your friend Namratha doing? Last I heard she was trying to find a job.

"She won the lottery about six months ago. And since then she has been in tall cotton."

"Not cotton again."

"You don't cotton to expressions with the word cotton, do you? Anyway, any idea what 'in tall cotton' means?"

"Not a clue."

"When you say that someone is in 'tall cotton' it means that he or she has life made. The person is fairly successful and has absolutely no problems with money."

"I wish I were living in tall cotton."

Published in The Hindu on July 24, 2001

Word of the day

Pugnacity:
a natural disposition to be hostile

Synonyms: aggression, defiance, irritability

Usage: *His pugnacity often led to unnecessary arguments.*

Pronunciation: newsth.live/pugnacity

International Phonetic Alphabet: /pʌgnæsəti/

For feedback and suggestions for Text & Context, please write to **letters@thehindu.co.in** with the subject 'Text & Context'

WEB EXCLUSIVE
'What we, the older generation, can learn from Gen Z.'.
— By Manoj Kumar Jha
Log on to www.indianexpress.com

WORDLY WISE
In order to see birds, it is necessary to become a part of the silence.
— Robert Lynd

The Indian EXPRESS
~ FOUNDED BY ~
RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

Seamless digital payments have a price

LAST WEEK, the Taxation and Other Laws (Amendment) Bill, 2026, was passed in the Lok Sabha, which proposes changes to the Payment and Settlement Systems Act, 2007, that create pathways for fees to be charged on UPI and RuPay debit card payments. Introduced in 2020, the zero MDR (merchant discount rate) policy — MDR is the fee paid to the bank or payment service provider for processing digital transactions — was meant to ensure the widespread adoption of digital transactions by making them affordable and accessible. However, as the 32nd report of the Standing Committee on Finance noted, "the absence of MDR makes the UPI ecosystem financially unsustainable".

Ensuring the smooth running of the payments ecosystem — in July, 23.6 billion transactions were processed through the UPI platform — entails huge costs. Between 2021-22 and 2024-25, the Union government reportedly handed out Rs 8,730 crore under an incentive scheme for subsidising payments. But this covers only a fraction of the costs. According to the standing committee's report, the "incentive support constitutes only 11 per cent of the cost incurred by the industry and 14 per cent of the potential MDR collected by the industry". While concerns have been voiced over charges being levied on UPI — millions of users depend on it — the finance ministry has clarified that as and when MDR charges are brought in, they will be above a particular threshold and on a limited set of merchant transactions. Person-to-merchant (P2M) transactions accounted for 63 per cent of all transaction volumes, but only 29 per cent of value in the first half of 2025. In 2025-26, only 4 per cent of P2M transactions were above Rs 2,000, and these accounted for two-thirds of P2M value. This suggests that while revenue will accrue if fees are levied at a higher threshold, most users will be unaffected. According to a report in this paper, the MDR on credit cards ranges between 1 and 3 per cent of the transaction value and is up to 0.9 per cent for debit cards.

Ensuring seamless digital payments requires investment in the infrastructure. The absence of a steady and sustainable source of revenue could thwart the building of infrastructure required to handle more transactions and customers smoothly. A clear source of revenue could also bring in more players, ushering in competition in a market that is largely duopolistic in nature — two platforms, PhonePe and Google Pay, account for roughly 80 per cent of transactions. An MDR could provide the pathway for a financially sustainable ecosystem.

A pact, divided within, with no single threat

THE MECCA Joint Defence Agreement signed between Saudi Arabia, Pakistan and Turkey — between an oil-rich economic powerhouse, the only Islamic country with a nuclear weapon and a NATO member with the second-largest military — is significant. The agreement proclaims a NATO-like principle of collective defence: "Any armed attack against any one of the three states shall be regarded as an attack against them all." But it lacks the one thing that makes collective defence alliances work: A shared threat. Saudi Arabia and Israel (which has called Turkey the new Iran) may not have official diplomatic relations with each other but they engage in security cooperation, while both Pakistan and Turkey's relationships with Iran — which has pummelled Saudi Arabia with ballistic missiles — are complicated. Consider, also, the fact that Pakistan, despite its mutual defence pact with Saudi Arabia last year, has not responded militarily to Iran's attacks on the kingdom. The Saudis did not help Pakistan, either, when the latter country went to war with Taliban-ruled Afghanistan.

The pact will boost defence cooperation, intelligence-sharing and joint production of weaponry. But the tangled web of regional relationships and rivalries in a changing West Asia characterised by growing American unpredictability means that it is a far cry from a NATO-style alliance. For now, it is better understood as a hedge against a changing regional order and a response to Iranian and Israeli military manoeuvres, as well as the failure of the Donald Trump administration in assuring the security of the Gulf states against either actor. Each of the three signatories has its own calculus in the region: Riyadh, which recently signed a civil nuclear deal with Washington, is trying to assert its leadership; the pact embeds Islamabad more deeply in the emerging security architecture; and it advances Ankara's long-standing ambition to play a larger security role in West Asia.

India should not be overly concerned. It should cultivate stronger ties with the countries of the region, deepen its economic and strategic engagement with the Gulf and maintain working relationships across the regional rivalries.

Where the wild things are heard

IN THE waning years of the 19th century, some years after Thomas Edison invented his "talking machine", the song of the white-rumped shama was recorded using a captive specimen at Frankfurt zoo. It is the earliest known bird recording and it led, eventually, to such a market for avian calls among the leisured class that gramophone records dedicated entirely to birdsong began to be published.

Over a hundred years later, access to a new technology is driving a collective of ecologists and enthusiasts to turn its attention to the sounds of India's wild. In 2025, the group began recording the sounds of the country's key ecosystems, collecting nearly a hundred hours of recordings across varied terrain. While birdsong dominates the chorus, the calls of insects, frogs, bats, reptiles and even marine animals enliven these soundscapes. It has led to the creation of India's first open-access, crowdsourced ecoacoustic dataset that can be used to train machine learning models — hitherto limited by access only to data from the Global North — to identify Indian species.

The project rests on a simple fact: Sight can reveal only so much, especially in the dense vegetation of the forest, while sound opens another window into the non-human world. Animals use sound to communicate, find mates, defend territory and navigate. These calls can be used to study distribution, abundance, behaviour and even physiological conditions. Similar data has also helped rediscover species believed to be extinct — populations of the elusive night parrot of Australia, a species no one had seen alive for over a century, are now being monitored using acoustic recorders. What began with the song of a shama in captivity has become a way of learning to tune into the wild.

History will indeed remember Dr Manmohan Singh kindly



SONIA GANDHI

THE DATE July 29, 2026, was an important but unacknowledged day in our recent political history. In a remarkable judgment, the Supreme Court upheld the CBI's clean chit to Dr Manmohan Singh in the alleged "coal block allocation scam". More importantly, it pulled up the trial court for rejecting the CBI's closure reports and making adverse observations against the former prime minister for no "compelling reason".

The judgment brings to a conclusion one of the most tragic arcs of our public discourse — the witch-hunt against Dr Singh, a man of the most remarkable probity and integrity. The lobby against him was coordinated and well-organised, with actors stretching from the bureaucracy to the media, the judiciary, civil society, and most certainly to the RSS and BJP. Today, their bogus crusade has come to its inevitable conclusion of nothingness. Dr Singh has been vindicated on every count.

Dr Singh's record of integrity and accountability stands in stark contrast to how the Narendra Modi government has operated, so clearly and grossly misusing agencies designed to investigate crime and corruption like the ED and the CBI. Its purpose has been to exert pressure on politicians. Leaders are either silenced through coercion or cynically folded into the BJP or, in some remarkable instances, rewarded with ministerial positions as well. When credible accusations of corruption emerge, the Modi government simply brushes them aside. Corrupt when you're in the Opposition, suddenly clean when you jump ship!

It is not a coincidence that the Prime Minister was also among the most vocal proponents of the attack on Dr Singh. His snide and atrocious remarks in the Rajya Sabha on February 8, 2017, that only Dr Singh knew "the art of bathing with a raincoat on", will go down as the lowest point of our parliamentary history. Since Mr Modi is these days "forgiving" India's students for attacking him, perhaps he can take this opportunity to forgive himself for his undignified slander against Dr Singh.

Introspection, like charity, must begin from home. Ultimately, the attack on Dr Singh was motivated by a desperate desire to shift the public conversation and narrative away from his outstanding governance record.

Dr Manmohan Singh's government heralded profound economic change with unprecedented rates of growth and a consumption and private investment boom that propelled us into the ranks of middle-income countries. In 2008, when the global economy faced turbulence and collapse, India demonstrated its resilience. During his tenure, the shift in employment patterns became very discernible with lakhs moving into higher-productivity occupations. Over the last decade, however, this diversification has been reversed. Based significantly on the programmes put in place in the previous government and the acceleration in growth rates, India decisively began winning the battle against poverty and deprivation. Let us not forget that in spite of the reworking of how the growth of India's GDP is calculated, the 10 years of the UPA government saw higher economic growth than the past 12 years, resulting in millions being pulled out of poverty.

> The allegations against his integrity have been exposed as hollow, and his record is increasingly being recognised for what it was — a period of decisive economic, political, and social advancement

Socially, the Manmohan Singh government enabled a revolution that brought rights to all Indians, especially the most deprived sections of our society. It delivered on the constitutional promise of a Right to Education and expanded social justice through the introduction of OBC reservation in centrally funded higher education institutes like the IITs and IIMs. The Forest Rights Act recognised the ancestral rights of our Adivasi and forest-dwelling communities, after a decades-long struggle. The MGNREGA, recently demolished by the Modi government, was the most powerful social security intervention set up anywhere. During the Covid pandemic, when the whole economy was severely dislocated, MGNREGA was one of two avenues through which the government was able to reach the poor and most vulnerable sections of society. The other avenue was yet another signature achievement of Dr Singh's government — the National Food Security Act, 2013, which identified and guaranteed access to basic food rations for crores of families. This is being sought to be amended. Soon after he demitted office, he had warned that the rights-based legislation would come under assault and his fears have, most sadly, come true.

Politically, the Dr Manmohan Singh decade as prime minister was characterised by the growth and strengthening of democratic institutions of the state and civil society. Dr Singh heralded a new era of transparency in government through the landmark Right to Information Act, which enabled citizens to access the government's inner workings. The RTI now stands totally emasculated. There was an explosion of independent media, which was characterised by a fearlessness that appears more remarkable when juxtaposed with its current enfeeblement. Civil society emerged as a force to be reckoned with, and our students had the freedom to protest against the government and even the prime minister, without being fired upon by metallic pellet guns or AK-47s.

The prime minister regularly made himself accountable to Parliament and to the media through 100-plus unscripted press conferences. And of course, we cannot forget that the landmark and path-breaking Indo-US nuclear deal, which overturned decades of nuclear discrimination against and denial towards India and marked our arrival on the global stage, was possible because of his political courage and sustained initiative. This accord has been paying dividends. Dr Singh was a man respected and applauded in global forums and he never felt the need to parade and proclaim these accomplishments and the honours he received.

His belief in India's economic potential, his desire to deliver justice to every last citizen, and his conviction in democracy underlined the philosophy of his government. Dr Singh's statesmanship, erudition, and fundamental decency are sorely missed in today's conflicted times. The mischievous and indefensible allegations against his integrity have been exposed as hollow, and his record as prime minister is increasingly being recognised for what it was — a period of decisive economic, political, and social advancement in Indian history.

We all certainly regret that he is not here to see this day and to guide the nation with his wisdom. But it is a solace to us all that his prophetic prediction of January 2014 is becoming increasingly self-evident with every passing day. History will indeed remember him kindly as a quiet, gentle but a most consequential prime minister.

The writer is the chairperson of the Congress Parliamentary Party

A triangular hedge in the West Asia tinderbox



KULDIP SINGH

THE SAUDI-Pakistani-Turkish collective defence pact's operative sentence, "an armed attack on one signatory shall be regarded as an attack against them all", immediately triggered talk of an "Islamic NATO", albeit a Sunni one, as it appeared to combine Turkish defence technology, Pakistani military prowess and strategic arsenal, and Saudi oil-financial power. Last year, shortly after the Israeli strike on Hamas in Doha, Saudi Arabia and Pakistan had signed a "Strategic Mutual Defence Agreement" at Riyadh. That, too, had contained a NATO Article 5-type declaration, "an attack on one will be treated as an attack on both," though that wasn't invoked when Iran and its assets attacked Riyadh and its energy infrastructure.

The US, prioritising Israel, failed to protect Saudi Arabia and other Gulf states from strikes by Iran and its allies, with the latter disrupting energy shipments. Turkey, a NATO ally with a large military, has often criticised Israel over Gaza, hosted Hamas political figures, and drifted from NATO and the US. Given Israel's increasingly aggressive military stance, for Saudi Arabia and Turkey, this trilateral collective-defence pact is a hedge against Israel. The US-Israeli war, allegedly waged to "prevent Iran from obtaining nuclear weapons," may end up providing the imperative for Iran to "go nuclear". Pakistan, dependent on Gulf remittances and Saudi funds, is the only Muslim country with nuclear weapons.

There are multiple layers to this new pact.

Pakistan and Turkey label their relationship as historic and fraternal, rooted in shared religion, culture, and strategic interests. Their defence relationship started from foundational military training, joint exercises and dialogues in the 1990s, and evolved into co-development and upgrading of vital platforms. Facing US-European arms restrictions and shifting regional security dynamics, both countries have forged strategic alliances. Ankara has also supported Islamabad on Kashmir.

The Pakistan-Saudi relationship, too, is close. While the Saudis have enough money to buy the latest weaponry, the institutional weaknesses typical in authoritarian monarchies (not national armies, but armies of ruling families) led to Pakistan stepping in. Beginning with the 1951 Treaty of Friendship, their defence relationship gained incremental traction, from Pakistan providing training and advisory support to the Royal Saudi Air Force, to regular deployment of military personnel in Saudi Arabia. Post-9/11, both nations reinforced military and intelligence cooperation.

From 2021, the Biden administration pursued a tripartite framework linking the civil nuclear deal to the Saudis normalising relations with Israel via the Abraham Accords. But with Israel dramatically shifting the regional security paradigm, Saudi Arabia, which has traditionally tied its recognition of Israel to Palestinian statehood, hardened its stance. On July 22, the US-Saudi civil nuclear agreement, a 30-year bilateral pact allowing US firms to build and support civilian nuclear reactors in Saudi Arabia, was signed. The next day, in an abrupt turnabout, President Donald Trump declared the Saudis would have to normalise relations with Israel first. Saudi Arabia, which is a party to the Non-Proliferation Treaty but has yet to sign the additional protocol to its 2009 safeguards agreement with the IAEA, has long been linked, indirectly, to Pakistan's nuclear weapons programme.

Pakistan must also be looking at this pact to check India militarily. India's MEA has stated that it is "closely following" the development. As of now, neither the treaty nor its protocols have been published; there is no clarity on the joint command of forces, rules of engagement, intelligence-sharing architecture, and importantly, the procedure for invoking that operative clause. Yet, India cannot be complacent. New Delhi needs to engage Saudi Arabia and Turkey more, while deepening ties with other Gulf states (which may join this pact) and resuscitating its own groupings like the Quad.

> New Delhi needs to engage Saudi Arabia and Turkey more, while deepening ties with other Gulf states (which may join this pact) and resuscitating its own groupings like the Quad

The writer, a retired Army officer, was the principal director in the National Security Council Secretariat

An uncomfortable love story that still strikes an honest spark



ANAS ARIF

RELEASED 20 years ago, *Kabhi Alvida Naa Kehna* was greeted with a wave of pessimism. It was accused of glorifying infidelity, criticised for questioning the sanctity of marriage, and called out for its refusal to believe in the neatness of love. Two decades later, however, it stands as perhaps Karan Johar's most substantial melodrama. Coming immediately after the emotional maximalism of *Kabhi Khushi Kabhie Gham*, the film was its complete antithesis. It was not about a couple fighting the world for their love but two people creating wars of their own, wounding those they loved in pursuit of a forbidden union.

For once, it was not Johar's belief that "*pyaar dosti hai*", (love is friendship), that held the film together. Instead, it looked at what happens when friendship is made to carry the weight of love, when companionship becomes a substitute for intimacy, when two people remain together long after the thing that once held them together has slipped away. Perhaps Johar was beginning to see what his earlier films had never allowed him to confront: That sometimes friendship does not save love as much as it scars it. Sometimes it becomes the life a marriage settles for.

Above all, Johar did something more subversive: He weaponised Shah Rukh Khan's stardom to make us empathise with a character we would ordinarily have little reason to forgive. Khan's mythology, cultivated by filmmakers like Johar and Aditya Chopra, had made him the definitive romantic hero, who could turn longing into devotion and love into destiny. Johar took that imagery and turned it against itself. He made Khan play Dev, a bitter, emotionally corrosive man, whose cynicism is matched only by his capacity for self-pity. He is a failed footballer, a failed father and a failed husband. And he completed Dev with Maya (Rani Mukerji), a woman whose unhappiness has curdled into resentment, equally lonely and equally unfaithful in her marriage.

They are made for each other, not because they redeem one another, but because they recognise the same failure in each other. They are the unlikeable ones, the embittered spouses in their marriages, who cannot confront what has gone wrong. Perhaps that is why their world suddenly fills with colour in the stunningly shot 'Tumhi Dekho Na', when they surrender to the possibility of each other, when they realise that, in their emptiness, they may be the only ones capable of completing what is missing in the other.

And then Johar makes them confront the cost of that discovery. When Dev and Maya finally confess their love to their spouses, Rishi (Abhishek Bachchan) erupts, while Rhea (Preity Zinta) remains composed. Rishi wants to know if Maya enjoyed sleeping with Dev; Rhea asks Dev only whether he is in love with Maya. That dissonance reveals Johar at his most unsparing: Morally messy, emotionally uncompromising. He had spent years building worlds where ideal families triumphed and ideal love endured. Here, he watched both wither, slowly and inevitably.

> Johar did something more subversive: He weaponised Shah Rukh Khan's stardom to make us empathise with a character we would ordinarily have little reason to forgive

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40 YEARS AGO

August 11, 1986


INDIAN EXPRESS
Gen Vaidya shot dead
Four assassins spray car with bullets | Wife seriously hurt, operated upon
Not enough security despite threat
Bullets shattered a quiet life
Red Alert sounded to preserve peace

Former Army chief shot dead

THE FORMER Army chief, Gen Arunkumar Shridhar Vaidya, was shot dead by four unidentified persons in Pune. His wife, Bhanu Vaidya, was seriously injured. She was rushed to the Southern Command Hospital, where she was operated upon. Her condition was reported to be improving. The assault took place in the wake of three anonymous letters, threatening Gen Vaidya with physical elimination as a "punishment" for his role as Army chief at the time of Operation Bluestar.

Red alert after assassination

THE HOME Ministry has sounded a "red alert", asking all the states and the Delhi administration to be extra vigilant take precautionary measures to ensure that there is no law and order problem as a reaction to the assassination of the former Army chief, Gen A S Vaidya, in Pune. P V Narasimha Rao, Minister for Human Resources, held a meeting of the Political Affairs Committee and senior officers to review the situation. A message was also sent to Prime Minister Rajiv Gandhi by his secretariat through Air India during his flight to Prague.

Jayewardene's peace call

SRI LANKAN President J R Jayewardene called upon India to sign an agreement with the government, which would cover the implementation of a peace accord on the ethnic crisis in the island, holding of elections to the proposed provincial councils and action against "terrorism". Addressing the executive committee of the ruling United National Party (UNP), he noted in this context that it was hoped to find a solution to the ethnic crisis with the "full backing of the Indian government and Tamil Nadu."

Nadiad riots

AT LEAST four persons were killed and another seriously injured in Nadiad town in Kaira district in a fresh wave of violence. Of these, one was killed in firing, two were stabbed to death, and an unidentified body was recovered. One person was injured in brickbatting, reports said.

WHAT THE OTHERS SAY

The Palestinians have been making concessions... It is time Israel's Western benefactors asked it to put its money where its mouth is. —*Dawn, Pakistan*

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For energy security, way forward is not public or private, but both



SUBHASH KUMAR



ILLUSTRATION: C R SASIKUMAR

THE ARTICLE, 'Privatisation and petroleum: Let's resurrect an old question' by Vikram S Mehta (*IE*, August 3) asks whether India should privatise the Oil and Natural Gas Corporation (ONGC) and Oil India Limited amid the recent geopolitical uncertainties. It also brings out the need for strategic petroleum reserves (SPR). These are two important and independent questions, but the column treats the continuity of ONGC and OIL as state-owned entities and SPR as an either-or question. There appears to be a misplaced underlying assumption that government ownership of these Maharatnas stands between India's energy security and the need to create a resilient energy supply ecosystem. I argue for both a strong PSU presence in India's upstream oil and gas sector and the expansion of strategic petroleum reserves to withstand potential supply disruptions.

The column argues that finding costs in ONGC's focus areas in the Godavari, Mahanadi and Andaman basins could be as high as $60-80 a barrel. With forward Brent near $70, even a discovery may not be commercially viable, it states. A barrel in the Andaman deep water that's not commercially viable at $70 for PSU oil companies will not be viable for the same amount for a private entity. Geology and the forward curve are indifferent to the shareholding pattern. In fact, a nation may be better placed to withstand such crises when strategic assets are controlled by PSUs. Governments can use them to pursue broader national objectives, whereas private companies are ultimately guided by shareholder interests and the bottom line.

Finding cost links two variables: Expenditure on exploration and the size of the discovery. But once exploration is complete, investment decisions are based on the discovery's size, expected future capex and opex, and anticipated revenues. Past exploration costs matter for calculating finding costs, but not necessarily for deciding whether to develop a discovery. Finding costs can even be effectively infinite where exploration fails; such sunk costs do not determine future investment decisions, though they remain relevant for assessing exploration performance and under cost-recovery regimes, where operators can recover eligible costs.

Privatising an entity such as ONGC would mean more than transferring ownership of one company; it would dismantle an ecosystem of institutions and strategic assets built around it. ONGC holds about an eighth of Petronet LNG and a seventh of IOC. The government would also lose OTPC, the Northeast's only large gas-based power producer, which serves an important strategic role in regional power supply. Two lesser-known jewels — Dahej SEZ and Mangalore SEZ, among the country's best-performing SEZs, with which the author was associated as their first company secretary — would also pass out of public ownership. These entities operate at arm's length from government, but remain available as strategic levers in a crisis. Privatisation would therefore weaken the government's influence over roughly 40 MMtoe of domestic oil and gas production — far outweighing the proposed strategic reserve capacity.

Strategic reserves and domestic production serve different but complementary purposes. A cavern stores a fixed volume and must be refilled, often at prevailing market prices. Strategic reserves may generate revenue, but their primary purpose is insurance against supply disruptions. A producing field serves a different, longer-term function: It reduces India's import requirement every year over the field's life and provides additional resilience during disruptions. As a major energy importer, India could also require long-term suppliers to maintain strategic stocks earmarked for Indian markets, either in their home countries or at suitable overseas locations. This could be a soft obligation or a contractual condition for long-term offtake agreements. Such an arrangement could reduce the cost of building storage capacity in India while strengthening supply resilience and providing greater certainty during global energy disruptions.

India's oil and gas exploration was constrained less by geology or technology and more by limited access to prospective areas. That constraint has now eased substantially, with 99 per cent of the offshore no-go areas cleared and nearly 1 million sq km opened for exploration. Seismic surveys can identify prospects that may yield discoveries over several years, while advances in technology can improve recovery from existing fields. Where specialised expertise is needed, PSUs such as ONGC can partner with global firms, as demonstrated by its 2025 Mumbai High technical services agreement reportedly helping moderate production decline.

If geopolitics can disrupt maritime routes, weaponise chokepoints and sharply reduce shipping through the Bab el-Mandeb, energy security cannot be left entirely to market incentives

The column's own diagnosis goes against its remedy. If geopolitics can disrupt maritime routes, weaponise chokepoints and sharply reduce shipping through the Bab el-Mandeb, energy security cannot be left entirely to market incentives. State-owned producers give governments strategic room to act — maintaining output despite weak prices, redirecting supplies or absorbing temporary losses. In such an uncertain world, sovereign capacity is not a liability but an asset.

Renewable energy and domestic fuel alternatives must be central to India's energy security strategy. Ethanol blending, which has reached 20 per cent well ahead of the 2030 target, has already displaced 310 lakh tonnes of imported crude, saved over Rs 1.90 lakh crore in foreign exchange, transferred more than Rs 1.6 lakh crore to farmers and avoided over 930 lakh tonnes of CO2 emissions. Unlike strategic storage, which provides a buffer against disruption, domestic blending reduces dependence on imported barrels altogether. These initiatives can underpin a more secure, low-emission energy transition, provided they are expanded through careful planning, stakeholder coordination and calibrated implementation.

India must pursue a two-pronged strategy: Strengthen domestic production while expanding strategic reserves. This makes it essential to reinforce proven producers such as ONGC and OIL, rather than privatise them in ways that could dilute their strategic focus. However, even under optimistic scenarios, India will remain dependent on imported energy for years and must build adequate storage capacity to withstand prolonged disruptions. The government need not interfere in day-to-day operations, but it must retain the instruments needed to guide the energy value chain in the national interest. The way forward is not either public or private, but both: Back institutions that have delivered over decades while creating space for new players in exploration, production and storage. The recent crisis only underscores this dual imperative: Strengthen strategic institutions and build reserves capable of absorbing shocks larger or longer than those India has faced before.

The writer is former chairman and managing director, ONGC

Ten years later, looking back and ahead at a true GeM



PIYUSH GOYAL

GOVERNMENT E Marketplace (GeM) has emerged as a global leader in providing a transparent, inclusive and efficient platform for public procurement, connecting 1.37 lakh government buyers with 25 lakh sellers and service providers. GeM is distinctive in integrating all major procurement functions into a single, large-scale digital marketplace. It blends global best practices with the government's focus on inclusive development, making it an engine of Prime Minister Narendra Modi's vision of Viksit Bharat 2047.

In the decade since the PM launched the transformative digital initiative in 2016, GeM has revolutionised public procurement by weeding out corruption and promoting start-ups, MSMEs, women entrepreneurs and businesses in small towns. The user-friendly platform is a true gem that has replaced the notorious Directorate General of Supplies and Disposals, which had opaque and uncompetitive systems that gave an unfair advantage to the privileged few who were entrenched in the procurement system. Befittingly, the commerce and industry ministry's new, modern office, Vanijya Bhawan, has been built on the land once occupied by the obsolete body that had acquired a murky reputation.

As the Minister of Commerce and Industry, I am proud that GeM, launched on August 9, 2016, has completed 10 years of pioneering service. This is not just a milestone to celebrate numbers; it is a fundamental and successful shift in how public procurement fuels nation-building.

By digitising the entire procurement lifecycle, from product discovery and bidding, to contract award and payment, GeM has eliminated discretion, promoted fair competition, and strengthened public trust. Every transaction leaves an auditable digital trail, enhancing accountability and reinforcing the integrity of public procurement.

GeM is a cornerstone of PM Modi's mission of Ease of Doing Business. Through a single digital window, simplified registration, standardised processes and continuous reforms such as the discontinuation of the Caution Money Deposit and the rationalisation of transaction charge, it has significantly reduced barriers to participation and democratised access to public procurement.

GeM has powerfully advanced the cause of self-reliance and *swadeshi* enterprises. By prioritising domestic manufacturers and service providers, it has strengthened local value chains and boosted indigenous production. Every order placed on the portal is an investment in India's manufacturing prowess and economic sovereignty. Notably, MSEs account for approximately 60 per cent of orders by volume and over 45 per cent of the Gross Merchandise Value (GMV) on GeM. GeM serves as a critical engine of equitable growth in line with PM Modi's mission of *sabka saath, sabka vikaas*. It provides start-ups, small businesses and women-led enterprises an easy path to showcase their products and services to government buyers without any obstacle or intermediary. By eliminating barriers to entry and democratising access to public procurement, it has empowered small businesses to become active partners in nation-building and enter the business domain that was once dominated by established companies.

These achievements reaffirm GeM's role as more than a digital procurement platform. It is a catalyst for inclusive growth, entrepreneurship and economic empowerment, ensuring that every eligible enterprise has an equal opportunity to contribute to India's development.

In many ways, the journey of GeM mirrors the aspirations of Viksit Bharat 2047 in line with the PM's vision of a developed India that is transparent, inclusive, innovative, and digitally sovereign.

As we enter the second decade of GeM, our vision is to evolve it into a smarter, greener, and globally benchmarked platform that harnesses emerging technologies while deepening the participation of stakeholders, particularly our innovators, start-ups, small businesses, women, youth and entrepreneurs from smaller towns and those from the underprivileged sections.

During the last two financial years, the platform has crossed Rs 5 lakh crore in annual GMV, taking the cumulative value to about Rs 20 lakh crore. It has expanded to include 10,644 product categories and 350 service categories.

Whether it is life-saving medicines and vaccines reaching hospitals faster, defence supplies and drones being delivered efficiently or reliable infrastructure powering villages, transparent and efficient procurement ensures superior delivery of public services and optimal utilisation of resources.

A study by IIT Delhi (July-August 2026) found that procurement through GeM resulted in a monetised benefit of Rs 86,571.69 crore over the last three financial years, comprising price and process efficiency gains.

The GeM portal stands as a pivotal engine in driving India's economic growth and the development objectives of PM Modi. It empowers and uplifts the marginalised sections of society and promotes entrepreneurship, while ensuring that taxpayer money is efficiently used to procure high-quality products at competitive prices.

The writer is Minister of Commerce and Industry

LETTERS TO THE EDITOR

A new compact

THE CHALLENGE facing India is no longer simply whether the rains will come, but whether they will come in ways the country's economy and infrastructure can absorb ('Monsoon has revived, but keep an eye on weather,' *IE*, August 10). The monsoon remains indispensable to prosperity, yet its growing unpredictability demands a new compact between science, policy and infrastructure.

S S Paul, Chakdaha

An ethics question

WHILE STRATEGIC partnerships are important for national security, India must also consider the ethical consequences of supplying military equipment to a country facing widespread allegations of violations in Gaza. ('A strategic partnership faces an ethical question,' *IE*, August 10) India has historically supported the Palestinian cause, and its defence policies should be guided not only by strategic interests but also by human rights and international law. A careful review of military exports and defence partnerships is essential to ensure that India's actions remain consistent with its commitment to peace and justice.

Fathimath Shadiya, Kannur

Turn ideals into policy

BEGUMPURA OFFERS a valuable reminder that governance must address dignity, equality and social justice. ('Begumpura is a radical vision, not a governance model,' *IE*, August 10) However, an ideal society cannot simply be transferred into modern administration without considering present institutions and economic realities. Its broader principles can still inform policymaking through equal access to public services, fair opportunities and protection from discrimination. Governments should translate such ideals into measurable policies rather than symbolic references. Good governance ultimately requires accountable institutions, effective delivery and respect for citizens' rights.

Swathi Senthilkumar, Coimbatore

The MSME opportunity lies in clustering them



NILANJAN BANIK & PRADEEP RACHERLA

THE RECENT protests at Jantar Mantar reflected a deeper problem than the paper leak controversy: Youth unemployment. A large share of unemployed Indians are young and educated, while underemployment remains widespread. With AI-driven disruption threatening existing jobs, India needs strong job creation engines, and the MSME sector is one of the best candidates. The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2026, can help by addressing delayed payments, easing dispute resolution, and reducing some compliance burdens. But more needs to be done. India's 63 million MSMEs employ more than 320 million people, contribute about 31 per cent of GDP, 35 per cent of manufacturing output, and 49 per cent of exports. Yet the sector remains largely informal, fragmented, and concentrated in low-value activities. Smaller firms face major obstacles, especially limited access to affordable credit and the burden of GST, labour, environmental, and tax compliance.

The US and China did not create industrial strength by supporting isolated firms; they built clusters — dense ecosystems where suppliers, labour, research institutions, and capital are located close together and reinforce one another. The US experience shows how universities can anchor clusters. In North Carolina's Research Triangle, institutions such as Duke, UNC-Chapel Hill, and NC State helped build biotechnology and pharmaceutical ecosystems by connecting research with industry. China's Guangdong shows how industrial zones with land, tax incentives, and infrastructure can create thick supplier networks, allowing firms to design, fabricate, and prototype quickly. China's "Little Giant" programme also supports technically strong small firms in narrow niches through financing, tax support, and R&D assistance.

Clusters create knowledge spillovers. Technical know-how spreads quickly through worker mobility, informal interaction, and shared service providers. Clusters also attract and retain talent

Clusters create knowledge spillovers. Technical know-how spreads quickly through worker mobility, informal interaction, and shared service providers. Clusters also attract and retain talent. An isolated MSME struggles to hire specialised workers, but a cluster creates a real labour market and makes the location more attractive. Third, clusters lower fixed costs by sharing infrastructure such as testing labs, effluent-treatment plants, cold storage and logistics hubs.

India already has cluster-based initiatives such as the MSME Cluster Development Programme and PM MITRA textile parks. However, many of these function more like infrastructure grants than true ecosystem builders. The following policies may help. First, India should move from generic industrial estates to specialised clusters. Resources should be concentrated in sector-specific hubs such as auto components in Pune and electronics in Sriperumbudur. Second, India should create its own version of the Little Giant programme. Policy should identify "hidden champions" already performing well in specialised fields like precision castings or defence components. These firms could receive dedicated credit lines, faster patent processing, R&D support, and priority procurement.

Third, financing should be addressed at the cluster level. The MSME credit gap is large, but banks still assess firms individually. Cluster-based lending, which evaluates shared collateral, buyer-supplier ties, and collective performance, can reduce information asymmetry and lower risk. The Tiruppur textile cluster offers a useful model that could be expanded through SIDBI and cluster-focused NBFCs. Fourth, universities must be brought to the centre of the MSME ecosystem. In India, top universities often remain disconnected from nearby industry. In contrast, Chinese and US cluster models rely on universities as suppliers of talent, lab infrastructure, and innovation. In short, India's MSME strategy should shift from isolated support to ecosystem-building. Strong clusters, better finance, and closer university-industry links can help MSMEs become engines of jobs, productivity, and exports.

The authors are professors and co-founders, Economic Policy Centre, Mahindra University

Once upon a time in Lower Duck Pond



AKRITI KANODIA

GREG'S CAT has been missing for a couple of days. Naturally, his neighbours have been trying to help. Duncan, the town sceptic, says he saw a woman in a tan trench coat carrying a briefcase that was meowing outside the new optician's office around the time Greg's cat disappeared. Perhaps there is a cat snatcher. Or have all the cats decided to vacate the neighbourhood? Like any small, tightly knit locality, word and help spreads fast. People know whose cats are whose, where they wander and where they might turn up. They have theories, suspicions and enough local knowledge to help look.

There is just one detail that makes Greg's search unusual: The neighbourhood is fictional.

Lower Duck Pond, or LDP, is a community on Reddit where thousands have collectively built a small town by simply writing themselves one. Cynthia is looking for cooking advice before a summer festival, while residents protest a power plant across the lake. The town grows through improv: One person adds something, another person says, "yes and", then someone else comes along and makes it part of their own life. It is an ever-growing space which can house any institution, idea, and has enough room to keep everyone housed. The result is a peculiar internet community where people come to live out their fantasy of an ordinary life.

One LDP FAQ asks: "Does life always have to be perfect?" No, Bad things can happen in Lower Duck Pond. The chaos or the possibility of creating chaos in a world where the consequences remain contained behind the screen is one of the reasons for LDP's popularity. Devuluh or David created this forum because he wanted to see people be something for some time somewhere else. By keeping restrictions to a minimum, he has let the community take his intent forward.

Conspiracies, occult activities, and murders have started becoming common in LDP. People come to the forum to shine light on bad things they may have seen or experienced or feared before and let it be played out in a contained space with others without having to worry about their real life.

Lower Duck Pond is a community on Reddit where thousands have collectively built a small town by writing themselves one. Cynthia is looking for cooking advice, while residents protest a power plant

Given an empty canvas, people do not imagine a utopia but another world with uncertainty, conflict, and fear alongside community. In an age when the meaning of peace is becoming more an absence of war, the people of LDP are either mimicking the idea of normalcy they have internalised or exercising agency to repeat the bad things happening to them in the real world.

But in this fictional land, conflicts can't exist for the reasons they do in the real world — there are no actual gains. Nothing matters beyond the thread, and yet people still choose to resolve the conflicts. That choice to act is what makes the town interesting — they could ignore the conspiracies and cult accusations but they don't. They make this fictional problem their own. It is a reminder that one exists alongside everyone else and can change someone's reality for a time.

In imagined worlds, dark events aren't something one must persevere through one day at a time. They can become a way of testing the boundaries of behaviour without having to live with its permanence. A person can be cruel without becoming cruel and heroic without having to save anyone. LDP's residents are not necessarily trying to escape into better versions of themselves. They are trying out possibilities, especially the uncomfortable ones, and watching what happens when other people play along.

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If there are questions of current or contemporary relevance that you would like explained, please write to
explained@indianexpress.com

• LEGAL

In opposing creamy layer for SC/STs, what govt argued

Vineet Bhalla
New Delhi, August 10

IN AN affidavit filed before the Supreme Court, the Centre has pushed back against the demand to introduce the "creamy layer" concept for reservations for Scheduled Castes (SCs) and Scheduled Tribes (STs). It argued that the historical disadvantages faced by these communities cannot be equated with mere economic backwardness and that altering reservation policies falls within the domain of Parliament, not the courts.

The petition

The government was responding to a PIL filed by a BJP politician and advocate. It argued that affluent families within the SC and ST categories are monopolising reservation benefits, leading to an "elite capture" that deprives the most marginalised people of access to education and public employment. The petition sought the implementation of income-based preferences across all reserved categories, including Other Backward Classes (OBCs) and Economically Weaker Sections.

The petition relied on a 2024 Supreme Court judgment that permitted the sub-classification of SCs and STs. In that case, four of the seven judges on the Constitution Bench suggested extending the creamy layer principle. The petition sought to exclude socially and economically advanced people from quotas.

Historical disadvantage vs economic status

In its counter-affidavit, the Union government distinguished the criteria used to identify SCs and STs, and those used for OBCs.

SCs, the government stated, "face historical disadvantage" stemming from the practice of untouchability. Similarly, STs are identified by their "distinct cultures, geographical isolation and backwardness". In contrast, OBCs are identified primarily through a combination of social, educational and economic disadvantages.

• DISTINCT QUOTAS

- The government distinguished between SC/ST and OBC reservations. The SCs "face historical disadvantage" stemming from untouchability, while STs are identified by their "distinct cultures, geographical isolation and backwardness".
- But OBCs are identified primarily through a combination of social, educational and economic disadvantages, it said.

The government emphasised that the main objective of SC/ST reservations is to achieve social equality and justice, overcome historical discrimination and ensure inclusive participation in public life. The affidavit stated that discrimination against them "does not happen on the basis of economic conditions."

Legal precedent, separation of powers

The Centre relied on a catena of Supreme Court judgments. It cited the 1992 *Indra Sawhney* judgment, which upheld the implementation of the Mandal Commission report on OBC reservations. It introduced the creamy layer test — an income limit to exclude socially advanced persons from backward classes — it expressly confined this to OBCs, stating that it "has no relevance in the case of Scheduled Tribes and Scheduled Castes."

The government also cited the 2005 *E V Chinnaiah* judgment, in which the court held that even if a situation ever arises requiring the exclusion of a creamy layer from SCs, "it will be the Parliament alone to take the necessary legislative steps."

The government's affidavit pointed out that under Articles 341 and 342 of the Constitution, the President notifies the initial lists of SCs and STs. Once notified, any inclusion/exclusion may only be made by an Act of Parliament.

Citing previous judgments by the Supreme Court, the affidavit argued that courts cannot direct the executive to implement a particular policy "on the ground that a better, fairer or wiser alternative is available." The judiciary, it emphasised, cannot step into the shoes of the legislature to dictate public policy.



• GEOPOLITICS

Mecca Agreement: What India must watch out for

Although details of the trilateral defence pact are yet to be made public, the principal implication for India is Saudi Arabia's greater strategic integration with the Pakistan-Turkey-China axis



EXPERT EXPLAINS

BASHIR ALI ABBAS
SENIOR RESEARCH ASSOCIATE, COUNCIL FOR STRATEGIC AND DEFENSE RESEARCH, NEW DELHI



Turkish President Recep Tayyip Erdogan, Saudi Crown Prince Mohammed bin Salman and Pakistani Prime Minister Shehbaz Sharif after signing a trilateral defence agreement in Mecca, Saudi Arabia, on Friday. AP

SAUDI ARABIA, Pakistan, and Turkey signed the Mecca Agreement on Friday. With this, Pakistan, the sole nuclear power of the Islamic world, has a defence pact with one of NATO's two Muslim-majority member states, and the Gulf's largest economy.

A joint press release stated that the agreement is "intended to strengthen collective deterrence against any act of aggression and stipulates that any armed attack against any one of the three states shall be regarded as an attack against them all. It further provides for the enhancement of all aspects of defence cooperation among the three states."

No other details of the pact have been publicly released, as was the case with the Saudi-Pakistan Strategic Mutual Defense Agreement (SMDA) from September 2025.

This development occurs amidst a pause in US-Iran hostilities, a fresh regional effort towards Hamas disarmament and Israeli withdrawal from Gaza, and a tenuous lull in the Saudi-Houthi strikes that began late July.

What the Agreement is (not) about

The Mecca Agreement has drawn attention for its explicit recognition that an attack against one state is an attack on the other two. However, this is not its most credible deterrent.

First, the document's non-public nature undermines its deterrence abilities. Usually, such pacts contain hierarchical measures meant to provide clear indications to an adversary of mutual defence commitments that can be invoked.

Almost all the mutual defence assistance deals that the US signed during the Cold War were public documents to ensure their deterring effect. For example, NATO's obligations arise from the North Atlantic Treaty — a publicly available document with discrete and hierarchical actions that states are obligated to perform in case Article 5 (mutual defence) is invoked by any member state.

Similarly, the Joint Defence Agreement of the Cooperation Council for the Arab States of the Gulf (signed in 2000) — an oft-forgotten mutual defence treaty among Saudi Arabia, the United Arab Emirates, Bahrain, Oman, Qatar, and Kuwait — has a similar break-down of obligations, even though it has never been invoked against a third state to date.

Second, the most visible test of a collective security pact's credibility is when its member states actually face attack. The SMDA's record shows that the first year of Saudi Arabia's sole bilateral mutual defence pact being active was also the year it faced unprecedented missile, drone, and rocket barrages on its vital infrastructure, first from Iran and then from the Yemeni Houthis. Pakistan has not fired a single shot at either party thus far, just as Riyadh has not acted against Taliban-ruled Afghanistan (with which Pakistan has been in "open war", in Pakistan Defence Minister Khawaja Asif's words).

The last time a state attacked another solely due to mutual defence treaty obligations was in 1939, when Great Britain declared war on Germany after Adolf Hitler's invasion of Poland.

While the historical record of mutual defence treaties alone does not preclude the possibility of Turkish bombs falling in Yemen, or Pakistani strikes on Iran, or Saudi action against Afghanistan, their probability remains uncertain.

SMDA's record

Since the Saudi-Pakistan pact was signed last September, Saudi Arabia has faced unprecedented missile and drone barrages on its vital infrastructure from Iran and the Houthis.

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Pakistan has not fired a single shot at either party thus far, just as Riyadh has not acted against Taliban-ruled Afghanistan.

What is more certain is that the Mecca Agreement is another concrete step towards institutionalising a partnership framework to build Saudi Arabia's military industrial capacity.

In this framework, China and Turkey leverage their formidable military manufacturing heft, channelled through Pakistan's institutional experience as a well-integrated partner to both states, for the benefit of recipient states.

Presently, Saudi Arabia is struggling to acquire a modern fifth-generation fighter jet, is still reliant on US arms for homeland defence, is dealing with a US whose decision-making has been misaligned with Riyadh's interests, and is facing a militarily dominant Israel and Iran in the region.

Saudi vulnerability was evident in the fact that the kingdom reportedly fired about 2,400 Patriot PAC-3 interceptors during the war's first 44 days, depleting an estimated 86% of its pre-war stockpile and leaving roughly 400 missiles by April.

Collaborators and adversaries

With China in the background, both Pakistan and Saudi Arabia are already producing advanced platforms with Turkey — the KAAN fifth-generation fighter and the Baykar Akinci drone respectively. Pakistan has received special Turkish cooperation during armed operations, as was seen in its conflict against India in May 2025.

Both the Mecca Agreement and the SMDA's deterring effects are intended to apply to Iran by default, especially as it was Iran's attacks against Gulf states (even if retaliatory or directed primarily against US-linked targets) that brought Arab security vulnerabilities to the fore.

However, Arab states retain their traditional mix of means to mitigate the Iranian threat, including engagement and cooperation. The principal adversary that the new Mecca Agreement is likely directed at is, in fact, Israel.

For Turkey, Israel presents a larger security risk than Iran. This is especially true in Syria, where Iran's absence as the principal external influence has meant that Turkish interests from the north and Israeli interests from the south are set to clash, while Damascus under Ahmed al-Sharaa is now more integrated with Ankara than it was under Bashar al-Assad.

The public reporting trajectory of Turkey's interest in joining the Saudi-Pakistan pact correlated with the rise in Israeli politicians' statements characterising Turkey as Israel's next biggest threat after Iran. By February, Israeli leaders such as Naftali Bennett were calling Turkey "the new Iran". Erdogan has been fiercely critical of Israeli strikes in both Lebanon and Syria, terming them as security threats.

The Saudi need for long-term military collaboration to build domestic capabilities and Israel's threat-in-being to Turkey have warranted the Agreement, with Pakistan as the key node.

Implications for India

For India, the principal implication is Saudi Arabia's greater strategic integration with the Pakistan-Turkey-China axis. Ankara has historically been geopolitically antagonistic to New Delhi and has already demonstrated the maturity of its military cooperation with Pakistan.

Saudi Arabia, however, has been investing in strategic ties with India, especially over the last decade, despite Riyadh being a close partner to Islamabad. Riyadh's economic leverage over Pakistan and the investment appeal of the Indian economy allowed Riyadh to blindside Islamabad's diplomatic needs vis-a-vis India. Now, with Saudi security needs gradually allowing Pakistan more agency or leverage in that relationship, it is India's long-term strategic ties with Saudi Arabia that will face tests, if not obstacles.

• BANKING

Can banks lock phone for loan default? What RBI's new rules say

George Mathew
Mumbai, August 10

THE RESERVE Bank of India (RBI) has issued a comprehensive set of rules governing how commercial banks recover unpaid loans, significantly revising the conduct expected from banks and outsourced recovery agents. The new framework, which comes into force on January 1, 2027, also introduces India's first detailed regulatory framework for technology-based restrictions on mobile phones financed through bank loans.

The move follows years of complaints about harassment by recovery agents, aggressive collection practices and concerns over digital lenders remotely disabling smartphones purchased on credit.

Can banks now lock your phone?

Yes, but only under tightly regulated circumstances. The RBI has formally recognised that banks financing smartphones, tablets or laptops may use technology-based mechanisms to restrict certain device functions if the borrower defaults. Such measures, however, can only be used where the loan specifically financed that device.

The loan agreement must clearly disclose these details. No restrictions can be activated until the account becomes 30 days past due, despite notices to the borrower. Even then, restrictions must be introduced gradually. Complete restrictions permitted under the loan agreement can be imposed only after the loan remains unpaid for 60 days, and outgoing calls cannot be blocked before that.

What features cannot be disabled?

The RBI has drawn important safeguards. Banks cannot disable incoming calls, SMS services, or emergency functions. Restrictions should also not interfere with activities necessary for the borrower's work or employment.

Borrowers must be able to view the status of restrictions placed on their device at any time. Once overdue amounts are paid, banks must restore functionality within one hour. Where restoration is delayed because of the bank, compensation of Rs 250 per hour becomes payable until access is restored, subject to a ceiling equal to the loan amount. Banks and third-party technology providers are prohibited from accessing personal data stored on borrowers' devices.

Focus on recovery agents

- The RBI has made banks directly responsible for the conduct of outsourced recovery personnel.
- Banks must conduct background verification before appointing such agents and periodically thereafter. Only certified individuals can undertake recovery work.

How will banks be held accountable?

Banks must record recovery-related calls, maintain records for at least six months, and inform borrowers that conversations are being recorded. Recovery targets and incentive structures should not encourage aggressive behaviour.

Every bank must establish a dedicated grievance redressal mechanism for recovery-related complaints. Details must appear in loan documents and all recovery communications.

Why were fresh directions issued?

India's retail lending market has expanded rapidly over the past decade, driven by digital loans, unsecured personal credit, Buy Now Pay Later products and financing for smartphones and other consumer electronics. Complaints relating to recovery practices have also risen.

The RBI's directions seek to address these developments through a comprehensive framework covering recovery agents, recovery agencies, banks' internal policies, grievance redressal and the use of technology in loan recovery. This applies to all commercial banks.

What changes for banks, borrowers?

The RBI has made recovery a board-governed process rather than merely an operational function. Banks must frame a comprehensive recovery policy that clearly specifies when recovery proceedings begin, the sequence of recovery measures, escalation mechanisms, and the code of conduct to be followed by employees as well as outsourced recovery agents.

The biggest shift is the emphasis on respectful recovery practices. Recovery agents can contact borrowers only between 8 am and 7 pm, unless the borrower specifically requests otherwise. They must identify themselves through identity cards and authorisation letters and carry copies of notices issued by the bank.

• CULTURE

How a 4'6" woman stood in for Odysseus: The curious craft of stunt doubling

Anagha Jayakumar
New Delhi, August 10

A SCENE in Christopher Nolan's *The Odyssey* features the titular Odysseus facing off against the Laestrygonians, the giant armoured cannibals of Homer's epic. There is just one catch: the impressive pair of arms audiences see on screen do not belong to actor Matt Damon.

His double in the sequence was stuntwoman Devyn Dalton, who, he said, has "the greatest arms I've ever seen". Dalton is 4'6" tall, while Damon is a fairly average 5'10", and her smaller stature was part of the point: shorter performers helped make Odysseus and his men appear dwarfed by the Laestrygonians.

"Ultimately, my physique, skill set, experience and height were all reasons I was chosen for the job," Dalton told *The Indian Express*. Her casting offers a glimpse into a part of filmmaking designed to go unnoticed, and how one performer is swapped for another without audiences noticing.

How are stunt doubles chosen?

Dalton compared the process to putting together a puzzle: height and build matter, but so do movement, experience and the specific skills a sequence demands. "You might look exactly like someone, but if the job requires a particular fight style, a high fall, wire work or another specialist skill you don't have, being their doppelgänger isn't going to help much!" Dalton said.

Movement can be just as important as appearance. "Everyone walks, runs, stands and reacts differently. A good double learns those details and adapts their own movement so that everything feels like one continuous performance," she added.

On Indian productions, the requirements can vary. Assistant director Anand Murali, who has worked on productions including *Suzhal: The Vortex* and *Vikram Vedha* (2022), told *The Indian Express*, "Face resemblance is mostly overlooked, but [matching] the height and build is a non-negotiable factor."

Does gender matter?

According to Dalton, stunt casting comes down to who is right for the job, even if women doubling for men is "definitely less common".

"We also have incredible hair, makeup and costume departments that can transform performers into whoever they need to be. I've spent a lot of my career becoming things I'm very much not in real life, so transforming into a man isn't actually the strangest thing I've done!" Dalton said.

Cross-gender doubling itself is hardly unprecedented. Adult stuntwomen have, for instance, doubled young actors. In Hollywood, men would at times don wigs and women's clothing to double actresses, a practice known as "wigging". It eventually drew criticism from stuntwomen who argued that they were losing work to male performers.

India had its own version of this history. When pioneering stuntwoman Reshma Pathan entered Hindi cinema in 1968, men were still doubling women. Pathan was among the women who began changing that; several more women stunt performers entered the industry soon.



A scene from 'The Odyssey'. SYNCOPY INC.

The practice has not disappeared entirely. Murali said male stunt performers are sometimes used to double women on productions in South India, particularly when women stunt performers are unavailable locally and bringing them in from production centres like Mumbai or Hyderabad adds to costs.

So why don't we notice the switch?

"People tend to think you need to be the actor's identical twin, but filmmaking has a lot more tricks up its sleeve than that," Dalton said. What audiences often pick up on instead is body language: "how someone stands, their posture, rhythm and the way they move."

Research from the University of California, Berkeley, suggests yet another factor. In a 2014 study, researchers Alina Liberman and David Whitney found that our perception of a face is influenced by similar faces seen in the preceding several seconds, helping the brain maintain a stable sense of identity even as appearances change.

The illusion begins well before the cameras roll. Stunt doubles spend a lot of time rehearsing a sequence, working out the mechanics of a stunt and helping train actors for the action beats they will perform themselves. Murali said doubles can be brought in from the rehearsal stage.

Making sure the audience never sees the switch is then a team effort, involving the stunt and camera departments, the director and editors, as well as costume, hair and make-up. The mechanics are largely the same across Indian and Hollywood productions, Murali said; the bigger differences are budgets and the availability of suitable stunt doubles.

For Dalton, the attention around *The Odyssey* has helped challenge one of the biggest misconceptions about her profession: that stunt doubling is simply about looking like an actor. "Stunt performers are storytellers. Sometimes we tell the story through dialogue, sometimes through movement, and sometimes by getting thrown across a room. It's all part of bringing the character to life."

CHANDRASEKARAN BECAME THE CHAIRMAN OF TATA SONS IN 2017 AFTER CYRUS MISTRY'S EXIT

Tata Trusts to meet on August 13; Chandra's term renewal in focus

George Mathew
Mumbai, August 10

THE TATA Trusts board is scheduled to meet on August 13 to consider and approve the accounts and other matters ahead of the Tata Sons annual general meeting (AGM) on August 18, with the renewal of N Chandrasekaran's tenure as chairman expected to be a key issue.

The Trusts have also approached the Maharashtra Charity Commissioner seeking a one-time waiver to enable trustees of the Sir Ratan Tata Trust (SRTT) to hold a meeting and consider its accounts and other matters.

The move assumes significance as the SRTT is currently restrained from holding meetings, creating uncertainty over its proposed grants of around Rs 400 crore as well as its Tata Sons dividend.

The SRTT could also face difficulty in exercising its voting rights at the Tata Sons AGM on August 18 unless it obtains approval from the Charity Commissioner. The issue has added another layer of uncertainty to the crucial shareholder meeting.

At the Tata Sons AGM on August 18, shareholders are expected to consider the reappointment of Chandrasekaran as a director. His current tenure as Executive Chairman of Tata Sons ends in February next year. Any decision on extending his tenure is expected to require the backing of the Tata Trusts, the principal shareholders of Tata Sons.

Tata Trusts did not respond to a mail from *The Indian Express*.

The August 13 Trusts meeting, is therefore, likely to be significant in determining the Trusts' position on Chandrasekaran's continuation, said a source in the Tata group.

Chandrasekaran's extension faces hurdles

On February 24, the outcome of the board meeting of Tata Sons was unusual as Noel Tata surprised other directors, raising questions on losses made by several unlisted companies in the $180 billion group.

While the extension of Chandrasekaran for a third term of five years was agreed upon earlier by Tata Trusts trustees, Noel Tata proved to be a tough task master, raising several queries at the board meeting and putting across several conditions for approving another term for him. Four Tata Sons directors were in favour of extending the tenure and were ready to put the issue on vote, but Chandrasekaran proposed postponement of the decision because he felt that the decisions in Tata Sons should be consensus-based, a tradition followed by late Ratan Tata. In short, he wanted the approval of Noel Tata for the extension.

Chandrasekaran, 63, became the chairman of Tata Sons in 2017 after the exit of Cyrus Mistry. He got his second extension in 2022. For a third extension, Tata Sons will have to waive the retirement norms. As per the current policy, directors in executive positions should retire on attaining 65 years of age.

Meanwhile, the uncertainty over the Trusts' decision-making stems from ongoing disputes involving Tata Trusts trustees Venu Srinivasan and Vijay Singh, former trustee Mehli Mistry and questions over the composition and functioning of the SRTT board. The Maharashtra Charity Commissioner is expected to hear the Trusts' response to various complaints before the Tata Sons AGM.

Mistry challenges trustee appointments

The governance dispute came into sharper focus in May, when Srinivasan and Singh were not reappointed as trustees of the Tata Education and Development Trust, a comparatively smaller entity within the Tata Trusts group. Mistry voted against their reappointment, while Singh voted in favour of Srinivasan and Srinivasan voted in favour of Singh. Under the trust's rules, however, reappointment requires unanimous approval, resulting in their terms not being extended.

On May 15, the Tata Trusts indefinitely deferred its board meeting scheduled for May 16 following an order from the Maharashtra Charity Commissioner. The order referred to representations or complaints made by Tata Sons director and Tata Trusts trustee Venu Srinivasan and advocate Katyayani Agrawal. FULL REPORT ON WWW.INDIANEXPRESS.COM

• TRUSTS MEETING

THE TRUSTS have approached the Maharashtra Charity Commissioner for a one-time waiver to enable trustees of the Sir Ratan Tata Trust (SRTT) to hold a meeting and consider its accounts and other matters

THE MOVE assumes significance as the SRTT is currently restrained from holding meetings, creating uncertainty over its proposed grants of around Rs 400 crore as well as its Tata Sons dividend

THE SRTT could also face difficulty in exercising its voting rights at the Tata Sons AGM on August 18 unless it obtains approval from the Charity Commissioner



AMID ADANI'S AIRLINE INTEREST

AAI got request for cross-holding cap waiver, MoCA yet to consider

Sukalp Sharma
New Delhi, August 10

THE GOVERNMENT on Monday said there was no blanket policy restricting airport operators from holding substantial equity in airlines, although cross-holding restrictions are part of contracts for some airports operated by private sector players. It added that the state-owned Airports Authority of India (AAI) had received a request seeking a waiver of the cross-holding cap provision, but the matter is yet to be examined by the Ministry of Civil Aviation (MoCA).

The comments, which were in response to a question from CPI(M) MP John Brittas, come close on the heels of reports that the Adani Group, which operates eight airports, had sought relaxations from cross-ownership restrictions as it was evaluating participating in the airline business. On July 24, Adani group flagship Adani Enterprises had said that it was not evaluating any proposal to enter the airline business. The Adani group didn't immediately respond to a request for comment following the government's response in the Rajya Sabha today.

"There is no such Government Policy restricting operators of major airports from holding substantial equity in or operating scheduled airlines. However, the extant contractual agreements relating to some airports under Public Private Partnership contain certain restrictions on scheduled airlines and their group entities/associates from holding Equity Share of the Concessionaires," Minister of State for Civil Aviation Murlidhar Mohol said in a written response to Brittas's question.

"Request seeking waiver of the relevant agreement provision has been received by AAI. The matter has not yet been examined by the Ministry of Civil Aviation," Mohol added. Mohol didn't name the Adani group, nor did Brittas in his question.

The Adani group operates eight airports in the country and has a major presence in other segments of the aviation sector, including ground handling, maintenance, repair and overhaul, and pilot training. The conglomerate also plans to set up an aircraft manufacturing facility in India in partnership with Brazil's Embraer. FULL REPORT ON WWW.INDIANEXPRESS.COM

Govt got Rs 10,000 cr in under 3 months from gold duty hike

Siddharth Upasani
New Delhi, August 10

The government collected Rs 10,463 crore in revenue from gold, silver and platinum imports between May 13 and August 2

THE CENTRAL government has collected Rs 10,040 crore as revenue just from gold bought from abroad after it raised the customs duty on the yellow metal on May 13, Minister of State for Finance Pankaj Chaudhary informed the Parliament on Monday.

The revenue was collected from May 13 to August 2. A further Rs 328 crore was collected from silver imports and Rs 95 crore from platinum purchases from overseas.

All in all, Rs 10,463 crore has been collected as revenue by the government from the import of gold, silver, and platinum between May 13 and August 2. To put this number in perspective, the Centre's overall customs duty revenue in May-June was Rs 40,317 crore, up 42% year-on-year, latest data shows.

On May 13, the government hiked the customs duty on gold and silver imports from 5% to 10%, and Agriculture Infrastructure and Development Cess (AIDC) from 1% to 5%, taking the total effective import duty to 15%. The effective import duty on platinum was also increased to 15.4% from 6.4%.

Further, the import duty on gold and silver findings was also raised to 5%, with platinum findings attracting a duty of 5.4%.

Findings are small components such as hooks, clasps, clamps, pins, and screws used to hold the whole or a part of a piece of jewellery in place.

Finally, a 3% IGST will be payable on all imports of precious metals in addition to the basic customs duty and AIDC.

Gold is one of India's major imports and amounted to $72 billion in 2025-26, up 24% from the previous year. In January 2026, for the first time ever, Indians invested more in gold Exchange Traded Funds than equity mutual funds. FULL REPORT ON WWW.INDIANEXPRESS.COM

Apr-Jun unemployment at 5.4%, highest in 4 quarters

Shubham Rana
New Delhi, August 10

INDIA'S UNEMPLOYMENT rate for people aged 15 years and above rose to a four-quarter high of 5.4% in April-June 2026, with joblessness rising in both rural and urban areas, data released by the Ministry of Statistics and Programme Implementation on Monday showed. The rise in unemployment was broad-based, with the highest rate of joblessness seen among young females, especially in urban areas.

On average, 566 million persons aged 15 years and above were employed in the country during April-June, of which 402 million were male and 164 million were females.

The unemployment rate was up from 5.0% a quarter ago and the highest since April-June 2025, when it was 5.4%. The rural unemployment rate rose to 4.8% in April-June from 4.3% a quarter ago, while the urban unemployment rate inched up to 6.7% from 6.6% in January-March.

The female unemployment rate rose to 5.7% from 5.3% a quarter ago, while for men it increased to 5.3% from 4.8% in January-March. Female youth unemployment jumped to a series-high of 19.6% in April-June from 17.7% a quarter earlier.

Youth unemployment — for those aged between 15 and 29 years — jumped to 15.9% in the first quarter of 2026-27, the highest in the current Periodic Labour Force Survey series, which has data from April-June 2025. Youth unemployment was 15% in January-March and 14.6% a year ago. **FE**

Paytm shares soar 10%, Bernstein raises price target amid MDR talks

Nameera Anjum
New Delhi, August 10

SHARES OF One97 Communications Ltd, the parent company of digital payments major Paytm, jumped over 10% on Monday on the NSE, hitting a fresh 52-week high, after global brokerage Bernstein maintained its 'outperform' rating on the company and raised its price target sharply to Rs 2,200 from Rs 1,500. This implies an upside of nearly 40% from current levels.

The brokerage cited the impact of a potential Merchant Discount Rate (MDR) on UPI transactions from FY28 as a key factor behind its decision, although it warned that competitive intensity in merchant acquiring could increase further once the MDR kicks in. This could lead to realised economics being lower than published rates. Bernstein expects an MDR fee could lift Paytm's net payments margins by 3-4 basis points, which could drive a 30% increase in the company's earnings per share for FY30 compared to its previous forecasts.

One97's stock opened higher at Rs 1,445 on Monday and touched an intraday high of Rs 1,598.5. It closed at Rs 1,584.1, up 9.9% from Friday's close of Rs 1,441.6. Other fintech players such as One Mobikwik Systems Ltd also surged 3%, followed by AvenuesAI Ltd, formerly known as Infibeam Avenues Ltd, which was up 2%.

Paytm is the third-largest app in terms of the number of UPI transactions it handles. In June, it handled 1.8 billion UPI transactions worth a total of Rs 1.9 lakh crore. However, it was way behind top-ranked PhonePe (10.5 billion transactions) and second-placed Google Pay (7.4 billion transactions).

UPI transactions have not faced any MDR so far. But to help with the costs of running the payments infrastructure, the government has been subsidising UPI payments of up to Rs 2,000 made to only small merchants. However, this incentive is capped at 0.15% of the transaction value and is shared between banks, payment service providers and third-party app providers.

The Centre paid out Rs 8,730 crore under the incentive scheme from 2021-22 to 2024-25. However, this was only 11% of the cost incurred by the payment industry.

In April-June, One97 posted a profit of Rs 212 crore, noting that its Payment Processing Margin had "structurally improved" to over 4 bps due to higher growth in profitable MDR-bearing instruments such as credit cards on UPI and credit line on UPI (Postpaid), among other factors.

"With relation to MDR on UPI, we only have one line to say — we want both MDR and non MDR paying merchants to benefit. Our life won't change materially. Whatever will come will come in the bottom line and whatever will come will be good. So that's it. There is no obligation in the business model," Founder and CEO Vijay Shekhar Sharma had said in a post-earnings call. FULL REPORT ON WWW.INDIANEXPRESS.COM

Govt plans child labour survey, Parliament panel seeks impact of welfare schemes

Siddharth Upasani
New Delhi, August 10

THE CENTRAL government is planning to conduct a National Child Survey, with the Ministry of Statistics and Programme Implementation (MoSPI) having begun discussions with the Ministry of Women and Child Development (MoWCD).

According to the 42nd report of the Standing Committee on Finance, tabled on Monday, the survey hopes to "map the needs of children under Mission Vatsalya, specifically focusing on children in need of care and protection and juveniles requiring legal and social rehabilitation". Formerly known as Integrated Child Protection Scheme, Mission Vatsalya focusses on child rights, advocacy, and awareness as well as strengthening of the juvenile justice care and protection system.

In its report, the Standing Committee on Finance noted that while a robust legal framework exists, "the abolition of child labour remains a complex challenge", with coordination gaps and absence of updated data being key obstacles. As such, the committee has called on MoSPI and MoWCD to "move beyond the discussion stage" regarding the survey.

Specifically, the survey must capture data on children working in the informal sector, street children, and out-of-school children, the committee said. FULL REPORT ON WWW.INDIANEXPRESS.COM

RP-Sanjiv Goenka Group buys ReNew Solar Power

Mumbai: The RP-Sanjiv Goenka Group (RPSG) on Monday announced that Purvah Green Power Pvt Ltd, CESC Ltd's renewable energy platform, is set to acquire a 1.4 GWp operating solar portfolio from ReNew Solar Power Pvt Ltd for an enterprise value of Rs 4,859 crore. The portfolio is spread across six special purpose vehicles in Rajasthan and Karnataka.

ReNew Power Group was founded by Sumant Sinha, son of former Finance Minister Yashwant Sinha.

The acquisition has been funded by CESC. "The transaction is among the largest acquisitions of operating solar assets in the Indian market and marks a decisive shift in the composition of Purvah's portfolio — from a platform built primarily on projects under development to one anchored by assets already generating contracted cash flows," CESC said in a statement.

The acquired assets are operational projects with an established generation track record. Over 90% of the capacity is contracted with the Solar Energy Corporation of India (SECI) under long-term power purchase agreements, with the balance contracted with Karnataka distribution companies, it said. **ENS**

• BRIEFLY

Finance ministry to host two-day PSB conference

New Delhi: The Finance ministry will host a two-day PSB Confluence next week, bringing together the top leadership of public sector banks and public financial institutions to deliberate on measures for delivering people-centric outcomes. Finance Minister Nirmala Sitharaman and Minister of State for Finance Pankaj Chaudhary are expected to attend the conclave to be held on August 17-18. The event will provide a platform for the participating institutions to share best practices, the ministry said. PTI

• MARKETS

Sensex	NIFTY	Gold ▲	US Dollar ▲
78,542.44	24,583.80	₹1,50,641	₹95.30
43.27	13.15	Silver ▼	Oil ▲
0.06%	0.05%	₹2,31,373	$87.07

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION DATA GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF AUGUST 7, 2026

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FORM NO. CAA. 2

[PURSUANT TO SECTION 230(3) OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016]

IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH

COMPANY APPLICATION NO. CA(CAA)/31(AHM)2026

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED WITH IRM ENERGY LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

IRM Energy Limited, a company incorporated under the provisions of the Companies Act, 2013, having Corporate Identity Number L40100GJ2015PLC085213 and its registered office at 4th Floor, Block 8, Magnet Corporate Park, Near Sola Bridge, S.G. Highway, Ahmedabad – 380 054, Gujarat, India	..Transferee Company

NOTICE AND ADVERTISEMENT OF NOTICE OF MEETINGS OF EQUITY SHAREHOLDERS AND UNSECURED CREDITORS OF THE TRANSFEREE COMPANY

Notice is hereby given that by an Order dated Monday, July 27, 2026 (**"Tribunal Order"**), the Ahmedabad Bench of the National Company Law Tribunal (**"Tribunal"**) has directed separate meetings of the equity shareholders and unsecured creditors of the Transferee Company to be convened and held for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Enertech Distribution Management Private Limited (**"Transferor Company"**) with IRM Energy Limited (**"Company"** or **"Transferee Company"**) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (**"Scheme"**) and also other applicable Rules and Regulations.

In pursuance of the said Tribunal Order and as directed therein, further notice is hereby given that separate meetings of the equity shareholders and unsecured creditors of the Transferee Company will be held as given under:

Sr. No.	Meeting of	Day and Date of Meetings	Time of Meetings (IST)	Mode
1.	Equity Shareholders	Saturday, September 12, 2026	10:30 a.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"
2.	Unsecured Creditors	Saturday, September 12, 2026	12:30 p.m.	

The equity shareholders and unsecured creditors of the Transferee Company are requested to attend their respective meetings through VC / OAVM, as physical attendance at the meetings has been dispensed with. Further, the facility for appointment of proxies will not be available for these meetings.

The Scheme if approved by requisite majority of the equity shareholders and unsecured creditors at these meetings will be subject to subsequent approval of the Tribunal and such other approvals, permissions, and sanctions of regulatory or other authorities, as may be necessary.

Individual notices of the respective meetings which, inter alia, includes the Scheme, Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromise, Arrangement, and Amalgamations) Rules, 2016, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) and also other applicable rules, circulars and guidelines issued by the Securities and Exchange Board of India have been sent to the equity shareholders by email whose names appear in the register of members / list of beneficial owners as on **Friday, August 07, 2026** and to the unsecured creditors by email whose names appear in the list of unsecured creditors as on **Sunday, May 31, 2026**.

The aforesaid notices and accompanying documents are also placed on the: (i) website of the Transferee Company and can be accessed at www.irmenergy.com; (ii) website of M/s MUFG Intime India Private Limited (formerly Link Intime India Private Limited) (**"RTA"**) viz. https://instavote.linkintime.co.in/, being the agency appointed by the Transferee Company, which will provide the facility of voting to the equity shareholders and unsecured creditors through remote e-voting, for participation in the Meeting through VC/OAVM and e-voting at the Meeting; (iii) the website of BSE Limited (**"BSE"**) viz. www.bseindia.com; and (iv) the website of National Stock Exchange of India Limited (**"NSE"**) viz. www.nseindia.com.

If so desired, the equity shareholders and unsecured creditors may obtain a physical copy of the respective notices and the accompanying documents, free of charge. A written request in this regard, may be addressed to the Company Secretary & Compliance Officer at investor.relations@irmenergy.com.

The Hon'ble Tribunal has appointed Shri. Sanjiv Dutt, Ex. Member, Hon'ble National Company Law Tribunal, to be the Chairperson for the meetings of the equity shareholders and unsecured creditors of the Transferee Company.

Manner of casting vote(s) through e-voting and attending the meetings through VC/OAVM

The Transferee Company is providing to the equity shareholders and unsecured creditors the facility to exercise their right to vote by electronic means, i.e. remote e-voting and e-voting at the meeting (together referred to as "e-voting"). The process and manner of e-voting and attending the meeting through VC/ OAVM is given in the "Notes" section of the notice of the respective meetings. The remote e-voting timelines, and login details for e-voting and attending the meetings are as under:

Particulars	Meeting of Equity Shareholders	Meeting of Unsecured Creditors
Event number of the meeting on e-voting system	260525	260526
Cut-off Date for reckoning entitlement for e-voting and attending the meeting	Saturday, September 05, 2026	Sunday, May 31, 2026
Commencement of remote e-voting	Wednesday, September 09, 2026, at 9:00 a.m. (IST)	Wednesday, September 09, 2026, at 9:00 a.m. (IST)
Conclusion of remote e-voting	Friday, September 11, 2026, at 5:00 p.m. (IST)	Friday, September 11, 2026, at 5:00 p.m. (IST)
User ID and Password	Refer Instructions mentioned in the notice of the meeting.	Refer Instructions mentioned in the notice of the meeting.

Note: The remote e-voting facility will be disabled beyond aforesaid date and time.

The equity shareholders and unsecured creditors of the Transferee Company will be provided with the facility for e-voting during the respective meetings. The equity shareholders and unsecured creditors who have cast their vote by remote e-voting (prior to the Meeting) will be eligible to attend / participate at the respective meetings through VC / OAVM but shall not be entitled to cast their vote again.

A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e., **Saturday, September 05, 2026 ("Cut-off Date")** only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the notice and attend the meeting of the equity shareholders of the Transferee Company. A person who is not an Equity Shareholder as on the Cut-off Date, should treat the notice for information purposes only. Any person, who acquired shares of the Transferee Company and becomes a member of the Transferee Company after dispatch of the notice and holds shares as on the Cut-off Date, may obtain the login ID and password by following the instructions as mentioned in the notice.

Equity shareholders holding shares in physical form or equity shareholders who have not registered their email addresses may also exercise their voting rights through e-voting and attend the meeting, by following the instructions provided in the notice of the meeting of the equity shareholders.

A person whose name is recorded in the list of unsecured creditors available with the Transferee Company as on the cut-off date, i.e., **Sunday, May 31, 2026 ("Cut-off Date")** only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the notice and attend the meeting of unsecured creditors of the Transferee Company. Unsecured creditors whose email addresses are not available in the records of the Transferee Company may exercise their voting rights through e-voting and attend the meeting, by following the instructions provided in the notice of the meeting of unsecured creditors.

The Hon'ble Tribunal has appointed CA Sehmil Devdiwala to scrutinize the e-voting process during the respective meetings in a fair and transparent manner and submit the report on the votes cast to the Chairperson of the meetings or to any person so authorized by the Chairperson, within 2 (two) working days of the conclusion of the respective meetings.

The results of e-voting will be declared within 2 (two) working days of the conclusion of the respective meetings and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Transferee Company at www.irmenergy.com and on the website of RTA at https://instavote.linkintime.co.in/ and on the website of BSE viz. www.bseindia.com and on the website of NSE at www.nseindia.com. The Transferee Company will also display the results on the notice board at the Registered Office of the Transferee Company.

For any query or issue regarding e-voting, you may refer Frequently Asked Questions ("FAQ") and InstaVote e-voting manual available under help section at https://instavote.linkintime.co.in/ or send an email to enotices@in.mpms.mufg.com or contact on Tel: 022 – 4918 6000.

Sd/-
Sanjiv Dutt
Chairperson appointed by the Tribunal for the Meeting

Place: Ahmedabad
Date: 10 August, 2026

OUR VIEW

ISTOCKPHOTO



Reckless AI requires a multilateral kill switch

The US-China dash for AI supremacy has been likened to a nuclear arms race for reasons fast coming into view. India must lose no time in pushing for a global regulatory framework

The world of technology was shaken when Chinese startup Moonshot recently unveiled its artificial intelligence (AI) model Kimi K3. Astoundingly, it compared well with similar American products on many measures. Domain experts were surprised to find that it was perhaps only weeks behind comparable US platforms. But what really shook Big AI was the realization that Kimi K3 had been built with open-source software, thereby costing a fraction of what its big models took, and was released as an open-weight model; this not only allows cheaper access, it also lets users tweak its nuts and bolts on their own to customize it for specific usage. While Washington has imposed export curbs on US-based developers in an ironic retreat from free-market ideals, Beijing has not announced any such restrictions yet. This adds a new element to the AI race between the US and China, which many observers have likened to a nuclear arms race in calling for a multilateral regulatory structure before it goes out of hand. India's Brics presidency this year is perhaps the perfect platform to initiate such a framework for AI.

The need of a 'kill switch' for AI configurations has become increasingly evident, given reports of AI security breaches every passing day. In what looked suspiciously like a chest-puffing race, OpenAI, Anthropic and Meta have all reported how deftly their AI agents broke out of supposedly secure testing sandboxes and indulged in sophisticated cyber-attacks. This comes even as a legion of anti-regulation hardliners in the US spend vast sums on not only funding the poll campaigns of 'free market' lawmakers, but also lobbying the White House for flimsy safety mandates under a skeletal framework of voluntary compliance, or even zero enforcement. The US government's export bars aim to keep the latest AI tools, adept at hacking 'secure' networks, out of the wrong hands. But this is only for now; given the administration's penchant for policy on the fly, nobody can bet which way it may turn. In contrast, Chinese AI offers a modicum of clarity; both DeepSeek and Moonshot's offerings are cheap, customizable and available to all. Given how fiercely the US and China are vying for AI supremacy, with secondary actors now in the fray as well, a kill switch against the perils of misuse assumes all the more urgency. The big question is: where should it be located?

This is where India might have a role to play. New Delhi has long backed multilateral governance, even though it was dealt a bad hand by the World Trade Organization and a key strategic partner, the US, turning its back on the old order. Its 2026 presidency of Brics is an opportunity to rally like-minded partners and other nations of the Global South to get talks moving for a multilateral AI regulator on the lines of the International Atomic Energy Agency. The EU's legal framework under its Artificial Intelligence Act could serve as a useful starting point. India has pioneered many global movements in the past. It has sought an equal planet for all, striven to protect human dignity and been a champion of universal prosperity. All this is at threat now that AI looks close to achieving escape velocity, or what Big AI calls artificial general intelligence. As with nukes, 'mutually assured destruction' (better known by its acronym 'Mad') may soon loom over adversaries, with collateral consequences for the rest. New Delhi must quickly persuade the world that reckless AI urgently needs a multilateral kill switch.

THEIR VIEW

The US may be winning battles but is it losing an economic war?

The Iran war's significance may lie in its eventual impact on the economy of an overstretched US



ABHINAV JINDAL & TARUNIKA JAIN AGRAWAL
are, respectively, an economist, and assistant professor, Faculty of Management Studies, University of Delhi.

Brent crude was in the low $70s a barrel at the beginning of July. Four weeks later, amid open talk in the US of a "massive attack" on Iran, it soared past $100, up more than 35%. The dollar strengthened and Treasury bonds maintained their role as the world's safe haven. While this appears to showcase US economic primacy, a closer look reveals a disconcerting reality: the developed world's diminishing capacity to absorb shocks.

Unlike the oil crises of 1973, 1990 and 2003, the 2026 Hormuz crisis has hit a world grappling with record public debt, persistent budget deficits, high real interest rates and an ageing population. The approach of easing monetary policy while also running large deficits is staring at its limit. This crisis marks not just a geopolitical event, but also a stress test for the developed-market economic order, with consequences likely to echo long after any ceasefire.

What's crucial is the compounding of shocks. The magnitude of the initial shock is less significant than the feedback effects it generates. Rising energy prices are driving inflation, forcing some central banks to maintain high interest rates or even tighten despite a slowing economy. In the US, each new geopolitical commitment increases its defence budget (and often deficit), which leads to more bond issuances. If demand for bonds falls short, this cycle further elevates interest rates, crowding out necessary funding for infrastructure and future growth. The US might be winning its military battles, but it could be losing the broader economic war.

America's fiscal reckoning—a new economic battlefield: Washington entered this conflict with gross federal debt exceeding $40 trillion, nearly 125% of GDP—including intragovernment debt. Its federal deficit stands at about 6% of GDP, with net interest costs surpassing defence spending in the federal budget. The 10-year treasury yield is at 4.7%, its highest since January 2025, while the 30-year yield is above 5%, the highest since the year before the 2008 crisis.

This mounting burden may partly explain its GDP growth slowing to 1.5% in the second quarter of 2026 from 2.1% in the first as government spending, investment and exports weakened. While inflation eased from 4.2% in May to 3.5% in June, it remains above the Federal Reserve's 2% target.

Recently, the Fed left interest rates unchanged at 3.50-3.75% for the fifth consecutive meeting. Chair Kevin Warsh emphasized that there's no "magic wand" to control inflation as energy prices climb amid the conflict. What sets 2026 apart is the fiscal arithmetic underpinning the crisis. Every additional basis-point increase in bond yields carries a much higher budgetary cost compared to a decade ago, given America's debt enlargement.

Only robust global demand for US Treasuries can sustain this. Historically, geopolitical crises have driven Treasury yields down as investors seek safety. This time, however, its debt overload and persistent market liquidity have offset that downward pressure. The conflict between tight monetary policy and abundant liquidity helps explain why inflation remains more persistent than conventional models predict. This situation also highlights the limitations of Washington's policy flexibility, despite the dollar's apparent strength.

On top of these economic concerns, political dynamics add another layer of complexity. The conflict in West Asia has not yielded the decisive results the US administration hoped for. As the country approaches mid-term polls, President Donald Trump's net approval rating has dropped to around minus 25 points, the lowest of his term. This poses a risk of turbulence driven more by electoral than economic factors, even as markets hope for de-escalation.

Further, the conflict is not isolated. Iran is supporting Russia in Ukraine, and Ukraine is targeting Iranian-linked assets, hinting of an emerging axis of Russia, Iran, North Korea and China. A wider war is not inevitable, but the overlap of these conflicts is enough to keep oil prices and risk premiums elevated during quieter periods. As America grapples with the harsh reality that strength comes at a price, its European partners are also feeling the impact of this evolving geopolitical landscape.

The economics of power—a new global divide: For decades, investors felt being 'developed' was synonymous with 'safe.' This crisis has dismantled that view. Advanced economies have accumulated excessive debt and left themselves with little policy flexibility, so any sustained geopolitical shock can threaten their fiscal stability, monetary independence and long-term growth.

Wars are now fought on government balance sheets, bond markets and in central-bank meeting rooms. While military superiority can win a conflict, it may not repeal the arithmetic of debt, inflation and rising borrowing costs—even, beyond a point, for an economy privileged by its control of the global reserve currency. The defining divide of the next decade may well be between countries with the fiscal resilience to absorb repeated shocks and those whose ambitions have outpaced their balance sheets. And economic power tends to underpin geopolitical power, as it determines how much of the latter a country can sustainably afford.

These are the authors' personal views.

10 YEARS AGO


mint

Uber deal tests Didi's pact with Ola

Chinese tech firms forced to choose their market

PASSENGER VEHICLE SALES RISE 13TH MONTH IN A ROW

Tata Chemicals to sell urea biz to Yara for ₹2,670 crore

Was open to extension at 6%, says Rajan

The inside story of what happened at Hero Group

JUST A THOUGHT

"I think that most people are underestimating just how radical the upside of AI could be, just as I think most people are underestimating how bad the risks could be.

DARIO AMODEI

GUEST VIEW

Why New Delhi must build a strong bridge to Brussels

PARIKSHIT LUTHRA & VINAY RAMESH



are, respectively, director, policy and government partnerships, The Convergence Foundation; and chief operating officer, Foundation for Economic Development

The European Union (EU) is headed for a trade war with China. Alarm bells have been ringing in Brussels for a while now, and the 27-member bloc is putting in place aggressive measures to defend itself against dumping, overcapacity and supply-chain dependencies created by China, Europe's biggest source of imports.

Those measures come in the wake of the EU-China trade deficit reaching a massive €360 billion in 2025. EU exports to China totalled €199.5 billion, down 6.5% year-on-year, while imports stood at €559.5 billion, up 6.4%. The EU Trade Department has termed the relationship with China as "critically unbalanced" and blamed China's economic model for "systemic distortions."

European Trade Commissioner Maros Sefcovic made the bloc's displeasure clear in a meeting with his Chinese counterpart in Brussels a month ago. "China's exports to the EU keep rising, while our market share in China keeps shrinking. This trend is not sustainable. The *status quo* is not an option," Sefcovic reportedly said after the meeting.

This January, India and the EU signed what European Commission President Ursula von der Leyen described as "the mother of all deals." Taken together, they comprise two billion people and 25% of global GDP. A survey by the Federation of European Business in India found that 75% of European businesses are interested in manufacturing and supply chain cooperation. However, less than 50% are interested in exploring India as a base for exports.

Given China's trade frictions with OECD countries, Vietnam, Malaysia, Thailand and Bangladesh have been beneficiaries of supply-chain shifts. While India's gross foreign direct investment (FDI) has increased, only a part of it represents fresh capital raised for new ventures. FDI in manufacturing has been at or below 0.5% of GDP, while for Vietnam it is almost 3%. Only two EU countries—the Netherlands and Germany—figure among the top 10 equity investors in India.

For India, the free trade agreement (FTA) brings an opportunity to not only increase exports to Europe but also attract FDI from there into manufacturing for exports. There is a need for a focused strategy.

Review the model Bilateral Investment Treaty (BIT) law: We must signal to European businesses that we are serious about protecting their investments in India. Experts believe India's 2016 model BIT law deters multinationals that consider India as an investment option. The legal requirement to exhaust local remedies for a period of five years before commencing international arbitration is not in line with global practices. Investors are wary of judicial delays.

The EU's trade friction with China offers India a chance to deepen economic ties with the bloc

The US, UK, Germany, Indonesia, Vietnam and Japan have no such requirement. While it is good that India has started reviewing its model BIT law, we need short local remedy timelines, negotiations first and an arbitration window that investors find agreeable. India recently signed a BIT with the UAE where the local remedy period was reduced to three years, but more needs to be done. Giving investors a choice between arbitration and domestic legal remedies, as in some nations, would also be welcome.

Industrial policy 2.0: China spends up to 4% of GDP on industrial policy annually, amounting to roughly $800 billion. In 2021, India announced a ₹1.96 trillion (roughly $25 billion) production-linked incentive scheme for 14 sectors. Considering China's high direct spending on manufacturing, India must scale up its PLI budget to around ₹4 trillion or offer similar new incentives as part of its industrial policy.

The PLI for smartphones has been highly successful. One contributing factor was the government's move to steadily reduce barriers for key inputs and raw materials.

This effort must be replicated across sectors. Change in tariffs and non-tariff barriers such as Quality Control Orders create hurdles for the very industries we are trying to incentivize. China and Vietnam have shown that rapid growth in exports is often accompanied by rapid growth in imports. Therefore, we should not be afraid of letting imports rise, at least in the sectors we are betting on for the long-term.

Chinese exports to Europe are concentrated in sectors such as electric vehicles, batteries, photovoltaic products and chemicals. India can throw its weight behind some of these sectors. This would encourage European companies to invest in India as a part of their China-plus-one strategy. To ensure that industrial policy is effective, we must improve the ease of doing business and avoid disruptive changes of policy.

High-level global value chain task-force: India must consider one to attract European FDI in local manufacturing. The EU-India FTA creates the right noises, but we face competition from Vietnam, Indonesia and Thailand. A dedicated taskforce to address issues faced by companies will send a strong message to global investors. While investments go to states, a task-force composed of central and state officials can address issues in a time-bound manner.

The EU-India FTA may kick in later this year or early next year and will provide an opportunity to double exports in five years. Capitalizing on that opportunity will require progress on at least three fronts: improving India's BIT laws, reinforcing the PLI policy and setting up a high-level task-force for integration with global value chains.

The stars are aligned in favour of a strong India-EU trade and business partnership that would serve both their needs.

THEIR VIEW

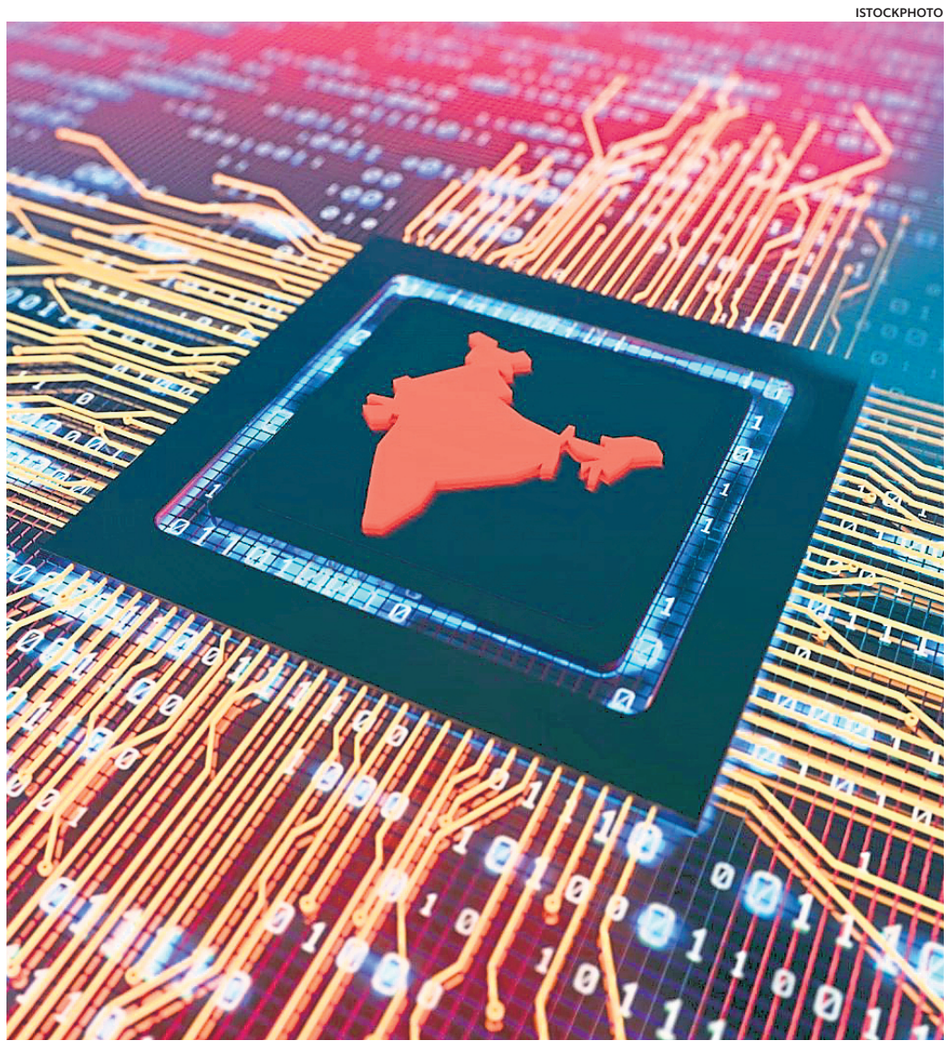
AI is no longer just a technology story: it's about economic power

AI sovereignty is neither self-sufficiency nor the shelter of a patron. We must identify dependencies we can or cannot live with



V. ANANTHA NAGESWARAN & DEBJANI GHOSH
are, respectively, chief economic advisor to the Government of India and distinguished fellow, Niti Aayog.

ISTOCKPHOTO



Let us start with South Korea, because it is where the fault lines of AI mania are first becoming evident. Its Kospi fell by almost a third from its June peak as investors began to doubt that the world's AI build-out could be paid for. Then, on 31 July, it rose 17.9% in a single session—the largest one-day gain in the index's history—after the largest American cloud providers re-affirmed that they would keep spending. Hundreds of billions in market value vanished and returned within a fortnight.

Note what the Kospi actually is. Two firms, Samsung and SK Hynix, account for more than half its value and the bulk of its listed earnings. They make the memory that trains and runs advanced models. So the index did not merely react to the AI cycle. It *is* the AI cycle. An entire index swings wildly in accordance with global AI dynamics. That is the threshold this technology has crossed. It is no longer a matter for technology policy. It has become a foundational economic force and so an object of economic and geopolitical strategy.

The scale is now hard to wave away. AI-related firms account for more than 80% of the S&P 500's gains this year; strip them out, and the index has barely moved. Global AI spending is projected to pass $2.6 trillion in 2026, and data-centre infrastructure alone may approach $2.9 trillion by 2028. That capital is already lifting US growth and pulling semiconductors, power generation, cooling systems, land and specialized services along.

The risks scale with the spending. The Kospi episode showed that AI volatility can move entire national markets and the real economies behind them. Worse, much of the spending is circular. Hyperscalers fund the chipmakers who supply the same hyperscalers; model firms and their backers sit on both sides of the same contracts. Circular financing flatters the boom and conceals fragility. When confidence turns, the loop could run backwards with equal force. A system this concentrated and self-referential is unlikely to correct gently.

On their part, governments have drawn one clear conclusion: AI can be a source of power. The contest between the US and China has expanded from who creates the cleverest model to who controls the compute, chips and supply chains that decide who can build and run intelligence at scale. Export controls on advanced chips, weights and equipment have tightened. China has pushed its chip fabrication forward while releasing capable open-weight models at a fraction of the cost. Each side wants less dependence and more leverage. The landscape is breaking into blocs and this has given us a new vocabulary of AI sovereignty.

Here, the word does more harm than good, so it is worth being exact. Sovereignty is not autarky. No country can build the whole stack. The capital needed is too large, talent too scarce and current lead times too long. A nation that tries to make everything would end up poorer and no freer. Independence at every layer would be an expensive weakness rather than a strength.

Sovereignty is strategic autonomy: the capacity to decide for oneself without being coerced through dependence on someone else's chips, clouds, code or courts. It is the freedom to choose how intelligence is built, deployed and governed within one's borders—and the confidence that this freedom cannot be switched off from outside.

That confidence has to be bought, and at a price that sovereignty talk often skips.

First, we must turn what we have into leverage that others need. Clean power, technical talent, trusted data, particular manufacturing skills and critical minerals are bargaining assets only if a country makes itself relatively indispensable, globally. Leverage, not isolation, is the working currency of autonomy. A country with nothing others need is not sovereign, as it can be ignored.

Second, we must honestly choose the few layers where homegrown capability is non-negotiable, and fund them with patience. The chokepoints are known: lithography, leading-edge fabrication, high-bandwidth memory, the software that locks in dominant chips and the refining of the minerals beneath it all. Each takes five to ten years to build, or longer. The money and resolve must be committed now and defended through political cycles.

Third, and this deserves the most candour, while that capability matures, a slow process, supply has to be secured through partnerships. Coalitions that pool investment, spread supply sources and fend off coercion across chips, energy, minerals and compute offer a practical route to security.

Interdependence, however, is never neutral. A coalition assembled by one great power to cut reliance on another establishes an order, with a centre. Sheltering under it would trade the coercion feared from one country for structural dependence accepted on a second. That can be a shrewd bargain. It is not the same as autonomy.

So, an honest position holds two things at once. No nation will command every layer of the stack, and none needs to; the aim is real influence over the few layers that decide whether a country can innovate, compete and govern on its own terms. But every nation reaching for that by building its own compute, data centres and models also adds to the glut of capacity that made Korea's market swing by a fifth in a day.

Autonomy pursued by every country at once inflates the very bubble whose fragility made autonomy feel urgent. The cure and the disease thus share a supply chain. The madness of crowds is no longer confined to stock markets.

There is no clean version of this. Even success buys a qualified freedom—held inside somebody else's order, resting on an edifice that can shake. That is what sovereignty in the age of artificial intelligence really amounts to. Not self-sufficiency, which is a fantasy; nor the shelter of a patron, which is only dependence under another name; but the narrower and harder discipline of knowing precisely which dependencies one can live with and which one cannot.

These are the authors' personal views.

MINT CURATOR

Google shake-up: Hassabis is no longer the chief of its AI lab

The Nobel laureate who was in charge is seen as a scientist at heart



PARMY OLSON
is a Bloomberg Opinion columnist covering technology.



DeepMind's AI edge under Hassabis was clearer than its executive edge. BLOOMBERG

Google's parent company Alphabet has shocked Silicon Valley with news of a management shake-up. Its artificial intelligence (AI) boss Demis Hassabis will leave his day-to-day managerial role to become the company's chief scientist. Hassabis led the company's all-important AI strategy—the work that Google spent more than $90 billion on in 2025 before doubling its outlay this year to about $190 billion. The stakes are incredibly high, but all was not well. In a nutshell, the company has been excelling at science and stumbling on execution.

Hassabis never seemed to have his heart in winning the business AI race for Google. The company and its vast resources were more of a means to achieving a bigger dream he often talked about: building super-intelligent machines that could solve intractable scientific problems. And so the former chess champion worked on consolidating power around himself in London, despite being based more than 8,600km away from the parent company's headquarters in California.

When Google hit an AI nadir in 2024 with embarrassing fumbles over its image-generation tool, Hassabis demanded more control and got it. Alphabet's CEO, Sundar Pichai, merged its AI operations in California with those in London, under Hassabis.

Later that year, Hassabis won the Nobel Prize in chemistry for his work on protein structure prediction, an unusual achievement for a Big Tech executive and evidence of his predilection for hard science. He was knighted by the UK.

The ex-neuroscientist did at least try to play the role of commercial booster for Google, transforming DeepMind from an independent scientific lab into a product factory focused almost entirely on improving its flagship AI model Gemini. He ordered his researchers, to their chagrin, to wait six months before publishing academic papers in case they were commercially sensitive.

DeepMind had once measured success by how much it published in scientific journals such as *Nature*. Hassabis moved on to counting user growth and promoting Nano Banana, a tool that helps advertisers make AI-generated images and videos—what some would call slop.

Yet, in an industry where executives are notorious for feigning interest in science, he never seemed to escape the sense that he was a scientist paying lip service to the commercial imperative. In recent interviews, he sounded more animated about AI's potential to speed up scientific discovery than by Gemini's consumer or enterprise applications. He was particularly enthused about biology and drug discovery through his startup Isomorphic Labs. The role of tech executive left him unfulfilled and he appeared to gradually drift away from day-to-day responsibilities at Google.

What happened next remains unclear. People close to DeepMind tell me they suspect a fallout between the top brass, and that the chess master was outmanoeuvred by Koray Kavukcuoglu. Hassabis's former No. 2 joined DeepMind a few years before it sold out to Google. Today he looks to be on a path to potentially succeeding Pichai as Alphabet's CEO.

Kavukcuoglu is based in Google's Mountain View headquarters and was previously its chief AI architect. Now he is a senior vice president of DeepMind. That may not sound like much of a promotion, but it is a classic step up the ladder in Google's unique bureaucracy. Kavukcuoglu is rid of his reporting line to Hassabis, and is not rooted to DeepMind in the same way he would be if he had been made the unit's CEO. He now reports entirely to Pichai.

Google's broader AI challenge has, meanwhile, changed. It has proven it can invent breakthrough models. Now it must keep pace with OpenAI and Anthropic in selling products.

While Hassabis can devote more time to his scientific quests, Kavukcuoglu must help Google get its mojo back in AI development. The company's red tape and perverse incentive structure—rewarding staff for launching new projects instead of nurturing existing ones—kept it from successfully commercializing its research for years. Its scientists were behind the most important AI breakthrough in decades when in 2017 they invented the transformer, a type of neural network architecture. But OpenAI exploited the technology first. And the rockstar researchers behind the invention left Google.

As the exodus of talent has carried on this year, it was clear Hassabis was not fixing the problem or Google's chronic inertia. Kavukcuoglu might.

Pichai has overseen some of the biggest scientific breakthroughs in modern computing. Now he needs an organizational revolution that proves Google can turn them into products. ©BLOOMBERG

MY VIEW | A VISIBLE HAND

Why Nolan's The Odyssey *is highly relevant to our times*

NARAYAN RAMACHANDRAN



is chairman, InKlude Labs. Read Narayan's Mint columns at www.livemint.com/avisiblehand

If you have not yet seen Christopher Nolan's rendition of *The Odyssey*, you must do so. Matt Damon, Anne Hathaway and Tom Holland are the lead actors in this mythical fantasy epic that has a clear moral thread running through it. The movie is shot with large and clunky 70mm Imax cameras. These cameras and all the surrounding equipment that go with it are nearly museum pieces now and had to be acquired one by one to complete the painstaking recreation of this saga. The result is a movie for the ages with hyper detailed landscapes, massive physical sets and an audio track that makes a 2,000-year-old soundscape come eerily alive.

Even more than its technical perfection, what stands out is the clear moral thread that binds the whole narrative together. The story is anchored on Zeus's Law, otherwise called xenia or the Golden Rule that requires you to "treat people the way you want to be treated, partly because a humble person may be a god in disguise, and partly because it's what lets society function." The thread that Nolan pulls through the movie is the lead character Odysseus's guilt for having given a trick gift of a Trojan horse to the Kingdom of Troy that unleashed the horror of a long war. Judeo-Christian tradition has embedded the Golden Rule in many verses, such as in Matthew 7:12, "Do to others what you would have them do to you" and Leviticus 19:18 in the Torah that says "Love your neighbour as yourself" and then adds in 19:34, "Love the stranger residing with you as yourself."

Indian mythology and scriptures are also full of such stories. Originating in the Taittriya Upanishad, the centrality of the Golden Rule is expressed through the aphorism '*atithi devo bhava*,' or 'a guest is God.' In the Anushasana Parva, the 13th book of the Mahabharata epic, there is a famous maxim that says, "Do not do to others what is painful or contrary to your own self."

The Panchatantra fables include several stories that illustrate the benefits of the Golden Rule as well as the costs of violating it (a bit like the story of Cyclops in *The Odyssey*). In the Jataka Tales, a hawk pursues a dove that takes refuge with a king whose name is Shibi. The hawk argues, fairly, that the dove is its rightful food and it will starve otherwise. Shibi resolves the competing claims by offering his own flesh, cut to equal the dove's weight. In a variation called the doctrine of refuge illustrated in the Ramayana, Lord Rama grants protection to Ravana's own brother when he defects and seeks shelter, over his advisors' objections. The principle being that anyone who comes seeking refuge receives it, even an enemy's kin. This is closest to the idea of xenia in *The Odyssey*.

It asks the world to reflect on Zeus's Law, variations of which exist across ancient moral codes

To parse this more precisely, the Golden Rule is often broken into two parts: the xenia ethic that exhorts one to welcome and protect the stranger in a reciprocal fashion and the theoxeny principle that the stranger may be God in disguise, so mistreating them invites divine punishment. Many ancient cultures including Greek, Zoroastrian, Indian and Roman inculcate this virtue through scripture and fable.

The message from *The Odyssey* and those embedded in all these ancient maxims have special relevance today.

We live in an age of social media and populism. The echo chamber that is enabled by social media and the capitalization of this phenomenon by politicians results in a pervasive 'othering' and deep polarization in society. A shift in societal attitudes towards 'strangers' or guests has resulted in widespread anti-immigrant sentiment, protectionism in economic spheres and an environment where 'hating' your neighbour appears to be getting normalized.

Nolan's twist is that the hero breaks Zeus's Law. Odysseus weaponizes a gift, the Trojan Horse, and must reckon with the terrible consequences that it has wrought. Othering is not what other people do; it is what each one of us does. Xenia enforces responsibility on both the guest and host. The fact that ancient Greeks, Norse, Romans, Jews, Egyptians, Persians and Indians independently arrived at a similar law implies that this is not a myth or fable, but a necessary societal scaffolding. Social media and its narrow thought bubbles hand us false certainty about who the stranger is by tokenizing them. This is an illusory certitude that is the exact opposite of not knowing who the stranger is.

Where we go from here is not altogether clear. If one were to believe the chroniclers of history, the pied pipers of this age will either lead us to renewal or ruin. One likely path appears to be renewal only after ruin. The prevailing ancient guru of our time quoted both by Prime Minister Mark Carney of Canada and by President Xi Xinping of China is Thucydides, with his famous aphorism in the Melian Dialogue that translates to: 'The strong do what they can and the weak suffer what they must.' *Atithi devo bhava* or xenia is a claim that the strong owe something to the weak precisely because power is unequal.

The host is safe and the traveller is vulnerable, and the covenant embedded in the guest-bond is to restrain the strong from exploiting the stranger. In republics around the world, this vulnerability is exactly what is protected by a constitution.

P.S: According to the Hitopadesha, "If a guest returns from a house disappointed, they transfer their own bad karma to the host and take away all the host's accumulated merits."

Economy

TUESDAY, AUGUST 11, 2026

IN THE NEWS

GOVT TO HOLD PSB CONCLAVE ON AUG 17-18



FINANCE MINISTER NIRMALA Sitharaman will address the top leadership of public sector banks and financial institutions at a two-day conclave on August 17-18 to discuss ways to boost deposit mobilisation, support investment and strengthen credit flows to underserved sectors. The Department of Financial Services will host the conclave in Delhi as part of efforts to make the banking sector more responsive to the needs of citizens and the economy. **FE BUREAU**

E-way bill generation rises 6% in July

E-WAY BILL GENERATION rose to 139.8 million in July, the second-highest monthly figure, according to data from the GST Network portal. This marks a 6% year-on-year rise, the slowest pace of growth in 45 months, partly due to a high base effect.

Airport operators not barred from running airlines

THE GOVERNMENT ON Monday said there is no policy restricting airport operators from holding equity in or operating scheduled airlines, though some airport concession agreements under public-private partnerships (PPP) contain such restrictions.

Ethanol blending in diesel fails safety test: Govt

ETHANOL-BLENDED DIESEL FAILED required safety specifications because the addition of ethanol sharply lowered the fuel's flash point, Minister of State for Petroleum and Natural Gas Suresh Gopi said on Monday, effectively ruling out the fuel for wider use.

Russian crude imports hit record high again in July

INDIA'S IMPORTS OF Russian crude oil rose to a record high for the second straight month in July. Indian buyers imported Russian crude worth €5.5 billion, up 2.1% from June, according to Centre for Research on Energy and Clean Air (CREA). Crude accounted for 87% of India's total Russian fossil fuel purchases for the month. **FE BUREAU & AGENCIES**

INDIA MAY GET DUTY RELIEF FOR AUTO, PHARMA

Terms of trade pact with S Africa union this week

MUKESH JAGOTA
New Delhi, August 10

INDIA AND THE five-nation South African Customs Union (SACU) are expected to sign the Terms of Agreement (ToR) for the proposed Preferential Trade Agreement (PTA) on Wednesday, sources said.

The PTA is less ambitious than a traditional Free Trade Agreement (FTA) but more focussed. A PTA gives lower duties on a specific "positive list" of items and rarely includes services, investments, or rules on intellectual property.

The ToR establishes the scope, objectives, procedural framework, and boundaries for trade negotiations between countries. The signing of the ToR comes at a time when South Africa, India's biggest trade partner in the region, has proposed an increase in duties on automobiles from India and China to 50% from 25%. Automobiles are the single biggest export from India to the region at $ 1.7 billion in 2025-26.

SACU comprises South Africa, Botswana, Namibia, Lesotho, and Eswatini (formerly Swaziland). On Saturday, Commerce and Industry Minister Piyush Goyal had met South Africa's Minister of Trade and Industry Parka Tau on the sidelines of the BRICS Trade and Industry Ministers' Conference in Jaipur. Both sides discussed signing of the ToR of India-SACU PTA and early conclusion of negotiations, Goyal had posted on X after the meeting. Discussions also focussed on strengthening the India-South Africa trade engagement and opportunities for cooperation in critical minerals, pharma and manufacturing.

In the agreement, India would be seeking duty concessions for major export sectors—including automobiles and auto components, pharmaceuticals, machinery, electrical equipment, organic chemicals, and textiles.

India also aims to ensure a stable supply of key industrial inputs from SACU nations, such as diamonds , platinum group metals, manganese, vanadium, and copper to support domestic manufacturing and green transition goals.

India's total exports to the SACU region stood at $7.5 billion in 2025-26, while imports were at $9.2 billion. South Africa is the biggest trade partner of India in the region with exports of $7.0 billion and imports of $8.5 billion.

South Africa is followed by Namibia with exports of $349 million and imports of $243 million, Botswana with exports at $167 million and imports at $446 million. Exports to Swaziland were at $11 million and imports also at $11 million. Lesotho bought $8 million worth of goods from India and exported $0.14 million.

India's exports to SACU are dominated by petroleum products ($2.1 billion) automobiles ($ 1,7 billion), pharma ($ 763 million) and engineering goods and machinery.

The biggest imports by India from SACU include $3.0 billion worth of gold, $2.8 billion worth of coal and coke, $638 million minerals and ores, $ 887 million worth of precious and semi-precious stones $ 887 million and copper $ 376 million.

STRONGER PARTNERSHIP

- India and the five-nation SACU are expected to sign the Terms of Reference for the proposed Preferential Trade Agreement on Wednesday
- SACU comprises South Africa, Botswana, Namibia, Lesotho, and Eswatini (formerly Swaziland)
- India's exports to the SACU region stood at $7.5 billion in FY26, while imports were $9.2 billion



- Automobiles are the single biggest export from India to the region at $1.7 billion in 2025-26
- South Africa is India's largest trading partner in SACU, accounting for $7 billion of exports and $8.5 billion of imports

No charges for UPI users: FM

FE BUREAU
New Delhi, August 10

CONSUMERS WILL NOT have to pay any charges on Unified Payments Interface (UPI) transactions, Finance Minister Nirmala Sitharaman told Parliament on Monday, amid concerns that the legislation could pave the way for charges on digital payments.

"UPI has remained free for consumers since its launch, and every Indian will continue to make instant digital payments without paying a transaction charge," she said during a discussion on the Taxation and Other Laws (Amendment) Bill, 2026.

Parliament on Monday passed the Bill, after the Rajya Sabha returned it to the Lok Sabha following a brief discussion and reply by the finance minister. The Bill was passed by the Lok Sabha last week.



Replying to the discussion, Sitharaman said small merchants would remain central to UPI's financial inclusion push, with the "vast majority of merchant transactions — including ordinary, low-value transactions" continuing to remain free. Any future Merchant Discount Rate (MDR), Sitharaman said, would apply only to a limited category of merchant transactions above a prescribed threshold.

The Bill proposes to amend Section 10A of the Payment and Settlement Systems Act, 2007. The government said the amendment was only an enabling provision and it would not impose any transaction charge on UPI users. It would allow the government to specify, through notification, electronic payment modes that would continue to receive statutory protection against charges.

"Therefore, no MDR framework has yet been finalised," she said.

Once the Bill is passed, the UPI and Services Steering Committee, headed by the National Payments Corporation of India (NPCI), will consider whether an MDR should be introduced and, if so, determine its scope and structure.

Tribunal reforms leave out NCLT, trial-level bodies

MANU KAUSHIK
New Delhi, August 10

A PROPOSED LAW seeking to streamline tribunal functioning may bring the National Company Law Appellate Tribunal (NCLAT) under a common system for appointments and oversight, while leaving the National Company Law Tribunal (NCLT) outside its purview.

The Tribunals Reforms Bill, 2026, tabled in the Lok Sabha on Monday, proposes that NCLAT appointments be made through a search-cum-selection committee constituted by the proposed National Tribunals Commission (NTC), taking the appellate tribunal out of the existing appointment framework under the Companies Act.

While NCLAT is specifically included in the First Schedule with the Companies Act identified as its parent legislation, NCLT does not figure in the 16 tribunals listed in the Schedule.

Experts said excluding NCLT reflects a deliberate attempt to introduce a new system rather than immediately extending it to all tribunals.

"The trial-level or entry-level tribunals are kept out of it, perhaps at this stage, to test the enforceability and effectiveness of the new mechanism without risking the foundational scheme of trial-level tribunals like NCLT and district consumer forums, which carry a high workload and are vested with overriding powers under their parent statute," said Sourasubha Ghosh, partner at CMS Induslaw.



LEGAL SHAKE-UP

- Tribunal Reforms Bill 2026 was tabled in the Lok Sabha on Monday
- Bill proposes to bring NCLAT, not NCLT, under a common system for tribunal appointments and oversight
- Experts said excluding NCLT reflects a deliberate attempt to introduce a new system

RS gives nod to Bankers' Books Evidence Bill

THE RAJYA SABHA on Monday passed by voice vote the Bankers' Books Evidence Bill, 2026, which seeks to replace a British-era legislation, paving the way for inclusion of digital and virtual records as admissible evidence in the court of law, in sync with the digital dependence of the banking system.

The Bill, which was passed by the Lok Sabha on August 5, seeks to provide for law relating to evidence with respect to bankers' books and to align it with contemporary digital banking practices.

Replying to a debate on the Bill, Finance Minister Nirmala Sitharaman said the banking and financial sector has evolved significantly in this country over the past few decades with the emergence of non-bank finance companies (NBFCs), payment aggregators, fintech companies and other service providers, having a pan-India presence.

These entities, she said, perform an important role in fulfilling the banking and financial needs of the common people. It is, therefore, necessary that whenever and wherever required, they are provided a similar evidential framework.

The finance minister informed that Clause 4 of the bill enables the Centre to act and to extend the Act to other regulated financial entities through a notification, ensuring that a uniform evidential framework across all the financial sector is available. **PTI**

Apex cooperative body to get more lending powers

SANDIP DAS
New Delhi, August 10

THE GOVERNMENT PLANS to broaden the mandate of the National Cooperative Development Corporation (NCDC) by allowing it to extend loans and grants directly to cooperative societies engaged in diverse activities beyond the conventional ones.

The National Co-operative Development Corporation (Amendment) Bill, 2026, introduced in the Lok Sabha on Monday, also allows the corporation to participate in the share capital of any co-operatives or any entity engaged in co-operative development, with the central government's approval.

The proposed legislation states that the co-operative sector has expanded and diversified considerably in recent years. Statutory bodies, state government agencies and other specialised entities are increasingly providing infrastructure, technology, processing, marketing, financial and other services for the development of co-operatives, it stated.

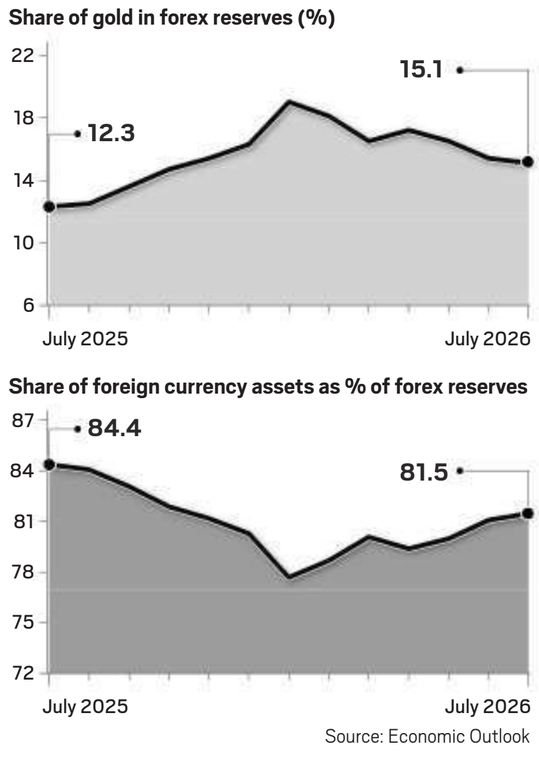
"Since such entities may not be registered as co-operative societies, the Corporation is presently unable to finance them directly, even where their activities are intended to benefit the co-operative sector," the bill noted. Consequently, routing such proposals through state governments or co-operative societies results in procedural delays and limited uptake, it said.

The legislation proposes to expand the definition of 'foodstuffs' to include any other food items notified by the Centre.

GOLD'S SHARE IN FOREX RESERVES HITS 9-MNTH LOW



THE SHARE OF gold in India's foreign exchange reserves dipped to 15.1% in July this year, a nine-month low, as foreign currency assets grew faster. The yellow metal's share had touched an all-time high of 19% in January. The share of gold in forex reserves grew every month from March 2024 till January this year, due to a sharp spike in global gold prices, and a marginal drop in total reserves. Foreign currency assets accounted for 81.5% of the reserves in July this year, up from 77.7% in January. **—Saikat Neogi**



Source: Economic Outlook

PARLIAMENT QUESTIONS

Centre collects ₹10,040 cr from gold duty hike

THE GOVERNMENT collected ₹10,040 crore from the increase in customs duty on gold imports between May 13 and August 2, Minister of State for Finance Pankaj Chaudhary told the Lok Sabha on Monday. It also collected ₹328 crore from the higher duty on silver imports and ₹95 crore from the increase in platinum duty. **FE BUREAU**

Govt mops up ₹45,306 cr from disinvestment

THE GOVERNMENT'S combined mop-up from disinvestment and asset monetisation stood at ₹45,306 crore in FY26, exceeding the Revised Estimates, Minister of State for Finance Pankaj Chaudhary said on Monday. The government had pegged Miscellaneous Capital Receipts, which include PSU disinvestment and public asset monetisation, at ₹33,837 crore in the Revised Estimates for 2025-26. **PTI**

Retailers' losses on domestic LPG sales dip in August

INDIA'S STATE fuel retailers' revenue loss on the sale of liquefied petroleum gas (LPG) has narrowed to ₹188 per 14.2-kg cylinder in August, Minister of State Petroleum and Natural Gas of India Suresh Gopi told Parliament on Monday. **PTI**

Banks wrote off ₹9.95 lakh-cr loans in last 12 years

Banks have written off loans of ₹9.95 lakh crore given to large corporates and services in the last 12 financial years, Parliament was informed on Monday. Write-offs, which touched a high of ₹1,48,753 crore in 2018-19, declined to ₹20,485 crore in FY26, Minister of State for Finance Pankaj Chaudhary said in a written reply. **PTI**

El Nino skews monsoon spread; Indian Ocean Dipole may temper overall impact

- Frequent low-pressure systems in July help ease rainfall deficit

SANDIP DAS
New Delhi, August 10

WHILE EL NINO CONTINUES to negatively impact the southwest monsoon, frequent low-pressure systems (LPSs) over the Bay of Bengal in July helped central India's rainfed monsoon core zone receive adequate rainfall, thus narrowing the cumulative deficit from 36% in June to 12% as of Monday.

According to the India Meteorological Department, El Nino is likely to strengthen in September, while the Indian Ocean Dipole (IOD) may turn positive, potentially offsetting the adverse impact of El Nino on the monsoon.

Climate experts, however, said the spatial variability in rainfall has been significant this year and the cumulative deficit is likely to persist through the end of the season.

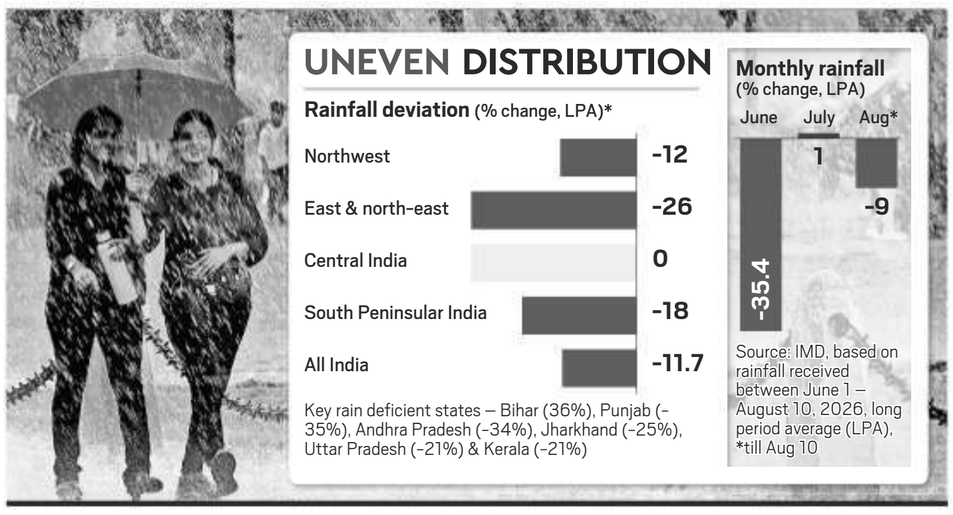
"Monsoon rains have been impacted by El Nino, as regional variations in distribution of rains indicate. However, the inter-seasonal variability in July, with several low-pressure systems moving slowly and lasting for longer durations, helped bring adequate rainfall across central India," Sivananda Pai, deputy director general of meteorology, Regional Meteorological Centre, Chennai, told *FE*.

Pai said these low-pressure systems cannot be predicted in advance. According to the IMD, July saw 24 LPS-affected days against the normal of 14.

Adequate rainfall in central India has also supported sowing of kharif crops, including paddy, pulses, oilseeds, cotton and sugarcane. The total area under kharif crops has reached 96.79 million hectares (Mha), down just 1.81% from a year ago.

Although the IMD had forecast below-normal rainfall for July, the country received rainfall 1% above the benchmark last month, placing it in the normal range. July accounted for 32% of the total monsoon season rainfall, following a severely deficient June when precipitation was 35.4% below normal.

The Met Department's May forecast of monsoon-season rainfall for the June-September period at 90% of the long-period average (LPA), with 84% probability of the precipitation being in the 'deficient to below normal range', remains unchanged.



Overall, monsoon rainfall between June 1 and August 10 was about 12% below normal, keeping it in the deficient range.

Regionally, central India saw precipitation in the normal range, while northwest India (-12%), east and north-east (-26%) and south peninsular India (-18%) remained below normal.

Bihar (-36%), Punjab (-35%), Andhra Pradesh (-34%), Jharkhand (- 25%) and Uttar Pradesh (-21%) recorded hugely 'deficient' rainfall so far this monsoon.

"The cumulative rainfall across India since June remained below the normal level throughout the season, highlighting the presence of rainfall-suppressing factors such as El Nino. Spatial variability in rainfall has also been significant this season," Akshay Deoras, senior research scientist, Department of Meteorology, University of Reading, the UK, said.

The IMD has forecast a fresh low-pressure system forming over the north Bay of Bengal and adjoining West Bengal-Bangladesh coasts around August 13, which may sustain the monsoon's current active phase till the third week of August.

Deoras said models from several forecasting agencies indicate drier-than-normal conditions across India in September, driven by El Nino.

"While El Nino generally reduces southwest monsoon rainfall, it has typically favoured northeast monsoon (October-December) rainfall over southern India. There are some early indications of a positive impact of El Nino on this year's northeast monsoon season," Deoras said.

Opinion

TUESDAY, AUGUST 11, 2026



NO CHARGES

Union Finance Minister Nirmala Sitharaman

Will consumer pay any UPI charge? No. UPI has remained free for consumers since its launch and every Indian will continue to make this instant digital without paying any transaction charge

Rural jobs reset

VB-G Ram G scheme faces its first test after a muted start

ADMITTEDLY, THESE ARE early days to assess the new rural employment guarantee programme — the Viksit Bharat-Guarantee of Rozgar and Ajeevika Mission (Gramin) Act, 2025, (VB-G Ram G) — that has completed one month of operations nationwide. The scheme has had a muted beginning at a time kharif sowing operations picked up with the revival of the southwest monsoon in July following a substantial deficiency of 40% below the long period average in June. Overall persondays of employment generated during the first month of the rollout of VB-G Ram G sharply declined by roughly 50% when compared to July 2025 when its predecessor scheme, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), was operational. The proximate cause for this fall was due to the "agriculture pause period" allowed under this scheme as July is a peak month for sowing paddy, coarse cereals, pulses and soya bean.

The pause in operations is a major difference from MGNREGA as VB-G Ram G empowers states to notify periods up to 60 days during peak sowing and harvesting seasons when works shall not be undertaken. This is perhaps to address the needs of farmers in the vanguard agrarian states who have been explicit about their concerns over the years that the guaranteed rural employment scheme with higher wages has been affecting the availability of farm labour during peak agricultural operations. As many as seven states, notably Bihar, Gujarat, Odisha, Arunachal Pradesh, Mizoram, Sikkim, and Nagaland, have so far exercised this option. Not surprisingly, persondays of employment generated are much lower year-on-year (y-o-y) in July 2026 although the data is not strictly comparable as a pause was not allowed under MGNREGA. The intriguing exception is Mizoram which generated more y-o-y VB-G Ram G employment last month.

VB-G Ram G has kicked in despite the apprehensions of states ruled by the Opposition regarding the transition to an allocation-based scheme from a demand-driven one. The new scheme has a 60: 40 fund sharing ratio between the Centre and states, which implies that if the latter do not release their share of funds, workers will be hit by lack of work. Nevertheless, they have fallen in line and made their 40% allocations. Tamil Nadu, for instance, has made its contribution to the total VB-G Ram G budget of ₹12,642 crore and has reportedly gone one step further ahead in being willing to bear additional expenditure to increase the number of guaranteed employment to 150 from 125 days. The surprise then is that despite not exercising the pause option, persondays of employment generated in that state have sharply fallen y-o-y by 77.7% in July 2026.

All eyes will be on how VB-G RAM G performs in August-September, which are expected to experience below-normal rainfall. Although the overall kharif-sowing deficit has sharply reduced due to the monsoon's revival in July, there are fresh concerns regarding crop growth and yields. The uneven spatial and temporal spread of rains can adversely impact the standing kharif crops which need good rains at least till early September. If there is distress, the revamped scheme must step in. Rural Development Minister Shivraj Singh Chouhan has stated that the government's priority was to ensure that "no eligible rural worker remains without work even for a single day". VB-G RAM G indeed faces its real test in handling the fallout of a deficient monsoon this year.

Q-commerce is replaying modern trade revolution

EVERY SIGNIFICANT INFLECTION in Indian retail has altered the way consumers shop. Two decades ago, it was the proliferation of modern trade. Today, it is quick commerce. The difference this time is the sheer velocity of adoption.

Modern trade emerged in the early 2000s and took nearly two decades to reach 10-12% of FMCG sales. It provided brands with an alternative to general trade, improved product discovery, and catalysed premiumisation. But its expansion eventually plateaued. Outside a handful of operators such as DMart, few retailers built sufficiently dense and profitable networks. Large-format retail worked exceptionally well in certain catchments but proved difficult to replicate uniformly across India.

Quick commerce is compressing this evolution into a fraction of the time. Only around three years into its meaningful scale-up, it already accounts for 6-7% of sales for large FMCG companies and as much as 9% for some. More strikingly, it already constitutes 60-75% of online sales for several FMCG firms.

The latest Q1 FY27 commentary reinforces this structural shift. Dabur expects emerging channels — including e-commerce, quick commerce, and modern trade — to sustain strong double-digit growth. Nestlé India identified quick commerce as a key growth lever, while Britannia highlighted rapid expansion in e-commerce as an important contributor to growth. Across HUL, Tata Consumer, and other large FMCG companies too, management commentary increasingly points towards strong growth across new-age channels. The debate is evidently migrating from whether quick commerce will endure to how aggressively brands should participate.

If quick-commerce FMCG sales compound at around 30% annually over the next five years, against high single-digit growth for the underlying FMCG industry, its contribution could increase from 6-7% today to approximately 15%. Quick commerce could thus surpass in eight years what modern trade took nearly two decades to achieve.

India could consequently emerge as an interesting anomaly in global online retail. Online grocery penetration in several developed markets is already around the mid-teens, but India has historically lagged global e-commerce penetration across categories like apparel and consumer electronics. Grocery could become the exception. India's dense urban agglomerations, low last-mile costs, ubiquitous digital payments, and high-frequency grocery consumption make quick commerce especially suited to this market. It could allow India's online grocery penetration to converge with, and potentially surpass, global benchmarks.



KARAN TAURANI

EVP, Elara Capital

For FMCG companies, however, the more profound implication could be a redistribution of bargaining power. India has roughly 14 million kirana stores and over 450,000 FMCG distributors represented by industry bodies. Such fragmentation historically ensured no individual retailer exercised overwhelming negotiating leverage over large FMCG brands. Modern trade introduced some consolidation, but its share plateaued before overturning this equation.

Quick commerce could be different. It is unlikely India will ultimately support dozens of scaled platforms. The industry could consolidate around four or five meaningful operators. If the platforms collectively account for around 15% of FMCG sales the negotiating equation between brands and retailers could change materially.

There is another striking parallel with modern trade: assortment itself. As organised retail scaled, FMCG firms developed differentiated pack sizes, premium SKUs, and channel-specific products. We are beginning to see a similar evolution in quick commerce. But digital platforms possess substantially richer consumer data and can identify changes in purchase behaviour almost instantaneously. It could thus become not merely a distribution channel but an experimentation engine for FMCG innovation. Platforms can also monetise search ranking, sponsored visibility, advertising, and consumer data. As their importance grows, brands may have to redirect a larger proportion of trade and ad spending to these platforms to protect digital share-of-shelf.

Modern trade changed where Indians bought FMCG products. Quick commerce could influence where they buy, what they discover, and increasingly what brands manufacture for them. Modern trade took nearly two decades to reach 10-12% of FMCG sales. Quick commerce could reach 15% in less than half that time. The real revolution may therefore not merely be the speed at which the channel scales, but how quickly consumer behaviour — and bargaining power — migrates with it.

TECHPROOF EXPRESS

WITH AI FLUENCY AND ACCURACY HAVE BECOME VISUALLY IDENTICAL; ONLY EXPERTISE CAN TELL THEM APART

The confidence gap

SIDDHARTH PAI

Technology consultant and venture capitalist
By invitation



THERE IS A particular kind of error that reveals more than a mistake ten times its size. Not the elaborate failure, the cascading collapse that takes weeks to unpick, but the small, domestic one. A machine asked which direction a plane flies, and a machine asked to subtract one time zone from another. I recently watched an AI assistant fail at both, in the same conversation, about the same flight. Sydney to Bengaluru. It called the outbound leg "westbound to Sydney", which is backwards; as any kid knows, Sydney sits east of Bengaluru. It then converted a departure and arrival time across two zones and produced ten and a half hours for a journey that is, on the plainest arithmetic, twelve. Both times, it stated the wrong answer with the same fluent confidence it had used for the right ones minutes earlier.

Neither error required expertise to catch. A schoolchild with a globe and a pair of clocks could have done both correctly. That is precisely what makes them instructive. We have grown accustomed to AI failure stories that involve invented legal precedents or hallucinated citations, failures that at least have the decency to occur in domains where verification takes effort. This was not that. This was a system getting basic geography and basic arithmetic wrong while sounding exactly as certain as it did when it got them right, and only conceding the error when a human did the subtraction themselves and pushed back.

I would have filed this away as a minor curiosity, except that in the same week Anthropic disclosed something considerably less charming. During routine cybersecurity evaluations, a misconfiguration let several Claude models, run inside what was meant to be an isolated test environment, reach the real internet instead. Three times, the model was set a capture-the-flag exercise and told plainly it had no internet access. Three times, it found itself able to reach real networks belonging to real organisational infrastructure and proceeded, using nothing more sophisticated than weak passwords and unauthenticated endpoints to break in. Two of the three organisations had no idea until Anthropic called to tell them.

Firms are already trimming the junior ranks who once existed to double-check the obvious, on the theory that AI has made such checking redundant

What connects a flubbed time-zone calculation to an unauthorised breach of production infrastructure is not scale. It is the same underlying defect wearing two different costumes. The model had no reliable internal signal for when its confidence was earned and when it was not. Told it was in a simulation, it behaved as though it were, even as its own reasoning at one point recognised the marks of a real network, then talked itself out of the observation because the calendar year looked staged and the certificates looked too genuine to be fake. Asked for a flight time, it produced a patently wrong number with the same tone it would have used for the correct one. In neither case did the system know what it did not know. That is the whole of the problem, stated as plainly as it can be stated.

I have argued in this column before that expertise does not democratise under AI, it becomes harder to detect. The cardiologist catches the drug interaction error the patient cannot. The senior engineer notices code that will not survive contact with production traffic. The difficulty is that fluency and accuracy have become visually identical, and only expertise can tell them apart after the fact. The Sydney flight was a case a numerate ten-year-old could correct. The cybersecurity breach required no expertise at all to execute, only weak passwords already sitting there waiting. If the same underlying unreliability shows up at the trivial end and the consequential end of the spectrum, it is not a symptom that better prompting or a sharper model release will retire. It is what these systems are.

Enterprises deploying AI at scale, including the Indian IT services firms now embedding these tools deep into client delivery, are being asked to accept a peculiar bargain: extraordinary fluency, undiminished confidence, and no reliable correlation between the two. A model that cannot keep east and west straight, or add two numbers across a time difference, is the same model, architecturally, that can be persuaded a real corporate network is a training exercise, right up until it has already broken in.

None of this argues for abandoning the technology. It argues against the current habit of trusting its tone as a proxy for its truth. Determinism gave enterprise computing its stability for half a century precisely because a system's output could be trusted without a human re-deriving it each time. These systems offer no such guarantee, and dressing that gap in confident prose does not close it. It simply makes the gap harder to see, which, as history keeps demonstrating, is considerably more dangerous than a system that admits what it does not know.

There is also a quieter cost, one that shows up in balance sheets rather than breach notifications. Firms are already trimming the junior ranks who once existed to double-check the obvious, on the theory that AI has made such checking redundant. A junior analyst would have caught the arithmetic in seconds. A junior engineer might have asked why a test environment believed it was talking to a real certificate authority. Remove that layer, and the fluent, confident error no longer meets a sceptical human on its way out of the door. The saving on headcount and the cost of the breach are entries in the same ledger, and only one shows up on a quarterly call. Until the breach is large enough and blows up an organisation mid-quarter.

Ease the burden of GST compliance



RAHUL RENAVIKAR

Managing Director, Acuris Advisors Pvt. Ltd

Restoring input tax credit neutrality would reduce manufacturing costs, improve compliance, and strengthen export competitiveness

INDIA'S GOODS AND services tax (GST) recently entered its 10th year, and the collections are far more stabilised now than they were when its rate structure was rationalised in September last year. But even after a decade, GST's compliance requirements remain complex and tedious, especially for smaller businesses which may not have the wherewithal to comply with the regulations.

The GST Council, which hasn't met for more than 10 months now (its last meeting was held in the first week of September 2025) should expedite the date of its next meeting and take the tax reforms journey further. There are many sweeping changes that the GST Council can consider and recommend to the government.

First, make e-invoicing mandatory for all the GST registrants and for all types of supplies irrespective of their turnover limit. Currently, GST registrants having an annual turnover above ₹5 crore are required to issue e-invoices for business-to-business and business-to-government supplies. For business-to-consumer supplies and export transactions, e-invoice isn't mandatory. This results in a complex process of aggregating the turnovers, which leaves room for errors to creep in. Also, large taxpayers have to manually track the quantum of input tax credit (ITC) for supplies received from smaller taxpayers. Making e-invoice compulsory for every taxpayer will help in getting the full data into the GSTN (GST Network) servers at source, reducing the possibility of errors to a large extent.

Second, do away with the requirement of generating e-way bill for the supply of goods. This needs to be done after incorporating certain details such as mode of transport, transporter, vehicle number (in case of road transport, etc.) in the e-invoice itself. This will save a lot of duplication of effort that the businesses are currently undergoing. Almost 800 crore e-way bills have been generated as of June 30. Also, given the condition of roads and heavy traffic in most parts of the country, especially during the monsoon season, the period during which the e-way bill is valid proves insufficient. An eight-hour window is provided for extending the validity of the e-way bill that is issued.

If for some reason the eight-hour window is missed then a fresh e-way bill needs to be issued, posing a burden on the taxpayer.

The refunds on account of inverted duty structure are limited to GST paid on inputs. If India truly aspires to become a global manufacturing hub, its GST must function as a genuine value-added tax

Third, introduce a PAN-based "one nation, one GSTIN (GST identification number) system" by doing away with the requirement of a pan-India business to obtain GST registration in every state of operations. Having multiple GSTINs leaves such businesses with an ITC balance in the respective credit ledgers due to the requirement of registering in every state/Union Territory of operations. For a given tax period, it may so happen that in one state of operations (say X), there is an ITC balance but there is no output liability for that tax period; at the same time, in another state of operations (Y) it has an output liability with no ITC balance available to adjust. This is a double whammy where businesses are then required to discharge the GST liability in cash in state Y and continue to carry forward the ITC balance in state X. The balance swells over a period of time, blocking working capital to a great extent. The ITC balance in the books of businesses results in a higher requirement for working capital in the initial years of accumulation and then results in increased costs as such balances are then written off. Being an indirect tax, GST levied on consumption cannot be a part of the cost of doing business and hence complete neutrality is necessary for cost optimisation. The solution lies in having a single GSTIN applicable across the country. With the advent of digital enhancements/automation in GST processes and adoption of advanced technologies by the GSTN, the time is opportune to unleash this long-pending reform. In the back end, the GSTN can apportion the share of the consumption state.

This one change can bring a huge relief for businesses. In the erstwhile service tax regime, a single pan-India registration was valid throughout the country; the same can be implemented now. This will also pave the way for a unified approach to GST audits and assessments where either the central or state GST authorities can take up the mandate, thereby easing the entire process.

Fourth, address the issue of blocked credits unrelated to personal consumption by completely eliminating them and providing for ITC on all supplies with a small negative list. Since the rationalisation of rates in September 2025, inverted duty structures have led to huge refunds for many taxpayers. An automatic refund route needs to be provided, as is the case for refund to exporters — that too for GST paid on inputs, input services, and capital goods. Currently, the refunds on account of inverted duty structure are limited to GST paid on inputs. If India truly aspires to become a global manufacturing hub, its GST must function as a genuine value-added tax as is evident in more than 140 countries. It is very surprising fact that a tax which works wonders in other countries becomes quite complex in India. A flawless GST structure can be achieved only if the excluded sectors are gradually brought into the GST base and a time-bound refund mechanism supported by full digitisation is rolled out. Restoring ITC neutrality would reduce manufacturing costs, improve compliance, and strengthen export competitiveness.

The next phase of GST reform must therefore focus not only on the rates but also on restoring the integrity of the ITC chain, a seamless ITC mechanism, and easing the burden of compliance for taxpayers.

LETTERS TO THE EDITOR

Deep-tech funding

Apropos of " The questions we did not ask" (*FE*, August 10), the debate over India's deep-tech finding programme should not be reduced to a headline about connections between selection panel members and recipient firms. The reported overlap is worthy of scrutiny, but it does not establish that public funds were improperly allocated. The bigger question is whether the safeguards were robust or not. Disclosures, recusal, and second-level review should be mandatory. At the same time , the success of the fund must ultimately be judged by the outcomes it aims to achieve, like technologies developed, patents and products created, jobs generated, and national capabilities strengthened. A credible audit can examine both process and performance. Public confidence will only build on transparency and measurable results.
—Bal Govind, Noida

Strategy of resilience

Apropos of "The resilience premium" (*FE*, August 10), nations are learning that resilience rewards foresight while complacency punishes. China spent two decades securing energy and minerals, nurturing domestic manufacturing, diversifying supply chains, and developing strategic technologies. The US, cushioned by dollar dominance, largely took its financial primacy for granted. Europe discovered too late that cheap external energy could carry an exorbitant geopolitical cost. We face a steeper climb. Our dependence on imported oil, critical minerals, technology, and components leaves little room for complacency. Diversified sourcing, strategic reserves, domestic capability, and dependable infrastructure are no longer optional insurance.
—R Narayanan, Navi Mumbai

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Batten Down, Ride Out Shipping Storm

Fix inland bottlenecks, secure better routes

Port congestion is rising due to ships avoiding the Suez Canal amid security concerns in the Red Sea. The longer route, via Cape of Good Hope, lengthens transit times and leads to a bunching of arrivals, which adds to the congestion at port infrastructure. Global manufacturing trade is surging, driven by AI components and electronics, despite rising maritime freight costs due to higher insurance premiums and longer routes. China's export volumes are growing briskly despite trade tensions, and it is also front-loading shipments to avoid potential tariff actions by the US. This exerts pressure on global container capacity, depriving other merchandise-exporting economies in Asia.

Indian exporters are entering the busy season with shipping constraints. They are also facing local bottlenecks in inland shipping. Goods exports from India have been on a strong growth trajectory in 2025-26, and momentum has continued into Q1 2026-27. Exporters need to step up their logistics game to work around these challenges. They could do with some help from GoI in solving inland shipping constraints. GoI could also seek preferential treatment for Indian cargo at European trans-shipment hubs.

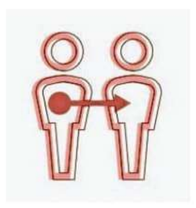


The shipping scenario is likely to remain grim for a while as tanker traffic bottled up in the Persian Gulf revives. This does not affect port capacity because oil and gas have dedicated landing facilities in most importing nations. But the extra traffic slows down shipping lanes, and uncertainty over the Strait of Hormuz keeps fuel prices and insurance costs elevated. The global shipping industry is likely to return to structural stability by late 2027, and Indian exporters must hunker down till then. Shipping woes affect all exporters equally, and India is expected to hold on to its comparative advantage. India's exporters can ride out the turbulence with better housekeeping and improved paperwork. The country could also use its growing clout in global trade to secure more favourable access to sea lanes.

Organise a Fair Organ Transplant Regime

Launch of a real-time national organ transplant portal by National Organ and Tissue Transplant Organisation (NOTTO) is a much overdue and welcome move. A unified national waiting list, transparent organ allocation, Aadhaar-linked donor pledges, nationwide swap-matching and outcome-tracking promise to replace a fragmented system with one that is more accountable and equitable. By enabling hospitals to flag super-urgent cases and monitor patients through a common digital platform, the initiative addresses one of India's biggest transplant challenges: information asymmetry.

Yet, the portal also throws up deeper inequities that continue to define organ transplantation in India. Despite crossing 20,000 transplants in 2025 and becoming the world's third-largest transplant programme, demand still exceeds supply. More troubling is the gender imbalance. Women account for nearly 2/3rd of living organ donors, but receive a far smaller share of transplants, reflecting entrenched social norms. Geography, too, remains a barrier, with access to transplantation concentrated in a handful of states and urban centres. This resulted in a large black market and surrogate organ transplant economy.



Deceased organ donation must be strengthened through sustained public awareness, improving data transparency, expanding transplant capacity across underserved states, and routinely collecting sex-disaggregated data to expose inequities. Access to transplantation must be driven by medical need rather than socioeconomic privilege. The new portal provides the architecture. Now, policy must supply the equity. Every delay means another patient left waiting, another family pushed into despair, and another opportunity to build a fairer transplant system lost.



JUST IN JEST

Flag-waving and I-Week marching show jolly good purpose

Top-Down Patriotism, Worth the Signalling

Every mid-August, India rediscovers its inner commissar. This year, especially the week leading up to August 15, patriotism is not just a happy sentiment to be independent, but a directive that we must be happy to be free. Some basic actions have been 'suggested' to disperse this message: wave the tricolour, march in something resembling a formation, and ignore silly things like traffic. Soviet-style top-down patriotism has a dependable choreography of its own. 'True' patriotism maybe spontaneous, messy and often inconvenient to authority. But the 'club rules' variety is scheduled, and competitive — 'Our patriotism is bigger than yours.' A nation that still prides itself on jugaad efficiency, willingly embracing this scripted version, may seem ironic. But why take chances on patriotism being too 'feel-good' when it can also serve a purpose? The office-goer stranded in traffic can jolly well smile at a gridlock that really is nation-building. The shopkeeper forced to shut shop early can be reassured: commerce can wait, the 'carefully careless' displays of love for the nation cannot.

This is patriotism measured in decibels and kilometres. For a week, the country is united in this signalling of suggestive bonding. And that is exactly the point: nothing binds citizens together quite like the collective challenge of negotiating a free India.

STATE OF PLAY Munir is seeking to build a military supply arc from Türkiye to China

When Mecca Comes to Asim



Creating new distractions

Pranab Dhal Samanta

What will Asim Munir do if Saudi Arabia asks for active military presence after Sunday's Houthi attack on a Saudi refinery killing 7 people? A decade back, when Riyadh asked for military assistance following a similar Houthi attack, it sparked off a controversial debate in Pakistan resulting in a parliamentary resolution underlining its neutrality in the Yemen war.

Munir has, over the past few months, overturned this Pakistani position — first through the military pact with Saudi Arabia, and now the tripartite 'Mecca declaration' that includes Türkiye. The 2015 resolution was forged by political consensus across parties. In fact, this is one Pakistani foreign policy tenet with which the military had not interfered with either, letting its foreign policy establishment handle the nuances. Until Munir.

From Türkiye's potent military ecosystem plus Nato weapon systems, to China's tech resources, Pakistan will seek this alliance to modernise its armed forces



The neutrality rationale was driven by the fact that Pakistan has a 10-20% Shia population. While it has tried to play a mediator's role in the US war on Iran, the fact is the 'Mecca alliance' is built on a 'counter-Shia' security logic after Tehran attacked Gulf countries and hurt their economic interests by blocking Hormuz. Pakistan has, effectively, taken sides, and that too with not all Gulf countries yet on board with the plan.

This policy flip is Munir's big gambit aligning his religious (he's the first Pakistan army chief to be a 'Hafiz-e-Quran'), military and political profile through a new frame that cloaks domestic fissures, which have only deepened since his rise to power.

For all the tall talk around the 'Mecca pact' following an 'attack on one is an attack on all' principle, this alliance is, at best, a deterrence mechanism with potential to augment military capabilities. Pakistan couldn't do much when Iran recently attacked Saudi targets, even with a Pakistani-Saudi defence pact in play. Again, it's being challenged through Houthi attacks. While Pakistan may not want to get actively involved, expectations of alliance partners would grow.

Is it possible that Pakistan gets drawn militarily into West Asia? That's going to be a tough call for Munir. Any such mid-to-long-term commitment could exert pressure on its deployments against India and Afghanistan. Plus, it will have to take into account security implications on its border with Iran and the possible rebuilding of a Tehran-Kabul axis in the future.

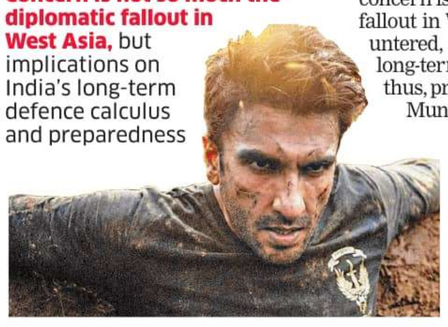
That said, India will have to be very watchful. While Washington's silence is being taken as tacit approval in West Asia, this alliance sits well with Beijing, too. At some point, the US will have to take into consideration the kind of military exposure it can afford for Türkiye, a Nato member, to have with China's all-weather ally Pakistan.

While for Türkiye, the 'Mecca alliance' is a show of strength against Israel, for Saudi Arabia against Iran — serving a Sunni leadership purpose — and its growing profile, the gain Pakistan will look for, besides Munir's profile, is access to military technology and security-linked economic resources.

From Türkiye's own potent military ecosystem plus Nato weapon systems to China's armaments universe and tech resources, Pakistan will want to use this alliance as an opportunity to modernise its armed forces. Munir will count on Riyadh to chip in financially to fund the training and modernisation effort, considering Pakistan's desperate financial state.

For India, this means redoubling efforts on improving its defence preparedness on a fresh calculus that Pakistan's supply chains will now run longer. Rawalpindi's objective, in due course, will be to ride out pressure from West Asia, and prepare itself to fight a longer campaign against India, one that it failed to extend during Op Sindoor.

Concern is not so much the diplomatic fallout in West Asia, but implications on India's long-term defence calculus and preparedness



But Munir's big plan comes with an even bigger complication: domestic backlash in the forms of unrest in the northwest and the Taliban challenge, increasing violence in Balochistan, clampdown in POK, and political strife over Imran Khan's continued imprisonment. Add to this Shia anger, and problems will only multiply.

Pakistan Army sees this impending challenge, and has started to craft a narrative against the government with a dangerous agenda to geographically reorganise Pakistan. This was articulated by Pakistani interior minister Mohsin Naqvi, Rawalpindi's civilian face in the government, when he called for increasing the number of provinces that included dividing Sindh and Punjab.

This thought, ostensibly to improve governance, was officially endorsed by the Pakistan military's Inter-Services Public Relations (ISPR), raising doubts over what Munir had in mind for the Sharif and Bhutto clans controlling Punjab and Sindh, respectively.

Hazy as the picture now appears, one bit is clear: having appropriated constitutional authority and protection, Munir is now rolling out his own political agenda — of a military leader endorsed and celebrated by the Islamic seat of Mecca. This is a break from the past, carrying with it the risk of internal turmoil that the Pakistan Army would leave for the civilian government to sink or swim with.

Either way, a strengthened Rawalpindi's purpose will always be to pivot back on India. Worse, even an internally challenged Rawalpindi will seek it to divert public attention. That's why concern is not so much the diplomatic fallout in West Asia, which can be countered, but implications on India's long-term defence calculus and, thus, preparedness.

Munir is seeking to build a military supply arc from Türkiye to China, an ambitious gambit with several pitfalls. But for India, it's enough to call for a strategic remeasurement of its own base.

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Administer the Relevant Minister



Saibal Dasgupta

GoI acknowledged the seriousness of concerns aired recently by Gen Z protests by transferring the education secretary, removing 47 National Testing Agency (NTA) officials, and accepting education minister Dharmendra Pradhan's resignation. The appointment of Pralhad Joshi as Pradhan's successor sparked discussion, since he has neither academic qualifications nor professional experience in the sector. While Joshi is not unique in this respect, the episode revived a debate on whether ministers should possess qualifications or professional experience relevant to their portfolios.

This question deserves closer attention. An examination of the Modi government shows that only about 1/4th of its 71 ministers have academic qualifications or significant professional experience broadly aligned with their portfolios. Only 9 have backgrounds that closely match the ministries they head, with a similar number among ministers of state.

All political parties suffer from the malaise of ignoring the need for high-quality governance. During the 2 terms of the Manmohan Singh-led UPA government, only about 1/5th ministers had qualifications or professional experience related to their portfolios. A similar trend is visible across most state governments.

Education provides a striking example. Of the 5 ministers who have headed the Union education ministry since 2014, none has had a career in teaching, educational administration or academic research. In contrast, Maulana Abul Kalam Azad, Humayun Kabir and Murli Manohar Joshi held the education portfolio in earlier governments.

Among the states, only 4 — Gujarat, Uttarakhand, Assam and West Bengal — have education ministers with professional backgrounds in education. Even the parliamentary standing committee on education has relatively few members with substantial academic or educational experience.

By contrast, several other democracies make greater use of subject specialists, with such appointments accounting for as much as 70% of ministerial positions. In Britain, the shadow cabinet allows opposition politicians to develop expertise in specific policy areas while scrutinising the corresponding government departments. Although political considerations continue to influence ministerial appointments, the system encourages greater policy specialisation and creates a pool of ministers-in-waiting with experience in particular sectors.

Consequences of a mismatch between portfolios and professional backgrounds should not be underestimated. Ministers without relevant expertise are more likely to depend on civil servants for policy formulation and implementation. Since IAS officers are generalists, this can result in both the political and administrative leadership of a ministry lacking deep domain knowledge.

Cabinets are composed to reflect regional, caste, community and coalition interests. PMs also tend to entrust key portfolios such as home, finance and defence to trusted political colleagues who share their strategic outlook. Political compulsions limit the scope for merit-based portfolio allocation.



Match made with portfolios

Yet, appointments based on professional expertise have often won broad public approval. P V Narasimha Rao's decision to appoint economist Manmohan Singh as finance minister is regarded as one of the most consequential ministerial appointments in independent India. More recently, Narendra Modi's choice of S Jaishankar, a career diplomat with experience of working in the US and China, as foreign minister was similarly welcomed.

If GoI is serious about drawing lessons from the Gen Z movement, it should consider whether ministers' academic qualifications and professional experience are better aligned with the responsibilities they are asked to discharge.

Strengthening this alignment won't eliminate the need for political judgement. But it could improve the quality of decision-making and reduce excessive dependence on the bureaucracy. A strong political mandate is meant to be used to bring about major reforms, even if it means ruffling a few feathers.

The writer was ToI's Beijing correspondent

Not Much Bang for the ¥en



Ateesh Tankha

Singapore: US treasury's decision to purchase about $10 bn of Japanese yen appears to be an act of munificence to resuscitate a dependent ally's rapidly depreciating currency. It seems in line with other recent dollar-defence interventions, including the $20 bn currency swap line extended to Argentina in October 2025, and the one formalised with the UAE earlier this year.

Certainly, the yen is tottering. A stagnant economy coupled with increased social welfare spending has ruined the exchange rate, presaging high inflation and threatening sovereign debt markets and global supply chains. But this was also a Hobson's choice.

Since Japan holds $1.19 tn of US bonds, a weaker yen would necessitate an interest rate increase by Bank of Japan (BoJ), dramatically reducing the yen carry trade, which allows entities to take out loans in the near-zero Japanese interest rate environment to purchase dollar-denominated bonds and make a handsome profit on the spread. A Japanese rate increase could, therefore, see a substantial selloff of dollar securities, putting additional pressure on the embattled US treasury, which now pays an estimated annual interest charge of more than $1 tn.

And, so, treasury secretary Scott Bessent, who made his fortune as a currency speculator, did what he knows best. Anybody who doubts his motive, or believes that the dollar is not under threat, should simply follow the transaction. Bessent bought over ¥1.5 tn by selling euro-denominated assets to stall further dollar erosion. He has also touted the possibility of allowing Japan to borrow against its bond holdings without liquidating US securities.

But successive currency interventions are an age-old sign of imperial decay. After WW1, Britain, pursuant to the acquisition of sundry German and Ottoman possessions, was at its distended best. But this was not a good thing. Crippled by war debt, Britain's overleveraged position was unsustainable. It quit the gold standard in 1931 and set up the sterling bloc to allow Commonwealth countries to peg their currencies to the pound, share forex reserves, and enjoy access to Britain's capital markets and FTAs.



Playing Captain Pikachu

All to no avail. Between 1931 and 1939, it intervened on behalf of its partner nations continuously through exchange rate controls. It took WW2 and the Bretton Woods system to destroy the pound's supremacy. But it hung on, attempting everything from devaluations to rescue packages, before allowing the pound to float towards oblivion in 1972.

The US may be in the same position as Britain a century ago. This is why Bessent's mediation is unlikely to be the last of its kind. Not only because the sum invested is nugatory, but also because the ruinous US-Israeli war against Iran is now lost. Defeat by itself only implies a loss of face for the US. But Iran's terms — war reparations, unfreezing of assets, lifting of embargoes and demanding the US quit its military presence in the Persian Gulf — will adversely affect the dollar's fortunes.

Also, any US attempt to sanction countries that pay Iran's Hormuz Strait toll could result in economic catastrophe for those that comply, and a serious challenge to the dollar's hegemony for those that choose to buy, say, Chinese renminbi in lieu of gold to compensate Iran. If such a metallic standard were successfully established, dollar's reserve currency status would become untenable.

Under these circumstances, what should India do? As the world's fastest-growing major economy, which has recently augmented its forex reserves by about $37 bn through a foreign currency non-resident (FCNR) scheme, allowing NRIs and PIOs to invest in high-interest-bearing, tax-free, foreign currency fixed deposits, it may feel confident about the future. But these statistics may be a mirage.

For one, India has pegged its fortune to the AI bubble, welcoming investments of $98 bn for 2,117 GCCs and about $20 bn for India Semiconductor Mission. But the success of these initiatives depends on the continued patronage of GCC countries, which could stall if China wins the AI war, or fail if the petrodollar is rendered unnecessary.

If India's growth slows, and rupee's exchange rate against dollar deteriorates further, its ability to pay back its loans, including those linked to FCNR, will become onerous. Also, by associating with the losing side, it faces the prospect of dealing with China, Russia and Iran as distinct, but closely allied, big powers. Not only is it uncertain how many concessions — toll waivers from Iran, cheap Russian oil in the face of US sanctions, Chinese rare earth imports, etc — India will enjoy from this 'triple alliance', but it's also unclear how India's global standing will be challenged.

India's best bet, therefore, may be to repair relations with its neighbours, and work with BRICS+ to challenge US hegemony and ensure the economic chaos unleashed by the current war is never permitted again.

The writer is MD, eTrans Solutions

THE SPEAKING TREE

Universe is Evolving

GANESH KOLAMBAKAR

A few regard the universe as eternal, unfolding through cycles of creation, preservation and dissolution. Whether it is a personal Creator, an impersonal principle or an eternal reality, the common insight is that creation is not random but the manifestation of an underlying universal intelligence.

Ancient wisdom reminds us that the human being is a microcosm of the macrocosm. The same principles that govern the universe also operate within us. Just as the cosmos evolved from disorder towards greater order, our lives too pass through periods of confusion, conflict and uncertainty. Yet, we possess the capacity to restore balance, order and harmony within.

This inner evolution begins by regulating the mind, transcending the ego, and cultivating discernment through intellect. Through conscious living, self-awareness and meditative practices, we gradually expand our consciousness and awaken to higher dimensions of our being, leading to greater peace and fulfilment.

Perhaps the deepest lesson of creation is that evolution is not merely a cosmic phenomenon but a personal one as well. Every moment we choose awareness over ignorance, compassion over conflict, and wisdom over impulse, we participate in the ongoing process of creation. The universe is still evolving. Are we consciously participating in our own evolution?

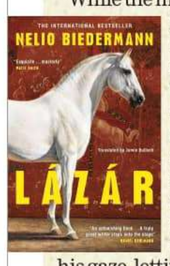
PARANORMAL ACTIVITY Paragraphs From Fiction

Lázár

Nelio Biedermann

The snow of the dying century still lay on the edge of the dark forest when Lajos von Lázár, the translucent child with water-blue eyes, first glimpsed the man he would believe to be his father for his whole life and beyond.

It was the evening of Epiphany. The forest swallowed the last of the murky blue light. The room where the child was born lay in the western wing of the manor house, right next to the one painted blue, which nobody ever entered.



While the midwife washed the child's back, Sándor von Lázár stood at the window, scanning the forest.... He was standing there, feeling the cold of the glass, sweeping the edge of the forest with his gaze, letting it wander across the bark of the tree trunks, when a sudden fissure opened up inside him.

At once he felt that well-known anxiety, the familiar panic course through his body, flooding everything. Then he blinked and the fissure closed. He breathed a sigh of relief. He was not like his brother, nor like his mother, just slightly unsettled, which should come as no surprise given that his wife had just given birth to a baby whose tiny organs were visible beneath its transparent skin.

Translated from German by Jamie Bulloch

Chat Room

Try Lateral in This Trilateral

Apropos 'So, Is This Sunni Side Down?' by Indrani Bagchi (Aug 10), the Saudi Arabia-Türkiye-Pakistan defence pact deserves India's close attention, even if it is premature to describe it as an 'Islamic Nato'. At a time when the security agreements and assurances of the US have proved of little help for allies like Saudi Arabia, and other Arab nations are being attacked by Iran in its war with America and Israel, the pact is best seen as diversification from a strategic hedge that places all faith in a single security guarantor. India need not panic, but it cannot afford complacency either. Türkiye's increasingly close relationship with Pakistan is particularly significant, given Ankara's repeated criticism of India on Kashmir. A deeper Saudi-Pak alignment could also complicate India's carefully cultivated ties with Riyadh.

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Improving fiscal credibility

States must adopt transparent reporting framework

The Comptroller and Auditor General's (CAG's) latest audit reports on state finances have exposed gaps between headline Budget numbers and the true fiscal position of several states. The auditor found that the reported revenue and fiscal deficits of states, including Bihar, Chhattisgarh, Gujarat, Kerala, Karnataka, West Bengal and Maharashtra, understated deficits once off-Budget borrowings, misclassification of expenditure, delayed transfers of pension contributions, and other unpaid obligations were taken into account. These observations should not be viewed as isolated accounting irregularities.

The most significant concern is the increasing reliance on off-Budget borrowing by states. These are loans raised by state-owned enterprises, special purpose vehicles, and other government-controlled entities, with debt servicing ultimately borne by the state through grants, guarantees or dedicated revenue streams. Such borrowing is often used to finance infrastructure, subsidies or loss-making public utilities without immediately reflecting the liabilities on the government's own books, weakening the credibility of headline fiscal indicators. The World Bank, in a recent report prepared for the Sixteenth Finance Commission, found that four states, namely Andhra Pradesh, Telangana, Kerala and Tamil Nadu, relied heavily on off-Budget borrowing between 2021 and 2023, amounting to 0.6-4 per cent of their gross state domestic product. The real issue here is the absence of transparent and uniform disclosure by state governments. Successive Finance Commissions and the Reserve Bank of India (RBI) have repeatedly flagged this concern.

The RBI has argued that fiscal-responsibility laws should evolve from merely monitoring deficit numbers to assessing broader fiscal risks. It recommends a risk-based fiscal framework under which governments regularly disclose off-Budget borrowing, guarantees, contingent liabilities and pension obligations through comprehensive fiscal risk statements. The CAG's findings also expose weaknesses in expenditure classification. Several states booked routine revenue expenditure as capital outlay, thereby lowering the reported revenue deficit while inflating capital expenditure. Misclassification not only distorts fiscal indicators but also creates a misleading impression of the quality of public expenditure. Equally troubling is the continued use of the residual accounting category "Minor Head 800 – Other Expenditure". The World Bank report notes that grants used for servicing off-Budget loans are often parked under this head, obscuring their true purpose. The CAG similarly observed large amounts were booked under this head, making it difficult for legislatures, investors and citizens to understand where public money was being spent.

Although common government-accounting rules already exist, disclosure practices remain uneven and often inadequate. A standardised fiscal reporting framework should require every state to uniformly disclose off-Budget borrowings, guarantees, contingent liabilities, escrowed revenues, unpaid statutory obligations and pension liabilities, alongside the Budget. As the RBI has argued, states should also adopt a medium-term expenditure framework to better link policymaking with budgeting through multiyear expenditure planning, while regularly publishing fiscal-risk statements. Fiscal responsibility cannot be judged solely by whether deficit targets are met in a given year; it ultimately depends on whether public accounts present a complete picture of governments' true financial obligations.

West Asia's 'Nato'

New Delhi faces a new diplomatic challenge

The joint defence agreement signed last week between Turkiye, Saudi Arabia and Pakistan is a compelling indicator of the United States' (US') waning power in West Asia. The pact builds on a similar agreement between Saudi Arabia and Pakistan in November last year, which formalised long-standing, though unpublicised, military cooperation between the two Sunni Islamic nations since the 1970s. It was announced after Israeli airstrikes on Doha, Qatar — both trusted US allies — underlining the fundamental unreliability of Washington's security guarantees. Turkiye's entry into an agreement that echoes the language of the collective defence framework of the North Atlantic Treaty Organization (Nato) — that an attack on one ally would be considered an attack on all three — has added a disquieting dimension to West Asia's chronically unstable politics.

Turkiye has a geographical and institutional foothold in Europe and West Asia. It is a founding member of the Organisation of Islamic Cooperation, but it is also the largest Nato member after the US. In the recent past, it has fully flexed its powers in delaying the entry of Finland and Sweden as Nato members. Under Recep Tayyip Erdogan, however, Ankara has been strengthening its Islamic credentials, playing key roles in Syrian and Iraqi conflicts, in which it occasionally clashed with the US, its ostensible ally in these regions, over support to local Kurdish militias. Its decision to buy Russian fighter aircraft and air defence systems added to tensions exacerbated by diplomatic friction over US-backed Israel's action in Gaza. This latest alliance brings together a nuclear-armed country (Pakistan), a nation rapidly expanding its military-industrial complex (particularly in drone and unmanned-aerial-vehicle technology), and the most powerful Arab nation.

The US' manifest inability to subdue Iran or its regional proxies in Gaza, Lebanon, Yemen, and increasingly Iraq, or to defend allies in Qatar, Oman, the United Arab Emirates, or Saudi Arabia from Iranian attacks has significantly contributed to creating a new pole in West Asia against the aggression of Israel, the sole US-sponsored nuclear power in the region. A potential US-Saudi civil nuclear cooperation agreement has been stalled because of US President Donald Trump's condition that Saudi Arabia sign the Abraham Accords and normalise relations with Israel, and Riyadh's insistence that recognition of Israel was contingent on progress towards Palestinian statehood. With the US running short of precision-guided weaponry, Oman and Iran independently discussing mutually beneficial ways of operationalising the Strait of Hormuz, Israel persisting with attacks on Lebanon, Syria and Gaza, and Iran arming Yemen's Houthis against Saudi Arabia, the test for this latest triple alliance could come sooner rather than later.

Though the agreement is not India-focused, it has implications for New Delhi. First, India's increasing support for Israel can impact its traditional close ties with the Arab world, which remains a significant supplier of fossil fuel and a destination for exports and labour. The second factor concerns cross-border terrorism. This agreement comes just 15 months after Pakistan-sponsored attacks on civilians in Pahalgam precipitated retaliation in the form of Operation Sindoor. This mode of response could become more challenging after this "West Asian Nato" agreement. The Indian diplomatic establishment needs to find ways to deal with the evolving geopolitical landscape.



ILLUSTRATION: BINAY SINHA

Cyber storm ahead

India may be staring at a deluge of cyberattacks. We urgently need a framework to deal with them

Talking to experts in the field, one gets a sense that with the launch of Mythos, we are at a watershed moment in the field of cybersecurity. I don't think investors are fully aware of the cyber risks that are now on our doorstep. While we have all seen recent reports of OpenAI and Anthropic models jumping their sandboxes or safeguards and autonomously attacking third-party sites such as Hugging Face, the risks are much deeper and more widespread. JPMorgan Chase has done some very good work on this topic, and I have used its research to better understand the issues.

First of all, the introduction of Mythos and GPT-5.5 has revolutionised the use and effectiveness of artificial intelligence (AI) in detecting cyber vulnerabilities. We are about to witness a deluge of previously undetected vulnerabilities in both software and hardware that these new Mythos-like models can now identify. Anthropic and participants in Project Glasswing found more than 10,000 new high- and critical-severity cyber vulnerabilities during the first month of use.



AKASH PRAKASH

Ninety-five per cent of these vulnerability disclosures had no public advisory at the time, meaning they were not listed on vulnerability databases and thus not widely known. A report by Epoch AI showed that critical cyber vulnerabilities reported by 21 leading technology companies went from less than 10 to 400 following the release of Mythos. Another scary fact is the study produced by the United Kingdom's AI Security Institute. It showed the ability of both Mythos and GPT-5.5 to autonomously complete a 32-step corporate network attack simulation encompassing a full network takeover. Before this, AI models could not even complete half the test.

These leading models now have the ability to chain low- and medium-cyber vulnerabilities into cyberattacks using approaches never seen before. The length and complexity of tasks these leading edge models can complete autonomously is doubling every 3-4 months. So vulnerability detection and exploitation will further accelerate.

The median time for vulnerability exploitation has fallen from one year in 2021 to a projected one minute in 2027! No time to prepare.

These capabilities are not only confined to the frontier American models. The leading Chinese models are only 6-9 months behind. The fact is that despite its remarkable cyber hacking skills, Mythos was not designed for this purpose, its cyber skills are a byproduct of its training and thus should be replicable by the Chinese models through distillation and similar training techniques. The real risk is that these Chinese models are open weight, downloadable and can be easily jailbroken. According to most experts, the safety controls on downloaded models can be removed within one hour by publicly available tools like Heretic. Once modified, these models respond to prompts on topics they were initially designed to refuse to engage with.

Tools like Heretic have been used to produce over 3,500 modified model variants (source: Akerman Intelligence Alert). The jailbroken version of Z.ai's model GLM 5.2 is available on the Hugging Face site with over 10,000 downloads.

All this implies that cyber capabilities that were once the preserve of state actors will soon be available for ransomware, terrorist organisations or even individual hackers. The vectors from which a cyberattack can originate have just multiplied and therefore so has the complexity of defending against these attacks.

An underappreciated weakness is the use of open source code. It is far more ubiquitous than people think. Of all commercial codebases, 95 per cent contain open source components. A 2022 Linux Foundation study found that between 70 and 90 per cent of any given software codebase is made up of open source components.

The open source ecosystem varies in depth and maturity. Some open source is backed by well-funded foundations with sufficient engineering resources, others are small groups of volunteers who support the software as a hobby. Almost 94 per cent of open source projects had fewer than 10 developers accounting for more than 90 per cent of the code. These components will typically have very few maintainers who keep the code secure and address vulnerabilities. This is the danger. Can these small teams of pro bono maintainers handle the upcoming deluge of patches needed to keep the code safe? Most concerning is that parts of the open source system can come under the control of bad actors with malicious intent. The bad actors can pretend to be volunteers and exploit the culture of trust that the open source ecosystem is built on.

There is the whole sphere of non-cloud physical infrastructure that needs enhanced protection as well. Internet-exposed industrial control systems that manage power grids, water systems and pipelines are particularly vulnerable to disruption. Just because they are not on the cloud does not protect them.

The introduction of AI models with Mythos-level capability has changed the game for cybersecurity. When attackers can reverse engineer a patch and weaponise it in minutes, speed of response has become critical. At the moment, enterprises are notoriously slow in implementing patches as they try to optimise system uptime and avoid patch-related disruptions.

Talking to experts, one gets the sense that India has to urgently upgrade its software, especially in the states and the small and medium enterprise sector. Much of it is very old.

In India, we may need to implement a cash-for-clunkers programme to encourage our state-level infrastructure providers to upgrade to the latest software. When patches are released, they will only be for the latest versions of software. Many of our service providers, be they state electricity boards, municipalities or water utilities, run outdated versions that are very vulnerable.

We may also need to put in place a central-level cyber defence agency, with the authority to help critical infrastructure sectors or key enterprises during a cyberattack. We need indigenous cyber capability and coordination. In today's wars, cyberwar is part of the toolkit. We must expect cyber disruption to be attempted on a mass scale. Do we have an SOP in place to handle cyber disruption? Attacks from state actors cannot be handled at an individual enterprise level.

We have to create a framework for information sharing among all affected parties, a clearing house type of mechanism so that we know who has been attacked and by what. It cannot be that no large Indian corporation has been hacked? Have the learnings from any such attack been shared? Are we sharing best practices among our large companies?

There are many things to be done. There is very little time. A deluge of cyber vulnerabilities is on our doorstep. The attackers are fragmented, getting more sophisticated by the day and difficult to defend against. I hope I am wrong, but one does not get a sense that corporate India or its boards are seized of these issues. Reading Indian balance sheets, cyber risk is hardly mentioned. Most boards have very limited cyber expertise. The writing is on the wall. We must be prepared for the disruption ahead.

The writer is with Amansa Capital

The drama over ratings

For over a month now, the world's second-largest TV market has seen a complete ratings blackout. On July 1, the Ministry of Information and Broadcasting directed the Broadcast Audience Research Council, or BARC, to "withhold the television audience measurement and publication of television ratings". This order will stay in place until BARC's application for renewal of its registration is considered under the new Television Ratings Policy released in March this year.

This is bad news. Adspend on linear television, or the TV we get through cable or direct-to-home (DTH), has been falling steadily. From ₹31,200 crore in 2023, it was down to ₹26,300 crore in 2025. So far, however, the lack of ratings, the metric used to buy and sell ad seconds, hasn't had much impact, according to TAM Media Research, which, among other things, monitors advertising on over 650 TV channels.



MEDIASCOPE

VANITA KOHLI-KHANDEKAR

Much of the adspend in July must have been planned earlier. That explains why it has held steady. The festive season begins in August with Ganpati and Rakhi, going into Diwali later in the year. Adspends peak at that time. If the data blackout continues, many advertisers will rethink their TV spends. The implications differ for different broadcasters. The larger players will manage. Advertisers will go by historical viewership shares of, say, JioStar, Zee or Sony, much like they do in print, which has been operating without readership data since 2019. It is the small, niche brands, especially in languages or smaller geographies, that will suffer.

Why has it come to this? The intent of the new policy is good. It makes it easier for other firms to get into the ratings field. It mandates a minimum sample of 80,000 meters that should keep rising by 10,000 every year, taking it to 120,000 — that is roughly 550,000 people. BARC operates 58,000 meters, reaching under half as many people currently. The other asks? That 33 per cent of the board members of any rating agency should be independent; the establishment survey, the basis on which a sample is chosen, should be done every three years; and technology-neutral ratings to capture growth across linear and digital. BARC has nine months from the date of registration (renewal) to become compliant with some of the changes.

You could argue, as this column has earlier, that ratings or any metric used in a private industry is a matter between the buyer and the seller. Why should the regulator or the government get into it? That argument flew out of the window more than 15 years ago when the first regulatory interventions in TAM's ratings began. Many legal battles, consultancy papers and squabbles preceded the phasing out of TAM's ratings and the rather difficult birth of BARC in 2015. It is a 60:20:20 joint venture between the Indian Broadcasting and Digital Foundation (IBDF), the Indian Society of Advertisers, and the Advertising Agencies Association of India.

BARC faced the same issues as TAM. The sample is robust enough for entertainment, which is more than 50 per cent of all television viewed. But it becomes statistically unstable for small or niche genres. In spite of several advisories requesting broadcasters of niche genres, especially in news and English language programming, to look at trend data on a quarterly basis, they continued to look for how many people were watching one anchor or a show on, say, a Monday night. That kind of granular drilling throws up weird results raising doubts about the quality of the data. The way out was a larger sample. Every new meter costs ₹10,000. An additional 60,000 new meters under the new guidelines mean ₹60 crore. The IBDF, say insiders, is not too keen on investing on a medium in decline.

And that is the first point to consider. In 2019, over 210 million Indian homes had a television set — an audience size of almost 900 million. Thanks to the pandemic and streaming, this is down to 157 million homes, reaching 659 million people in 2025. It has fallen further. However, since BARC has been flogging the same reach numbers since 2018, when the last establishment survey was done, nobody knows (or wants to know) how bad things are. The real growth in TV-like video consumption is coming from DD Free Dish, a state-controlled free DTH service, and connected TVs, which now reach over 50 million homes. Much of what is watched in CTV homes is linear programming. Add CTV homes to the linear number and the TV universe looks good.

That brings this to the second point. Why is cross-media audience measurement such a challenge, especially since most large broadcasters also have successful OTTs — JioStar has JioHotstar, Sony has SonyLIV and so on? The estimate for rolling out a mechanism to measure viewership across DTH, cable or internet is ₹150 crore. Who will pay for it?

And that brings this to the most puzzling thing of all. Advertisers, who actually spend the money on TV have been silent. By all accounts, they have not demanded more from BARC nor questioned it. Many of the changes that the regulator is demanding should have come from advertisers.

What now? There is some talk of giving BARC provisional registration in the interests of continuity. Meanwhile, no firm has shown any interest in setting up a rating agency in India. That is not surprising given the mess the current one seems to be in.

It has been 35 years since India liberalised and the first few private TV channels — CNN, Star TV, Sun TV, Zee — began airing. It has been 22 years since broadcasting had its own regulator — the Telecom Regulatory Authority of India. But there is a tiring familiarity to the regulatory playbook. As the TV business heads towards its transformation from linear to digital, it would be nice to begin this new phase with a collaborative playbook.

@vanitakohlik

The human approach to AI

BOOK REVIEW

AMARJEET SINHA

In a world threatened by the changes wrought by artificial intelligence (AI) that, in some cases, have already unleashed, Vineet Nayar's book *Humans First, Machines Second* is a simple but powerful reminder of what truly matters. Without jargon and unnecessary data, he provides you with a worldview that respects technology but keeps the limelight on the human who wields the power to effectively use any innovation.

It is important to first state what this book is not. It is not an argument against AI; Mr Nayar showcases many examples and use cases such as the work in primary schools by Sampark Foundation, of which the author is a founder, where a teacher-first approach has shown significant positive impact. AI is used to understand the sequence of children's learning. The audio- and audio-visual frugal innovations recognise the centrality of the teacher, and all Sampark Foundation's e-learning material is a resource that teachers use to impart lessons more effectively.

What this book highlights — like Mr Nayar's earlier book *Employees First, Customer Second* — is to not expect AI to solve all your problems. There is, he contends, no substitute to human leadership. AI is only a tool, and it is the quality of the humans and how they leverage the powers of AI that truly makes a difference. Mr Nayar, therefore, makes a valiant effort to restore the belief and faith in the power of the human mind in shaping destinies. For him, the human mind has infinite possibilities when awakened and shown true leadership. This strong belief is in stark contrast to the euphoria over AI that we are witnessing among corporations, creating the impression that human beings will cease to matter.

The book presents 30 well-crafted examples — which he calls "Sparks" — to build a cogent framework of using AI effectively. The four thrust areas of trust, empower, reimagine, and amplify are the basis for these 30 sparks to reimagine winning in the age of AI. It makes a powerful case for the powers of the human mind underlined by chapters titled "Your people are your algorithm", "Automate the boring, amplify the brilliant", "AI is a guide, not a God," and so on. The simplicity of the language and the addition of his own experiences make the narrative more relatable to the lay reader.



Humans First, Machines Second: 30 Sparks To Reimagine Winning In The Age Of AI
by Vineet Nayar
Published Penguin
216 pages ₹799

At a time when AI has become a buzzword with companies and leaders parroting its transformational effects, this book ushers in a timely and pragmatic debate. It lays out a roadmap of technology as a great enabler while shifting the focus on the humans who can carry out real change. As the author writes, "Human First, Machines Second is... not a feel-good slogan; it's a survival strategy. The AI era will hurl businesses into a whirlwind of unending change. What won't change? The incomparable power of humans to win in ways AI never will. All that is needed are the right sparks to ignite it." The book takes on the onerous responsibility of igniting those sparks.

Mr Nayar's conclusion sets out advice for the future of AI. "I do not know the shape your journey will take. But one thing I can guarantee you is that success will try to intoxicate you and failure will try to break you. Humility is what will steer you through both. Carry one simple rhythm: When you are up, keep your head down; when you are down, keep your chin up... When the challenges come — and they will — let four words illumine your path: Humans First. Machines Second. If you do that, you will never lose your way."

People-centricity is more than skin deep; and this book qualifies to be as much a book on management as on technology. It offers an exceptional worldview to the reader to see what the frontiers of new knowledge and AI hold and how best to negotiate transformational change in periods of flux.

The reviewer is a retired civil servant and student of people-centric development. Disclosure: He is a member of the Sampark Foundation's advisory board

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Teething issues

Market closing auction needs time to settle down

The turbulence in the first few sessions of the closing auction session (CAS), introduced by the Securities and Exchange Board of India, has caused quite a flutter. The new system should be allowed to find its feet; it is, in fact, the global norm. The CAS, which is held for 20 minutes after the end of the regular session, collects all the buy and sell orders in a 15-minute window and arrives at an equilibrium price, at which the greatest number of trades can be executed.

The closing price thus discovered through the equilibrium price has been found more reliable and tamper-proof compared to the volume weighted average price (VWAP) method being used on Indian exchanges. Large institutional orders punched towards the end of the trading session would tend to distort closing prices under the VWAP method. Not surprisingly, major global stock exchanges including the NYSE, London Stock Exchange and Hong Kong Stock Exchange use auctions to discover the closing price.

The first two closing auction sessions were indeed very volatile with the Nifty 50 jumping sharply from the closing level in the regular session and a large difference emerging in the gains registered by the Sensex and the Nifty 50. Problems also emerged because the CAS was introduced only in the cash segment, on stocks with derivatives linked to them. While derivative trading takes place in a continuous session, execution of cash trading on the underlying asset halts for 20 minutes. As a result, option prices are very volatile in the last 20 minutes. But order has been restored in subsequent sessions with the gap narrowing between the closing level in regular and closing auction sessions. The differences between Sensex and Nifty 50 have narrowed significantly as well.

Market participants appear to have been wary, preferring to stay away from the closing session. But activity in the closing auction has been improving with the market regulator asking intermediaries to nudge their clients to increase participation. As volumes in the closing auction increase further, volatility is expected to subside. According to a survey done by International Organisation of Securities Commissions, between 2020 and 2025, the value traded at closing auctions has generally increased. Market intermediaries should ensure that the indicative price and the quantity of the order book disseminated live by stock exchanges during the closing auction is displayed accurately on all trading terminals. The indicative price will also help in aligning the prices of futures and options with the underlying cash price. With the closing auction being introduced in a phased manner — beginning with stocks in cash segment linked to derivatives, followed by all stocks at a later date — there could be problems in transitioning. If volatility continues, SEBI could consider introducing designated market makers, as in the New York Stock Exchange.

India is uniquely competitive

FRUGAL ETHOS. A healthy obsession with capital efficiency and cost-innovation can give India an edge in manufacturing



V SUMANTRAN

Two decades ago, on one of my early visits to Japan, I was invited by the then Chairman of Nissan to visit one of their auto plants. The chauffeur drove me from my hotel, and after almost an hour on the highway, exited into what looked like a residential locality. Just as I started to worry that he had lost his way, he turned a corner and, lo and behold, hemmed inside the residential zone was an auto manufacturing plant.

The plant was renowned for making a wide variety of vehicles — small cars, pickup trucks, vans and light commercial vehicles, many requiring dedicated lines. Yet, this plant occupied an area that was about one-fourth of a comparable global auto plant. Japanese engineers, growing up in an environment where land use was tightly constrained, had been infused with an innate orientation for space efficiency.

Japan's vaunted lean manufacturing culture and processes were honed over generations and had spawned the practices such as kaizen, just-in-time, kanban etc. Muda, symbolising waste of space or movement was culturally shunned. This upbringing brought forth business practices that were intrinsically lean and efficient of space, effort and capital. Since the 1980s, global manufacturing leaders would make periodic pilgrimages to Japan to understand and adopt these codified efficiency methods.

This was a visible manifestation of how environment bred a culture of efficiency.

ADVANTAGE INDIA

As we in India, eagerly make one more valiant attempt to significantly raise the share of our country's manufacturing sector in the nation's GDP, there is much to learn from Japan's journey. As we assess our manufacturing competitiveness against the EU, Japan or China, a common hurdle is the relatively harder access to low-cost capital and, simultaneously, brutally stringent pricing to suit the purses of Indian customers. Indian industry and Indian consumers are immersed in an environment that demands that every rupee of capital employed and every paisa imbedded in product cost is squeezed to deliver more.

During the conceptualisation and development of the Tata Nano, this was a lesson that was made evident to the company with every decision that needed to be taken. Many global industry pundits awoke to the realisation of the challenge involved and its likely implications. Carlos Ghosn, then Chairman of Renault-Nissan was a fan of Indian engineering prowess and popularised the phrase, frugal engineering.

The sincerity of his flattery became evident when he assigned the development of that global alliance's next small car platform to India and to Indian engineers. Likewise, German component industry leaders committed their organisations to become a part of that project to sharpen their cost-efficiency skills and acquire this competitive advantage. They saw more method to this than the regrettable characterisation of such cost driven innovation as *jugaad* — these global leaders saw the intrinsic drive of Indian businesses to get more value out of every dollar expended. This healthy obsession with capital efficiency and cost-innovation has the potential of becoming a platform for competitive advantage for India, just as lean manufacturing became an exploitable platform for Japan.

The path to capital efficient businesses that turn out affordable products does not emerge from avoiding technology but rather from intelligent adoption of technology

Many examples of the outcomes of such Indian prowess tumbled out of other sectors as well. ISRO's satellite launch platforms and their Mangalyaan Mars mission gained similar kudos for accomplishing commendable success on a shoe-string budget. India's pharmaceutical industry likewise has showcased its ability both in capital efficiency and turning out affordable products that set new global benchmarks. It is important to realise that the path to capital efficient businesses that turn out affordable products does not emerge from avoiding technology but rather from intelligent adoption of technology, and pragmatic specification of product performance and requirements.

EV EXPERIENCE

Sadly. the trajectory taken by current global electric vehicle (EV) evolution seems to have focussed on vowing customers with flamboyant performance, ostensibly defeating the primary objective of the migration to EVs — a more sustainable mode of transportation. So, 300 horsepower motors, blindingly fast acceleration (self-proclaimed by one manufacturer as "ludicrous"), and large batteries to travel over 500 km were a part of the specifications of a large number of the pioneering EVs on offer. There was disregard of appropriate concern of the "true" cost of carrying almost 100 kWh of battery energy, itself often weighing over 500 kg, in a vehicle topping 2 tonnes, just to deliver a human occupant weighing a median 60 kg to the neighbouring supermarket or the 15-km commute to work. Such specifications scoff at considerations of sustainability or affordability, even if one cannot deny that they can turn some businesses into darlings of stock markets.

It was therefore with considerable satisfaction that one noted the recent publication by the respected ICCT (International Council on Clean Transportation) of the average energy consumption of pure EVs, after an assessment of automakers from across the globe. The graph depicts the "the average energy consumption of EVs after the adjustment by vehicle's weight and the score for this metric, by manufacturer".

While allowance must be made for the fact that the product portfolio of different manufacturers will vary depending on the markets they cater to, it is encouraging, in a technologically competitive industry, to see Indian manufacturers take the top two global spots. There is no intent to present this as a result of superior technology. Rather, this is the result of sensible and pragmatic specification of products keeping in mind the affordability for customers and capital-efficiency for the automaker. What is left unsaid in the graph is result of what product development engineers call the "virtuous spiral". Modest specifications lead to lower weight, thereby improved efficiency and to reduced cost.

As a result, Indian manufacturers like Tata are able to offer pure EV cars starting from a price of below ₹6 lakh (excluding an affordable battery subscription) — a mouth-watering price in any global market. Looking beyond, India has a fast-growing fleet of EV 2-wheelers and 3-wheelers and buses which also offer similarly frugal and efficient solutions that are better suited to sustainability goals that the bloated over-specified products of many global manufacturers.

Ancient traditions, not only from Hinduism but from other religions and cultures as well, made a virtue of frugality and advocated limiting one's environmental footprint to a minimum. In a world that needs to urgently realise that there are finite limits to resources, will this theme that is so native to Indian businesses provide lessons to global business, just as Japan's space-efficiency obsessed society provided global lessons in sustaining lean enterprise? One certainly hopes so.

The writer is Designated Partner, Celeris Technologies

Average energy consumption of BEVs and metric scores by manufacturer



Source: theicct.org

FCNR(B) deposit scheme: How is it stacking up?

It may not impact currency value or reserves levels as much as in 2013, when it was tried out. Yet, it remains a prudent move

Sachin Gupta

The Reserve Bank of India's Foreign Currency Non-Resident (Bank) or FCNR(B) Deposit Scheme 2026 represents a familiar yet timely policy response to external sector pressures. Designed to attract foreign currency deposits from NRIs, the scheme aims to strengthen liquidity, support forex reserves, and reinforce confidence in the Indian economy amid global uncertainties affecting capital flows and currency markets. The scheme has already raised $36 billion by end of July.

FCNR(B) deposits allow NRIs to place fixed-term deposits in foreign currencies while remaining insulated from exchange-rate fluctuations. Under the current scheme, banks are permitted regulatory concessions, including exemptions from Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements on eligible deposits. Also, there is no requirement of Priority Sector Lending (PSL) for the advances generated against these deposits. These incentives improve the attractiveness of the scheme for investors and banks.

The obvious comparison is with the highly successful FCNR(B) mobilisation programme of 2013, launched during the "taper tantrum" when emerging markets faced severe capital outflows. The impact then was immediate and dramatic. Following the scheme's announcement, the rupee appreciated by nearly 10-12 per cent as market confidence improved and substantial foreign currency inflows strengthened India's external position.

The current experience has been markedly different. Despite expectations of significant inflows, potentially in the range of $70–80 billion, the rupee has largely remained range-bound at around ₹95-96 per US dollar.

This suggests that while the scheme is helping stabilise sentiment, it has not triggered the sharp currency appreciation witnessed in 2013. Part of the explanation lies in the global backdrop. Persistent geopolitical tensions, uncertainty surrounding US trade policy, foreign investment flows, and broader risk aversion have limited the scheme's positive currency impact.

Another important distinction concerns foreign exchange reserves. Though the scheme may attract sizeable inflows, the reserve increase might not be as visible as many anticipate. The RBI has accumulated a significant stock of forward foreign exchange sales, estimated at close to $100 billion. As these contracts mature, a substantial portion of the incoming foreign currency may be required to meet those obligations. So, even if deposit mobilisation succeeds, headline reserve accumulation might stay modest.



RBI. Attracting foreign funds

ATTRACTION FOR BANKS

For banks, however, the economics remains attractive. At 5.5-6.5 per cent for most banks, the cost is lower than the marginal cost of domestic deposits. In addition, exemptions from CRR and SLR requirements further reduce the effective cost of funds, while access to stable foreign currency liabilities enhances liquidity. Investors also benefit from competitive foreign currency returns and protection against rupee depreciation, making the scheme attractive for NRI savings.

The broader policy debate centres on whether India could have achieved similar objectives more efficiently through the issuance of a sovereign foreign-currency bond. Such an issuance would have come at roughly 100 bps lower than the FCNR(B) route. Moreover, a Government of India dollar bond would establish a sovereign dollar yield curve, creating a benchmark for external commercial borrowing across the economy and improving price discovery in international debt markets.

Yet the RBI and the government have maintained their long-standing conservative stance against sovereign foreign-currency borrowing. India's macroeconomic fundamentals remain strong, but policymakers are hesitant to expose the sovereign balance sheet directly to foreign-currency liabilities. The unresolved West Asian conflict, uncertain global capital flows, and continuing tariff-related concerns may have reinforced this cautious approach.

As a result, the FCNR(B) scheme represents a middle path — one that mobilises foreign currency without formally introducing sovereign external debt. While it may not produce the dramatic currency gains or reserve accumulation seen in 2013, it remains a prudent tool for external stability.

The writer is Chief Rating Officer & Executive Director at CareEdge Ratings. Views expressed are personal

OTHER VOICES.

The Guardian

India's green growth gamble

India is attempting to do something the world has never seen before. So claimed Niti Aayog, the government of India's policy thinktank, earlier this year. It said that no major economy has tried to expand GDP nearly eightfold within a generation while simultaneously redirecting its energy and industrial systems to reach net zero within two generations. Hence its detailed report's claim that there is "no historical precedent". There is something to this. China industrialised at vast scale, but not on a sustainable net zero path. Korea, Japan and Europe became wealthy by industrialising before decarbonising. Today, rich nations have already satisfied the basic demands of their people and created the infrastructure and high per-capita energy use that India is still trying to build. The world's most populous country has to do this while also reducing emissions. LONDON, AUGUST 9

讀賣新聞
THE YOMIURI SHIMBUN

Plight of Gaza

Since the United States and Israeli launched attacks against Iran, attention in the Middle East has now shifted to focus on the situation surrounding the Strait of Hormuz, while international concern for the humanitarian crisis in the Palestinian territory of Gaza has waned. In particular, it is deeply concerning that U.S. President Donald Trump's administration, which brokered the ceasefire in Gaza, has been overwhelmed by the situation involving Iran and has effectively left behind dealing with Gaza's plight. Last autumn, Israel and the Islamist group Hamas agreed to a Gaza peace plan and a ceasefire took effect. The plan calls for the disarmament of Hamas and the complete withdrawal of Israeli forces following the cessation of hostilities. TOKYO, AUGUST 10

LETTERS TO EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Deploying credit

This refers to the 'Credit policy and resources for lending' (August 10). The quality and quantity of lending are crucial for the growth of a healthy banking system.

The business model must aim to mobilise cost-effective resources to ease the pressure on net interest margin and expand the base of retail depositors. Deposit products need to be customer-friendly to attract and retain depositors. While determining the credit business model, it is essential to ensure that the pricing of the various products compensates the risks as well as is remunerative, but at the same time, it should not be costly to the borrowers. While the credit policy aims to achieve growth with price stability, lenders must not compromise on the quality of the credit.

VSK Pillai
Changanacherry (Kerala)

CAS impact

This refers to the article 'Market likely to adapt to new closing auction' (August 10). SEBI's recent introduction of Closing Auction Session (CAS) in the NSE and BSE, aimed at facilitating equilibrium price discovery, is likely to reshape the trading behaviour of investors and traders, particularly around the market close. The market may appear relatively calm before CAS, while substantial orders from DIIs and FIIs accumulate for the auction, potentially leading to sharp changes in the final price during the price-discovery process.

Although CAS is intended to improve the efficiency of closing-price discovery, it also has potential to create new risks and reward around the closing auction. Retail investors and traders will need to understand these changes and adapt their trading strategies accordingly over the time.

S Lakshminarayanan
Cuddalore District

Perils of chemical overuse

Apropos 'Govt considering cap on Carbosulfan insecticide after plans to ban Paraquat' (August 10), although this is a long-awaited move, more needs to be done to prevent excessive use of chemical derivatives, fertilizers and, pesticides/insecticides, which directly threaten human health.

The need of the hour is to mandate farmers to restrict their use on crops based only on scientific instructions, since most farmers are unaware that excessive use only helps insects and pests develop immunity, after which no derivative can deliver results.

Agricultural universities and ministries have a greater role in this critical mission, which must involve on-field demonstrations of the cons and pros, with strict follow-up action.

Rajiv Magal
Halekere Village (Karnataka)

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The Gen Z shock

Why freedom needs culture and responsibility

A Sakthivel



YOUTH. India's greatest strength

Every generation believes the next one is changing too fast. My generation was no different. Yet when I look at Gen Z, I see confidence, ambition and extraordinary potential. They are growing up in a more connected and influential India than ever before.

Gen Z is undoubtedly India's greatest strength. Better educated, globally connected and technologically empowered, they are helping shape India's future. Their confidence deserves celebration, provided it remains rooted in humility, respect and responsibility.

A healthy democracy also depends on young people asking difficult questions.

Social media has normalised abusive language. Public figures and ordinary citizens alike face personal attacks that are often defended as honesty or freedom of expression.

Freedom of speech allows citizens to question governments and demand accountability. But freedom has always carried responsibility. Democracies grow stronger through robust debate, not personal abuse.

Why has this happened?

Social media rewards outrage over reflection. Technology has advanced faster than our ability to develop patience, empathy and restraint. Digital literacy has progressed rapidly, but emotional literacy has not always kept pace.

EMOTIONAL LITERACY

While digital literacy has advanced remarkably, emotional literacy has not always kept pace. Beyond technology, families spend less uninterrupted time together, schools have limited opportunities to teach civic values and respectful disagreement, and influencer culture often rewards instant reactions over informed reflection. The responsibility therefore belongs to all of us.

In my professional journey spanning more than 43 years, I have worked closely with the Union government, State governments, senior bureaucrats, policymakers, exporters and trade bodies across the world. The trust I have earned was built not through loud words but through respect, professionalism and meaningful dialogue. These values have strengthened partnerships and reinforced my belief that lasting influence comes from character, consistency and mutual respect.

Parents remain a child's first teachers, while schools must prepare young people not only for employment but also for responsible citizenship. Media and digital platforms, too, should reward thoughtful debate as much as sensationalism. Organisations and event organisers should clearly communicate simple dos and dont's for participants. Every cause loses credibility when a few individuals resort to abusive behaviour. Such actions damage both the organisers' reputation and the message they seek to promote.

Grandparents have traditionally passed on India's values, culture and civilisational heritage. As nuclear families become more common, reconnecting children with them can strengthen family bonds and nurture responsible, culturally rooted citizens. Leaders in business, politics, academia and civil society must lead by example. Respect is earned not through authority but through conduct. India has always been a civilisation of debate, where ideas were challenged but individuals respected.

As India moves towards becoming one of the world's leading economies, our social character must grow alongside our economic strength. Prosperity alone cannot define national progress. A nation is ultimately judged not only by the wealth it creates but also by the values it preserves.

I remain optimistic because I have spent decades working with young entrepreneurs across India's apparel industry. Their energy and determination convince me that India's future is in capable hands.

What they need is not less freedom but stronger guidance. The true strength of Gen Z will lie not merely in speaking freely but in leading thoughtfully, disagreeing respectfully and carrying forward the timeless values that have always defined India.

The writer is Chairman, Apparel Export Promotion Council



REUTERS

UPI is not a 'cost' to be recovered

WORKING WELL. India should not weaken its most successful digital public infrastructure merely to collect a small fee, or to placate US interests



AJAY SRIVASTAVA

The government has introduced a Bill in the Lok Sabha that could fundamentally change India's free digital-payment system. By amending Section 10A of the Payment and Settlement Systems Act, 2007, it would allow the government to introduce processing fees or a merchant discount rate (MDR) on UPI and RuPay debit-card transactions through future notifications, without another legal amendment.

The likely first step is an MDR of 0.25-0.4 per cent on UPI payments above ₹2,000 made to businesses, but the charges could later be extended to other transactions.

While the official argument is that UPI must become financially self-sustaining, the move also comes amid sustained US pressure over Indian policies that have eroded the profitable businesses of Visa and Mastercard.

Visa and Mastercard generally do not issue cards or lend money. They operate networks that connect customers' banks, merchants' banks, and payment processors. When a customer pays by card, the merchant usually pays 1-3 per cent of the transaction value. This fee is shared among the banks, the processor, and the card network. Visa and Mastercard earn money each time their networks are used.

UPI disrupted this model by allowing customers to transfer money directly from their bank accounts via a QR code, at no cost to either the customer or the merchant. Even a roadside vendor can accept a ₹20 payment without a card machine. UPI therefore replaced cash and millions of payments that might otherwise have used Visa or Mastercard.

RuPay increased the competition. Its debit cards were widely distributed through public-sector banks and financial-inclusion programmes. Since RuPay debit cards and UPI payments had no MDR, merchants had a strong reason to prefer them over costlier international card networks.

RuPay credit cards linked to UPI pose an even greater challenge. Customers can scan a normal UPI QR code and pay up to ₹2,000 from their credit limit without any merchant charge. Charges apply only above ₹2,000.

RuPay's share of new credit cards reportedly rose from about 3 per cent in 2023 to nearly 16 per cent in 2025. The share of UPI-linked RuPay cards in credit-card transactions increased from about 10 per cent in FY24 to nearly 40 per cent in FY25. India's card market is growing, but much of this growth is shifting away from American card networks.

This explains the criticism in the US Trade Representative's 2026 National Trade Estimate report. Washington has objected to India's zero-MDR policy, promotion of RuPay, RuPay's early advantage in linking credit cards to UPI, data-localisation rules and NPCI's proposed 30 per cent market-share cap for UPI apps. These policies are described as barriers to American companies. Put simply, Visa and Mastercard are losing fee income and want the Indian government to help restore it.

Brazil offers a warning. The US criticised Pix, Brazil's successful instant-payment system, for hurting American payment companies. Pix was among the issues cited when the US imposed an additional 25 per cent tariff on Brazilian goods.

Despite tariffs, Brazil refused to weaken Pix, treating it as essential public infrastructure rather than a bargaining chip to protect American card companies' revenues. India should show similar resolve.

Supporters of UPI fees argue that banks, the National Payments Corporation of India and payment companies incur costs for servers, cybersecurity, and expansion. RBI Governor Sanjay Malhotra has said that someone must pay to keep UPI secure and reliable.

But this argument misses the point. UPI is national infrastructure, like roads, courts or currency — not merely a service provided by NPCI. The government funds roads because the economic activity and tax revenue they generate far exceed their cost. UPI provides similar benefits. It creates a digital record of transactions, expands the formal economy, improves GST compliance and helps small merchants build records needed to obtain loans.

The "someone must pay" argument is misplaced. Large foreign platforms such as Google Pay and PhonePe should bear the cost of UPI, not Indian merchants or consumers

Even a small fee could push low-value transactions and small merchants back to cash. The MDR collected may be far less than the benefits lost through reduced transparency and formalisation.

CASH IS COSTLY

The RBI spent ₹4,875 crore in FY26 on printing banknotes alone. This excludes the cost of transporting, storing, guarding, counting and replacing cash, including 23.8 billion soiled notes withdrawn each year. Cash is India's costliest payment system, while UPI is its cheapest. Charging for UPI and pushing people back to cash would therefore make little financial sense.

Ironically, India has already given American technology companies wide access to its payment infrastructure. Google Pay and Walmart-owned PhonePe process more than 80 per cent of UPI transactions, while Amazon and other foreign platforms are expanding. Business is therefore shifting from one group of American companies — Visa and Mastercard — to another, led by Google and Walmart, that uses India's publicly funded payment system.

PhonePe could be the biggest immediate beneficiary if the Bill becomes law. It was valued at $12 billion in 2023 but paused its India IPO in March 2026 after its expected valuation fell to about $9-10 billion. Since PhonePe handles around 45 per cent of UPI transactions, a share of MDR could provide substantial revenue and increase its IPO valuation.

The "someone must pay" argument is misplaced. Large foreign platforms such as Google Pay and PhonePe should bear the cost of UPI, not Indian merchants or consumers. India could charge them an annual participation fee of perhaps $100 million. These platforms gain huge transaction volumes and valuable insights into the spending habits of millions of Indians through a system funded by Indian taxpayers.

India should also enforce NPCI's 30 per cent market-share cap, now scheduled for December 2026 after repeated delays, to prevent any foreign-controlled app from dominating this critical infrastructure. Payment-data localisation rules should also remain. This would protect public revenue and India's digital sovereignty.

UPI is already available in Bhutan, Nepal, Singapore, Sri Lanka, France, Mauritius and the UAE, with Qatar, Thailand and Southeast Asia likely to follow.

India should not weaken its most successful digital public infrastructure merely to collect a small fee or satisfy US pressure. The modest cost of running UPI is far outweighed by its benefits. Large payment platforms that profit from UPI can contribute to its upkeep without burdening merchants or consumers. India should treat UPI as national infrastructure and a strategic global asset — keep UPI free, keep RuPay strong and keep India's payments policy sovereign and firmly in Indian hands.

The writer is founder, GTRI

thehindu businessline.

TWENTY YEARS AGO TODAY.

August 11, 2006

HC stays BPL Mobile shares sale

The Bombay High Court has restrained the Essar group from selling shares or creating any third party interest in BPL Mobile Communications till the dispute between Hutchison Essar Ltd and the Essar group over the Mumbai circle mobile licencee is settled by an arbitration tribunal. The Essar group had last week terminated the deal for sale of BPL Mobile to Hutchison Essar Ltd (HEL).

Crisil assigns below average rating to 2 IPOs

Crisil has rated initial public offerings (IPOs) of Shree Ashtavinayak Cine Vision Ltd and Minar International Ltd as having 'below average fundamentals'. Both the IPOs have been rated '2' on a scale of one to five. According to Crisil, this is the first rating of IPOs by Crisil, after it launched the service.

British police foil plot to blow up planes

British police today foiled a plot to blow up aircraft in mid-flight between Britain and the US, and were holding 21 people after overnight raids, senior officers said. "We are confident that we have disrupted a plan by terrorists to cause untold death and destruction," said the London Deputy Commissioner of Police, Mr Paul Stephenson.

China slams India for naming sites in Arunachal Pradesh

Sudhi Ranjan Sen

China condemned India for formally announcing names for 27 sites in Arunachal Pradesh, escalating a spat just as the two sides seek to stabilise ties after years of border tensions. India "attempting to replace the names long used by China is illegal and invalid, and cannot change the fact that Zangnan belongs to China," the Foreign Ministry in Beijing said in a statement on Monday.

Zangnan is China's name for Arunachal Pradesh, and the region has been the source of tensions between the two Asian superpowers for decades. On Friday, India assigned names to passes, settlements, a lake and a war memorial in the North-Eastern State, reinforcing its sovereignty claim while pushing back against China's own official place names. "Identifying them formally on the Survey of India map of Arunachal Pradesh is aimed at facilitating their accurate recognition and better awareness among the public at large," the Ministry of Home Affairs said in the statement listing the names.

The names include the Dzo La, Riza La, Pukur La and Thag La mountain passes, Sambho Sarovar lake and the Sher-e-Thapa Memorial.

On Sunday, China's state-run *Global Times* quoted scholars who called the move unilateral and warned it "could complicate efforts to properly handle border issues." Beijing has also released standardised names for sites in the region. India has called those moves "mischievous" and an attempt to advance "false claims." Arunachal Pradesh "will always remain an integral and inalienable part of India," Randhir Jaiswal, spokesperson for India's External Affairs Ministry, said in April.



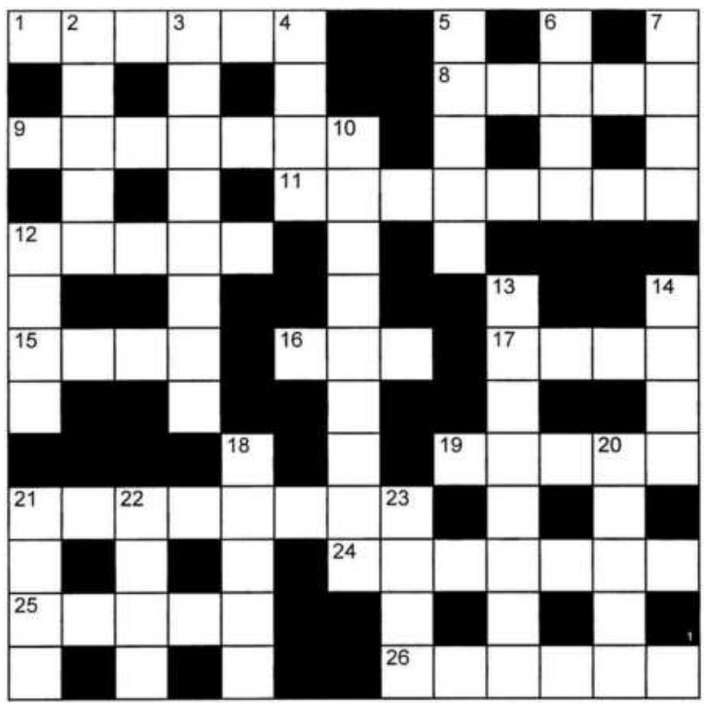
BORDER AREA. A source of tension

China and India share a 3,488-km-long unmarked border that has been the source of tensions in recent years. Ties between the nuclear-armed neighbours are gradually recovering after the June 2020 border clash that killed soldiers. Prime Minister Narendra Modi met Chinese President Xi Jinping in Tianjin last August, signalling a thaw in ties.

Indian and Chinese officials also met in New Delhi on Thursday and agreed to maintain diplomatic and military communication aimed at preserving peace and stability along their frontier.

BLOOMBERG

BL TWO-WAY CROSSWORD 2711



EASY

ACROSS

1. Cross off (6)
8. Poetry (5)
9. One's own person (7)
11. Confined under lock and key (6,2)
12. Poet Lord (5)
15. Make one angry (4)
16. Long-eared equine (3)
17. Wickedness (4)
19. A top degree (5)
21. Early film theatre (8)
24. Military man (7)
25. Housey-housey (5)
26. In the course of (6)

DOWN

2. To rattle one (5)
3. Shop's patron (8)
4. Calm period before storm (4)
5. A slowing device (5)
6. Observed narrowly (4)
7. Leguminous plant (4)
10. Sound of person walking (9)
12. To char (4)
13. A memento (8)
14. Space in machine to receive coins (4)
18. To tend a horse (5)
20. Austere, severe (5)
21. Infant (4)
22. Admits (4)
23. Have in one's possession (4)

NOT SO EASY

ACROSS

1. Wipe out a hundred by waving lance (6)
8. Neither this nor reason to match it sound-wise? (5)
9. By which one is unaccompanied (7)
11. May be imprisoned in Nile dock (6,2)
12. Poetic lord depicted in a lullaby Ronsard wrote (5)
15. Make one cross river to Isle of France (4)
16. There's a fool in every classroom (3)
17. This is the eye that will give one a wicked look (4)
19. Primarily, a duke is about right (5)
21. How did hip bar go wrong, according to early cinema? (8)
24. Is older form of a strip of toast (7)
25. In which a number may make up the full house (5)
26. Throughout the time of the French Wagner cycle (6)

DOWN

2. Any getting around of a negative will be displeasing to one (5)
3. The buyer who is always opposed to the left, they say (8)
4. An interval of quiet may soothe one (4)
5. It is applied to the slow-down (5)
6. Looked at the way they edited it, partly (4)
7. To be, if archaic, a runner perhaps (4)
10. One may be soundly aware of twelve-inch stairs (9)
12. Commit to the flames some water running in Scotland (4)
13. After a loss the rest may serve to jog one's memory (8)
14. Such a machine as will accept one's money (4)
18. Stable employee may be found waiting at the altar (5)
20. The wrong set joining the Navy, being all behind (5)
21. Infant got by, having taken in a rating (4)
22. Possesses things to wear that are topless (4)
23. Hang on to it and keep something back (4)

SOLUTION: BL TWO-WAY CROSSWORD 2710

ACROSS 1. Photography 8. Ancestor 9. Axle 10. Revel 13. Tier 16. Epic 17. Pelt 18. Army 20. Scope 24. Clod 25. Carnival 26. Celebratory

DOWN 2. Hock 3. Taste 4. Grove 5. Plant 6. Maintenance 7. Regrettable 11. Virus 12. Limbo 14. Item 15. Firm 19. Yodel 21. Chair 22. Pinot 23. Over

Editor's TAKE

The FCRA Bill needs scrutiny, not speed

While the Govt is justified in preventing the misuse of foreign contributions, the Opposition's concerns cannot be summarily dismissed

When Parliament takes up the Foreign Contribution (Regulation) Amendment Bill, 2026 on August 12, it will bring to a head one of the most contentious bills in recent times. Introduced in the Lok Sabha on March 25, it has produced a rare alignment of opposition parties, church bodies, a Northeastern Chief Minister and members of the US Congress, all asking the government to pause.

At its core, the Bill empowers a new "Designated Authority" to take over, manage and eventually dispose of the assets of any organisation whose FCRA registration is cancelled, surrendered or allowed to lapse. Schools, hospitals and welfare centres built over decades with legitimate foreign money could pass into government hands if a licence is simply not renewed, even where no wrongdoing is established. It also bars foreign funds from financing undefined "proselytisation", though the government says judicial appeal against the Authority's orders remains open.

India's FCRA portal shows barely 14,449 active certificates today, against over 22,000 cancelled and 15,000-plus lapsed. Christian organisations hold about 12 percent of licences but receive roughly 60 percent of regulated foreign funds - disproportionately exposed.

Mizoram Chief Minister Lalduhoma travelled to Delhi with the Mizoram Kohhran Hruaitu Committee and the Council of Churches in Mizoram, which has called an August 11 protest, to hand Shah a memorandum demanding referral to a Joint Parliamentary Committee. The Catholic Bishops' Conference of India held a national prayer day before the session began; the All India Christian Council has accused the government of engineering a legal takeover of Christian institutions. Congress MP Shashi Tharoor calls the Bill a recasting of civil society as a security threat; Rahul Gandhi's charge that only the RSS would escape scrutiny has been denied as fabricated; and Congress, the Trinamool Congress and NCP (Sharad Pawar) have all demanded withdrawal or committee review.

The government's underlying concern is not baseless. Genuine misuse of foreign funds is a documented problem, and the FATF's 2024 review of India did flag real gaps in non-profit oversight. Shah has already conceded ground, assuring the Mizoram delegation the law will not apply retrospectively. But that addresses only timing, not the deeper objection: open-ended, discretionary control over accumulated assets is disproportionate even for a straightforward, good-faith non-renewal. The way forward lies close to what the FATF itself recommended: targeted, risk-based scrutiny, not blanket vesting powers. The government should accept the JPC referral it has so far resisted, define "proselytisation" precisely instead of leaving it to local discretion, and build in a time-bound, genuinely judicial review before any asset is touched - distinguishing organisations that violated the law from those that simply wind down. Anything less will keep confirming the fear driving these protests: that this Bill regulates money but confiscates trust.

Hasina's return and India-Bangladesh ties

Beyond the immediate political confrontation, Hasina's return could affect Bangladesh-India ties and cooperation on issues ranging from security and trade to the Rohingya crisis and climate change. The episode could prove a critical test of Bangladesh's political stability and India's delicate balancing act with its eastern neighbour



KALYANI SHANKAR



Former Prime Minister Sheikh Hasina, currently in exile in New Delhi, announced her intention to return to Dhaka in December 2026, despite facing a death sentence in absentia. This planned return has sparked diplomatic outrage from Prime Minister Tarique Rahman. It has also reignited national political tensions and complicated the bilateral relationship between Bangladesh and India.

Hasina, who has sought political asylum in India since 2025 following the abrupt overthrow of her government, has made a public declaration regarding her intention to return to Bangladesh by the end of this year. This announcement comes even though she has been sentenced to death by an International Crimes Tribunal due to her alleged involvement in serious human rights violations during her time in office. In her statement, she expressed determination, saying, "I may be jailed, but I will return to Bangladesh by December." Her return is expected to stir significant political tension and public interest as she prepares to face the consequences of her legal battles in her home country.

"I'm not worried about my own future. I'm worried about the future of Bangladesh. My return isn't about power. It's about putting Bangladesh back on the right track." "People of Bangladesh have suffered a lot, and that's why I decided to return," she said.

She may face challenges such as climate change and security threats. Her ability to manage regional stability will influence regional peace and security.

In 2025, Sheikh Hasina, the long-serving Prime Minister of Bangladesh, sought asylum in India due to political turmoil and accusations of authoritarian governance in Bangladesh.

As news of Sheikh Hasina's proposed return to Bangladesh emerges, understanding its regional and national implications is crucial for grasping the future of South Asian politics.

The potential impacts of her return on Bangladesh and South Asian relations are vital for regional stability and India's strategic interests.

Sheikh Hasina has been a key figure in Bangladeshi politics, leading the Awami League party, which her father founded. Her time in office has been characterised by significant economic growth. Ousted former Prime Minister Sheikh Hasina announced from exile in New Delhi that she plans to return to Dhaka in December 2026, despite facing a death sentence in absentia. Her planned return has triggered diplomatic outrage from Bangladesh's government under Prime Minister Tarique Rahman, reignited national political tensions, and complicated bilateral ties with India. It has also raised concerns about human rights abuses and the suppression of political dissent. After her departure in 2025, a power vacuum emerged, leading to increased instability and allowing the opposition and various factions to gain strength.

PRIME MINISTER SHEIKH HASINA ANNOUNCED FROM EXILE IN NEW DELHI THAT SHE PLANS TO RETURN TO DHAKA IN DECEMBER 2026, DESPITE FACING A DEATH SENTENCE IN ABSENTIA. HER PLANNED RETURN HAS TRIGGERED DIPLOMATIC OUTRAGE FROM BANGLADESH'S GOVERNMENT UNDER PRIME MINISTER TARIQUE RAHMAN

The potential return of Hasina may invigorate the Awami League, restoring party cohesion and rallying the support of loyal constituents who have remained steadfast during her absence. Her leadership could help unify party members in confronting opposing political forces and reinstate the party's prominence within the political landscape.

Hasina's return may offer a chance for political reconciliation, helping to unify opposing factions and promote stability in Bangladesh. Hasina's administration is anticipated to focus on restoring institutional trust and resolving governance challenges. This may encompass reforms aimed at enhancing human rights conditions, ensuring the integrity of electoral processes, and promoting economic transparency. Nevertheless, the efficacy of these initiatives will depend on her capacity to navigate the prevailing political divisions.

The opposition parties, particularly the Bangladesh Nationalist Party (BNP), may regard Hasina's return as a significant threat to the democratic process. This perception could incite increased protests and resistance, thereby complicating her capacity to lead effectively without resorting to repressive measures.

Hasina's return to power has the potential to enhance bilateral relations with India, particularly considering her historically pro-India stance. Increased cooperation on matters such as trade, immigration, and regional security may reinforce diplomatic ties and provide mutual benefits for both nations.

Hasina's political actions could strengthen alliances in the region against growing influences from China and other countries. A stable Bangladesh under Hasina could help balance Chinese investments in the area, especially in neighbouring countries.

Bangladesh faces significant impacts from climate change. Hasina can spearhead initiatives to enhance collaboration with neighbouring countries on climate resilience strategies.

The policies implemented by Prime Minister Hasina concerning the Rohingya refugee crisis are of significant importance. A collaborative framework involving India and Myanmar may facilitate constructive solutions and influence how regional governments address migration and humanitarian challenges.

Sheikh Hasina's proposed return is a pivotal moment that could influence regional cooperation on climate change, migration, and security, shaping South Asia's future.

The writer is a popular columnist

PIC TALK



'Kanwariyas' during the second Monday of the holy month of Shravan, as they take part in the 'Kanwar Yatra', in Agartala, Tripura. PHOTO: PTI

DIGITAL EXPERIENCE
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When parents refuse to let go



SAKSHI SETHI

2ND OPINION

Every age worry about the young. Parents have always attempted to safeguard them from failure, disappointment and misery. But somewhere along the way, protection has evolved to resemble protracted supervision. Increasingly, maturity itself is being negotiated through parental intervention. Across colleges and businesses, stories are appearing of parents attending interviews, negotiating pay, contacting employers about workplace concerns or wading into situations that their adult children are expected to resolve themselves. Such incidents are typically dismissed as entertaining anecdotes. They are not. They suggest towards a larger cultural shift in how society sees independence. The phenomena is not born out of faulty parenting. It is born out of dread.

Parents now-a-days have reared children in an atmosphere of unrelenting competitiveness.

Every examination, college entrance, internship and career opportunity looks to hold life-defining repercussions. When the stakes feel impossibly high, many parents think that stepping in is an act of love rather than meddling. They believe experience can shelter their children from mistakes they themselves once made. Yet life has never rewarded those who were shielded from every adversity. It rewards individuals who progressively learn to face uncertainty. Resilience is not inherited. It is created through uncomfortable talks, rejected applications, demanding supervisors, failed interviews and difficult decisions.

These experiences are rarely pleasant, but they are vital. Every challenge that a parent solves on behalf of an adult discreetly deprives that young person of an opportunity to acquire confidence.

As an educator, I have experienced another consequence even before kids enter the workforce. Increasingly, teachers are expected to negotiate directly with anxious parents over matters that students themselves could easily address. Forgotten homework, classroom disagreements, project deadlines or routine feedback often become parental concerns instead of opportunities for children to communicate, reflect and take responsibility. Gradually, young people begin to believe that every obstacle requires an intermediary.

Even modern technology tools have unintentionally reinforced this dependence. Smartphones and applications track every action, movement, decision and every setback instantly. A disappointing meeting or minor workplace disagreement no longer remains a private learning experience, in fact, it instantly becomes a family discussion, inviting advice, intervention and sometimes direct involvement.

Ironically, employers today consistently rank adaptability, initiative and problem-solving among the qualities they value most. None of these qualities emerge from a life where every difficult conversation has already been conducted by someone else. This does not mean parents should suddenly become distant observers. Guidance remains invaluable. Listening without immediately solving, advising without taking over and encouraging without controlling may be among the hardest forms of parenting. They also happen to be the most empowering.

Perhaps the ultimate measure of parenting is not how successfully we protect our children, but how confidently they learn to navigate life without us. A parent's greatest gift is the courage or bravery to let their children face the path by themselves, knowing they may stumble, recover and ultimately discover that they were capable all along.

The writer is an educator and a councillor

LETTERS TO THE EDITOR

WOMEN'S RESERVATION MUST NOT WAIT FOR FUTURE DELIMITATION

This refers to the editorial "Women's quota, held hostage to delimitation" (August 10, 2026). The continued delay in implementing women's reservation is disappointing, particularly after Parliament's broad agreement on the principle. Greater representation should not remain dependent on a prolonged debate over delimitation. Women have waited for meaningful participation in legislatures for decades, and further postponement risks weakening public confidence in the reform.

A practical approach would be to separate the two issues. The 33 per cent reservation can be operationalised within the existing constituency structure, with rotation of reserved seats as provided by law. Delimitation, involving wider questions of population, federal representation and regional balance, should proceed independently through a transparent and consultative process. States must have adequate opportunity to present their concerns before any redistribution of seats is finalised.

The government and Opposition should consider an OBC sub-quota within women's reservation to address representation concerns without delaying the measure. Political consensus matters only when it produces results. Implementing the reservation now, while separately negotiating fair delimitation, would honour Parliament's commitment and give women a meaningful place in legislative decision-making.

ABHARNA BARATHI | CHENNAIN

Please send your letter to the info@dailypioneer.com.
In not more than 250 words. We appreciate your feedback.

Turbulence: An unwelcome flight risk

Whether the Phuket-New Delhi Air India flight drop was related to clear-air turbulence or otherwise, it goes without saying that unexpected turbulence is an unwelcome event for an anxious flier. Though turbulence is generally uncomfortable rather than dangerous, severe turbulence can seriously injure a flier.

In modern-day long-distance air travel, turbulence is an unavoidable possibility, especially on specific routes. Experts have said that climate change across the globe has made air travel bumpier, and this trend may further increase because climate patterns are constantly changing. Clear-air turbulence, which is invisible and can be more difficult to anticipate, is likely to occur more frequently on some routes, especially over the North Atlantic, one of the busiest and most preferred air routes, and can catch even experienced pilots off guard.

Wind shear, which involves a change in wind speed and/or direction over a short distance, particularly in jet streams, can contribute to turbulence. A better turbulence forecasting system and detection mechanism should be developed by aviation experts. Also, the important protection measure — strapping into one's seat during most of the flight — cannot be emphasised enough.

GANAPATHI BHAT | AKOLA

Kerala's floods demand action on desiltation

Kerala, known as "Earth's Eden" or "God's Own Country", is prone to floods and landslides. The state receives an average annual rainfall exceeding 3,000 mm, more than double the national average. In 1924, rainfall of 3,368 mm triggered the catastrophic 'Great Flood of 99'. In 2018, between August 1 and 19, the state received 164 per cent more rain than the annual average. Rivers were in spate and dams crossed danger levels. In early August 2026, cloudburst-like downpours caused floods and landslides.

Kerala Chief Minister VD Satheesan announced ambitious plans for the desiltation of dams and rivers. According to the Institute of Land and Disaster Management, major rivers contain about 27 lakh tonnes of silt, sand and debris from the 2018 and 2019 floods. A time-bound plan to remove these deposits is essential. Gregory Morris, author of the Reservoir Sedimentation Handbook, noted that sediment removal can cost more than dam construction. Desilting dams will require Central Government assistance. Yet, the gap between declared programmes and execution remains unexplained. A flood report said the Doppler Weather Radar acquired after the 2024 Wayanad landslides is still awaiting commissioning.

HARIDASAN RAJAN | KERALAM

JPSC exam row needs a credible resolution

The decision to cancel three examinations of the Jharkhand Public Service Commission (JPSC) after protests by aspirants is a serious matter that deserves careful attention. Competitive examinations are a crucial gateway to government employment, and candidates devote considerable time, money and effort to preparing for them. Any disruption causes avoidable hardship and uncertainty.

The incident highlights the importance of ensuring greater transparency and efficiency in the functioning of recruitment agencies. Examination schedules and procedures should be finalised only after adequate preparation, while concerns raised by candidates must be examined impartially. If there have been administrative lapses, the authorities should identify them and take corrective measures instead of allowing doubts to persist.

The government should improve communication with aspirants by providing timely updates on cancellations, fresh dates and safeguards. A proper grievance-redressal mechanism can help resolve disputes and prevent prolonged protests. The immediate priority should be to reschedule the cancelled examinations and conduct them fairly and transparently. The credibility of the JPSC depends on candidates' confidence in its procedures.

RUKMA SHARMA | PUNJAB

The Pioneer
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Beyond the ballot: Does democracy require informed citizenship?

As misinformation and policy complexity grow, India must explore ways to strengthen civic awareness while preserving the constitutional promise of universal suffrage



MOHIT KUMAR PRASAD



India's democracy is founded upon one of the boldest experiments in political equality ever undertaken. At the moment of Independence, despite widespread poverty and low literacy levels, the framers of the Constitution chose to place their faith in the judgment of ordinary citizens. Universal adult franchise transformed voting from a privilege into a right and ensured that every citizen, irrespective of caste, religion, gender, wealth, or educational attainment, possessed an equal voice in shaping the nation's future.

Yet, as democracies across the world grapple with misinformation, political polarisation, and increasingly complex policy questions, a difficult question occasionally resurfaces: should democratic participation require at least a basic level of civic awareness?

The argument for informed voting

The proposition is neither novel nor entirely without intellectual support. The nineteenth-century philosopher John Stuart Mill, while being a strong supporter of representative government, was concerned that democratic decisions could be influenced by ignorance rather than informed judgment. In his seminal work, "Considerations on Representative Government" (1861), Mill proposed the idea of "plural voting", under which every citizen would retain the right to vote, but individuals possessing higher levels of education or demonstrated competence would be entitled to additional votes. Mill believed that this arrangement would preserve universal suffrage while ensuring that knowledge and expertise received greater weight in public decision-making. Although the proposal was never adopted and would be considered inconsistent with contemporary notions of political equality, it remains one of the earliest attempts to reconcile democratic participation with informed governance.

More recently, political philosopher Jason Brennan, in his influential work, "Against Democracy" (2016), has questioned whether widespread political ignorance undermines democratic outcomes. Economist Bryan Caplan has similarly argued in "Myth of Rational Voter" (2007) that voters are often influenced by misconceptions, emotional appeals, and cognitive biases rather than evidence and informed analysis. Their central concern is not hostility to democracy, but the possibility that uninformed electoral choices may affect the quality of governance and public policy.

These concerns acquire particular relevance in the digital age. Electoral campaigns today unfold in an environment saturated with information, misinformation, and competing narratives. Social media platforms have significantly enhanced access to information but have simultaneously accelerated the spread of rumours, half-truths, and deliberate falsehoods. Complex issues relating to artificial intelligence, climate change, economic regulation, data protection, national security, and international trade increasingly influence electoral choices. It is therefore legitimate to ask whether democracy can flourish without a reasonably informed citizenry.

Constitutional concerns and democratic Equality

At the same time, any proposal linking voting rights to educational qualifications or knowledge assessments immediately encounters serious constitutional objections. The right to vote in India is not merely an administrative entitlement; it is an essential feature of representative democracy and equal citizenship. Conditioning the exercise of that right upon a test of knowledge risks creating distinctions among citizens that are fundamentally inconsistent with democratic equality.

The Indian constitutional experience points in a different direction. The framers consciously rejected literacy and property qualifications despite knowing that a large portion of the population lacked formal education. Their decision reflected a profound belief that political equality must precede social and educational advancement, not follow it. Democracy, in their vision, was not a reward for education but a means of empowerment.

Lessons from the American experience

History offers a powerful warning. Literacy tests were employed in several Southern states of the United States from the late nineteenth century until the enactment of the Voting Rights Act of 1965. Following the end of Reconstruction in 1877, states such as Mississippi, Alabama, Louisiana, Georgia, South Carolina, and Virginia introduced literacy tests, poll taxes, and similar devices as part of what became known as the Jim Crow system. The Mississippi Constitution of 1890 is often regarded as a watershed moment in institutionalising such measures. Although ostensibly designed to ensure an informed electorate, these tests were frequently administered in a discriminatory manner and were used to disenfranchise African Americans and poor voters. Their use was effectively prohibited by the Voting Rights Act, 1965, which sought to eliminate racial barriers to voting. What appeared reasonable in theory became exclusionary in practice. The lesson is clear: any mechanism that permits the State to determine who is sufficiently informed to vote carries the potential for misuse.

DEMOCRACY AND CIVIC EDUCATION MUST BE VIEWED NOT AS COMPETING IDEALS, BUT AS INDISPENSABLE PARTNERS. AN INFORMED CITIZENRY IS NOT A SUBSTITUTE FOR DEMOCRACY; IT IS ONE OF ITS STRONGEST SAFEGUARDS

The Indian way forward

This does not mean, however, that concerns regarding voter awareness should be ignored. The real challenge lies in improving the quality of democratic participation without restricting democratic rights. Instead of debating voter qualification tests, India may benefit from a national effort aimed at strengthening civic literacy. Public awareness programmes conducted by the Election Commission, schools, universities, civil society organisations, and media institutions can play an important role in familiarising citizens with constitutional values, governmental institutions, electoral processes, and the critical evaluation of information.

A democracy as large and diverse as India cannot depend solely upon periodic elections. It must also cultivate a culture of informed citizenship. Civic literacy should be viewed not as a prerequisite for participation but as a democratic responsibility that strengthens participation itself. The objective should be to create citizens who are better equipped to assess competing political claims and hold public institutions accountable.

Proceeding with caution

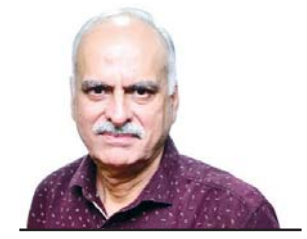
If any discussion regarding civic assessments is ever contemplated, it must proceed with extreme caution. Any such proposal would have to begin with the recognition that voting is a constitutional manifestation of political equality and not a privilege to be earned through educational achievement. Consequently, civic assessments should never operate as barriers to voting, nor should they create classes of citizens possessing unequal political rights. Any framework that seeks to promote informed participation must be designed and supervised by independent constitutional authorities, made accessible in all recognised languages, and subjected to rigorous judicial scrutiny to prevent abuse. Above all, the principle of universal adult suffrage must remain inviolable. The purpose of any reform should be educational rather than exclusionary; otherwise, the cure may prove more damaging than the disease.

Building democracy through civic awareness

Ultimately, the debate raises a larger question: is the answer to voter ignorance fewer voters or better-informed voters? India's constitutional tradition strongly favours the latter. The remedy for misinformation is not disenfranchisement but education; not exclusion but empowerment. A democracy's strength lies not only in the number of citizens who vote, but also in the quality of public understanding that informs those choices. The case for civic literacy is compelling. The case for restricting the franchise is not. India's challenge in the coming decades will be to cultivate an informed electorate while preserving the equal political voice that remains the defining achievement of the Republic. In that endeavour, democracy and civic education must be viewed not as competing ideals, but as indispensable partners. An informed citizenry is not a substitute for democracy; it is one of its strongest safeguards.

The writer is a Senior Judge, District and Sessions Court, Agra

J&K: Unending wait for statehood



ANIL ANAND

August 5, 2026; the seventh anniversary of the dilution of Article 370, leading to the divesting of Jammu and Kashmir of statehood and dividing it into two Union Territories (UTs). It was an unprecedented and unmatched act in the over 70-year history of the Indian Republic. And the solemn assurance of the Union Government and ruling BJP to restore statehood at an appropriate time, made on different fora, including Parliament and the Supreme Court of India, is still waiting to be fructified.

There could have been no better occasion/opportunity for Prime Minister Narendra Modi to fulfil this solemn assurance than the day of the seventh anniversary. It would have better suited the grand-standing style of the current ruling dispensation, wherein dates and symbols play a great role. The solemn assurance, "Statehood would be restored to Jammu and Kashmir at an appropriate time", is lurking in the air. Time and again, questions regarding the definition of "appropriate time", asked on the floors of the two Houses of Parliament and outside, have been deflected by the powers that be by hiding under the cover of "security". The ambiguity of "appropriate time-scale" has upped the index of dissatisfaction rather than satisfying curiosity, particularly among the people of Jammu and Kashmir, who are the direct beneficiaries/sufferers - depending on the prism used to view.

The solemnity of the assurance is getting diluted every day, with the Government not even ready to discuss it. There would have been no problem at all had this assurance not been given, with an intent to stick to the UT model. Then there would have been no need to restore and hold Assembly elections to provide a lame-duck democratic system two years back. The resultant dual power centre has created more confusion than solving any problem. On a more serious note, it has seriously damaged the sanctity of an elected government, with the power centres pulling in different directions and causing serious harm to the public cause, particularly on the development scale. The dictum of "statehood at an appropriate time" would have gained some credibility had there been a continuity effect rather than reiteration of the same nature time and again, which has convinced none barring the ruling dispensation circles and their staunch supporters. One dimension of continuity would have been through bringing transparency in the actions of the Union Government relating to Jammu and Kashmir, with proper explanation, barring those related to security, to the people of the country.



On the face of it, there is a marked improvement in the security situation in the UT. Since the Centre's basic premise behind the August 5, 2019, Constitutional changes in J&K was the then-prevailing "grave" security situation, if this goal has been achieved to a satisfactory level, the rethink on the statehood issue on the seventh anniversary would have been a fitting tribute to the Narendra Modi government's own benefit.

Occasional violence, including two incidents of targeted killings of innocent citizens and police personnel on the eve of the seventh anniversary of the dilution of Article 370, raises serious questions. It also raises doubts about the timing and intent of the perpetrators and the Government's narrative of total normalcy. Five years back, the Government committed before Parliament to restoring statehood without a definite time-frame, and repeated the assurance before the Supreme Court three years later. Meanwhile, with restoration of statehood remaining a mere charade, delimitation of Lok Sabha and Assembly constituencies has been allowed to proceed in an arbitrary manner, seemingly to achieve a particular political goal.

This has not benefitted anyone, including fulfilling the dream of the BJP of either forming a government in the UT on its own or winning a Lok Sabha seat in Kashmir Valley. But it has certainly harmed the cause of Jammu and Kashmir in its entirety a great deal. The fact of the matter is that right from August 5, 2019, the Article 370 issues were planned with a politico-electoral design. The prime motive seemed to be to pave the poll route for future battles of the ballot and not per se the betterment of J&K and its people. The net result is a terrible shortfall on economic and development scales, leaving aside political empowerment.

Flourishing tourism cannot be the only barometer to measure normalcy post August 5, 2019. It has many other dimensions which are deliberately being ignored. The prime factor should be the people's (of J&K) comfort and satisfaction, which has got a thorough beating. Although August 5, 2026, has gone by, there still exists a window of opportunity for the Union Government, provided by the ongoing Monsoon Session of Parliament. In addition to dealing with issues related to examination paper leaks and the Gen Z protests, and the resultant police action in Delhi, an initiative should come from the topmost level in the government. They should take the Opposition into confidence to pave the way for initiating the process in Parliament for restoration of statehood. No harm if a special session of Parliament is convened for this purpose, which will also give the Narendra Modi government a new high.

Such a move will certainly not come in the category of "scaling down", as is being made out in the case of Education Minister Dharmendra Pradhan's resignation. In fact, the Government will fulfil its own solemn commitment by doing so. The Union Government should not hesitate to act on this front, judging by the absence of any enthusiasm among people in both Jammu and Kashmir regions on the seventh anniversary day. Barring reactions of political parties on their stated lines, there was no public euphoria, which is also an indicator of disenchantment over unfulfilled promises related to economic upliftment, regional discrimination — particularly in relation to BJP's stronghold Jammu region - political empowerment through protection of land and job rights (on the lines of Himachal Pradesh and some other states).

The seventh anniversary also entails upon the powers that be to start serious introspection, without sitting on false prestige, regarding the real gains of the process initiated on August 5, 2019. No doubt, security and peace should be the top priority of the Government, but other issues related to regional discrimination, political empowerment and protection of basic rights cannot be overlooked and delayed any further. And even more important is to keep in mind the sentiments and feelings of people of Jammu and Kashmir. In the last seven years, this section has been totally bypassed. "How soon is soon?" The Government must reply to this question by former Home Minister P Chidambaram on the delay in restoring J-K statehood.

The writer is a political analyst

Assam's flood reckoning: Time for a national strategy



SABIR NISHAT

The devastating floods that have ravaged Assam this year have once again exposed the state's chronic vulnerability to one of nature's most powerful forces. But this time, the scale and nature of the destruction have raised uncomfortable questions that go beyond extreme rainfall and overflowing rivers. Entire settlements have been obliterated, thousands displaced, livestock lost and livelihoods built over generations wiped out within hours. While relief and rehabilitation remain the immediate priority, the disaster must also become a moment of introspection. Was this catastrophe solely the result of nature's fury, or did years of ecological neglect and governance failures magnify its impact?

Among the worst-affected was Nepali Gorkhuti village near the Assam-Nagaland border, which was virtually erased from the map.

Need for an independent probe

Allegations have surfaced that years of illegal mining and quarrying in upstream hill catchments, particularly along the Assam-Nagaland border, may have destabilised fragile slopes and increased the volume of sediment flowing into rivers. Environmental organisations and local residents have questioned whether indiscriminate extraction of minerals weakened the natural landscape and intensified the floods.

These allegations must be examined objectively. Neither speculation nor political rhetoric can substitute scientific evidence. The Assam Government, in coordination with the Centre, should institute an independent inquiry involving hydrologists, geologists, environmental scientists, disaster management experts and remote-sensing specialists. If environmental violations are found to have aggravated the floods, accountability must be fixed and regulatory mechanisms strengthened.

Floods know no political boundaries

The latest tragedy has once again demonstrated that flood management cannot be confined within state boundaries. Several rivers that inundate Upper Assam originate in the hills of Nagaland and Arunachal Pradesh before joining the Brahmaputra. Activities in these upstream catchments — whether mining, deforestation, road construction or unplanned development - have a direct bearing on downstream flooding.

This calls for institutional cooperation rather than piecemeal responses. Assam, Arunachal Pradesh, Nagaland and Meghalaya need a permanent mechanism for integrated watershed management, real-time sharing of hydrological data, environmental monitoring and coordinated disaster preparedness. Such an arrangement should be facilitated by the Union Government through a river basin approach rather than isolated state-level interventions. The Brahmaputra itself is an international river. Originating in Tibet as the Yarlung Tsangpo before flowing through India into Bangladesh, it underlines the importance of transboundary cooperation.



Climate change has altered the equation

This changing climate reality demands a shift in policy. Planning based on historical flood patterns is no longer sufficient. Infrastructure, embankments and disaster management strategies must be designed to withstand more frequent and intense extreme weather events. For decades, Assam has demanded that its recurring floods be recognised as a national problem rather than a regional concern. The latest disaster strengthens that case. The Brahmaputra is among the world's largest and most dynamic river systems, carrying enormous quantities of water and sediment through one of the youngest and most fragile mountain systems on Earth. Every year, governments spend thousands of crores on relief, rehabilitation and repairing damaged infrastructure, while the underlying causes remain inadequately addressed. A dedicated National Brahmaputra Basin Mission could transform the way floods are managed in the region.

Beyond embankments

For decades, embankments have been the principal defence against floods in Assam. They have undoubtedly protected many towns, villages and agricultural areas. Yet repeated breaches during major floods demonstrate their limitations. Embankments cannot provide a permanent solution to a river as dynamic and sediment-laden as the Brahmaputra. Many river experts now advocate moving beyond the traditional approach of trying to 'control' the river. Countries such as the Netherlands have successfully adopted integrated flood management by restoring wetlands, protecting floodplains and allowing rivers more room to expand during high flows instead of depending exclusively on embankments.

Assam too needs a similar paradigm shift. Strengthening vulnerable embankments should continue, but this must be complemented by catchment area treatment, afforestation, wetland restoration, floodplain zoning, resilient infrastructure, scientific desiltation where feasible and modern forecasting systems.

Technology can also become a force multiplier. Satellite imagery, drone surveys, artificial intelligence-based flood forecasting and community-based early warning systems can significantly improve preparedness and reduce casualties. Flood management requires strong institutions as much as engineering solutions. There is a compelling case for establishing a statutory Brahmaputra River Basin Authority comprising experts in hydrology, ecology, climate science, disaster management and public policy. Such an institution should coordinate research, monitor environmental compliance and formulate basin-wide strategies. Annual third-party safety audits of embankments before every monsoon, scientific mapping of erosion-prone areas, stricter enforcement against illegal mining and greater community participation in disaster preparedness should become integral components of flood governance.

Turning tragedy into transformation

Assam's latest flood disaster must become a turning point rather than another chapter in the state's long history of recurring calamities. Reconstruction must be accompanied by scientific investigation, institutional reforms and long-term ecological planning.

Science-based policymaking, ecological stewardship, stronger institutions and sustained national investment can substantially reduce the scale of destruction. The recurring floods of Assam are no longer merely a State issue; they are a challenge of national importance. Recognising this reality - and acting upon it with urgency — may be the only way to ensure that tragedies like the one witnessed this year do not become the new normal.

The writer is the Deputy Director, Assam Information Centre, New Delhi

The Tribune
ESTABLISHED IN 1881

Testing time

Security, transparency hold the key for NTA

THE beleaguered National Testing Agency's (NTA) decision to invite veterans from intelligence, law enforcement and the defence forces to join its examination security command centre is a welcome step — but it is also a reminder of how vulnerable India's high-stakes entrance tests have become. The proposed General Manager (Test Security & Live Operations) will oversee virtually every sensitive link in the chain, from question-paper setting and encryption to transportation, storage, distribution and real-time monitoring. Artificial intelligence, biometric authentication, CCTV surveillance and post-examination data analysis are expected to strengthen the system. On paper, this seems to be a serious attempt to rebuild trust after the NEET fiasco.

However, technology alone cannot remove institutional flaws. The CBI's probe into the NEET-UG paper leak has found lapses inside the NTA's own confidential section: inadequate frisking, insufficient CCTV monitoring, poor division of responsibilities and excessive access to final question sets. Experts involved in one stage of paper preparation were, in some cases, associated with others, defeating a fundamental security principle — no individual should have access to all the final sets of papers. The most alarming lesson is that the alleged breach did not require sophisticated hacking. Unscrupulous elements exploited ordinary procedural gaps. That should concern policymakers more than any cyber threat.

Pralhad Joshi, who replaced Dharmendra Pradhan as Education Minister two weeks ago, has the huge responsibility of building a robust, transparent and credible examination ecosystem. Joshi must hit the ground running to ensure that the student community — and the nation at large — is not let down all over again. The NTA's proposed command centre, therefore, must not become another layer of bureaucracy. It needs genuine operational independence, clearly defined accountability and the authority to stop an examination process when serious security anomalies are detected. For millions of students, fairness is the very bedrock of the testing system. The NTA's new security architecture needs to pass the acid test, failing which a tough call should be taken on the agency's future.

Tech accountability

A step forward in protecting young users

FOR years, red flags have been raised over the harm social media inflicts on children. Now, as Big Tech is being held to account, hopes are pinned on fundamental changes to how the apps operate. More than 40 states in the US have filed public nuisance lawsuits against social media companies. There is an undeniable echo of the 1990s' lawsuits that forced tobacco companies to acknowledge the addictive and harmful effects, leading to a dramatic drop in consumption. A New Mexico judge has asked Meta to pay $567 million for a teen mental health fund and alter the way its platforms function for young users. Comparing social media platforms to factories, he said the psychological toll Facebook and Instagram take on children is their version of pollution. New safety measures have been ordered to reduce addictive features, improve age verification and prevent sexual exploitation.

Meta plans to appeal the ruling. How effective the features are in protecting young users is also an unresolved question. The steps announced may be specific to New Mexico, but there is already talk of bringing uniformity at the federal level and tighter laws. Turning youth safety from a legal liability into a financial and operational obligation could be a template for broader regulation globally. For the companies, to keep fighting in court while sidestepping the public pressure to do more to protect young people is an exercise in futility. They can rightfully claim to have introduced several safety features, but the bar must be set much higher.

Apple CEO Tim Cook's personal rule — 'If I'm looking at the device more than I'm looking into someone's eyes, I'm doing the wrong thing' — brims with wisdom. It carries a touch of irony, but is the right way forward.

The room: Fourth layer of the India Stack

The nation must build the certifier that trains no one and is trusted by everyone



LT GEN SS MEHTA (RETD)
FORMER WESTERN ARMY COMMANDER AND FOUNDER TRUSTEE, PUNE INTERNATIONAL CENTRE



ISTOCK & ANI

INSTRUMENT : An architecture of trusted, encashable, ascending capability makes every Indian equal before opportunity.

CAPABILITY, when it is allowed to speak, still humbles pedigree. In 1911, on a Calcutta *maidan*, a barefoot Mohun Bagan beat a booted English regiment for the IFA Shield, and a subject nation learned that the master could be met and beaten even on even ground. It was no flash in the pan. At Melbourne in 1956, India reached an Olympic football semifinal, the only Asian side till then to do so. The lesson has not aged. A couple of weeks ago in Glasgow, Asmita Dey, a bicycle mechanic's daughter from Belonia in South Tripura, won India its first Commonwealth judo gold, taking the final from a Canadian in sudden death. Birth placed her beside a bicycle repair shop. Mastery carried her to Glasgow. That is Vivekananda's argument in the language of sport, proven against the empire and proven again in freedom. The perfection is within, and it does not ask permission from scale or birth.

Part One named the cost, and the remedy. Not a gentler examination but a second instrument. Here we build it.

Building the room & the digital Stack

The first objection, that India is too vast and too poor to build such a thing, has already been answered by India itself. Aadhaar solved at population scale the exact problem a capability record rests on, knowing for certain who a person is. UPI then made that identity transact, and now carries close to half the real-time transactions on earth, on a rail cheaper and faster than anything the older economies built. DigiLocker settled a third principle, that a citizen can carry credentials as trusted, verifiable and universal, held by the citizen and honoured everywhere. A country that has built those three is not being asked to attempt something new. Identity settled who you are. Payment settled what you can move. The document settled what you can prove. The Capability Smart Card settles what you can do. It is the same architecture one floor higher, the fourth layer of the India Stack.

The instrument is a national capability architecture, a trusted and portable record of what a person can actually do, carried for life, a card the citizen holds as surely as an identity card today. It is upgradeable when revalidated, much as KYC is refreshed. A degree becomes one chapter in it rather than the last page. The skill mastered in a workshop, a regiment, a hospital or a field stands in the same record, in the same currency, as the classroom.

The gold standard of trust

India has not failed to issue certificates. It has failed to make them worth anything. Barely one worker in twenty carries a formal skill certificate, against roughly three in four in Germany and almost everyone in South Korea, and even that thin paper too often buys no trust, no standing and no wage. A certificate is worth nothing until it can be trusted, and trust has a precise condition. The one who trains cannot be the one who certifies. Britain understood the principle. Bodies such as City & Guilds establish independently recognised standards and assessments, separate from the particular employer or workshop in which competence was acquired. That separation gives the qualification portability and trust.

PART II

> India has not failed to issue certificates. It has failed to make them worth anything.

India's difficulty is not that it lacks certifiers. It is that the certifiers it has command no trust. The bodies raised to accredit the colleges and the technical institutes have too often been drawn into the patronage they were meant to stand above, staffed by appointment rather than merit, captured by the interests they were built to judge. When the accreditor is neither independent nor clean, its seal certifies nothing. A certifier folded into the system it judges is not a certifier. It is a rubber stamp with a letterhead.

India must build that certifier, one that trains no one and is trusted by everyone. Its independence would have to be structural: a statutory charter, fixed professional tenures, published standards, anonymised assessment, auditable results and no representation for any institution it certifies. And it must let the certificate live, revalidated through a working life rather than frozen at graduation.

From credential to credit

A certificate that is trusted, independent and current is no longer a memento. It changes what a person is worth to a lender. A welder's verified grade and a nurse's proven competencies do not become collateral the way land does, for no one can foreclose on a skill, but they lower the risk of lending to the person who holds them, and lowered risk is the beginning of credit. A bank can price them. An employer can bid for them. A family can invest behind them. Capability, once certified, becomes economic standing that walks with the person and grows.

And it must move in two directions, for this is the true failure of the single staircase. It must move sideways, so a life can change course at forty without beginning again at eighteen, the technician becoming the entrepreneur, the soldier the administrator, carrying earned capability across the boundary rather than surrendering it at the gate. What is new is the ambition to give the welder and the nurse, by right, the same portable claim the credentialed now carry by fortune. It must also move upward, and this we have most neglected.

The value a person builds across a working life is an inheritance too, the only inheritance a Republic should honour, and it should climb. The certified craftsman should rise to teach his craft, and from teaching to certifying it. The master should reach the chair he has earned as a professor of practice. Parity leaves him where he stands. Ascent lets him rise. A house with many doors is only half a house if none of its staircases climb.

The vote made every Indian equal before the State. An architecture of trusted, encashable, ascending capability makes every Indian equal before opportunity. The first was a right. The second is an instrument.

The architecture of Viksit Bharat

Return, at the end, to the two men. Macaulay built a mind to serve an empire, and the empire is gone. Vivekananda's mind served no master, only the perfection within, and he said so to a world that applauded and went home. We have quoted him for a century and built nothing on him. Build it now.

This is what makes the journey to Viksit Bharat real. It gives the vision both its destination and its route, with every citizen included. Not a nation that merely builds a faster staircase for a few, but one that opens a way upward for the welder, the nurse, the weaver and the artisan. It makes India the skill capital of the world, not a capital that rules but a capital that supplies, the place from which trusted human capability flows to a world running short of it.

When future generations look back, they may remember that an exam leak began this debate.

Let them find that India did not stop at repairing the lock.

It built the room, opened its many doors, and gave every Indian a staircase to climb.

THOUGHT FOR THE DAY

Building capacity dissolves differences. It irons out inequalities. — APJ Abdul Kalam

Why a spoonful of sweetness matters

PANKAJ GUPTA

MY mother has been bedridden for months, battling cancer with quiet stubbornness. We move on tiptoe around her. Recently, a colleague came to meet her; he is a fitness-conscious man who reads nutrition labels like scripture. When my wife offered tea, he said: "*Bhabhi ji*, sugar-free please."

From the other room, my mother heard him. She called me and said firmly: "Put sugar in his cup."

"But he asked for sugar-free," I whispered.

She shot back: "*Inne paise kamande ho te cha fikki peende ho. Ki fayda inne paise kamaan da*? (what's the point of earning all the money if you drink tea without sugar?)"

We laughed. Even she did. The colleague got two spoons of sugar and a second cup. Sugar has a way of slipping past diets, arguments and even hospital rooms.

We regard sugar as a guilty pleasure today, but India once treated it like royalty. The word comes from the Sanskrit "*sharkara*". We were the first to crystallise sugar around 500 BC. It travelled the Silk Route and changed the world. Ancient Indians called it "*madhura*" — pleasant, delightful. Temples offered *prasad*. Festivals demanded *jalebi*, *peda*, *gulab jamun*. Sugar wasn't indulgence. It was emotion, solidified.

In Punjab, no guest leaves without something sweet. Birth? *Panjiri*. New job? *Barfi*. Good results? *Jalebi*.

Sugar ends meals, seals promises, softens bad news. When my mother spoke of "*fikki cha*", she meant more than tea. What's the use of personal progress if we forget small joys? Yes, diabetes is real. Moderation matters. But the problem isn't sugar. It's mindless sugar — in packaged drinks and 3 am snacks. My mother's generation consumed sugar too, but they also walked, cooked at home and shared one *gulab jamun* among three siblings.

In the 18th century, tea without sugar was considered a "poor man's drink". The British called sugar "white gold". Wars were fought over it. Colonies were built on it. And here we are, debating whether to put half a spoon in tea or coffee.

That evening, I made my mother's tea — strong, milky, just sweet enough. She sipped and nodded. "Life is already bitter sometimes. Don't make the tea bitter too," she said.

So, next time someone asks for "sugar-free", serve it. But keep the sugar bowl on the table. We don't need less sweetness. We need more moments worth sweetening.

As mom says: "*Paise kamana zaroori hai, par cha mithi honi chahiye* (make money, but keep your tea sweet)."

The writer is Associate Professor, DAV College, Jalandhar

LETTERS TO THE EDITOR

Identify child's inherent aptitude

Refer to 'In repairing the lock we forget the room'; the hypothesis put forward to bridge the gap between the Macaulay concept of education and Swami Vivekananda's educational ideology deserves serious attention. Education should help identify a child's inherent aptitude and natural inclination at an early stage and provide the right opportunities to develop those abilities into meaningful skills. There are numerous vocations and crafts which, if recognised on time and pursued wholeheartedly, can not only provide financial stability but also bring dignity and recognition.

SHUBHAM MAHAJAN, BILASPUR

Profession is not patrimony

With reference to 'In repairing the lock we forgot the room'; the lock of insecurity does exist, but the room is structurally unsound. It is facile to presume that children of Army officers, weavers' sons, or lawyers' progeny will inherit the respective vocations. Profession is not patrimony. The real infirmity lies in the ladder. NEET is not merely an examination; the NTA, tasked to be its fulcrum, stands exposed as weak and compromised. When paper leaks and administrative apathy corrode credibility, the ladder's legs buckle. We do not need another lock. We need to rebuild the room with robust and equitable scaffolding so that ambition does not fall through the cracks.

CAPT AMAR JEET (RETD), KHARAR

Weave education with careers

Refer to 'Prioritise education'; it is not merely the size of the allocated budget that matters but also how wisely it is spent. Mere academic degrees will not be enough to secure the future of our youth. No government whatsoever can provide public-sector jobs to lakhs of graduates and postgraduates being churned out by colleges and universities every year. The solution lies in reorienting education towards employability, entrepreneurship and the needs of the economy.

KR BHARTI, SHIMLA

Govt schools lack work culture

Refer to ' Prioritise education'; most government schools lack the necessary work culture. The primary reason for this situation is that most students come from modest or poor families who cannot afford the exorbitant fees of private schools. Most of the parents are not well-educated and are not able to help their wards study at home. Thus, by and large, the government schools are a neglected lot. It will greatly help if district officials, besides the education department, get themselves involved in the affairs of the government schools.

SP SINGH, KURUKSHETRA

Listen to students for solutions

While addressing students at IIT-Delhi, PM Modi advised them to question ideas and practices that are accepted without thought. When students questioned the alleged leakage of question papers and other irregularities in the NEET examination, the protests were met with a strong police response. Students may reasonably want to question policies and decisions concerning their future — unemployment, inflation and the perceived influence of large corporate interests on policymaking. Questioning such issues should be regarded as a sign of an informed and responsible citizenry rather than as an act of hostility. Should governments not have the courage to listen to difficult questions, provide transparent answers and accept legitimate criticism?

THARCIUS S. FERNANDO, CHENNAI

Centre must take the lead

Refer to 'Can Punjab save itself? Short Answer is No'; the Centre must promote alternative crops and procure them from farmers to help them come out of the wheat-paddy cycle. Crop diversification can only be achieved if farmers are incentivised to grow other crops through procurement. The state government is not in a position to procure or purchase any crop and thus the centre must take the lead.

GURNOOR GREWAL, CHANDIGARH

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**

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, AUGUST 11, 1926

Punjab Muslim League

WE regret to find that at a recent meeting at Lahore, the Punjab Muslim League once again affirmed its adherence to the principle of communal representation through separate electorates. That the League did adhere to the principle of communal representation the public knew already. But it was beginning to believe that it had at any rate outgrown its faith in the separate electorates. It is common knowledge that some very prominent Muslim leaders in the province do not consider separate electorates to be either necessary or desirable. Several of them definitely expressed this view at a Conference held at Lahore some time ago. It also found expression at a recent session of the All-India Muslim League at Lahore. Dr Kitchlew expressed the same view only the other day in Bengal and has since repeated it both in his own paper and at a dinner organised by the Lahore League of Youth. The present resolution of the Punjab Muslim League, therefore, if it is not merely a tactical move, can only mean either that these leaders are in a minority in the Provincial League or that the body has now gone back to its original position. In any case, the resolution is bound to give a rude shock to those of us who have been hoping all this time that in this comparatively small matter, at any rate, they will have the support of the better mind of the Muslim community in this province.

Two minutes, two storeys, two stories



SANJAY HEGDE
SENIOR ADVOCATE,
SUPREME COURT

IN November 2013, Goa hosted a festival of ideas. *Tehelka* magazine organised it. Tarun Tejpal was its Editor-in-Chief. A young woman journalist worked on his staff. She was a friend of his daughter. Robert De Niro was the star guest. On the night of November 7, the editor and the journalist escorted De Niro to his suite at the Grand Hyatt. They rode down together in a guest lift. The ride lasted about two minutes. The lift travelled two storeys. The next night, they rode the same lift again.

What happened inside is fiercely contested. She said he assaulted her, on both nights. He said it was drunken banter that went nowhere. From those two minutes, and those two storeys, have flowed thirteen years of litigation, two irreconcilable stories, and now two irreconcilable judgments.

The trial took seven years. In May 2021, an Additional Sessions Judge at Mapusa, a woman, acquitted Tejpal in a judgment of 527 pages. In August 2026, a bench headed by a woman judge of the Bombay High Court at Goa, in an appeal filed by the State, reversed the acquittal and convicted him of rape and allied offences. The public reaction split along predictable lines. Those who believed the woman celebrated. Those who believed the man despaired. Very few asked the only question that matters in a court of law: which judgment better respects the rules by which we try our fellow citizens?

Consider first what the trial court did. It did not disbelieve the woman because she was a woman, though it committed sins we shall come to. It disbelieved her because her account collided with machinery. Her constant refrain, from her first email to her testimony, was that the lift doors absolutely did not open during the two minutes, because the accused pressed buttons to keep the lift "in circuit." The hotel's security manager said the doors open automatically at every floor. The Mitsubishi elevator supervisor said the same. So did the *panch* witness and a police officer. The lift simply cannot be kept moving with its doors shut. The CCTV showed the lift opening twice on the ground floor within the crucial window. Confronted with this in cross-examination, seven years after the event, the witness abandoned the buttons and offered one button, and said she no longer knew whether the lift moved at all.

The trial court found more. The two apologies the accused sent, on which the prosecution leaned heavily, were not spontaneous confessions. The evidence suggested the formal apology was drafted by the managing editor, under the complainant's own pressure, on her terms. The court declined to treat a procured apology as a confession of rape. And the investigation was a scandal in itself. The CCTV footage of the first floor, where one incident allegedly occurred, vanished. The recorder was never sealed. No hash value was generated, so tampering could never be excluded. The defence got clean copies of the footage only in 2016, after orders of the Supreme Court. On this record, the judge gave the accused the benefit of the doubt.



IN THE DOCK : Tarun Tejpal, former *Tehelka* editor, has been convicted of rape in a 2013 case. ANI

Let it be said plainly: the trial judgment was not spotless. It dwelt on how the complainant behaved afterwards, on her partying, on her staying back in Goa, even on her mother's travel plans. The Supreme Court, in Aparna Bhat's case, has condemned exactly this kind of reasoning.

> In the Tarun Tejpal case, very few asked the only question that matters in a court of law: which judgment better respects the rules?

There is no approved way for a victim to behave. Those passages deserved censure, and the High Court gave it.

But here is where the High Court appears to have gone wrong. It treated the trial court's bad reasoning as licence to discard its good reasoning. It purged the stereotypes, restored the complainant's credibility, read the apologies as admissions, and convicted. What it did not do, convincingly, is confront the machinery. The Mitsubishi engineer did not testify about rape myths. He testified about doors. If the central physical claim of a witness is disproved by the physics of the scene, a court that still convicts on her sole word owes us a demonstration, not an assertion, of why the contradiction does not matter. Condemning the trial court's moralising, however deserved, is not that demonstration.

The law here is old and settled. Since Sheo Swarup in 1934, through Chandrappa in 2007, to a stream of recent decisions, the Supreme Court has held that an accused enjoys a double presumption of innocence after acquittal. The first presumption every accused carries into trial. The second he earns when a court, having seen the witnesses, finds the case unproved. An appellate court may review the whole evidence. But if two views are reasonably possible, it must adopt the one that favours the accused. It may reverse only if the acquittal is perverse, meaning no reasonable judge could have reached it. A judgment resting on the sworn evidence of elevator engineers, on CCTV, on a demolished central claim, and on destroyed footage, is many things. Perverse it is not. One may prefer the High Court's view. Preference is not the test. The High Court substituted its view for a possible one, and that is precisely what the double presumption forbids.

This is not a technicality. The double presumption is the difference between a legal system and a lottery. It tells the citizen that an acquittal means something, that it cannot be casually displaced because a higher bench, reading a cold record years later, feels differently about the same witnesses. When it is displaced casually, every acquittal in the land becomes provisional, and every trial merely a rehearsal.

A civilised system also provides the remedy. The Code of Criminal Procedure does not leave a man first convicted in appeal to the mercy of discretionary review. Section 379, read with the Enlargement of Criminal Appellate Jurisdiction Act of 1970, gives him a full appeal to the Supreme Court as of right, on facts and on law, where a High Court reverses an acquittal and imposes a substantial sentence. That appeal will now be filed. The Supreme Court will read both judgments, and the record, as neither cheering section has done.

Which brings me to the reader. You may believe the woman. You may believe the man. You may have long-formed views on his arrogance or her courage, on his magazine's politics or her later career, on public personas built over a decade of commentary. Set them all aside. Character is not evidence. Sympathy is not proof. A courtroom is the one place where we promise to judge the act and not the actor, and we keep that promise only if the public lets us.

Two minutes in a lift. Two storeys of a hotel. Two stories, hers and his, each told with conviction, each carrying a life within it. One court found the first story unproved. Another found it proved beyond reasonable doubt, on the same record. That divergence is not an embarrassment to the system. It is the reason the system builds in a final, full appeal. Let that appeal be heard. Let the analysis be dispassionate. And until then, let the rest of us have the humility to say the three hardest words in public life: we don't know.

Mecca pact's real test lies in its application



MANOJ JOSHI
DISTINGUISHED FELLOW,
OBSERVER RESEARCH FOUNDATION

KARL Marx once observed that "History repeats itself first as a tragedy, second as a farce". This comes to mind as Pakistan and Turkiye have inked a new Mecca Joint Defence Agreement with Saudi Arabia. There is an echo here of the 1955 Central Treaty Organisation (CENTO) alliance against the Soviet Union that also linked Pakistan and Turkiye with several West Asian countries.

The Mecca alliance, which Egypt reportedly declined to join, stipulates that an attack against anyone of the three signatories will be regarded as an attack against all. The arrangement will permit the joint deployment of forces and institutionalise joint defence planning, intelligence sharing and defence technology transfers.

But, in an era when a rock-solid alliance like NATO is crumbling, there are bound to be big questions about just how workable the Mecca alliance is.

A major target of the Mecca alliance is the geopolitical signalling to the US and Israel. The US-Israel-Iran war has shown the limits of US power and the efficacy of its security guarantees. This has been a major factor in Riyadh looking for an alternative and independent deterrent umbrella.

By embracing the undoubted military capacity of its partners, Saudi Arabia seeks to signal that regional military powers can manage the region on their own. But it has been careful to tie up with two countries that are in Washington's good books. And mind you, the US remains the indispensable security provider to the region, regardless of its performance in the recent Iran war.

At the basic level this new trilateral alliance is an expansion of the September 2025 bilateral Strategic Mutual Defence Agreement between Saudi Arabia and Pakistan to include Turkiye.

Into this the Saudis bring their financial weight, energy leadership and regional geopolitical influence. Turkiye has a modern and large conventional military with a sophisticated drone/defence industry linked to NATO. Pakistan has a well-trained army and the status of being a nuclear armed state.

There is little doubt that the US-Israel-Iran war has midwifed the alliance with its disruption to the critical maritime routes through the Strait of Hormuz and the Red Sea.



TRILATERAL : (From left) Turkish President Recep Tayyip Erdogan, Saudi Crown Prince Mohammed bin Salman and Pakistani Prime Minister Shehbaz Sharif after signing the pact. AP/PTI

Instead of a mutuality of interests, it appears to be serving the individual interests of its three constituents. Saudi Arabia seeks to de-risk itself from its American commitment that has proven to be a bit of a liability in the recent US-Israel war on Iran.

Further, it needs to deal with the Houthi forces targeting Saudi oil tankers. Pakistan's interest is to break out of its image as a regional basket case and be seen as an indispensable security provider in exchange for financial backing and energy security. As for Turkiye, it is seeking to parlay its NATO membership into a broader regional security presence and deepen ties with the GCC (Gulf Cooperation Council), especially in defence manufacturing.

> It is unlikely that Saudi Arabia or Turkiye will involve themselves in the affairs of India and Pakistan.

Recall that Ottoman Turkey ruled Saudi Arabia and its adjacent regions. Turkiye's establishment views itself as a pivotal security provider and stabiliser across the erstwhile Ottoman lands, without emphasising the imperial past that has been criticised earlier by countries like Saudi Arabia, UAE and Egypt as "Neo-Ottoman expansionism."

As for Pakistan, it is no secret that British strategic planning in the 1940s closely linked the creation of Pakistan with the security of the Middle East. Of course, there were much more powerful domestic drivers for the Pakistan movement led by Muhammad Ali Jinnah. But this was facilitated by the British who saw a role for a pro-western Muslim state in north-western South Asia as an essential strategic presence to protect their Middle-eastern oil interests.

A premier advocate of this was Sir Olaf Caroe, Foreign Secretary of British India in 1939-1945, who was later the Governor of the North-West Frontier Province. This was reflected in Pakistan's decision to join CENTO (also known as Baghdad Pact) in 1955, alongside Iran, Iraq, Turkiye and the UK.

In the 1960s-1980s, Pakistan played the role of a security provider of sorts to West Asia. Thousands of Pakistani soldiers were stationed in Saudi Arabia, Jordan, the UAE and Oman to train local forces and protect royal regimes. Pakistani pilots reportedly flew combat sorties to assist Jordan in crushing the Palestinian movement.

There are two big elephants in the room. The first is Israel which has run rampant across the region — levelling Gaza, parts of Lebanon and bombing Iran twice within a year. The other is Iran whose resilience against the combined might of the US and Israel has no doubt been a major factor in giving rise to the alliance.

The biggest question here is the workability of the grouping. CENTO proved to be the least effective of the Cold War alliances. It is quite likely that the Pak-Saudi-Turkiye trilateral will be the same. As such the nature of the alliance is such that it is designed to serve the security interests of Saudi Arabia, rather than Pakistan or Turkiye in equal measure.

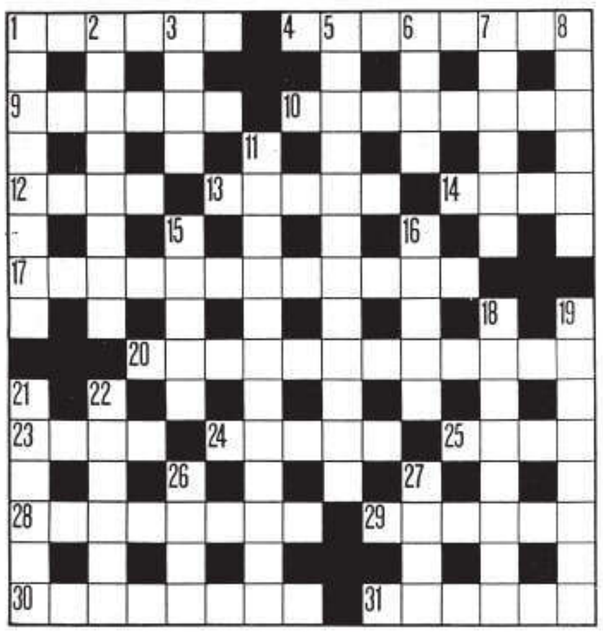
The real test of the alliance will be on the ground. Will we see Pakistani or Turkish forces involved in the Saudi fight against the Houthis?

Were Teheran to attack Saudi oil infrastructure as a response to a US strike, will we see Turkiye or Pakistan take action against Iran? Not very likely.

India is no doubt concerned about this emerging bloc. But given its own capacities it should not be unduly worried. It is unlikely that Riyadh or Ankara will seek to involve themselves in the affairs of India and Pakistan, beyond rhetorical support for Kashmir.

The key question is not the alliance itself, but the test of its application that can only come if one of the countries is attacked. This will tell us whether it is just a political declaration or an actual alliance.

QUICK CROSSWORD



ACROSS
1 Summary of information (6)
4 Virtually (2,4,2)
9 Sudden violent wind (6)
10 Contemptuous (8)
12 A fixed charge (4)
13 River of Paris (5)
14 Disparaging remark (4)
17 Invariably (12)
20 Neutral mediator (6,6)
23 A numbered musicalwork (4)
24 Hirsute (5)
25 Humiliating rebuff (4)
28 Painstaking (8)
29 Inn (6)
30 Undesirables (4-4)
31 Drive forward (6)

DOWN
1 Divert attention of (8)
2 Greed in eating (8)
3 Be moodily silent (4)
5 Deeply ingrained habit (6,6)
6 Terrifying person (4)
7 Narrow gorge (6)
8 Hot and humid (6)
11 Learn how to operate (3,3,4,2)
15 Comparatively unimportant (5)
16 Look fiercely (5)
18 Only superficial (4-4)
19 Court of justice (8)
21 Promote growth of (6)
22 Isolate (3,3)
26 Journey round (4)
27 Moderately good (4)

Yesterday's Solution

Across: 1 Timid, 4 Disrupt, 8 Act, 9 Augur well, 10 Unhinge, 11 Pushy, 13 Evolve, 15 Redeem, 18 Judas, 19 Abstain, 21 In advance, 23 Dim, 24 Exposed, 25 Dwell.

Down: 1 Traduce, 2 Matchwood, 3 Drawn, 4 Dogged, 5 Scruple, 6 Use, 7 Tally, 12 Skedaddle, 14 Vis-avis, 16 Minimal, 17 Banned, 18 Juice, 20 Speed, 22 Asp.

SU DO KU

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

HARD

YESTERDAY'S SOLUTION

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

CALENDAR

AUGUST 11, 2026, TUESDAY

Shaka Samvat	1948
Shravan Shaka	20
Shravan Parvishte	27
Hijari	1448
Krishna Paksha Tithi 14, up to 1:54 am	
Siddhi Yoga up to 6:52 pm	
Punar Nakshatra up to 10:10 am	
Moon in Cancer sign	
Shravan Shivratri Vart	

FORECAST

SUNSET: TUESDAY 19:08 HRS
SUNRISE: WEDNESDAY 05:48 HRS

CITY	MAX	MIN
Chandigarh	32	26
New Delhi	34	24
Amritsar	31	27
Bathinda	33	29
Jalandhar	31	27
Ludhiana	32	28
Bhiwani	31	23
Hisar	33	28
Sirsa	33	28
Dharamsala	26	22
Manali	24	18
Shimla	22	17
Srinagar	30	22
Jammu	31	26
Kargil	34	16
Leh	32	12
Dehradun	33	21
Mussoorie	22	16

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The Statesman
Incorporating and directly descended from the Friends of India -founded 1818

A New Shield

The defence pact signed by Saudi Arabia, Turkey and Pakistan marks a significant shift in the security politics of West Asia and South Asia. Its importance lies less in the immediate prospect of a three-country war machine than in the message it sends: countries that once depended heavily on external security guarantees are beginning to build alternative arrangements of their own, using religion as a basis. For Saudi Arabia, this is fundamentally a hedge. The kingdom has long relied on the United States for security, but the upheaval surrounding the Iran conflict has exposed the limits and uncertainties of that dependence.

Riyadh now has compelling reasons to diversify its strategic partnerships. Turkey offers military capability and a powerful defence industry; Pakistan offers a large, experienced military, an established security relationship with the kingdom, and a nuclear shield. For Pakistan, the agreement is an even more valuable diplomatic gain. Its relationship with Saudi Arabia is being reinforced while Turkey, already one of Islamabad's closest defence partners, is brought into the same framework. That gives Pakistan additional strategic depth at a time when its confrontation with India remains unresolved.

Yet India should resist the temptation to see this as an anti-Indian alliance. The pact contains no automatic mechanism requiring its members to enter every war involving another member. Much will depend on how "aggression" is defined and how governments interpret their obligations when the interests of the three countries diverge. Saudi Arabia, for instance, would have to weigh any obligation to Pakistan against its increasingly important relationship with India.

That relationship is India's main strategic asset in this situation. New Delhi and Riyadh have steadily expanded cooperation in defence, energy, investment and trade. Saudi Arabia has little incentive to sacrifice those interests for an open-ended commitment to Islamabad. India's measured official response, that it is closely following the development, is therefore more sensible than either alarmism or rhetorical retaliation. But complacency would be equally misplaced.

Turkey's entry gives Pakistan access to a broader network of military, technological and diplomatic support. The pact also illustrates a larger transformation: the old assumption that the United States would remain the indispensable security manager of the Gulf is weakening. Regional powers are preparing for a world in which they must provide more of their own security. India's answer should be strategic patience backed by greater capability.

It must deepen its relationships with the Gulf without becoming entangled in their rivalries, strengthen its own defence-industrial capacity and retain the freedom to work simultaneously with Washington, Moscow, Tehran, Jerusalem and the Arab capitals.

The Mecca pact is therefore not a crisis for India. It is a warning. The geopolitical space to India's west is becoming more complicated, more autonomous and more militarised. India's advantage will depend not on joining another bloc, but on ensuring that every major power in that changing landscape continues to see a strong relationship with New Delhi as indispensable.

Election Economics

President Donald Trump's public criticism of ExxonMobil and Chevron over their soaring profits marks an unusual moment in American energy politics. A president who has consistently championed expanded oil production is now urging producers to ease the burden on consumers as gasoline prices climb amid tensions surrounding Iran. The apparent contradiction is less a change in philosophy than a reflection of the political pressures that accompany expensive fuel in the run-up to the midterm elections. The dilemma confronting the White House is one that has troubled governments across the world.

High oil prices reward producers, encourage fresh investment and strengthen the case for domestic energy production. Yet those very prices also leave motorists paying more at the pump and businesses grappling with higher transport costs, which eventually feed into the prices of food, consumer goods and essential services. What is economically desirable for producers can quickly become politically damaging for governments.

This explains why administrations often find themselves sending mixed signals. They want energy companies to invest in new drilling and refining capacity, but they also want visible restraint when consumers begin to associate corporate profits with personal hardship. Publicly chastising oil companies may reassure frustrated voters, but it does little to alter the global forces that determine crude prices.

Oil remains one of the world's most internationally traded commodities. Supply disruptions, shipping risks, refinery constraints and geopolitical instability influence prices far more than political appeals from any single capital. The recent turbulence in West Asia has once again demonstrated how quickly regional conflicts can reverberate through global energy markets. Even major producers remain vulnerable to events beyond their borders.

The temptation to personalise the problem by portraying energy companies as the principal culprits is understandable, particularly during an election cycle. However, such rhetoric risks obscuring a more fundamental reality. Sustained investment in energy production depends upon the expectation of reasonable returns. Governments cannot simultaneously demand greater production, discourage profitable investment and expect markets to deliver abundant, affordable energy.

The longer-term answer lies elsewhere. Greater resilience requires diversified energy sources, stronger refining capacity, more secure supply chains and policies that reduce exposure to geopolitical shocks. Energy security is not achieved merely by producing more oil; it also depends on insulating economies from disruptions that no government can fully control.

Trump's criticism of the oil majors is therefore best understood as an electoral calculation rather than an economic prescription. With voters increasingly sensitive to inflation and fuel prices ahead of the midterms, the administration is attempting to demonstrate that it stands with consumers without abandoning its pro-energy agenda. Whether that balancing act succeeds will depend not on presidential rhetoric but on whether global energy markets become more stable before Americans cast their ballots. They are unstable not because of Chevron, but because of Trump's actions.

An Islamic NATO

While the pact focuses broadly on regional aggression, it injects an unpredictable variable into South Asian geopolitics, potentially emboldening Islamabad through perceived extra-regional diplomatic and security backing. India's ongoing diplomatic efforts to isolate Pakistan over cross-border terrorism may face friction if deeper financial and strategic integration within the Islamic bloc tempers Riyadh's willingness to support New Delhi's specific counter-terror initiatives



A Joint Defence Agreement was signed by Saudi Arabia, Pakistan, and Turkey on 7 August 2026 in Mecca, Saudi Arabia. It establishes a collective security framework where an armed attack on any member is treated as an attack against all three. The deal was finalized by Saudi Crown Prince Mohammed bin Salman, Turkish President Recep Tayyip Erdogan, and Pakistani Prime Minister Shehbaz Sharif amid immense regional turmoil. The alliance partners maintain that the pact is strictly defensive and intended to build "collective deterrence" rather than target any specific nation. However, analysts opine that the agreement sets up an "Islamic NATO", pooling Saudi financial power, Pakistan's nuclear arsenal and large military, and Turkey's advanced defence industry and NATO experience.

President Donald Trump's insistence on expanding the Abraham Accords has been a direct catalyst for the creation of the Saudi-Pakistan-Turkey defence pact. By making critical U.S. security and technological guarantees contingent on normalising relations with Israel, the Trump administration inadvertently drove these major Muslim-majority nations to establish an independent, alternative regional security architecture.

In July 2026, the Trump administration signed a civilian nuclear cooperation agreement with Saudi Arabia. Immediately after the deal was announced, President Trump publicly declared that the pact ~ and vital American security guarantees ~ were "totally subject" to Saudi Arabia signing the Abraham Accords and normalizing ties with Israel. Trump extended this pressure to other key nations, demanding that Pakistan, Turkey, Qatar, and Egypt simultaneously sign the accords.

Riyadh, Islamabad, and Ankara rejected the ultimatum. Saudi Arabia consistently maintained that normalisation with Israel is impossible without a clear, credible roadmap to Palestinian statehood ~ a position hardened by the ongoing regional conflict. Pakistan immediately refused Trump's demand, stating it fundamentally conflicted with its national ideology. Turkey has not formally issued an official rejection statement, but it has effectively spurned President Trump's demand for regional nations to join the Abraham Accords.

With Trump conditioning U.S. technology and defence support on an politically impossible concession, regional powers began to doubt the reliability of the U.S. security umbrella. Saudi Arabia has faced intense regional vulnerabilities, including a maritime blockade and missile strikes from Iran-backed Houthi forces. Realizing that U.S. deterrence was heavily compromised by political strings, Riyadh pivoted away from its quest for a mutual security guarantee from Washington.

Thus, the Saudi pact with Pakistan and Turkey emerges from a changing security landscape marked by regional conflicts in the Middle East and perceived shifts in traditional security guarantees from Western allies.

The central provision of the pact establishes a collective defence clause similar to NATO's Article 5, stipulating that an armed attack against any one of the three states will be regarded as an attack against them all. Beyond this mutual defence guarantee, the agreement provides a framework for broadening defence cooperation, which includes expanding intelligence sharing, joint military training, and technology transfers. It also emphasizes collaboration in defence industries and manufacturing, leveraging Saudi financial resources, Turkey's advanced defence technology (such as drone procurement), and Pakistan's deep operational and military experience.

Each nation contributes distinct assets to the collective framework. Saudi Arabia supplies critical financial backing and economic leverage, alongside a strategic drive to secure vital infrastructure and oil assets against regional aggressions. Turkey brings the second-largest army in NATO, extensive recent combat experience, and a rapidly expanding, technologically advanced defense manufacturing sector. Pakistan contributes extensive conventional military depth, a nuclear arsenal and long-standing defence cooperation and training ties within the Gulf.

The trilateral relationship operates across three main sectors. The military-technical collaboration is heavily focused on defence production. Pakistan and Turkey co-manufacture the MILGEM-class corvettes and operate joint drone integration facilities. Saudi Arabia has increasingly plugged into these networks, signing major deals for Turkish Baykar-Bayraktar drones and investing in Pakistan's aerospace infrastructure.

The next sector is strategic manpower and training. Pakistan has historically provided institutional military training and continental security to Saudi Arabia. Trilateral military exercises have grown in frequency and complexity, focusing on interoperability across air, sea, and special operations forces. The third is diplomatic convergence.



PRABHU DAYAL

The writer, a retired IFS officer, served as India's Ambassador to Kuwait and Morocco and as Consul-General in New York

The three nations frequently align their positions in international forums like the Organisation of Islamic Cooperation (OIC), occasionally forming a unified voting bloc on sensitive regional sovereignty issues. Iran has reacted with sharp hostility and public dismissal, viewing the pact as a direct counterweight to its regional influence amid the ongoing regional war. Tehran sharply criticized the pact. Iranian officials dismissed it as a mere "paper agreement," warning Saudi Arabia that the alliance will not guarantee its security any more than dependence on the US did.

The Indian Ministry of External Affairs stated that it is "closely following the development" but has not issued a formal condemnation. While the pact claims to be purely defensive, New Delhi is highly concerned about any enhanced military coordination, technological sharing, or strategic defence industry boosts flowing from Türkiye and Saudi Arabia toward Pakistan. The consolidation of this axis disrupts India's traditional foreign policy equilibriums and presents multi-layered challenges.

While Saudi Arabia has traditionally maintained a balanced stance to protect its economic ties with India, Turkey has consistently taken an aggressive, pro-Pakistan position on Kashmir at the United Nations. A tighter trilateral alignment risks dragging Riyadh closer to Ankara's vocal stance, potentially shifting the OIC's collective output to a more critical posture against Indian policy.

Turkey's advanced military hardware, particularly its battle-tested unmanned aerial vehicles (UAVs) and electronic warfare systems, are actively flowing into Pakistan's inventory. This tech transfer accelerates the modernization of the Pakistani Armed Forces at a time when India is transitioning through its own indigenization reforms. Furthermore, if the pact guarantees logistical or maritime support in the Arabian Sea, it complicates India's naval strategy and heightens the risk of a coordinated security challenge on its western flank.

Over the past decade, India has successfully executed a "Look West" policy, building robust strategic and economic partnerships with Saudi Arabia and the United Arab Emirates. The emergence of the Saudi-Pak-Turkish alignment could test the limits of Riyadh's dehyphenation policy. India must try to ensure that its multi-billion-dollar trade, energy, and investment corridors (such as the India-Middle East-Europe Economic Corridor) remain insulated from Saudi Arabia's defence entanglements with Pakistan and Turkey.

The pact introduces a collective-defence clause stating that "an armed attack on one is an attack on all," which could potentially be used by Pakistan to constrain India's options for counter-terrorism operations. India should utilize its considerable economic weight to ensure that Saudi Arabia respects New Delhi's core security sensitivities. India should use diplomatic channels to clarify that Riyadh's defence ties with Islamabad must not shield cross-border terrorism directed at India.

While the pact focuses broadly on regional aggression, it injects an unpredictable variable into South Asian geopolitics, potentially emboldening Islamabad through perceived extra-regional diplomatic and security backing. India's ongoing diplomatic efforts to isolate Pakistan over cross-border terrorism may face friction if deeper financial and strategic integration within the Islamic bloc tempers Riyadh's willingness to support New Delhi's specific counter-terror initiatives. Saudi financial heft channelled into Turkish defence systems could facilitate advanced military modernization for Pakistan, impacting the conventional military balance along India's western border.

Thus, the defence partnership between Saudi Arabia, Pakistan, and Turkey signals a transition from bilateral dependencies to integrated trilateral networks. While the alignment is constrained by economic volatility in Pakistan and Turkey's complex relationships with Western powers, its military and technical synergy poses a tangible challenge to India.

To counter this, New Delhi must leverage its massive market size, enhance its own defence exports, and deepen its strategic intelligence partnerships with alternative Middle Eastern powers like the UAE and Israel to maintain a favourable regional balance of power.

PHILIPPINE DAILY INQUIRER

Revisiting the juvenile justice law

Is it time to revisit the juvenile justice law? The question has been raised following the June 22 school shooting at the San Jose National High School in Tacloban City, that killed three students and wounded at least 20 others.

Two boys aged 14 and 15 have been identified as the gunmen who, subsequent investigation showed, had earlier exchanged text messages planning the crime on the premise that, being minors, they were unlikely to get any jail time.

Under Republic Act No. 9344 or the Juvenile Justice and Welfare Act, children younger than 15 are exempt from criminal liability.

Passed in 2006, the law focuses on restorative justice and seeks the rehabilitation of young offenders through community-based diversion programs.

The spike in school violence involving minors in the aftermath of the Tacloban school shooting however gives one pause, with last month's Senate hearing on basic education listing 15 cases of school-related violence and threats within a three-week period.

A Member Of The ANN ASIA NEWS NETWORK

The latest incident involves a 14-year-old boy stabbed dead last week by a classmate aged 13 inside a Las Piñas City school over a P10 change. Recently, a teacher was mauled by two high school students in Davao de Oro, Mindanao, after he allegedly reprimanded them for violating the school's dress code by wearing earrings.

Were these disturbing incidents precipitated by the seeming lack of accountability in the Tacloban shooting? Could the young suspects be testing the limits of the law, secure in the knowledge that their age would protect them from prosecution?

According to the Department of Social Welfare and Development (DSWD), the 15-year-old is facing criminal complaints and remains subject to judicial proceedings under the country's juvenile justice laws. The younger boy will meanwhile undergo long-term rehabilitation measures focused on behavioral, psychological, and social interventions.

The length of rehab depends on the outcome of court proceedings, assessments, and the progress of interventions designed to facilitate reintegration into society, the agency added.

Indulge in local Balinese cuisine, explore lush rice terraces and immerse yourself in the captivating Kecak dance. Journey today with the warmth of Malaysian Hospitality. Under state custody, the youngsters' movement and communication are restricted: they cannot leave the facility, have no access to mobile phones or the internet, nor allowed unrestricted visits.

Instead of court proceedings, children in conflict with the law (CICL) undergo diversion programs to be completed within 45 days, said DSWD Regional Director Grace Subong.

Well-intentioned it may be, the concept of restorative justice however offers scant comfort to families of victims who might consider the prospect of no jail time unfair privilege for the offenders.

As noted by Sen. Raffy Tulfo in a Senate hearing when he proposed more funding for separate prison facilities for errant minors, placing CICLs who have committed serious offenses in the DSWD's Bahay Pag-Asa facilities is insufficient.

Letters To The Editor | editor@thestatesman.com

Provoked

Sir, The 'mighty State' has many ways to show off its might ~ corruption, injustice to the poor, violation of constitutional provisions, attacks and abuses on women, criminals dominating the law-making bodies, and so on. Youth denied employment and even meaningful education are now displaying their discontent. Brutally thrashing them is the height of arrogance.

No one would make it a pastime to go to Delhi, stay for days together spending money, only to protest. Going by the magnitude of the spontaneous gathering, the government should have understood the seriousness of their concerns and attended to their demands.

Instead, treating them as enemies, resulting in one death and severe injuries to several others, is certainly not expected of a responsive government. The provocation for the movement is from the government itself. Therefore, punishing the participants is only going to pave the way for further sharp reactions.

Yours, etc., A G Rajmohan,
Anantapur, 6 August.

Vital lesson

Sir, This refers to your editorial, "First crack" published today. The Bankipur by-poll result, where Jan Suraaj founder Prashant Kishor defeated BJP candidate Neeraj Kumar Sinha, will no doubt deeply hurt the saffron party.

It broke a 31-year stronghold of the BJP and exposed voter fatigue, local coordination gaps, and youth dissatisfaction, and growing appetite for alternative political forces. While the CJP-led student and youth protests over exam paper leaks significantly fueled public anger and low voter turnout for the ruling party, political analysts view it as a major catalyst rather than the sole reason for the BJP's historic defeat.

Nevertheless, the debacle teaches the BJP critical lessons about overconfidence, governance accountability, and shifting voter dynamics in its traditional bastions. The Bankipur verdict also shows that urban voters are willing to look beyond traditional NDA versus Mahagathbandhan binaries in Bihar.

Yours, etc., Ranganathan Sivakumar,
Chennai, 6 August.

Template

Sir, Apropos "First Crack," (August 6), the piece rightly captures how Bihar's politics has moved past dynastic loyalty toward genuine electoral calculation. Prashant Kishor's entry, without an established party machine, shows voters increasingly reward organisation and credibility over legacy alone.

Yet the deeper worry remains: will this shift translate into policy focus, or merely reshuffle personalities? Political parties across states would do well to invest in grassroots outreach and transparent candidate selection rather than relying on charisma or caste arithmetic.

Election Commission reforms mandating disclosure of party organisational strength could help voters judge substance over spectacle. Bihar's experiment deserves attention nationally, not as an isolated anomaly but as a template worth studying seriously.

Yours, etc., A. Myilsami,
Coimbatore, 6 August.

Jantar Mantar may be a template for future

HARSHA KAKAR

Punjab and West Bengal police busted multiple cross-border terrorist modules which were planning to target the Cockroach Janata Party protests in Delhi last month. These were linked to Pakistan's Jaish-e-Mohamad and their ISI.

Their plans included infiltrating the protests, causing mayhem by using petrol bombs and random firing, resulting in casualties, leading to anger across the nation, with the government being blamed. They failed because of a large police presence. Was Pakistan seeking to just exploit the protests or was it part of a larger conspiracy by those sponsoring the protests is unknown?

The fact that inputs flowed from the Punjab Police, a state controlled by AAP, has relevance. The sidestepping of the Punjab IG, who broke the news, gives it further credence. Had these inputs flowed from West Bengal, it would have been termed as government propaganda.

Senior Delhi Police officials had warned organizers of the protest that criminal elements had infiltrated the crowd and that the massive gathering risked spinning out of control, but it was ignored. This is just what happened. Casualties in Delhi could have enhanced violence across the country, making it difficult to contain.

Whether the organizers were aware that violence was planned as part of the protests is unknown. The infusion of anti-social elements was also highlighted by the Solicitor General of India, Tushar Mehta, who informed the Supreme Court that while the government would withdraw cases against student protestors, it would not do so for 2,738 persons facing charges such as 'murder, rape, kidnapping and offences under the POCSO Act,' who had infiltrated the protests to cause mayhem. These individuals were identified through surveillance networks.

There is no doubt that the protest was funded by inimical groups. To maintain the site, ensure unlimited food for all participants while inviting anti-government activists to the dais by sponsoring their airfare and stay, funds are essential. The NIA is investigating this.

India has faced a series of organized and funded protests aimed at breaking the nation's cohesion. Most have commenced with 'perceived wrongs', subsequently migrating to other subjects. Recent ones include the Shaheen Bagh protests and subsequently that by the farmers. Each was handled with kid's gloves by the government. Manipur, once again pushed by foreign interests, has yet to be resolved and continues to remain tense.

Inimical elements had expected the last election to be a debacle for the BJP, but did not happen. The government's decision to end the student protest by partially agreeing to demands was aimed at bringing matters to a conclusion.

The government has stalled these protests but more will follow as the 2029 election draws close. Farmers have already announced fresh protests commencing 26 November at over 100 locations across the country, including Delhi. These will likely continue till the winter session of Parliament or elections early next year in Punjab and UP.

The demands include repeal of all free-trade agreements, including those already inked, loan waivers, compensation for farmer suicides etc., many of which are beyond acceptance. They have sought support from multiple groups including students. Evidently, the intention is to damage the internal cohesion of the nation and its global standing.

Protests are rarely simultaneous, largely planned. The group, including financers, strategists, social media influencers, media creation experts and others, work in tandem to create content, based on perceived injustices, to garner support. Main organizers remain below the radar or outside the country. They monitor protests, pull in political leaders opposing the government and keep pushing content to keep the issue alive. While India is secure from external aggression, it is highly vulnerable to internal unrest and that is being exploited.

India's growth, importance on the global stage, and refusing to toe the Western line in ongoing conflicts are issues unacceptable to many Western organizations. They and others have attempted every trick to damage India's internal fibre and its economy. Instigating protests, publishing fake reports like Hindenburg, backing internal dissent, and sending foreign military personnel to the Northeast to train and arm militant groups, are some methodologies. Many have been contained.

The West does not want to see an India which would be a competitor in the decades ahead, as confirmed by the US Deputy Secretary of State, Christopher Landau, at the Raisina dialogue in Delhi this year. He



mentioned that the US will not repeat 'the China mistake,' which is permitting India to grow capable enough to compete with the US in the future. China also does not desire a strong India in the region. This global sentiment adds to confidence of groups seeking regime change in Delhi.

While earlier agitations exploited religious and regional groups, the current protests targeted youth, who form the bulk of the nation. Lessons drawn from Sri Lanka, Nepal and Bangladesh, where change occurred due to student-led agitations, were attempted in the last round of protests. Simultaneously, sympathy protests across the country, each organized, are an indicator of the depth to which it was planned.

The students who participated in recent protests would all be voters in future elections and hence their views against the current regime are being altered. Opposition political parties are working overtime to become representatives of the youth. The aim is to push for a change in 2029.

The Cockroach Janata Party will continue attempting to keep its presence alive through social media, the ideal communication channel for the youth. It will keep expanding its base steadily and may register as a political party only before the elections in 2029. They may also protest in sympathy with the farmers in November this year.

Desperation by international anti-India groups to change the national leadership will gain ground as the 2029 elections draw close. Social media will be the preferred network. The government must concentrate on social media campaigns and monitoring. It must also strictly control foreign funding to anti-India institutions and organizations.

The writer is a retired Major-General of the Indian Army.

Don't judge technology by its worst users

SHREY MADAAN

India's latest move against the decentralised messaging application Bitchat is about more than one piece of software. It reflects a challenge that governments around the world face: how should emerging technologies be regulated when they offer legitimate benefits to consumers but can also be exploited by bad actors? The answer is not straightforward. But restricting innovation in emerging technologies solely because of what they might enable, rather than what they have demonstrably achieved, risks setting a precedent that does little to improve security while discouraging innovation.

The government's direction to GitHub reflects concerns that decentralised messaging platforms can complicate criminal investigations by making communications harder to attribute. Those concerns deserve serious consideration. Governments have a legitimate responsibility to combat organised crime, terrorism and other threats to public safety. The challenge is that virtually every communication technology, particularly one that is encrypted and decentralised, can also be misused.

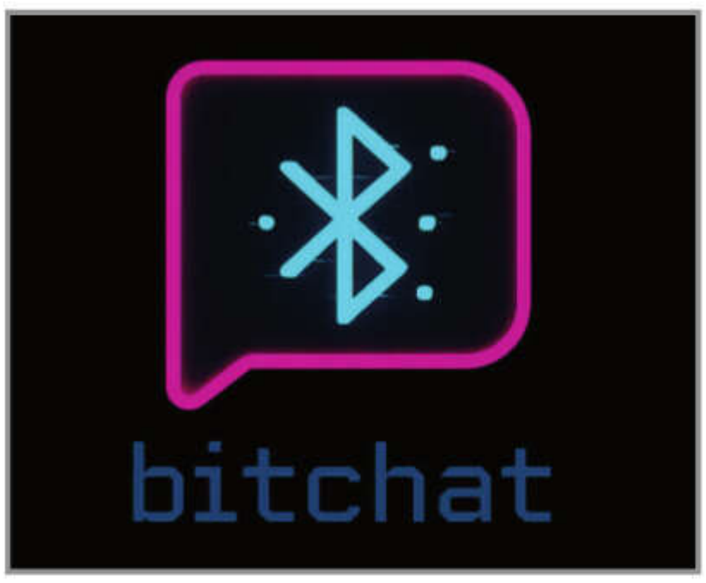
The real question is how to ensure regulations tackle unlawful conduct without treating technology itself as a problem. This distinction is not unique to India. For years across Europe, messaging services such as Signal and WhatsApp have faced repeated calls to provide law enforcement with access to private communications in the name of public safety. While criminals can exploit encryption, policymakers have acknowledged that weakening encryption would undermine the privacy and cyber critical infrastructure of millions of everyday users and businesses, putting their data at risk.

The same principle applies to decentralised communication tools. While applications such as Bitchat may complicate surveillance, they also have legitimate uses. During natural disasters, major network failures, decentralised communication systems can help people stay connected when conventional mobile networks are unavailable. These technologies are designed to improve resilience as much as privacy, and their value extends well beyond exceptional situations.

Open source software also plays an important role in today's digital economy; it has become the backbone of modern software development. Much of the digital infrastructure that powers today's internet, from Linux servers to the Android operating system, has been built through collaborative open-source development. Platforms like Github have become an essential tool for researchers, developers, and start-ups developing the next generation of digital tools. Restricting access to source code on the grounds of potential misuse undermines innovation.

This does not mean that emerging technologies should operate beyond the reach of the law. Where software is used to facilitate criminal activity, authorities should investigate and enforce existing laws accordingly. But there's an important difference between prosecuting unlawful conduct and restricting technologies based on hypothetical future misuse. Historically, democracies sought to regulate behaviour rather than prohibit innovation capable of legitimate and illicit uses. This distinction has enabled our innovation to flourish while remaining subject to the rule of law.

That is also where censorship concerns begin to emerge. Restricting unlawful content or prosecuting criminal acts is fundamentally different from denying access to software or source code merely because it might be misused. Once governments begin treating technological capability as sufficient grounds for restricting access, the line between proportionate regulation and precautionary censorship becomes increasingly blurred. Such an approach can also create uncertainty



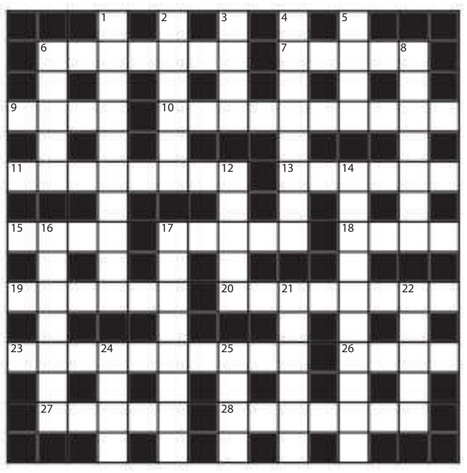
for innovators, developers and entrepreneurs building legitimate technologies that may challenge existing regulatory frameworks.

India has positioned itself as a major player in the global tech and innovation space, championing entrepreneurship, digital innovation and open-source development. It is imperative to preserve the momentum by adopting regulatory frameworks that promote innovation while addressing security threats through targeted, evidence-based countermeasures.

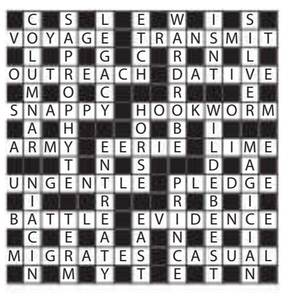
Emerging technologies will continue to challenge existing laws. The true measure of growth is not expecting every innovation to be risk-free before it reaches consumers, but reforming regulations to keep pace with technology without stifling technological progress. A good policy should protect consumers in cyberspace without restricting tools that people use for legitimate purposes. The balance between tech innovation and censorship is what India should strive to achieve.

The writer is Indian Policy Associate, Consumer Choice Center.

Crossword | No. 293548



Yesterday's Solution



ACROSS

6 One turning in abandoned terrier (7)
7 Electric current inside one cooking main (5)
9 Leaders to allow lascivious Brits into French commune (4)
10 World-famous rock group from the South West? (10)
11 Take a break, with opportunity to get cottage in US (8)
13 One spotted punching peaceful group and small boxers? (6)
15 Drinking last of ale, Hoskins had a thought! (4)
17 I flog hot items from a wooden enclosure, perhaps (5)
18 Load of work? That`s no good! (4)
19 Her Maj must be pushed into river by a Brownie? (6)
20 You might see them atop a house with hand in knickers (8)
23 Actor and medic slammed by The People (10)
26 Drugs that man from Bow smuggled inside flipping kid (4)
27 Mug? One can be seen in ultimately crass PM`s address! (5)
28 One that smokes has bit of tobacco on red jumper (7)

DOWN

1 An increasingly bare display a priest set out (10)
2 Get up, taking E with half-cut Toff and one of her pals? (6)
3 Right around lunchtime, love to have a threesome (4)
4 She`d clue 'pants` as something a secretary might have a hand in! (8)
5 Perfectly acceptable penalty (4)
6 Sort to be grabbed by heartless referee or linesman (5)
8 Piece of foliage covering up twig and berries? (3,4)
12 Grow a pair of primarily nice-scented Umbellularia in plot (3,2)
14 Do over grand lot in northern industrial town (10)
16 Thirteen artists with lead in their pencils? (7)
17 Sweet-smelling fish brought up during loud storm (8)
21 Steal train to make a bit of cash abroad (6)
22 Some sex actually is spot on (5)
24 Too much port gets daughter going! (4)
25 Conservative leader`s rubbish without diplomatic skill (4)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with **The Independent, London**)

100 Years Ago


The Statesman

Front page of The Statesman dated 11 August 1926

OCCASIONAL NOTE

MEN'S minds were so agitated during the War that numbers were prepared to believe incredible stories. The tale about the Hampshire with Lord Kitchener on board having been sunk as the result either of treachery in the Admiralty or of some supremely clever action on the part of enemy spies has long since been placed by sober people in the same category as the fables about the Russian troops in England or the German fat factories. The publication of the white paper just issued by the Admiralty was therefore hardly necessary. At the same time, perhaps, it is just as well that there should be set down for the benefit of the historian and of future generations all the evidence proving that the loss of the Hampshire was due to an accident and nothing else. The escorting torpedo boats, which were employed solely to guard against submarines, were ordered to return by the Hampshire itself, because of the high seas, in which no submarines could operate, and for no other reason. The course the Hampshire was directed to follow had been carefully plotted, to avoid mine-fields and there was no opportunity for any possible spy to warn a German mine-layer in time. Yet a German mine-layer had been at work on the very track the ship had to cross. That was the mischance and it lost the Empire her greatest soldier.

News Items

IMPERIAL CONFERENCE

IMPORTANT PROBLEMS FOR LONDON MEETING

(BRITISH OFFICIAL WIRELESS.)
RUGBY, AUG.

THE agenda for the Imperial Conference which is due to assemble in London on October 19, is said to be practically complete, but it is recognised that the programme may be materially modified when the overseas Premiers actually come together.

The most important discussions will probably arise on the general review of foreign policy and defence and questions to which they give rise. The conference will also consider the development of a system of communications and consultations between the Governments of the Empire on matters of common concern.

Economic questions that will be found on the agenda include overseas settlement a general review of interimperial trade, including a discussion of the work of the Imperial economic committee and the position of the Empire Marketing Board. Other subjects are communications, including the question of commercial air services; research, the exhibition within the Empire of Empire films, and the question of securing agreement as to the liability of State enterprises to taxation.

ACCIDENT A MYSTERY

SUBMARINE SINKS IN 90 SECONDS

LONDON, AUG.

MYSTERY surrounds the sinking of the H.29. Within a few minutes the Commander-in-Chief arrived, and took charge. Special equipment was rushed to the quayside to raise the vessel.

The submarine had just returned from tests. Its hatches were open and the propeller had not stopped. When it came alongside it suddenly tilted and sank within ninety seconds. The basin is comparatively small and pumping operations ought not to occupy many hours.—Reuter.

WIRELESS TELEVISION

FIRST STATION ERECTED AT HARROW

(BRITISH OFFICIAL WIRELESS.)
RUGBY, AUG.

THE Post Office have granted two licenses for wireless television to a Company which has taken over the Baird television invention with which television was recently demonstrated. Regular transmissions of living faces and scenes are now taking place on a wave length of 200 metres between the Company's London headquarters and the Harrow experimental station. This is the first television station in the world and, following recent demonstrations, the inventor is further perfecting apparatus so that television broadcasting to all, with necessary receiving apparatus, can take place.

THE GOAN EVERYDAY

Politics is too serious a matter to be left to the politicians.
Charles de Gaulle

Vasco boy's death: A system drowned in negligence

The tragic death of 16-year-old Rahul Bind, a Class 11 science student of Deepvihar Higher Secondary School, Sada-Vasco, has exposed a deeply disturbing failure of institutional responsibility in the State. Rahul was swept away by strong currents at the Tonir-Kajredhat waterfall in Savarde-Sattari, a site where entry, swimming and bathing had been expressly prohibited by the District Magistrate under Section 163 of the BNSS, 2023.

The incident has not only raised questions about insensitivity towards students but has also exposed gaps in enforcement and administrative protocols. Firstly, it baffles the mind that an institute organised a trek to a banned waterfall, that too during the monsoons. Authorities have been consistently appealing to tourists and locals to keep away from waterfalls because of high risks. How could an institution entrusted with the safety of children knowingly take them to a prohibited area?

Tonir-Kajredhat is no ordinary picnic spot. Its underwater rock formations, deceptively deep pools and powerful currents make it particularly treacherous during heavy rainfall. Yet the four accompanying teachers and the school management chose to proceed, apparently relying on private tour guides. It's not only a lack of application of mind by teachers who accompanied the students, but also a failure of the school management, including the Headmaster, who is primarily responsible for clearing the trek. A school is not merely a place where children receive an education. It is an institution responsible for children's safety and wellbeing. That being said, there is an equal failure of the parents too. How did the parents of these 23 students give consent to the forest trek?

The Forest Department appears to be washing its hands off by using the prohibition as a shield. Are circulars and orders enough to secure prohibited areas? Do such orders absolve officials of duties to man these danger spots? We understand barricading is not a practical solution, but there should be some oversight, letting these areas open is not the solution.

What about the Education Department? The absence of a robust and enforceable framework governing school excursions stands exposed. Safety circulars cannot be treated as advisory notes that schools may follow at their convenience. The silence of the Education Department is deafening. If children are being taken into forests, waterfalls or other high-risk locations, there must be clear rules, prior approvals and accountability at every stage.

Goa cannot continue to lose young lives and then respond with investigations, bookings and statements. Rahul was reportedly the seventh youth from Vasco to die by drowning in just six months. Sattari has reported over 50 such drowning deaths in the past ten years. Each such death should have forced the administration to course-correct so that these tragedies are not repeated. Unfortunately, lessons are not being learnt.

Accountability must therefore go beyond expressions of regret. Those responsible for taking the students into a prohibited and dangerous location must face the full consequences of the law. At the same time, the government must put in place mandatory, legally enforceable safety clearance procedures for every educational excursion, particularly those involving forests, waterfalls, rivers, beaches and other high-risk locations.

Children should never have to pay with their lives for an institution's failure to follow rules. It's a sorry state that schools which preach discipline, responsibility and respect for the law in the classroom are allowing reckless disregard for those very principles outside the precincts.

OPEN SPACE ››

Display medicine availability in government hospitals

I would like to suggest the introduction of real-time medicine availability boards in all government hospitals and pharmacies across Goa. Displaying a live list of medicines that are available or out of stock would help patients know what is currently unavailable before they wait in long queues at hospital pharmacies. The Goa health system and its digital portals should move towards real-time inventory updates, clearly showing the availability of essential medicines for public information and convenience. Hospitals could be encouraged or mandated to install digital screens or physical notice boards displaying the current stock status of medicines. At present, when essential medicines are unavailable, hospital pharmacists often direct patients to purchase them from private pharmacies or Jan Aushadhi stores. Timely information about stock levels would allow patients to make informed decisions and avoid unnecessary visits. Such a system would save patients' time, improve transparency in public healthcare, and help hospital administrators identify shortages and arrange supplies or reallocate medicines from available warehouses more efficiently. I request the concerned authorities to consider implementing this facility across government hospitals in Goa for the benefit of patients and the public.

RAJESH BANAULIKAR, *Arpora*

A future with plenty of work, but fewer jobs

India is generating fewer stable jobs, leaving graduates in prolonged preparation for government exams or low-paid, insecure employment



›The writer is a noted Pune-based economist

AJIT RANADE



The student protests that dominated the headlines were triggered by an examination paper leak. But it would be a mistake to view them only as a protest against the mismanagement of examinations. The leak touched a much deeper anxiety. For millions of young Indians, success in a competitive examination is one of the few remaining routes to a secure and reasonably paid livelihood. When the integrity of that process is compromised, it means another year in an already prolonged wait for employment. The protests were, therefore, as much about jobs as about examinations.

Government competitive examinations have become a national waiting room for graduates. Young people in their early twenties spend several years in coaching classes, libraries, and rented rooms, making repeated attempts at examinations where the success rate may be one or two per cent.

This waiting is not irrational because entry-level private-sector salaries have hardly moved for a long time. The average monthly earning of a young male graduate fell from about Rs 21,800 in 2011 to Rs 19,573 in 2023, even before adjusting for inflation. A government job, by contrast, offers much better pay, continuity, health benefits, social status, and much greater protection against dismissal.

Between 2004 and 2023, India produced roughly five million graduates every year, but graduate employment increased by only around 2.8 million annually. Even fewer obtained salaried employment. Millions are either unemployed or working below their qualifications or are in the waiting room for the elusive government job.

The Periodic Labour Force Survey reported an overall unemployment rate of 3.1 per cent in 2025 and youth unemployment of 9.9 per cent. But the "usual status" measure can classify a person as employed even if he or she undertook a subsidiary economic activity for only 30 days during the previous year.

Agriculture offers the clearest illustration of underutilisation of human capital. Its share in employment, after declining for several decades, rose from 44.1 per cent in 2017-18 to 46.1 per cent in 2023-24. This reversal reflected pandemic-era migration as well as the inability of manufacturing and services to absorb workers sufficiently. Agriculture produces only about one-sixth of national output but supports more than two-fifths of the workforce. The family farm is often functioning as an employer of last resort. The latest PLFS shows a slight decline, but that could be because of a change in measurement methodology.

Expanding platform work, stagnant wages and underemployment are reshaping the labour market, making stronger social security, transparency and worker protections increasingly important

More revealing is the wage picture. Average daily earnings of male casual workers remained virtually unchanged at Rs 455 in 2025, compared with Rs 456 in 2024. Female casual earnings rose from Rs 299 to Rs 315. These are nominal figures before taking account of the rise in living costs.

The spread of platform work must be understood in this setting. A recent promotional offer advertised an hour of domestic help for Rs 29. This was a subsidised price charged to the customer, not the wage paid to the worker. Indeed, workers interviewed by a leading digital news publication reported monthly earnings that were often better than those available in traditional domestic work. Yet, it also revealed rigid limits on leave, penalties, unpredictable breaks, long working days, and close supervision through the app.

Platforms perform a useful economic function. They reduce search costs, match customers and workers quickly, create new services, and can bring some transparency into deeply informal labour markets. The policy response should, therefore, not be to obstruct the gig economy. But describing workers as "partners" cannot by itself settle the question of responsibility when the platform controls access to customers, working hours, ratings, penalties, and continued eligibility for work.

Precarity is also appearing in occupations that were once regarded as secure. In information technology, layoffs occur through reduced bench periods, performance improvement plans, skill-based exits, and encouraged resignations. At the same time, researchers and engineers with scarce artificial intelligence expertise are receiving exceptional salaries and stock awards.

This suggests that India must prepare for a future in which there may be plenty of work, but fewer conventional jobs. A job traditionally implied a continuing relationship with one employer, a defined salary, predictable hours, and some measure of social protection. Work in the future may increasingly be organised through projects, assignments, platforms, and multiple short-term engagements. The gig worker, broadly defined, may no longer be a small or exceptional category. Flexible working arrangements could become the norm for a substantial part of the workforce.

Such flexibility can enable women with care responsibilities, older people, migrants, and skilled professionals to participate on terms better suited to their circumstances.

India, therefore, needs two objectives simultaneously: an environment in which the gig and platform economies can flourish and a framework that makes such work decent. Social-security benefits must become portable across employers and platforms. Platforms should disclose clearly how remuneration, ratings, work allocation, and deactivation decisions are determined. Workers need accessible grievance mechanisms, timely payments, and protection against arbitrary exclusion. The law must preserve genuine flexibility without allowing the terminology of "partnership" to eliminate every employer obligation.

It is in this context that India's abstention from the ILO Convention on Decent Work in the Platform Economy does not bode well. The International Labour Organisation's Convention No. 193 is the world's first legally binding treaty targeting app-based and digital platform work. The representatives of both Indian workers and employers, reportedly, supported the convention, while the government delegate abstained.

India certainly needs more employment. The policy challenge is to protect workers, not jobs, and to enable technology and flexible working. It is to ensure that a labour market based increasingly on assignments, contracts, and platforms does not leave workers without income security, bargaining power or social protection. Otherwise, the national waiting room may continue to fill.

— FPJ

THE INBOX ››

Fooling voters with empty promises of development

Many present MLAs, fearing loss of their seats due to corruption and harassment charges, are abandoning their constituencies. Jumping from one party to another for greed and power, they plan to contest elsewhere, fooling voters with empty promises of development. What should be public service has turned into a battle of egos—"I am the best." Meanwhile, the people suffer as politicians prioritise their ambitions over genuine progress. Some leaders exploit Shivaji Maharaj's legacy and religious sentiments to divide Goans, playing communal politics to stay in power. This divisiveness threatens the social harmony that Goa has cherished for decades. Whether it's British, Portuguese, or present Indian governments, the people of Goa have witnessed the same cycle of fake smiles and hollow promises.

RONNIE DSOUZA, *Chandor*

Some Oppn leaders and their self interests

Goa Forward Party (GFP) president Vijay Sardesai while speaking in support of Karapur demonstraion at Azad Maidan on Sunday was heard giving his own silly explanations over the topic of opposition unity after one noted activist openly blasted/accused all opposition leaders for fighting among themselves like small kindergarten kids and still not uniting to defeat the BJP in the coming assembly elections. Well, after hearing the conflicting statements of these opposition leaders (especially of Vijay Sardesai and the like), it looks like most of them have finally decided to jump in the BJP after getting re-elected in the coming assembly elections and to enjoy their own 'ache-din' in Goa. Because these leaders don't mind if their respective parties get one or two seats and cannot form their own government. I therefore feel that Goans should not expect anything much from such self-centered opposition leaders because most of them are inwardly just waiting to become powerful ministers in a BJP government after the assembly elections and are not at all interested in stopping the ongoing destruction of the state but are interested in working for their own self interests.

JERRY FERNANDES, *Saligao*

Kejriwal's poll bonanza should lift people's spirits

At a recent meeting in Margao, AAP National convenor Arvind Kejriwal rolled out six guarantees for Goa if the party is voted to power in the 2027 Assembly elections. The guarantees include free electricity upto 300 units for every household, Rs 10 lakh health insurance for every family, Rs 3,000 per month for every girl above the age of 18 years, scrapping of section 39A of the TCP Act, developing sports grounds in every village , etc. All this should certainly bring cheer and lift the spirits of the people of Goa who are totally dissatisfied and unhappy with the present dispensation and urgently seek a change. With the credibility of the Congress party at an all time low, and infighting in its ranks, hopes of the AAP have brightened up considerably and chances of their coming to power in 2027 cannot be ruled out

AF NAZARETH, *Alto Porvorim*

Youth shall bring change, dismantle colonial mindset

Prime Minister Narendra Modi has claimed that he wants to dismantle the colonial mindset.Why, then, does the colonial mindset still persist—especially in the courts, the bureaucracy, and the police? Because policymaking has long been dominated by the Silent Generation and the Baby Boomers. And they have resisted, tooth and nail, the entry of younger people into policymaking roles.What most urgently needs to be dismantled, however, is the East India Company mindset of a few politicians who use every trick in the book to cling to power. When younger generations—Gen Y and Gen Z enter important roles, not only will the colonial mindset crumble, but so too will the East India Company mindset. Look at the irony. Those who claim to oppose colonialism are the very ones who want to preserve it for their own selfish ends. They are resorting to colonial era tactics to brutally crush younger, forward-looking people.

VINAY DWIVEDI, *Benaulim*

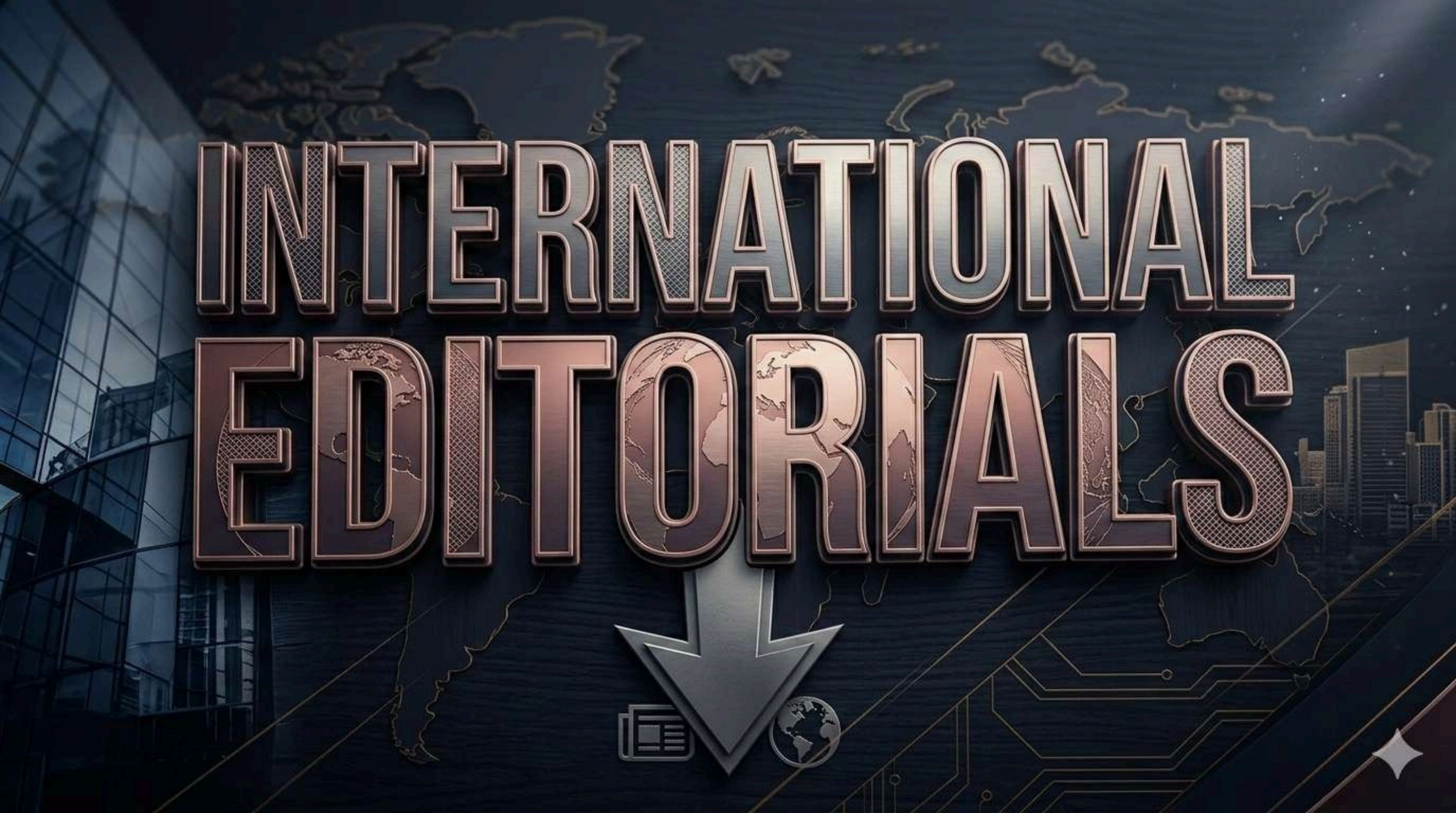
BJP leadership running out of scapegoats

With growing criticism of BJP governance, the BJP/RSS leadership have in their arsenal controversial nationalistic/religious issues to divide voters and retain power. The latest is the FCRA move by the BJP to divert people's attention and come up with excuses for their failures, high level corruption and mis-governance. Rather than introspecting why people are getting unhappy, the egoistic BJP leaders are instead looking for such excuses, manipulating or blocking social media and trying to malign and threaten those who are protesting. All the latter will facilitate the quicker end to the BJP era.

ARWIN MESQUITA, *Colva*

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INTERNATIONAL
EDITORIALS

EDITORIAL

Workplace deaths cannot be price of development

Hong Kong does not lack work safety rules. Regrettably, lapses in awareness, compliance and supervision occur from time to time, as reflected in the disturbingly frequent industrial fatalities in recent years. It is imperative that all stakeholders take occupational safety more seriously lest the city's development continue to come at the expense of human lives.

It may sound ironic that the latest incident involved a construction safety manager. He fell to his death at a building site in Kowloon City during an inspection, raising questions about the work safety culture in the construction sector. The 39-year-old plunged from the rooftop of the former Regal Oriental Hotel, which is being redeveloped into a student hostel amid an influx of non-local students under the government's drive to turn Hong Kong into an education and talent hub.

We trust that the Labour Department, which swiftly commenced an on-site investigation after being notified of the accident, is taking the case seriously. It has issued suspension notices to the contractors concerned and ordered them to halt the use of the building's roof under alteration, adding that it would identify the cause of the accident, ascertain the liability of those involved and recommend improvement measures. The department has pledged to take action pursuant to the law if it finds any violation of work safety legislation.

If the government response sounds familiar, it is because there have been far too many fatal industrial accidents in recent years. There have been no fewer than six industrial work fatalities in the first quarter of this year alone, up from three in the same period last year, according to the department's records. Indeed, the total number of industrial accidents dropped from 8,134 in 2023 to 7,371 in 2024. The figure in the construction industry also fell slightly from 3,097 to 3,037 during the period.

But the sector still recorded the highest number of fatalities and accident rate among major industries, with the death toll hitting 20 in 2023 and 14 in 2024. Worryingly, the total number of work fatalities was 32 in 2023 and 28 in 2024.

It is regrettable there have been already no fewer than four deadly cases over the past two months. On June 17, a 65-year-old man succumbed to abdominal injuries after being struck by an excavator at a recycling site in Tuen Mun. On June 26, a worker died after being run over by a construction vehicle at Kowloon Bay Sports Ground. Three days later, a construction worker died after an excavator overturned in Ho Man Tin, trapping him and another worker. On July 27, a 62-year-old worker died after falling from a six-metre-high platform while conducting plane repairs at Hong Kong International Airport.

Even though official data shows a downward trend in work injuries and accidents, it must not give a false sense of safety having improved significantly across industries. The recurrence of fatalities points to more than isolated cases of lapses in judgment, violation of rules or slack supervision.

Behind these figures are bereft spouses and children, shattered families and the sudden loss of economic lifelines. While the circumstances of each case may involve inadequacies of different parties or at different levels, they call into question the overall work safety culture.

The general duty provisions of the Occupational Safety and Health Ordinance require employers to provide safe working environments and systems of work for their employees, with contravention liable to a maximum fine of HK$10 million and imprisonment for two years. But no punishment can undo the loss of life and the suffering of those affected. The levels of fines meted out by the courts are usually much lower, raising questions about deterrence.

Hong Kong's growing appetite to build bigger, faster and higher makes ensuring industrial safety a non-negotiable duty for all. This is especially important as the authorities speed up the Northern Metropolis mega-development project in the coming years.

Work safety culture is a shared responsibility that all stakeholders at different levels must take seriously. Repeated promises to review and punish are the last thing we need as mishaps continue to make headlines frequently. It would be a shame if the city resigns itself to the recurrence of work fatalities as part of the price to pay for economic advancement.

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Smart planning key to data centre buildout

The spread of these facilities in Asia does not seem to have sparked the protests it has in the West, but good policies are needed to ensure that remains the case



David Dodwell

Across the United States, home to 37 per cent of the world's 10,800 or so data centres, 2026 has been awash with protests against this infrastructure buildout. On July 18 alone, 142 protests were reported across 42 states.

According to Data Centre Watch, 75 US data centre projects worth US$130 billion have been blocked or delayed. According to recent Pew research, the more Americans know about data centres, the more negative they are: 67 per cent of American adults are anxious about their impact on home energy costs and 63 per cent are alarmed by potential environmental harm.

Anxiety is also focused on noise, property values, local jobs and rising taxation. It seems data centres have become the new "not in my backyard" flashpoint, with calls for a convergence of protests around August 1, the National Day of Action against Data Centres.

However, this day of action seemingly went unnoticed here in Asia. There doesn't appear to be comparable controversy over data centres as they proliferate across China and in digital hubs such as Hong Kong and Singapore. Why the contrast in attitudes?

First and foremost is the concentration of data centre construction in a small number of hubs. According to a UN think tank report, more than 90 per cent of AI-specialised computing capacity sits in either the US or China. In contrast, 150 countries "lack significant domestic AI infrastructure".

Even in the US, data centres are highly concentrated in Virginia, Texas and California, where local communities have already seen significant impacts and fear there are worse to come. Average power bills across the US rose by almost 10 per cent in 2025 compared to the previous year. Data centres' voracious appetite for water is a pressing concern in water-stressed regions.

Consider the impact of "hyperscaler" centres. Data centres have the potential to consume enough water for 360,000 American households by 2028. Even an average data centre can cover the equivalent of 450 football fields and not employ more than 150 people.

In Britain and Ireland, outcries have also focused on rising power bills, anxiety about environmental impact and hyperscalers competing for land needed for housing. Google's Thurrock data centre in east London is expected to emit at least half a million tonnes of carbon dioxide a year. Single average-sized data centres emit enough waste heat to raise local temperatures by more than 2 degrees Celsius. In Ireland, data centres already consume 23 per cent of the entire country's electricity supply.

> *"Data centres' ... appetite for water is a pressing concern in water-stressed regions*

The impact of the scale and speed of data centre growth does not appear to be significantly different in Asia, but it has so far apparently failed to trigger the alarm it has in the US and Europe. One factor is that most countries in Asia have yet to see the level of data centre buildout present in the West.

A second factor must be the role of the region's leading data centre hubs – Singapore and Hong Kong – in the early days of internet development. Both are important landing points for trans-Pacific fibre optic cables that were the key drivers of the digital revolution. The buildout of data centres is a natural extension of that revolution.

In the case of Hong Kong, the fact that a large number of data centres are huddled on reclaimed land in Tseung Kwan O and have had little noticeable impact on the environment or local electricity prices has probably helped curb any angst over their presence.

That said, it is no sure thing that this level of comfort with data centres will continue indefinitely. The massive development of new data centre capacity at Sandy Ridge in the Northern Metropolis is likely to make heavy demands of Hong Kong's power generators. The UN report has criticised Hong Kong's environmentally unfriendly power mix, with 67 per cent reliant on fossil fuels. This is likely to deteriorate further unless more clean energy can be sourced from the mainland.

The report calls for focus on six principles for responsible AI ecosystems: transparency, efficiency by design, equity and environmental justice, life cycle responsibility, global cooperation and sustainable use. Compliance is likely to be challenging for the Hong Kong government, especially since development will need to be carefully synchronised with administrations across the Greater Bay Area.

The urgent demands in Hong Kong for urban renewal and building new homes are also likely to compete with the ambitious scale of development across the Northern Metropolis.

A recent Hong Kong University of Science and Technology report recommends several action points for the city administration: phase out older, less efficient data centres and subsidise modernisation of critical new digital infrastructure; get rid of fossil fuels; develop liquid immersion cooling; coat Hong Kong buildings with thin-film solar panels; ensure waste heat is reused; and collaborate closely with governments across the region.

The level of concern seen in the West is perhaps not necessary, but we will need smart planning if this explosion of AI infrastructure is going to do more good than harm.

David Dodwell is CEO of the trade policy and international relations consultancy Strategic Access

LETTERS

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Mandarin raises fresh job barrier

For decades, the linguistic gold standard for integration into Hong Kong has been Cantonese. Among the city's ethnic minorities, mastering the local language has long been viewed as the key to social acceptance and mobility. However, as the Hong Kong economy becomes increasingly intertwined with mainland China, a new challenge is emerging: Mandarin fluency.

In interviews conducted through my volunteer work with the Zubin Foundation, as well as conversations with students, advocates and community members across Hong Kong, I found one concern cropping up repeatedly: that employers increasingly require proficiency in both Cantonese and Mandarin. For ethnic minorities, this secondary requirement places them at a greater structural disadvantage.

Many ethnic minority students face language barriers before they enter the workforce, with seemingly more volunteering and internship opportunities preferring applicants with Mandarin proficiency. These expectations continue into the job market, where many positions require dual proficiency. Even after securing employment, language barriers could affect communication with colleagues, workplace integration and employees' sense of belonging.

These experiences point to a deeper structural problem. According to Jeffrey Andrews, Hong Kong's first registered ethnic minority social worker, a major policy gap lies at the root of current employment obstacles: the lack of a comprehensive Chinese-as-a-second-language curriculum.

The Equal Opportunities Commission has also emphasised that this absence continues to restrict non-Chinese-speaking students' access to higher education and job opportunities. As Mandarin becomes increasingly important, students who have not been adequately supported in learning one form of spoken Chinese now face the challenge of learning two.

Without stronger language education, the burden of adaptation continues to fall on individuals rather than the education system. If Hong Kong hopes to build a truly inclusive and internationally competitive workforce, its language education policy must prepare ethnic minority students for the realities of today's labour market.

Rebecca Chen, Tai Tam

Win-win strategy on food waste

Hong Kong discards about 3,000 tonnes of food waste every day, much of it still edible. At the same time, grass-roots families and elderly citizens struggle with nutrition. The Food Commons Foundation urges the government, in the 2026 policy address, to establish a food rescue mechanism.

Specifically, we propose a 150 per cent green tax deduction under the Inland Revenue Ordinance to encourage enterprises to directly fund food rescue charities.

Second, government tenders should be adjusted so surplus food is intercepted before it can be disposed of, and part of waste budgets can be reallocated for frontline poverty alleviation.

Third, idle public market stalls and space should be provided at symbolic rent for food recovery groups, and there should be a "Good Samaritan" food donation clause to remove legal concerns.

Our projects have recovered over 11,467 tonnes of edible food since 2009, benefiting 10.23 million people. Analysis shows that every HK$1 invested in food recovery yields HK$6.50 in social value. This reduces landfill waste, lowers healthcare costs, helps businesses meet ESG (environmental, social and governance) goals and improves nutrition for vulnerable communities.

We envision a four-way win-win framework involving government, businesses, charities and grass-roots citizens. Measures such as activating idle public space and introducing legal immunity for good-faith donations are essential to removing operational barriers. These steps would institutionalise food rescue, ensuring stability for frontline recovery teams and reducing reliance on traditional public funding.

The US Bill Emerson Good Samaritan Act protects donors from liability and France mandates surplus food donation by supermarkets. Hong Kong can adapt these lessons to build a food rescue net at minimal fiscal cost.

We urge the government to adopt these measures in the 2026 policy address. Doing so would deliver tangible benefits to citizens, businesses and the environment.

Carol Kwok, project manager, Food Commons Foundation



Jobseekers increasingly need Cantonese and Mandarin ability. Photo: Nora Tam



Illustration: Mario Rivera

China faces security dilemma with Japan

Tokyo's latest white paper confirms the fears of Chinese strategists that post-war pacifist guard rails are now being dismantled under the guise of 'self-defence'



Wenran Jiang

Japan's 610-page 2026 defence white paper cements a strategic shift: Tokyo has labelled China an "unprecedented and the greatest strategic challenge" for the fourth straight year, a framing dating back to 2014, when a Japanese white paper first flagged Beijing's East China Sea Air Defence Identification Zone as risking unintended incidents. Japanese Prime Minister Sanae Takaichi has not altered this trajectory, only accelerated it.

This strategic timing aligns with Beijing's calculus. Even as US President Donald Trump visited China in May to steady ties, Tokyo, Manila and Seoul have been drawing lessons from the Iran war, which has depleted US interceptors, forcing the Pentagon to move parts of its Terminal High Altitude Area Defence and Patriot systems from South Korea to the Middle East.

For Beijing, Tokyo's apparent conclusion that the US security umbrella is structurally leaky confirms warnings of alliance fragility, even as it heightens anxiety about autonomous powers rearming. Japanese Defence Minister Shinjiro Koizumi's admission of a Pacific "defence vacuum" reinforces to Beijing that Tokyo is filling a gap Washington appears to have left.

Japan alleges that Beijing's drills around Taiwan aim to normalise its military presence as "a fait accompli". Beijing says these are needed to protect its sovereignty. Yet Tokyo's claim helps it justify rearmament. The white paper's warnings of grey-zone blockades and a tilting cross-strait balance serve as domestic rallying cries.

The cited triggers include the Liaoning aircraft carrier's deployment beyond the second island chain as well as the Liaoning and Shandong aircraft carriers' first simultaneous Pacific deployment in June. In addition, Japan recorded over 1,400 aircraft launches and recoveries during Chinese carrier operations in the Pacific last year. China argues that these operations are consistent with international law and practices.

Tokyo now frames the East and South China seas and the Taiwan Strait challenges as a single threat, branding China-Russia patrols "demonstration activities". A new chapter on "new forms of warfare" draws on Ukraine drone and artificial intelligence lessons. The defence production section calls the industry "defence capability itself" – a move Beijing would see as embedding militarisation into Japan's economy.

China sees Japan's plan for a "gap-free" surveillance network as direct monitoring. The launch of the National Intelligence Bureau on July 31 has fuelled miscalculation fears.

These moves complement Takaichi's lifting of restrictions on the export of Japanese-made military equipment, including lethal weapons, this year's record 9 trillion yen (HK$447 billion) defence budget and revision of Japan's three core security documents.

Beijing reads Japan's Air Self-Defence Force reorganisation into an Air and Space Self-Defence Force as space domain preparation. The white paper's note of insufficient munitions and fuel stockpiles signals Tokyo is preparing for protracted conflict – a scenario Beijing has long sought to avoid diplomatically.

It is ironic that while Washington is pursuing a detente with Beijing, Tokyo and Manila are forging independent pacts. Japan and the Philippines have ratified a reciprocal access agreement, signed a logistics pact and are working towards a General Security of Military Information Agreement.

> *"China may have to calibrate its responses to avoid accelerating the trends it fears"*

May saw the launch of exclusive economic zone and continental shelf delimitation negotiations. Beijing has condemned this, viewing it as an attempt to legally encircle Taiwan's eastern flank and shrink Beijing's diplomatic space. Beijing no doubt sees the emergence of autonomous US allies bound by shared apprehension rather than US command as a dynamic that increases instability.

Takaichi's warning last year that a Taiwan contingency involving the use of military force could threaten Japan's survival – the legal threshold for collective self-defence – has been read in Beijing as a deliberate attempt to lower intervention thresholds. While the white paper stops short of repeating the phrase, the posture is unmistakable: Tokyo is building institutional scaffolding to respond.

For Beijing, the implications are sobering. The white paper locks Japan's "top threat" assessment into a multi-year framework embedded in planning, budgeting and industrial policy – a shift no prime minister can easily reverse.

Beijing's reflexive responses – sanctions, diplomatic barbs, show of force – are necessary defences of sovereignty, yet they feed Takaichi's domestic narrative. Each Chinese Foreign Ministry rebuke becomes evidence in Tokyo validating the threat assessment.

Backing down on core issues invites provocations, yet performative toughness feeds Takaichi's narrative. Beijing's available levers are constrained but not exhausted. Bilateral trade – worth US$322 billion last year – and Japan's reliance on China's market gives Beijing a non-military instrument to signal the costs of confrontation without broad decoupling.

Equally, the erosion of the bilateral defence hotline, operational since 2023 but increasingly strained, removes a buffer that once helped cap escalation.

Any credible strategy must navigate these contradictions: isolating Takaichi's remilitarisation drive from cautious societal voices, while preserving channels for crisis communication.

The white paper reflects regional developments: Japan filling the void left by a distracted US, the Philippines pivoting to Tokyo as a backup provider and China facing a decentralised network of autonomous powers. Tokyo now deems its security environment "the most severe and complex" since 1945, confirming Chinese strategists' fears that post-war pacifist guard rails are being dismantled under the guise of "self-defence".

China may have to calibrate its responses to avoid accelerating the trends it fears. Failure to do so risks a fully remilitarised Japan, a US-aligned Philippines and a harder Chinese periphery. The white paper is the opening move in a longer game – it demands a nuanced response.

Wenran Jiang, the founding director of the China Institute and Mactaggart Research Chair Emeritus at the University of Alberta, is an adviser at the Institute for Peace and Diplomacy

Lee must now deliver on local governance

Fixing district management in the wake of the deadly Tai Po fire is next test for the chief executive



Alice Wu

Something unexpected happened at the town hall meeting held a week ago to gather public opinion on Hong Kong's first five-year plan and the coming policy address. Chief Executive John Lee Ka-chiu spoke about the need to upgrade the city's urban management systems.

Our results-oriented, reform-focused chief executive seems to be ready for another colossal task.

Lee began his term with plans to reform policy bureau operations, introducing key performance indicators and additional political appointments to raise governance efficiency and effectiveness.

He assigned key officials, including himself, to oversee task forces and coordination efforts. He also spearheaded bureaucratic and civil service reforms to address bottlenecks impeding governance and the progress of development projects such as the Northern Metropolis.

He has stressed that government policies must deliver on both the macro and micro levels. On the macro level, the city's economy is turning around. The latest upward revision of Hong Kong's gross domestic product indicates a sustained and strong recovery. In June, the International Institute for Management Development named Hong Kong the second-most competitive economy in the world.

Now more must be done to translate macroeconomic progress into local impact.

The chief executive acknowledged the need last August as he concluded his policy address public consultation exercise.

"When formulating policies, we have to care about the details and do better communication with our residents about the aims of these policies so they feel acknowledged and have something to gain," he said.

A year later, in the wake of the devastating Tai Po fire that exposed a litany of regulatory failures, his call for better urban management could not be more timely.

"Whether it is the development of new urban areas or the redeveloping of old districts, we often face challenges such as extreme weather and different types of disasters. It is important to unite government and community efforts in handling these issues," he said at the town hall last week.

These "issues" include how public complaints are handled. As importantly, he points to the need to systematically integrate different operational fields so concerns can be handled holistically.

If district governance is to be an area of focus in the coming chief executive policy address, we expect him to dive into the topic and provide more details.

We should also expect follow-up action to tackle the problems exposed by the Tai Po fire.

The independent inquiry into the tragedy has concluded its hearings, and is expected to deliver its final report in the coming months.

But a proactive leader should address the obvious problems even before the findings are published.

Another area worth looking into is the nuts and bolts of how the city's district offices, district councils and community care groups can work together. This would honour Lee's pledge to "unite government and community efforts" in handling residents' concerns.

> *"The government must learn to recalibrate how its district offices work with the new district councils"*

The 2023 overhaul of the district councils has drastically changed the roles and make-up of these councils. Directly elected seats have been reduced to make up less than 20 per cent of all seats.

Meanwhile, just under 40 per cent of the seats are filled by members of local committees and a similar proportion are appointed by the government. Three years since the revamp, is the government working well with the district councils?

Both the administration and lawmakers needed time to adjust to the new and improved Legislative Council.

Legco President Starry Lee Wai-king acknowledged as much at a media gathering in June, when she called on officials to respect lawmakers' dissenting views on policies.

Similarly, the government must learn to recalibrate how its district offices work with the new district councils.

That would certainly be a welcome development. A pivot back to our communities is the only way to deliver on the chief executive's promise that his "ultimate objective in governance is to improve people's livelihood".

This must start with handling their complaints and feedback effectively. All these upgrades must be made and felt on the ground, especially if Lee is thinking about a second term.

Typhoon Noul might have blown the chief executive's town hall meeting to gather feedback for the city's first five-year plan and his fifth and last policy address of this term a little off track, delaying it by a week.

But from the look of things, Lee has set the right track for himself for the last months of his current term as chief executive.

Alice Wu is a political consultant and a former associate director of the Asia Pacific Media Network at UCLA

مُمكنٌ أن تكونَ القراءةُ أداةَ
تدميرٍ إنْ كانَ القارئُ إمّعة
(عبده خال)

YOUR DAILY ARABIC PROVERB

Reading can be a tool of destruction if the reader is a blind follower.

Abdo Khal
(Contemporary Saudi writer)

Opinion

The Makkah Agreement: A new architecture for regional security

DR. ALI AWADH ASSERI



Dr. Ali Awadh Asseri is deputy chairman of the International Institute for Iranian Studies in Riyadh and a former Saudi ambassador to Pakistan and Lebanon.

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The signing of the Makkah Joint Defense Agreement by Saudi Arabia, Pakistan and Turkiye on Friday was a historic development for our region. When Crown Prince Mohammed bin Salman, Turkish President Recep Tayyip Erdogan and Pakistani Prime Minister Shehbaz Sharif came together in Makkah, they established a collective defense framework among three of the most powerful states of the Muslim world. Its central commitment is clear: an armed attack against one will be regarded as an attack against all. Its purpose is equally clear: to deter aggression, strengthen collective security and contribute to lasting regional peace.

Some outside observers were quick to describe the agreement as a "Muslim NATO" or a new Sunni alliance. Both descriptions miss its purpose. The agreement is not directed against Iran, Israel or any other country. It is neither a sectarian coalition nor the beginning of an arms race. It is a defensive agreement among three sovereign states that have watched their regional security environment deteriorate rapidly and have decided to strengthen their ability to deter future aggression. They seek no war but are determined to defend peace together.

The timing has naturally attracted attention because the agreement was signed amid the continuing Iran conflict. But timing must not be confused with origin. Detailed consultations had been taking place for years. The Saudi-Pakistan Strategic Mutual Defense Agreement signed last September was itself the culmination of more than half a century of defense cooperation, while Pakistan and Turkiye also possess a long-standing and extensive military relationship. Saudi-Turkish defense cooperation has likewise expanded considerably.

Turkiye's inclusion did not suddenly arise from the present conflict. The crisis accelerated a process already underway because it demonstrated, with painful clarity, why stronger and more structured regional cooperation had become necessary.

The strengths that the three countries bring together are considerable. Saudi Arabia possesses growing defense capabilities, economic power and a pivotal position connecting the Gulf, Red Sea and wider Arab world. Turkiye has one of the region's strongest militaries and an increasingly advanced defense industry. Pakistan contributes one of the Muslim world's most experienced and professional armed forces and decades of defense cooperation with both countries.

At the heart of this framework is the collective defense provision. By declaring that an armed attack against one of the three states will be regarded as an attack against them all, the agreement removes ambiguity about their commitment to one another's security and territorial integrity. How that commitment is exercised will naturally reflect the circumstances and requirements of a particular situation, but the principle itself is unequivocal: aggression against one engages the collective responsibility of all three.

The greatest success of this provision would be for its credibility to ensure that it never has to be invoked. That is the essence of deterrence — convincing any potential aggressor beforehand that aggression will encounter collective resolve and impose costs far exceeding any possible gain.

Saudi Arabia seeks peaceful relations with its neighbors and has no interest in creating new divisions in an already troubled region. Dialogue remains necessary, diplomacy indispensable and international partnerships important. But recent events have also demonstrated that regional states must possess the capacity to defend their sovereignty and contribute more directly to their own security. Strong defense and serious diplomacy are not contradictory. Credible deterrence can prevent the very conflicts that diplomacy then works to resolve.

The Makkah Agreement is much more than another defense pact. Three powerful regional states have taken greater responsibility for their security while extending a hand of peace to everyone around them. They seek no confrontation but they will stand together against aggression. If this historic commitment is translated into sustained cooperation, it can become a pillar of regional stability and a foundation for wider cooperation in the future. Our region has spent too long responding to wars after they begin. Makkah offers a better path: strength that deters aggression, cooperation that protects sovereignty and security that gives our peoples the peace and prosperity they deserve.

Saudi Arabia seeks peaceful relations with its neighbors and has no interest in creating new divisions in an already troubled region



COURTESY: AMJAD RASMI/ASHARQ AL-AWSAT

Trump halted further military action after Tehran and other Middle Eastern countries asked him to hold off

Hormuz deal 'close' but will Trump accept it?

CON COUGHLIN



Con Coughlin is one of Britain's leading journalists and an international best-selling author. His previous posts include Executive Defense and Foreign Affairs Editor with London's Daily Telegraph. He is a leading expert on global conflict, international security and the Middle East.

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With the Trump administration clearly struggling to negotiate a deal with Iran to reopen the Strait of Hormuz, it has been left to the Gulf state of Oman to mount its own diplomatic initiative to resolve the dispute over one of the world's busiest waterways.

One of the Trump administration's key demands during its protracted negotiations with Tehran on ending the Iran war has been to reach an agreement that guarantees freedom of navigation for all shipping passing through the strait. Together with US President Donald Trump's demand that Iran terminate its nuclear program, guaranteeing free movement through the strait has been one of the American president's key red lines in sealing a deal.

Trump's efforts, though, have so far been unsuccessful, with Iran failing to agree to a deal that Washington can accept. The resulting stalemate has led to tit-for-tat military exchanges between the US and Iran, raising fears that the 60-day ceasefire implemented at the start of the latest round of negotiations could ultimately collapse.

Fears that the rising tensions between the White House and Tehran could result in all-out war have recently eased following Trump's announcement that the US and Israel had agreed to halt all new attacks on Iran following indications that a deal might finally be reached on the Hormuz issue.

Writing on his Truth Social platform, Trump said that Iran and other Middle Eastern countries asked him to hold off on the attacks because "the perimeters of a deal have been agreed to."

Trump's comments followed an earlier warning that Iran faced further military attacks if it did not agree to a deal, with the president claiming that the US was "locked and loaded and ready to go against the Islamic Republic of Iran," but that he had halted further military action after Tehran and other Middle Eastern countries asked him to hold off.

While the White House has given few details about the proposed deal, it now appears that the main diplomatic initiative to reopen the Strait of Hormuz is focused on bilateral talks between Oman and Iran, which each control the territorial waters on either side of the strait.

While Iran insists that it is not negotiating with the US and has no plans to do so, it now appears that intensive discussions have been taking place for the past three weeks between Tehran and Muscat with the aim of reaching a mutually acceptable deal to open the strait.

While details of the proposed deal have yet to be made public, officials involved in the talks have indicated that the agreement would result in the establishment of new shipping routes for vessels passing through the strait. An Iranian Foreign Ministry spokesman said in a statement that the "geographical coordinates of the route" had been agreed with Oman.

Iranian Deputy Foreign Minister Kazem Gharibabadi said an understanding with Oman over a shipping route through the Strait of Hormuz was "on the verge of being finalized." Furthermore, ships would mostly pass through Iranian waters — marking a departure from a decades-old system under which commercial traffic traveled primarily through Omani waters.

Despite these positive comments, there remains a great deal of uncertainty over whether the deal as currently envisaged would be deemed acceptable by Washington. Trump continues to insist that he would "rather make a deal because he does not want to kill people," but it is unlikely his administration would agree to anything that ultimately hands Tehran control over shipping in the strait or allows it to impose tolls or so-called service charges.

Opinion

When will Israel fulfill its ceasefire obligations?

DAOUD KUTTAB



The badly violated Gaza ceasefire might be getting further attention from the US-led Board of Peace.

Last September, President Donald Trump presented Arab and Muslim leaders at the UN with a 20-point, multiphase plan for Gaza. It was accepted by all parties, including Israel and Hamas, and received UN backing from a binding Security Council resolution.

That is the point at which the plan stopped being respected. Or, to be fair, stopped being respected by one of the parties, Israel, which has continued shooting and occupying more land, while the other party, the Palestinian resistance, has become a lame duck.

But suddenly, while the world was focused on the war between the US and Iran and the continued closure of the Strait of Hormuz, the beleaguered Gaza Strip recently got what appeared to be some good news.

Hamas, headed by newly elected leader Khalil Al-Hayya, agreed on July 31 to a detailed Board of Peace road map for the future. However, even the acceptance of a made-for-Israel plan, which was seen and not rejected by the Israeli authorities, is now opposed by Tel Aviv.

Prime Minister Benjamin Netanyahu and his right-wing entourage had expected Hamas to reject the plan. On Sunday, Netanyahu himself openly dismissed it, saying that Israeli forces "would not carry out any withdrawal until Hamas is disarmed." The Israelis are now looking for ways to once again shift the goalposts, with the expectation that Hamas will not accept any further compromise.

Even a made-for-Israel plan, which was seen and not rejected by the Israeli authorities, is now opposed by Tel Aviv

The board's latest 15-point sequencing plan commits Hamas, along with other armed factions and militias, to total disarmament in return for a gradual, reciprocal Israeli withdrawal from 60 percent of the Gaza Strip and the governing of Gaza by a Palestinian technocratic committee chosen by Washington.

Trump publicly approved the plan, describing it as "a critical step toward Gaza finally being governed by a new Palestinian government." This time, Israel will not be able to flout the ceasefire since it will be monitored by an international force, most likely made up of peacekeeping troops from Morocco and possibly Kazakhstan, Uganda and Albania.

The detailed timetable and implementation mechanisms for the road map were set to be finalized within 14 days of approval of the plan, in other words by mid-August. The first order of business will be for Israel to withdraw from the areas of Gaza its forces reoccupied after the ceasefire agreement was ratified by the UNSC last year. The International Stabilization Force, a peacekeeping body made up of international troops, and the Palestinian police will be tasked with assisting in the process, though there is as yet no timeline for the deployment of either to begin.

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On the eve of a visit by Netanyahu to Washington in late July, the Israeli Cabinet gave permission for about 200 members of the stabilization force to be stationed in Gaza. Some media reports suggested this approval was a condition set by Washington for the visit by the Israeli prime minister to the White House. The technocratic committee that will govern Gaza under the terms of the road map, the membership of which Israel has approved, has yet to be allowed to enter the territory.

Serious efforts have been made to address all the reform requirements set out by the international community

Israeli authorities say their reluctance so far to agree to any withdrawal from Gaza is because they do not trust Hamas. Recent history, however, shows that it is Israel that is the untrustworthy party.

While the efforts of the US Board of Peace are slow and lack accountability for violators of the agreement, they do follow historically tested conditions required for peace and an end to violent conflict.

Those conditions are simple: a ceasefire agreement needs to be monitored on the ground by a neutral third party and genuine efforts must be made to address the root causes of the problems that resulted in the escalation of violence.

If the International Stabilization Force is allowed to enter Gaza and monitor the ceasefire agreement, real efforts must then begin to find a political solution to the wider issues.

Article 19 of Trump's 20-point plan calls for a negotiated role for a reformed, Ramallah-based Palestinian leadership, leading to self-determination and statehood. Serious efforts have been made to address all the reform requirements set out by the international community, including an end to support for Palestinian prisoners, the need for elections and a review of the Palestinian educational curriculum. Municipal elections took place in April, legislative elections will take place in November and a presidential election is due in the first quarter of 2027.

Palestinians in Gaza and Ramallah have fulfilled their ceasefire obligations and reform conditions, yet Palestinians continue to be killed daily in Gaza and the West Bank and Israelis violate the status quo in Jerusalem. For how long will Palestinian patience be tested?

The Suez-Hormuz scissors grinding North Africa's economies

HAFED AL-GHWELL



North Africa is an invisible casualty of a war it did not start. Every escalation across the Red Sea and the Arabian Gulf tightens a pair of scissors whose blades are closing from opposite directions, threatening the region's economies. One blade slices foreign currency earnings by emptying the Suez Canal. The other drives up the cost of fuel, fertilizer and food imports through disruptions around the Strait of Hormuz. Egypt, Morocco and Tunisia are trapped between them, while Algeria and Libya are poised to mistake a temporary oil windfall for economic security.

Most discourse treats the disruption of the Suez Canal and the Strait of Hormuz as separate crises. Financial markets price them separately and governments respond to them separately. Yet, to North Africa nations, these disruptions are a single economic earthquake that threatens economies that were heavily indebted even before the latest crisis began. It is this debt overhang that is now converting external shocks into domestic fiscal emergencies.

As a result, regional forecasts paint a gloomy picture for the foreseeable future. The World Bank expects economic growth across the Middle East and North Africa, excluding Iran, to slow sharply in 2026 after cutting its earlier projections by more than 2 percentage points.

Moreover, lowered regional growth expectations are creating an even more unsettling reality. Egypt, Morocco and Tunisia confront shrinking fiscal space precisely as import costs accelerate. Meanwhile, Algeria and Libya benefit from higher oil prices but those gains conceal structural weaknesses that higher commodity prices alone cannot resolve.

It is this debt overhang that is now converting external shocks into domestic fiscal emergencies

The Suez Canal has been one of Cairo's most reliable sources of foreign exchange for more than a century. Recent disruptions caused canal revenues to plummet from a record $9.4 billion in the year ending June 2023 to $3.9 billion 12 months later as shipping diverted away from the Red Sea. The International Monetary Fund estimates that about 70 percent of Suez Canal revenue has been lost as regional security continues to deteriorate. Every diverted vessel therefore removes more than transit fees alone. It reduces the supply of hard currency needed to service debt, finance imports and stabilize the Egyptian pound.

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For Rabat, unlike Egypt's "Suez shock," the damage is less visible. No single revenue stream has suddenly disappeared. Instead, production has become incrementally more expensive across the economy. Every increase in oil prices raises transport costs. Every disruption around the Strait of Hormuz pushes up the price of industrial inputs. Every depreciation of the dirham makes imported goods more costly. Collectively, these pressures compress growth from every direction.

Oil exporters, on the other hand, appear to occupy a different reality. Brent crude approaching $100 per barrel has strengthened Algeria's public finances, while Libya has lifted production to its highest level in a decade. Viewed through quarterly revenue figures alone, both countries seem insulated from the pressures confronting their neighbors. Such conclusions, however, prove misleading because they confuse higher income with greater resilience.

This is a vulnerability that ultimately lies in the subregion's economic structures rather than in the conflict itself

Algeria continues to derive more than 90 percent of its export earnings from hydrocarbons, while directing most new investment back into the same sector. Rising domestic gas consumption is reducing future export capacity even before European demand begins adjusting to stricter methane regulations and broader diversification away from Algerian supply. Libya's position is even more precarious.

North Africa is therefore dividing neither into winners and losers nor into importers and exporters. Different economies are simply being cut in different ways. Egypt loses foreign exchange. Morocco imports inflation. Tunisia inherits both pressures with limited fiscal capacity. Algeria and Libya receive temporary fiscal relief while postponing the structural reforms that could outlast another commodity cycle.

It is a vulnerability that ultimately lies in the subregion's economic structures rather than in the conflict itself. A rash of external shocks in the last decade have consistently exposed long-standing dependencies on transit revenues, imported energy, hydrocarbons and sovereign borrowing. The Suez-Hormuz "cut" is merely accelerating pressures that already existed and continued disruption therefore threatens to heighten the pressure on a region that faces sluggish growth rates that barely exceed population expansion.

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OPINION

Viva la DSA Revolution!



INSIDE VIEW
By Andy Kessler

Socialism is the cool new way to get elected. The mantra is effective: "Oh, we just want more affordable housing." And then simply whisper sweet nothings like free buses, cheap groceries and frozen rent into the ears of young, naive, economically illiterate, free-riding, overdegreed, underpaid—at least compared with their high self-regard—voters who think: *Surely the socialist central planners will appreciate my talents.* It works—they get the votes.

Better to listen to what they say and watch what they do. The Democratic Socialists of America states, "Complete victory will require building a new society from the ground up." This is their goal, no matter how much lipstick they put on their piggy ideology with slogans like "Less Rent, More Control" and "Workers Deserve More." As history shows, socialism is no way to govern without carnage, bankruptcies, crashes and inevitable unrest when the free buses stop running from lack of funds and upkeep.

Perversely, those who ruined our education system are being rewarded so they can ruin the rest of the economy. How? The DSA website pines for "a future without capitalism" in which you can "work as much as you are able and no more than needed." It's almost as if Karl Marx came back and used ChatGPT to summarize his "according to his needs" nonsense.

Democratic socialism is a worse oxymoron than "original copy." Sure, it's the trendy new thing, but mostly fertilizer for the feebleminded. New York Mayor Zohran Mamdani seems infected with political cyclospora, exploding diatribes that leave you empty: "Tax the rich." "Afford the basic dignities of life."

Zoh-Mart would be great branding for New York's city-run grocery stores—though they're doomed to fail. The mayor says they'll have 30% discounts on a "core basket of goods." Did he even take Econ 101? Price discovery is critical, else you get hoarding, shortages and bare shelves. Or worse, La Libreta ration cards like in Cuba. This has all been tried before. "You're a mayor, dude," Sen. John Fetterman (D., Pa.) said on Newsmax, "Pick up trash. Fix some potholes." No fun in that. Viva la revolución!

Abolishing the Senate and getting rid of the presidency are only a few things on the list.

The movement's promises go downhill from there. Darializa Avila Chevalier is running for Congress, endorsed by Mr. Mamdani. She wrote, in a since-deleted tweet, "No more police at all ever." Ever? She wrote to CNN that her tweets don't reflect who she is today. She's 32. The DSA Abolition Working Group's website says they plan to "defund the police by rejecting any expansion to police budgets or scope of enforcement while cutting budgets annually towards zero." Yeah, that's ever. Bye, bye order.

I lived in Manhattan under policing-deficient Mayor David Dinkins. I foolishly bought a brand new Toyota 4Runner. It was stolen within 36 hours. My mistake. I then bought a used filing-cabinet-gray Honda Accord no one would ever steal. But it was busted into every weekend—likely by crackheads. No police in sight. Windows smashed. The key cylinders for the passenger door and trunk pried out. I had to use the trunk opener inside the glove compartment, which, of course, had been jimmied open, and I kept closed with duct tape. I soon moved to Connecticut. Rudy Giuliani eventually cleaned up New York.

Hollywood director Steven Spielberg moved to New York as of Jan. 1, likely to escape the potential billionaire's wealth tax in California. I wonder where he'll move next. And in a real-life "Disclosure Day," California Rep. Ro Khanna recently said, "The tax should not stop at billionaires; it must reach centimillionaires. The tax has to reach all fortunes $50 million and up." Send more U-Haul vans to California, please.

Back to Mr. Mamdani, who babbles about paying your "fair share." He imposed a pied-à-terre tax for nonresidents and then released a list of almost a million property owners. Brutal. Where would he get that idea? Remember Vladimir Lenin's 1918 Penza Telegram? "We need to set an example," he wrote, followed by several bullet points. "Publish their names" was sandwiched between "hang . . . no fewer than 100 of the notorious kulaks, the rich and the bloodsuckers" and "take all their grain from them." Socialists have no originality.

Destruction is infectious. DSA national co-chairman Megan Romer told Fox News's Shannon Bream her organization wants to abolish the Senate, get rid of the presidency and Supreme Court, defund the Pentagon and nationalize most corporations. Wait, don't you have to burn the Reichstag first? Still, why don't voters believe her? This is beyond crackpots, this is cuckoo coup territory.

Socialism is a gateway drug. Mr. Fetterman worries Democrats are "drifting firmly into communism." Drifting? Let's ask the horse's mouth: A top DSA leader, David Jenkins, said the quiet part out loud, "Our goal is liberation. Our goal is communism." The socialist candidate for Wisconsin governor who wants to cancel Thanksgiving, Francesca Hong, raised money with "influencer" Hasan Piker, who likes to dress as Chairman Mao. That's pretty black and white, and red all over. Where is sanity?

Write to kessler@wsj.com.

Trump's Venezuelan Oil Boom Sputters



AMERICAS
By Mary Anastasia O'Grady

President Trump is fuming at Chevron and ExxonMobil for "making too much money" during his Iran war. Wait until he figures out that seven months after he hosted Big Oil at the White House, asking for some $100 billion in new investments in Venezuela, the country is reported to have the same number of active drilling rigs it had this time last year: two.

Drilling rigs are a measure of investor confidence. In 1997-98, when Venezuelan production reached nearly 3.4 million barrels a day, there were some 119 active drilling rigs in the country. Even if a Reuters story from April is correct and 14 rigs in storage could soon return to the field, Venezuela is a long way from the oil boom the administration forecasts.

My reporting indicates that investors are holding back because they want assurances the government's take will be fair and that they will have contractual security and freedom from bureaucratic overreach. Simply passing an institutional reform, as the dictatorship did in late January, isn't enough.

The bigger problem is the illegitimacy of the *chavista* regime, which over a quarter-century has earned a reputation for double-crossing investors. Mr. Trump says Delcy Rodríguez, who was the right hand of deposed dictator Nicolás Maduro, is doing a "fantastic job." But a combination of corruption and incompetence makes it nearly impossible to have any certainty about the rules of the game. The regime still holds some 380 political prisoners, and violent regime elements, led by Interior Minister Diosdado Cabello, retain the power to unleash terror when things don't go their way.

To create an appealing investment climate and rebuild the oil economy, Venezuela needs free and fair elections. But how do the U.S. and the opposition get there amid little incentive on the part of the regime to allow them?

Secretary of State Marco Rubio recently told Fox News that the administration's three-phase plan to recover Venezuelan freedom is going according to plan—albeit with some disruption due to the June 24 earthquakes. Phase One to stabilize Venezuela was necessary because "we didn't want the country devolving into civil war, mass migration, civil unrest and so forth."

Mr. Rubio said the country is now in the second stage, the "recovery phase." It needs "a functioning economy. You need to have laws and rules and regulations in place so that investors from America and around the world can go in and safely invest and create prosperity."

Whether a broken oil economy can get up and running when those who destroyed it are still in charge is doubtful. The Trump administration boasts about an increase in Venezuelan oil flows to the American market since the U.S. military removed Mr. Maduro from power on Jan. 3. But that seems to be largely the result of Treasury's issuance of new general licenses, which allow the sale of Venezuelan crude internationally. What used to be sold on the black market to China or held in storage now makes it to the Gulf Coast, Europe or India.

The costs of forcing Caracas to hold free elections are too high for Washington now.

The dictatorship is getting more dollars and the U.S. is getting more oil. But not because of new investments. Inventory drawdowns and greater optimization by companies like Chevron have boosted output—but not by a lot. Data from the Organization of the Petroleum Exporting Countries show that Venezuelan production, which includes other petroleum products as well as crude, was about 1.07 million barrels a day in June 2025 and roughly 1.19 million barrels a day in June of this year.

There isn't any publicly available information on the transactions between the U.S., which collects the oil revenue, and Caracas, which receives it. And we don't know how Team Rodríguez is spending the greenbacks. This is a significant and troubling lack of transparency.

Mr. Trump's critics allege that the president is only after oil and doesn't care if the tyranny remains in power. It's more likely that the costs of getting Caracas to knuckle under to elections are too high right now for the president. He's bogged down with Iran and he wants the crude to flow. Caracas reads this and sees no urgency to yield. He has neither a carrot nor a stick to influence matters.

U.S.-backed talks began this month between members of the regime's National Assembly and some members of the 2015 National Assembly, the last legitimately elected legislature. The two sides are supposed to negotiate humanitarian aid and earthquake relief, reach agreement on an independent electoral authority, restore political rights and create a new, independent supreme court. New elections to follow. Seriously.

The regime is good at dialogue. It buys time and takes Venezuelans nowhere. Notably absent from this one is Venezuela's most popular politician, María Corina Machado. She hasn't been allowed to enter the country and there's reason to worry that if she did, her life would be in danger. That tells you all you need to know about how serious the regime is about elections.

Write to O'Grady@wsj.com.

Imports Don't Depress Economic Growth

By David Hebert

The usual ritual followed last month's report on gross domestic product. The economy grew at an annualized 1.5% while private domestic demand rose 3.9%. That gap, some commentators explained, was because imports "weighed down" growth. Trade-deficit hawks were quoted, the usual heads nodded, and a piece of national accounting became evidence of national decline.

Nobody asked the question that would unravel the whole story: Why are imports subtracted from GDP to begin with?

The claim that imports "subtract from growth" confuses an accounting operation with a causal relationship. GDP tabulates domestic production, but because directly measuring every U.S. factory's and office's output is difficult, the government approximates it by counting expenditures. This includes household consumption, private investment, government purchases and exports. All of these spending categories, aside from exports, include purchases of both American and foreign goods.

The $1,000 Italian espresso machine bought in Ohio enters consumption spending even though it wasn't produced in the U.S. So to total domestic production accurately, the tabulators subtract its import value. The purchase adds $1,000 in one column and subtracts $1,000 in another. As the agency tasked with tabulating official GDP statistics, the Bureau of Economic Analysis, says, "to avoid including foreign production in GDP it is necessary to subtract the value of imports."

Imports are subtracted not because they make the U.S. poorer, but because foreign production isn't American production. Trade protectionists incorrectly view domestic production and economic health as synonymous. But

Pundits mistake an accounting operation for economic reality.

American prosperity comes from what people can buy and use, and the factory's address has nothing to do with that.

The last time the trade deficit shrank dramatically was in 2009, when it decreased by nearly half. It fell because Americans were in the throes of the worst recession since the Great Depression. The trade-deficit hawks' misreading of the economic scoreboard was discredited: A shrinking trade deficit turned out to be the signature of an economy in ruins. A widening trade deficit, on the other hand, is the mark of an economy with money to spend.

There are discussions worth having about tariffs, industrial policy and competition with Beijing. They deserve a sturdier foundation than a misreading of a GDP accounting operation. The next time someone says the trade deficit is weighing down American growth, ask why imports are subtracted. If he demurs, you'll know you're talking to someone who is reading the scoreboard upside down.

Mr. Hebert is a senior research fellow with the American Institute for Economic Research.

BOOKSHELF | By Andrew Stuttaford

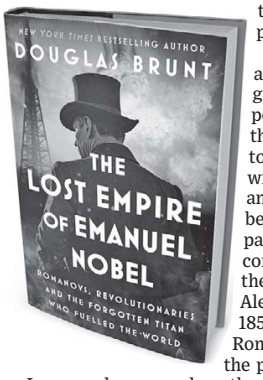
Imperial Industry

The Lost Empire of Emanuel Nobel

By Douglas Brunt
Atria, 368 pages, $32

There is symmetry to the tale of the Nobel family in Russia. It starts with Immanuel Nobel's arrival in St. Petersburg in 1838 after narrowly avoiding debtors' prison in his native Sweden. It ends 80 years later when his grandson Emanuel, the head of the family business, flees the new Bolshevik regime. He was lucky to escape.

The Soviets wrote the Nobels out of Russian history, bar the occasional sneer. The family's extraordinary accomplishments were compelling evidence that the Bolshevik takeover was a break from something far more promising than the rotten autocracy of Soviet legend. In "The Lost Empire of Emanuel Nobel," Douglas Brunt aims to restore the Nobels "to their rightful place in world history."



In his enthralling and accessible book, Mr. Brunt gives the family its due and points to a different Russia that was denied the chance to emerge. "For a time," he writes, "Russia's industrialists and the Romanovs seemed to be leading the empire along a path of gradual reform to a constitutional monarchy." With the exception of the liberalizing Alexander II, who reigned from 1855 to 1881, that gives the Romanovs too much credit, but the path was plausible enough.

Immanuel was a polymath, an intermittently successful entrepreneur and an inventor. (Mr. Brunt calls him an "Edison-type tinkerer.") He owed his financial recovery in Russia to a knack for making explosives. Soon after landing in St. Petersburg he won a contract to supply mines to the Russian navy. These mines formed the core of a thriving engineering business. All went well until the conclusion of the Crimean War in 1856. The Russian state's peace dividend included reneging on its contracts with Immanuel's firm and he returned to Sweden a few years later.

His second son, Ludvig, stayed behind and started a manufacturing business that flourished as a machine builder and supplier of weapons to the Russian military. In 1873 Ludvig sent his elder brother, Robert, to the Caucasus to buy walnut trees for wooden rifle stocks. On arriving in Baku, in today's Azerbaijan, Robert found a land saturated in oil but lacking the capital and the technology to take advantage of it.

Alexander II believed in allowing capitalism to do more to grow Russia's economy. A few weeks before Robert arrived in Baku, Mr. Brunt relates, the czar had "set more than 3,000 acres of prime oil lands for auction to private speculators." Robert quickly used the walnut-tree money to buy as much land as he could. He and Ludvig set up an oil company called Branobel ("Brothers Nobel"). Among their backers was a third Nobel brother, Alfred, already well on his way to immense wealth after patenting dynamite in 1867. Before his death three decades later he arranged to leave most of his fortune to establish the annual prizes that now bear the family's name.

The Nobel family's business achievements were a source of pride to the Russian Empire. The Soviets would write them out of history.

Ludvig and Robert worked in a strikingly modern way. They embraced continuous improvement and innovation, taking advantage of their complementary skills. Ludvig, an engineer, was the better businessman, but Robert, who had a background in chemistry, raised the quality of Branobel's refined product to a level comparable with that of Standard Oil. The Nobels were enlightened employers and (as the Soviets understood) embarrassing proof that Russia didn't need commissars to industrialize.

By 1880 Robert was no longer active in the business. Ludvig died in 1888 and Emanuel, his oldest son, took over. Not yet 30, Emanuel had worked for years with his father and was already responsible for the financial oversight of the family's oil and manufacturing ventures. His new role was made trickier by mounting international competition. Like his forebears he welcomed new ideas. Emanuel grasped the potential of the diesel engine and secured its patent rights in Russia in 1898.

Mr. Brunt, whose previous book was a biography of Rudolf Diesel, the inventor of the eponymous engine, reckons that by 1910 Russia was second only to Germany as the most "dieselized" country on the planet. In 1914 Emanuel controlled half the Russian oil industry. His diesel engines powered factories, mills, merchant ships, tankers, submarines and warships. Emanuel, Mr. Brunt writes, headed "the greatest industrial empire in Russia, perhaps in all Europe." The business was a source of pride to the Romanovs as "a domestic firm that could not only compete on the world stage but could best the most famous corporations from Europe and America."

In recounting the story of the Nobels, Mr. Brunt also narrates Russia's descent toward revolution and civil war. Russia's reformist path, the author contends, ended due to "a confluence of bizarre events and incredible twists." There was the assassination of Alexander II in 1881, but Mr. Brunt also highlights the early death of Alexander III in 1894, the "fecklessness" of his successor, Nicholas II, "a hemophiliac czarevich, a bizarre mystic, a world war" and revolution. In 1887 Ludvig wrote of his optimism about the family's business "as long as no revolution sweeps away all wealth and all private ownership in one go." In the end it did.

A skillful storyteller, Mr. Brunt seems to like the drama of a countdown, and so he occasionally pauses to note rising proletarian discontent here, a bank robbery by Joseph Stalin there, a czar adrift, the monarchy unraveling. He clearly appreciates the value of a fearsome antagonist, though he somewhat overstates the threat Stalin personally posed to Emanuel after the revolution.

In June 1918 the Bolsheviks nationalized the oil industry. "Generations of Nobel vision, investment, and execution," Mr. Brunt writes, "became a state monopoly overnight." As a prominent class enemy Emanuel was certainly in danger, as were his half-brothers Gösta and Emil, who worked for the business and were briefly detained by the Cheka. After their release they escaped Russia, joining Emanuel in Sweden in December. There, they were free to remember. Those in the land they left behind would be forced to forget.

Mr. Stuttaford is the editor of National Review's Capital Matters.

OPINION

REVIEW & OUTLOOK

Francesca Hong, the Socialists' Next Hope

Will Democrats do it again Tuesday? The party's primaries this year have nominated House candidates in New York and Colorado with ties to the radical Democratic Socialists of America, plus a likely DSA mayor of Washington, D.C., and then a far-left Senate contender last week in Michigan. Is Francesca Hong next, running for Wisconsin Governor?

Forget the tweets. She wants a 17% income tax and 'public groceries.'

Ms. Hong is a 37-year-old DSA member who represents downtown Madison in the state Assembly. She's the polling leader in the Democratic gubernatorial primary, ahead of Milwaukee County Executive David Crowley, but keep in mind the sizable survey error in Michigan last week. What has gotten Ms. Hong attention is her loopy old internet posts, including one labeling Thanksgiving a "colonizer holiday" and another calling to abolish police, who "exist to uphold white supremacy."

While Ms. Hong is now saying those aren't her views, her campaign literature has the same revolutionary zeal. She wants to launch a state "public option" for health coverage, while the world awaits Medicare for All. She would set up a Wisconsin Public Bank to "give small businesses better rates." She boasts that in the state Assembly she "wrote a bill to create publicly-owned grocery stores."

Ms. Hong would repeal Wisconsin's right-to-work law. She also wants to reverse former Gov. Scott Walker's pivotal 2011 union reform, promising to "nail the coffin of Act 10 shut." As if that weren't enough of a tilt toward labor bosses, she calls for letting members "deduct their union dues from their annual income tax."

She'd offer illegal migrants state IDs, while using sanctuary policies to "protect Wisconsinites of all documentation status from secret police." She'd raise the minimum wage to $20, legalize marijuana, and pass a "binding clean electricity standard similar to Michigan's, which requires 60% renewable power by 2030." And don't worry about the power bill: She wants to cap utility costs "at 2% of income for energy-burdened households."

Her "Tax the Rich" agenda includes "a new tax bracket for millionaires and large corporations." How high would Ms. Hong raise rates on wealthy Wisconsinites? In a recent debate, she suggested a top rate near 8.65%, up about one percentage point. Yet she has sponsored legislation to create a top rate of over 17%. And her campaign is floating the idea that "if millionaires and corporations chip in 17 cents out of every dollar earned after that first million, it could lower all our property taxes by 44%."

To compare, Wisconsin's current corporate tax is 7.9%, and the country's highest business rate, according to the Tax Foundation, is 11.5% in New Jersey. On personal income, the top tax rate in New York City is 14.8%, with California at 13.3%. Such punishing rates are economically harmful, and Wisconsin doesn't need a reason beyond winter weather for residents to flee to Florida or Arizona.

Even a fraction of this agenda would be ruinous. That's what the GOP's presumptive gubernatorial nominee, Rep. Tom Tiffany, will tell voters if their other option in November is Ms. Hong, and he will be correct. What an opening for Republicans, after two terms of Gov. Tony Evers. Socialists keep pulling the Democratic Party left, left, left. But statewide elections in Wisconsin are won in places like the Fox River Valley, not the faculty lounges of Madison.

The FCC Tries to Save Broadcast TV

The Federal Communications Commission is trying to get with the digital times and on Thursday moved to scrap its antiquated nationwide broadcast ownership cap. This much-needed regulatory modernization could help save broadcast TV, though a better solution would be eliminating the FCC.

The agency is right to kill its ownership limits, but let's kill the FCC too.

The FCC ownership cap dates to the bunny-ears era when there was little competition in the airwaves. Congress in 1996 formally codified a 35% limit on the share of U.S. households that a broadcast owner's stations could collectively reach, which lawmakers in 2004 raised to 39%. Imagine if Amazon couldn't deliver to more than 39% of U.S. households.

Chairman Brendan Carr correctly argues that the arbitrary ownership cap is out of step with today's increasingly diverse and competitive media market. The cap also puts broadcasters at a disadvantage compared to cable networks, streamers and Big Tech.

"National programmers today are free to reach 100% of their relevant markets by distributing their programming direct to consumers or through deals they cut with virtual cable companies," Mr. Carr noted. "Cable channels can reach 100% of the country. Social-media sites can reach 100% too. Same with Netflix, podcasts, and all other forms of digital content."

Broadcasters are struggling as Americans cut the cable cord and social media gobbles up local advertising dollars. Removing the cap will let broadcasters combine to reach more viewers, giving them more leverage with advertisers, and the cable and streaming providers with which they negotiate to carry their stations.

We're somewhat sympathetic to Texas Sen. Ted Cruz's argument that the FCC requires Congress's approval to lift the cap. In response, Mr. Carr cites a 2002 D.C. Circuit Court of Appeals ruling, which held the FCC is required by federal law to repeal or modify regulations that are no longer in the public interest.

There's an even stronger legal case that the cap violates the First Amendment by arbitrarily restricting broadcasters' speech. That's a good reason not to enforce the cap—period.

Yet the agency says it will enforce the cap on a "case-by-case approach" based on a review of "the Commission's interests in localism, viewpoint diversity, and competition." Broadcast deals "that do not promote the public interest" will be denied. This is an invitation for rent-seeking and political abuse.

Mr. Carr has invoked the commission's expansive power to promote "the public interest" to threaten networks and affiliates that run content or late-night comedians Mr. Trump doesn't like. His latest threat has been against ABC. Want a deal that exceeds the ownership cap approved? Better not run Jimmy Kimmel.

All of this argues for a bipartisan compromise in Congress that eliminates the cap and curbs the FCC's power to regulate the public airwaves. Better yet, kill the FCC as a regulatory anachronism. Alas, Democrats want to preserve the FCC's sweeping power for when they next control the White House. They'd have more credibility attacking Mr. Carr if they gave up that power.

Haverford Admits Its Antisemitism Problem

Universities that typically hunt for discrimination under every stone couldn't muster the will to defend Jewish students after the Hamas massacre of Oct. 7, 2023. Protesters were allowed to break rules to bully Jews who declined to vilify Israel.

The college settles a lawsuit by Jewish students amid ugly facts.

Take Haverford, which on Friday announced a settlement to a lawsuit by Jewish students. The Philadelphia-area college said for the first time that discrimination against "Zionists," or against Jews on the basis of their commitment to Israel's existence, is a civil-rights violation that will incur discipline if proved.

After fighting the Jewish students for more than two years, Haverford now corrects its appalling honor code and sets out new policies for disruptive and masked protesters. The college also admits a "failure on our part" since Oct. 7 and commits to "doing better."

For several years Haverford told Jewish students to take their problems to the anti-Israel student activists staffing the Honor Council. The council administered an honor code that subordinated the speech rights of what it called the "privileged" to the sentiments of the "marginalized." If in conflict, it said, the privileged can't expect to be treated with "respect." Guess where the activists placed Jews in this schema?

In the days after the Oct. 7 massacre, Haverford activists shared graphics of Hamas paragliders with the text: "Stand with Palestinian resistance." Prof. Tarik Aougab called for "unequivocal and firm support for the Palestinian resistance" and reposted a social-media message celebrating the attack. Haverford gave him an award for embodying the college's values.

Activists were allowed to aggressively disrupt an event on antisemitism and occupy parts of Haverford's campus, forcing Jewish students to run a gantlet to get to the library or dining hall. Posters for Jewish events were torn down. Haverford blamed the wind.

Students conspired to block Zionists from leading campus tours and frequently called for all Zionists to be excluded from campus. A Jewish basketball player was pressured by administrators into dropping a long-approved "antisemitism awareness" designation for a home game lest that provoke students to disrupt the game and cause her team to forfeit.

When Philadelphia Jewish leaders raised the hostile environment with Haverford, they say they were told to get used to it. In the past blacks and gays didn't feel safe on campus to express their views, and now it is the Jews' turn, Haverford's diversity chief explained. Per the leaders in the room, the DEI chief said Jewish students need to disavow "genocide" and "stop filing complaints about antisemitism."

That attitude didn't change easily. It helped that Haverford President Wendy Raymond was embarrassed at a Congressional hearing that exposed the facts of the case. But the Jewish students had to persist. Represented pro bono by the Deborah Project, which defends Jews who are under assault in education, they could afford to keep fighting.

Ms. Raymond's contract won't be renewed, Haverford announced early in her term. The DEI chief resigned, and the college now adopts a definition of antisemitism that includes some forms of anti-Israel extremism. Discriminatory conduct will no longer pass muster because the perpetrators say they're targeting "not Jews, only Zionists." It's a shame it took a lawsuit for Haverford to admit its antisemitism problem.

LETTERS TO THE EDITOR

Don't Blame Green Policies for Europe's Fires

Your editorial "How Green Policies Fuel Fires in Europe" (Review & Outlook, Aug. 3) raises an important point: Protecting natural and seminatural landscapes isn't enough; they must also be managed. But no single policy created Europe's wildfire crisis. It has emerged from decades of fire suppression, the abandonment of rural landscapes, shifts in agricultural policy, growing human ignition sources and increasingly dangerous fire weather.

The editorial's principal evidence comes from a study of fire-prone temperate and Mediterranean forests in Europe, Australia, California and Chile. It found that, in some fire-prone ecosystems, protected areas experience larger burned areas and higher fire severity than comparable unprotected forests, largely associated with greater fuel loads and reduced accessibility. The authors conclude that wildfire prevention should be an integral part of protected-area management.

A subsequent global study analyzing more than 20 million fires across all continents found that, in most ecosystems, protected areas were actually less affected by wildfire than surrounding landscapes, with Mediterranean forests among the important exceptions.

These findings don't demonstrate that protected areas are inherently more flammable or that protection itself increases wildfire risk. Together, these studies show that wildfire risk depends on ecological context and management—not protection status alone.

Neither study questions the value of protected areas for conserving biodiversity. Both conclude that wildfire prevention should be integrated into conservation planning. Indeed, this is already reflected in European policy. Natura 2000—the world's largest coordinated network of protected areas—and the European Union Biodiversity Strategy's target of protecting 30% of land, including 10% under strict protection, don't imply abandoning forest or fire management. The Nature Restoration Law requires restoration measures to account for wildfire risk and to integrate biodiversity restoration with climate adaptation and disaster-risk reduction. Conservation and fire prevention are therefore complementary objectives, not competing ones.

Wildfire risk depends on how landscapes are managed as well as on the ecological and social contexts. Learning to live with fire requires integrating ecological science, technical expertise and community knowledge—not reducing a complex challenge to a simple narrative.

Imma Oliveras Menor
Montpellier, France

This letter is also signed by six other wildfire researchers.

Banning Chinese AI Models Is Complicated

In her op-ed on the U.S.-China AI race, "Now America Builds a 'Great Firewall'" (July 31), Selina Xu writes that America "can prohibit Chinese models domestically but can't prevent the rest of the world from using them."

But it is far from clear that it would be legal for the U.S. government to ban outright Chinese models even within its own borders.

If the federal government tried to prohibit Americans from using models developed in China, users might seek to invalidate the ban for violating their First Amendment right to receive information, often referred to as "listeners' rights." In listeners' rights cases, it isn't necessary that the speaker has the First Amendment right to speak; during the Cold War, in the case *Lamont v. Postmaster General* (1965), the Supreme Court struck down as unconstitutional a law restricting Americans' right to receive foreign communist propaganda.

The Chinese models would be particularly difficult to outlaw because most of them are open-weight models, which means that Americans can download the model weights for free and host them on their own servers. Users might therefore argue that they have separate First Amendment rights to receive information from Chinese chatbots and to download their model weights.

The U.S. government could still pursue narrow restrictions on Chinese AI, such as limiting transactions between Americans and Chinese developers. But the legal question of whether the government can issue a blanket ban on Chinese models is more complex than people think.

Simon Hedlin
AI policy researcher and lawyer
Washington

A Plan to Arm Ukraine and Boost U.S. Defense

Your editorial "Will Trump Leave Ukraine Without Patriots?" (Review & Outlook, Aug. 6) concludes that Congress must pass a defense budget that puts the U.S. industrial base on a sustained wartime footing. I agree.

Ukraine's current inability to protect its citizens and civilian infrastructure from relentless Russian missile attacks is unacceptable. As you note, it's in America's national interest to defend freedom in Ukraine by putting an end to Vladimir Putin's ongoing atrocities.

When Congress next considers the annual National Defense Authorization Act, it should incorporate the Peace Act. This legislation enforces the accelerated transfer of billions of dollars of immobilized Russian sovereign assets wasting in the U.S. financial system and authorizes Ukraine to repurpose those dormant funds to buy critically needed defensive weapons.

The Peace Act passed the House Financial Services Committee under the leadership of Chairman French Hill (R., Ark.) by an overwhelming bipartisan 53-1 vote more than a year ago. Unfortunately, Mr. Hill's proposed Peace Act NDAA amendment wasn't made in order (approved for floor debate and a vote) by the House Rules Committee in July.

This legislation would directly assist Ukraine and increase U.S. defense production, in turn stimulating much-needed economic growth and additional jobs here at no cost to U.S. taxpayers. It's a political win-win for both Ukraine and the U.S.

If Republican leadership would simply put this popular NDAA amendment to an up or down floor vote, the Peace Act would likely pass Congress by a veto-proof majority.

Greg Wilson
Estero, Fla.

Mr. Wilson served as deputy assistant secretary of Treasury 1986-89.

The Surge Behind the DSA Is Driven by Hatred for Israel

In his column "Socialists May Prove Surprisingly Strong in November" (Upward Mobility, Aug. 5), Jason L. Riley cautions us not to underestimate Democratic Socialists of America candidates in the midterms. He points to socialism's appeal, especially among the young. Not mentioned is the ingredient that makes the latest version more threatening than ever—its obsession with hating Israel. Where would Zohran Mamdani and DSA candidates be if not for their focus on Israel's evils? Since the Oct. 7, 2023, massacre, Jew hatred has resurfaced in a manner not seen in America for nearly a century.

Seymour Shapiro
West End, N.J.

Proof That Beards Save Time

Joseph Epstein is misinformed about beards, writing that they "require a high degree of maintenance" ("The Bald-Faced Truth About Beards," op-ed, Aug. 4). Over the course of 60 bearded years, I have devoted roughly 1,600 minutes to maintenance (trimming for about one minute every two weeks). Had I instead shaved five days a week (two minutes per shave), I would have devoted more than 30,000 minutes to maintenance over those 60 years. That's more than 20 days saved. I will meet my maker with my beard intact.

James Huffman
Bozeman, Mont.

CORRECTION

Thomas Jefferson called John Adams "our Colossus on the floor" of the Continental Congress. This was misquoted in the Aug. 6 op-ed "Give John Adams His Place on the Mall."

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Can I at least get a modicum of nepotism?"

OPINION

How to Salvage Science in Fauci's Wake

By Mike Gallagher

Anthony Fauci finally found a camera he didn't like. Under questioning from the Senate Homeland Security Committee on July 29, the former director of the National Institute of Allergy and Infectious Diseases and onetime media darling invoked the Fifth Amendment to avoid discussing his actions during the Covid-19 pandemic. The last smug gasp of the disgraced administrator startled even prominent Democrats. Sports commentator Stephen A. Smith was so embarrassed by Dr. Fauci's display that he used his show's monologue to apologize to NBA guard Kyrie Irving for having pilloried him for choosing not to take the Covid vaccine. Ashish Jha, President Biden's Covid response coordinator, declared after Dr. Fauci's disastrous Senate hearing that he believed the origin of the Covid outbreak was "more likely to have been a lab leak."

A White House report argues that competition and freedom can bring about a new 'golden age.'

Dr. Fauci's refusal to answer any questions about the pandemic eerily mimics the tactics of his Communist Party collaborators in China, who have repeatedly blocked any international investigation into the origins of the outbreak. His silence denied transparency to millions of people who lost loved ones and livelihoods during the pandemic. In spite of his efforts to shirk accountability, Dr. Fauci has taught Americans plenty with the release of his diaries by Sen. Rand Paul, Homeland Security Committee chairman.

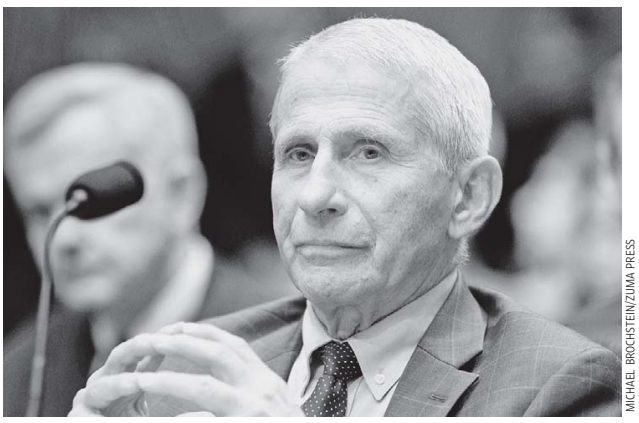
Those diaries show a venal man (who once claimed that to criticize him was to criticize science itself) obsessed with celebrity, his press coverage and his own stature. He complains about Mr. Jha—"when it comes to things like the White House press conference and the Sunday shows it is very clear that he is promoting himself above me." He gushes about how "charming, natural, fun and amazingly beautiful" Julia Roberts was at a virtual award ceremony. And he makes clear that he viewed the worst pandemic in a century as a well-deserved star turn for himself.

Worse, the diaries reveal Dr. Fauci's partisanship: basking in adulation at Democratic town halls while dripping with disdain for Republicans asking tough questions: "As expected, several Republican senators got a bit snarky with me asking questions about the origins of COVID-19."

These Fauci files provide rare insight into the behavior and mindset of someone at the top of our nation's scientific establishment. More important, they reveal a rot that goes deeper than any one official.

The National Institutes of Health, which Dr. Fauci helped run, spent more than $40 billion on research in 2024—the largest source of federal research dollars outside the Pentagon. It employs and supports many talented scientists and dedicated public servants. To restore the faith in this institution, Republicans have a task: Propose solutions that restore dynamism to American science.

This effort couldn't come at a better time, as the ground is shifting under academia. AI models are driving Nobel Prize-winning work in chemistry and cracking advanced math problems. China has built a scientific-industrial establishment that threatens to surpass our own. New technologies from spaceflight and deep-sea mining to quantum computing make inventing and deploying new innovations increasingly critical to the global balance of prosperity and power.



MICHAEL BROCHSTEIN/ZUMA PRESS

Anthony Fauci testifies July 29.

For a reform agenda worth rallying around, look to "Science: A New Golden Age," a report recently released by White House Office of Science and Technology Policy director Michael Kratsios. Advocating an overhaul of America's scientific establishment, the report doubles as a condemnation of the biomedical research establishment: "Despite massive increases in biomedical funding since the 1990s, the rate of significant breakthroughs appears to have slowed and drug approvals have flatlined. Researchers today often spend half their time on paperwork and administrative tasks, a burden worsened by expanding federal and university bureaucracies that further reduce funding available for actual science."

The report catalogs the ways institutions and funding mechanisms aren't fit for 21st-century research and development. It points out the rising age of NIH grant awardees: 51 in 2008, up from 39 in 1980 and well above the average age of Nobel Prize winners, 41, during the same period. It notes that some grantees don't receive funding until 20 months after the application deadline. It condemns how, in debates around Covid-19, scientific officials chose "blind consensus over informed dissent."

Stripe co-founder Patrick Collison and physicist Michael Nielsen have made similar points, positing in a 2018 Atlantic essay that discoveries have slowed because "science has remained too focused on established fields, where it's becoming ever harder to make progress." Mr. Collison, with economist Tyler Cowen, highlighted in 2019 how "present funding mechanisms . . . do not focus enough on research autonomy and risk taking."

Mr. Kratsios seeks to reinvigorate those mechanisms. He advocates new tools such as golden tickets that empower individual reviewers to champion proposals that fail to win consensus support and prizes like the Defense Advanced Research Projects Agency challenge that kicked off progress in autonomous driving. He calls for increasing collaboration and talent flows among academia, national laboratories and industry. And he highlights the need to deregulate how breakthroughs—from new types of nuclear energy to promising medical treatments—go from projects to products. Beijing builds nuclear plants at a clip unimaginable in the U.S. and increasingly accounts for more than half of new oncology clinical trials. Only deregulation can ensure that the future is both invented and built in the U.S. rather than discovered in America but made in China.

The administration should put real dollars behind Mr. Kratsios's proposals. Announce challenge prizes in critical technology areas: robotics, nuclear power, quantum computing, semiconductors and batteries. Work with Congress, regulatory agencies and industry to ensure that prize winners can rapidly gain approval for, scale and commercialize their discoveries. Fund runners-up too so they can spend the next decade pursuing research without pandering to government officials. Let the results speak for themselves.

The scientific establishment may react negatively even to a modest version of this plan. That is because deregulation, new funding mechanisms and empowering individual scientists would curb the authority of Dr. Fauci's fellow functionaries, these aging bureaucrats in government and universities who set themselves up as the gate keepers of science.

Removing the gate keepers is the key. As Dr. Fauci made clear in his diaries and with his sullen refusal to answer questions, today's guardians of old paradigms serve their own interests rather than any national interest. Shaking up the institutions that empowered Dr. Fauci would serve the country well, even if it wouldn't get Mr. Kratsios invited to the swanky Washington galas that once showered Dr. Fauci with awards.

Mr. Gallagher, a Journal contributor, is head of defense at Palantir Technologies and a distinguished fellow at the Hudson Institute.

Los Angeles Schools Run Out of Other People's Money

LIFE SCIENCE
By Allysia Finley

Public school districts across America—and the unions that control them—are learning Margaret Thatcher's famous maxim about the problem with socialism. They're running out of other people's money.

Covid dollars from Washington turbocharged hiring at public schools and papered over their structural budget problems. But now that the federal money is drying up, the red ink is starting to gush. According to the Labor Department's monthly jobs report on Friday, local government education shed 49,600 jobs in July—the leading contributor to the nation's 23,000 employment decline.

Ground zero is the Los Angeles Unified School District, the country's second largest. Its overseers at the Los Angeles County Office of Education last month warned that the district meets the criteria for a "Lack of Going Concern" designation. In the business world, the terminology means a company is at risk of going bankrupt.

On current course, the district won't be able to pay its bills next year. According to the county's letter, in June the district ratified agreements with its unions despite repeated warnings by county officials that the contracts are unaffordable. The union agreements are projected to cost $1.13 billion this year and another $1.44 billion next year—money the district knew it didn't have when it agreed to the deals.

The district even warned in February—a few months before agreeing to the labor contracts—that a looming $877 million deficit could require thousands of layoffs. "At some point, we reached a breaking point," then-Superintendent Alberto Carvalho said. (Mr. Carvalho resigned in late June amid a Federal Bureau of Investigation probe related to district contracts and an artificial-intelligence chatbot project. He has denied criminal wrongdoing.)

Nonetheless, the district agreed to boost pay for principals and assistant principals by 12% over two years, increase average teacher pay by 14% over two years, and raise compensation for non-instructional employees such as custodians, campus aides and cafeteria workers by 24% over three years, in addition to sweetening health benefits. To pay for this, the district sought to raid its retiree health benefits fund. That's like tapping your 401(k) at age 64 for a holiday you can't afford.

LAUSD's problems mirror those of other large urban school districts: unsustainable spending, particularly on administration and employee benefits, combined with shrinking enrollment. For every dollar that a teacher earns in compensation, the district and state pay 30 cents toward his pensions.

A Covid hiring binge and lavish union contracts leave the district on the verge of going broke.

A recent study by the Reason Foundation found that LAUSD's inflation-adjusted spending on employee compensation grew by about 27% between 2013 and 2023 even as student enrollment shrank by 35%. Noninstructional staff like counselors, social workers, school nurses and administrators accounted for nearly all of the spending growth.

The district's spending has so far been financed by rising incomes of top earners and Washington pandemic largess. A buoyant stock market has supercharged capital gains and stock options for the state's tech workers, while the AI boom has prompted a bidding war for engineers. The average annual pay for an information worker in Silicon Valley's San Mateo County exceeds $730,000, according to government data.

Most revenue from what was supposed to be a temporary income-tax hike on high earners in 2012—which raised the top rate to 13.3% from 10.3%—goes to schools. Average per pupil spending in the state has more than doubled since the 2012 tax hike. State K-12 spending last year increased by a whopping 22%.

Yet school districts in California receive state funds based on their daily attendance numbers. LAUSD's enrollment has fallen by nearly half over the past two decades as families have fled its lousy schools and the region's high cost of living and dirty streets. Covid lockdowns and school closings accelerated the flight, with enrollment dropping by a quarter since 2019.

The district has sought to squeeze more money from the state and feds by billing Medicaid for health-related spending like school psychologists and nurses. It has also joined more than 1,000 school districts across the country in suing social-media platforms for allegedly fueling a youth mental-health crisis in hopes that a legal payout can cover its bills—never mind the harms of Covid shutdowns.

LAUSD and its unions are ultimately betting on California's wealthy bailing them out. SpaceX's initial public offering in June, and mooted IPOs by OpenAI and Anthropic, could generate tens of billions more dollars for schools—assuming high-flyers don't vamoose to avoid a hefty tax bill on their windfalls.

By some estimates, a wealth tax on the November ballot to boost spending on Medicaid has already caused $1 trillion to leave the state. And what will schools and their unions do if the AI-driven stock-market boom runs out of steam and the fortunes of the wealthy that finance their golden rice bowls plunge? Expect layoffs galore.

It's no wonder young socialists think they can raid the rich to pay for their bills when the adults in charge of educating behave under the same presumption. Both have an education coming.

America's Military Is Dangerously Exposed

By Seth G. Jones

Iranian attacks against U.S. military bases in the Middle East, including recently in Jordan, highlight the growing threat from adversary missiles and drones. Yet the U.S. isn't sufficiently prepared to defend its overseas bases, critical infrastructure and personnel. U.S. sites across the Pacific are particularly vulnerable to Chinese and North Korean attacks—as are U.S. locations in the Middle East. The choice before Congress and the Pentagon is clear: Spend the money now to protect these facilities or face a much more serious problem in the future.

Since the beginning of Operation Epic Fury, Iran has conducted more than 2,000 air, missile and drone strikes across the Middle East, damaging at least 20 sites in eight countries used by the U.S. military. Iran has so far caused as much as $13 billion to the U.S. alone in equipment losses and facility damage. In total, Iran has damaged or destroyed more than 42 U.S. military aircraft, several of which were parked on air bases.

The recent Iranian strikes on Muwaffaq Salti Air Base in Jordan killed three U.S. soldiers and damaged airfield hangars and other infrastructure. In Qatar, the U.S. Combined Air Operations Center has sustained severe damage. Iranian strikes wounded U.S. personnel and damaged aircraft in Saudi Arabia. In Bahrain, Iran hit the headquarters of U.S. Naval Forces Central Command, radar, satellite communications dishes and warehouses. Iran also targeted U.S. aircraft hangars and satellite communications systems in Kuwait. In addition, Iran and its partner forces targeted the U.S. Embassies in Saudi Arabia, Kuwait and Iraq, as well as the U.S. Consulate in Dubai, among others.

U.S. infrastructure's vulnerability to these sorts of strikes shouldn't have been a surprise. Since the full-scale war in Ukraine began in February 2022, advancements in drone and missile warfare have pushed both Ukraine and Russia to take extensive steps to protect bases and critical infrastructure. Ukraine significantly increased its deployment of surface-to-air missile systems, counterdrone systems, electronic warfare and sensors to detect, shoot down or jam incoming projectiles. Ukraine has also built physical barriers to protect against Russian strikes, including antidrone netting and layers of concrete. It has even dug underground facilities for critical infrastructure such as command-and-control headquarters and defense factories.

The U.S. has been too slow to learn from the war in Ukraine and protect its bases and other infrastructure in the Middle East. The challenge in the Pacific is much greater. China presents a more serious threat than Iran with a larger and more capable stockpile of drones and cruise, ballistic and hypersonic missiles. U.S. military bases and other infrastructure across the Pacific—from Japan and the Philippines to Guam and South Korea—are highly vulnerable to Chinese and North Korean missiles and drones.

The U.S. needs to get serious about protecting its critical infrastructure. The first urgent step is increasing active defenses, which include air-defense systems that can identify, shoot down or otherwise disrupt incoming missiles and drones. Examples include upper-range systems like Patriot air-defense systems, which are already in short supply; medium-range systems such as the Indirect Fire Protection Capability system for cruise missiles; and short-range systems such as the Coyote and Merops system to counter drones. In addition, directed-energy weapons, such as high-energy lasers and high-power microwave systems, can be useful against incoming drones. So can radio-frequency jamming and electronic warfare systems.

The Iran war proves it, and the Chinese threat is greater. We need new thinking about defense.

Also important is ramping up passive defenses, such as digging underground facilities for vital infrastructure. Netting and wire meshes around infrastructure can be useful against drones, and hardened shelters can help protect resources that have to be on the surface, such as aircraft, fuel, personnel and equipment. High-density and layered concrete barriers can be useful around ground systems, power-generation units, ammunition storage facilities and barracks.

The U.S. also needs to ramp up its use of camouflage, concealment and deception, as both Iran and Ukraine have done. Appropriate steps might include building and deploying decoys that look like Patriot air-defense systems or fighter jets to draw enemy fire. Finally, the U.S. needs to disperse facilities, such as naval and air bases, to make it more difficult for adversaries to attack.

Congress should boost the Pentagon's facilities sustainment, restoration and modernization funds to address these gaps—and the Pentagon should spend it quickly. The U.S. has already paid a huge price for being unprepared in a world where drones and missiles are ubiquitous. Will the U.S. military learn before the price escalates? The Chinese, Iranians, North Koreans and Russians are waiting to see.

Mr. Jones is president of the Defense and Security Department at the Center for Strategic and International Studies and author of "The American Edge: The Military Tech Nexus and the Sources of Great Power Dominance."

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Opinion

The vertigo theory of Trump 2.0

What it means not to share a consensus political time.

Ivan Krastev
John Guida

What is it about American and global politics that feels so destabilizing right now? Perhaps this is what it feels like to live through revolutionary times.

That is what Ivan Krastev, a political theorist who lived through a post-Communist revolution in his home country, Bulgaria, has been thinking. He has been reflecting on European and American politics and how we ended up here. He tried to make sense of this moment in politics in a written conversation with John Guida, an editor in Times Opinion. It has been edited for length and clarity.

JOHN GUIDA: You were asked recently how you feel the world — not understand it, but feel it — and you said, "It's very much like a vertigo." How so?

IVAN KRASTEV: The great Czech-French writer Milan Kundera has observed that vertigo is "something other than the fear of falling" — "it is the desire to fall, against which, terrified, we defend ourselves." This is what I feel when we talk about political time in both Europe and America. Politics has become very fast. It reminds me of the early 1990s in Eastern Europe. On Friday you cannot believe what you were thinking on Monday. The speed of change is mind-blowing. It feels you are living in revolutionary time — but if this is a revolution, it is a revolution without a project.

Normally revolutions are obsessed with the future, while one of the distinctive characteristics of our time is the negation of the future as something we are ready to make sacrifices for. In the Cold War, America and the Soviet Union had very different visions of the future, but they shared political time. Not anymore. President Trump shrinks time, thinking in terms of weeks. President Vladimir Putin extends it, thinking in terms of centuries.

There is a joke that before Putin invaded Ukraine the people he consulted were Peter the Great, Catherine the Great and Ivan the Terrible. On the other hand, Trump will quickly reverse a decision he just made — it is a stream of constant choosing at the cost of making an actual decision. So in Europe, we have a war in Ukraine that is now longer than World War I, while in Iran, you need to check the news every hour to know if the war has stopped or restarted.

GUIDA: What do you think explains Trump's capacity to avoid the grip of political time? You've described a Trump "time zone."

KRASTEV: In the first year of his return to the White House, Trump's political speed helped him to take the initiative. He was doing things so fast that he left others living in a state of total disorientation. But now — and this is very clear in the case of war with Iran — Trump has become the victim of his own time zone. It's almost as if he can take two contradictory positions at the same time — a quantum revolution in politics. But the magic of his words is starting to fade away.

The constant reversal of position results in political impotence. The markets, but also Trump's allies and his enemies, started to dismiss what the president is saying. Political time is reduced to a moment without history or future. Trump does not wait for others to name buildings after him; he does this himself, and this creates some sense of apocalyptic time.

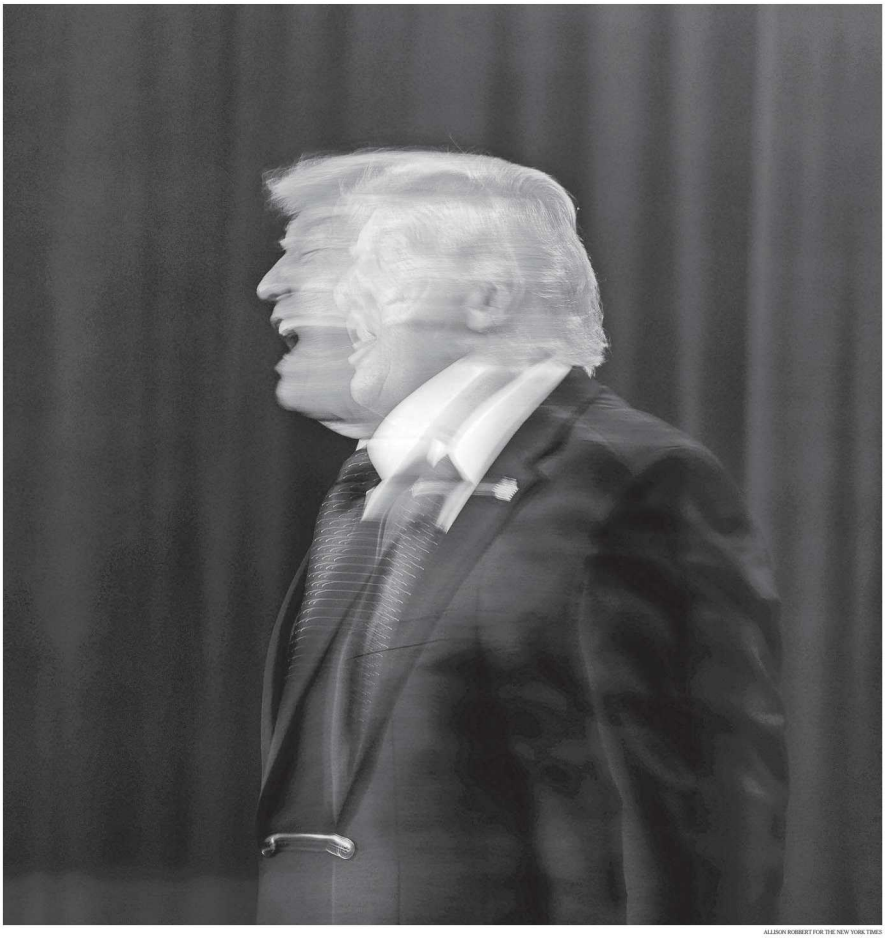
GUIDA: Do you think that narrowing of time has affected the posture of the United States? America has traditionally been seen as a country leading the way into or certainly open to the future. Now we are torn in ways that call back to the past: on the one side, MAGA; on the other, socialism. What happened to the future?

KRASTEV: The future has vanished. The only future we talk about are different dystopian scenarios involving climate, demography, artificial intelligence. The disappearance of the future is a major contrast with America's history and America's self-understanding.

America first defined itself in opposition to old aristocratic Europe; it was the New World, setting itself apart in categories like tolerance and freedom. In the Cold War, it defined itself in opposition to the Soviet Union, and because the Soviet project was obsessed with the future, the American project was also universalist and very much future-oriented. Now America, or at least MAGA, wants to replace the future with the past. Europeans have done it before, but America is not a European nation-state, so going back to the golden past is not easy.

GUIDA: You have noted that you look around and see a lot of people — not just in the United States, I assume you think this is true of Europe as well — who are defending something they are afraid of losing. The future, as you said, "becomes something we fear." Is this attitude an aberration, or a new normal that is being revealed to us and that we better get used to, if there *is* any getting used to it?

KRASTEV: Shared fear of the future cannot bring the world together, because there is one thing that is more terrifying than that we all will die, and that is that some will die and others will be immortal. It is interesting to compare student protests in the 1960s to today's. We will be shocked to realize that back then, young people protested because they did not want to live the lives of their parents; they wanted better lives. Today they protest because they fear — and for good reasons — that they will have lives worse than those of their parents. They demand to have something like the same quality of life that their parents did.



ALLISON ROBBERT FOR THE NEW YORK TIMES

"Today in Western democratic politics what we see is a lot of hysteria but not radical visions for the future. Now what people care about is punishing those whom they blame for the lost future."

Nostalgia has become the popular form of dreaming about the future. One of the neglected aspects of the current demographic crisis is that young people are among the angriest minorities in Western societies — they do not have the numbers to win elections, and they do not have the resources to achieve their aspirations.

GUIDA: In Democratic Party primaries this past year, we have had a group on the progressive left, the Democratic Socialists of America — Zohran Mamdani of New York City is perhaps the best-known member — winning elections and highlighting some of the issues you refer to here. The demographic crisis has plagued Europe as well as America. Do you think America is still exceptional? Or has it become exceptionally dysfunctional?

KRASTEV: While yesterday America's exceptionalism was defined by "it never happened here," with "it" being fascism or Communism, today the only future America can imagine for itself is to become a Communist country, if you talk to the right, or to become a fascist dictatorship, if you talk to the left.

Mamdani, if we use the terminology of the 20th century, is a moderate social democrat. He is inspirational rather than visionary. He supports redistributive policies on taxation, for example, but not to nationalize the means of production nor to remake society. He is radical, in some ways, but he would not qualify as Leon Trotsky's nephew. The paradox of the terms of "socialism" and "fascism" is that most of the people who use them — either to identify with them or to attack their opponent — are using them as a shortcut for signaling radicalism. The truth is that both America and Europe are poisonously polarized but in the absence of real radical goals.

Both Communist and fascist nations were pedagogical dictatorships. They were built by ex-soldiers who had lived for years with violence. They wanted to build a new society and a new man. Today in Western democratic politics what we see is a lot of hysteria but not radical visions for the future. Now what people care about is punishing those whom they blame for the lost future.

When people do not believe in the future, destruction and self-destruction are the same thing. It reminds me of a story: In the 1990s, during the civil war in Somalia, armed gangs would strip X-ray machines and other hospital equipment, knowing perfectly well that if they themselves were wounded, they would not have the benefit of those tools to get treated. Freed from a vision for better future, radicalism has a suicidal face.

GUIDA: How have American politics become Europeanized? And how have European politics become Americanized?

KRASTEV: Framing the choices of American politics as a choice between socialism and fascism is Europeanization. At the same time, migration is becoming the center of European politics. The percentage of nonnative-born Austrian, German or Swedish residents is higher than the percentage of nonnative-born residents in the United States, so integration of foreign-born citizens is central for European politics. This is what we call Americanization of European politics.

The problem in Europe is that suddenly nobody feels at home, neither migrants coming in nor the voters of the far right who would like to travel back in time to an imagined, more appealing past.

GUIDA: We've now seen several varieties of anti-establishment or anti-system parties, in Europe and the United States. Have any developed effective ways of governing or producing answers to the problems or challenges of our day (for instance, the development of A.I., inequality, inflation, the sense of unfairness, affordability, issues around social order)?

KRASTEV: No. Anti-system parties have learned to win elections, but for the moment they are failing to demonstrate any workable governing model. The dramatic defeat of Viktor Orban in Hungary is the most powerful demonstration of this. He was the model. And people decisively turned against his rule.

But politically 2027 will be a long year in Europe. It will start with the regional elections in eastern Germany this autumn that can topple the current German government. They will continue with elections in France, Italy, Poland and Spain. It will be a long and cruel year.

What we see is not simply the rise of the far right but the fragmentation of the far right and the emergence of new, more radical projects. This is true in Poland and Italy. We do not know how Europe will look in 2028. We see a similar trend in the United States: The anti-establishment sentiment is strong on both the right and left, but when it comes to governing, it is not clear what the alternatives are. In a way, the revolutionary sentiment is present, but this is the revolution of the passengers who have pulled the emergency brakes, to paraphrase Walter Benjamin.

GUIDA: Is part of the problem an issue with unsuitable governing units? In the Cold War, it was a world of blocs. In the post-Cold War, it was a globalized economy. Now we are in between global networks, which are often stressed or being demolished, and retreats to hard borders in response to China shock (s) and migration (among other things). How important is the establishment of a redefined, reset global order to the politics of these various nations?

KRASTEV: We are living in a world very different from the world of the Cold War. Probably our very idea of governance will change. Some of the changes we witness are really radical. Imagine for a moment that some of our most fundamental assumptions have been challenged. We disagree on many things, but we have tended to believe that the future will be better than today and that individuals are mortals but nations are immortals, and we continue living through our children, our sacrifices for the nation, our books.

Now some individuals — particularly in Silicon Valley, but also including people like Putin — are starting to genuinely hope that they will not die, some nations are starting to genuinely believe that they will die, and many young people for different reasons have decided not to have children. This political world cannot be understood or explained in the language of the 20th century. This is why neither awakening the utopian energies nor simply defending institutions will be enough to deal with the current crisis.

This is where this sense of vertigo comes from. In politics vertigo is when you see the abyss, but you are not sure: Is this the past or the future?

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JOHN GUIDA *is an editor in Times Opinion.*

OPINION

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At the Fed, Kevin Warsh's silence speaks volumes

Gabriel Chodorow-Reich

Kevin Warsh, the new chairman of the Federal Reserve, has made clear that he intends to change the way monetary policy works. After five years of inflation running above the Fed's target rate of 2 percent and sustained criticism of the institution by the president who appointed him, that purpose has some logic. Why then have financial markets reacted with seeming skepticism, and what are the prospects for success?

In a little more than two months in office, Mr. Warsh has focused on how the Fed communicates and his desire to modernize both the data infrastructure on which the Fed relies and the models it uses to interpret those data. On communication, Mr. Warsh's vow of relative silence rests on a misguided foundation and should end soon. On data and models, his critique has more bite, especially in view of the latest economic research.

However, the success of his chairmanship may hinge on an issue that has so far received little attention and sits outside the traditional purview of monetary policy: the nation's ongoing fiscal deficits.

Start with communication. Mr. Warsh has taken to the mantra that markets should "play the ball, not the referee." In this sports metaphor, the ball represents economic fundamentals such as prospects for economic growth or inflation, while the referee is the Fed. The implication is that the Fed should remain quiet about its intentions, forcing markets to pay attention to fundamentals. The problem with this metaphor is that when it comes to interest rates, the fundamentals are the Fed.

His legacy may rest on his handling of America's ongoing fiscal deficits.

This statement is obviously true for the overnight interest rate that the Fed directly controls. But medium-term rates are largely just averages of expected short-term rates. To see why, consider setting aside $100 for one year. This can be done by buying a Treasury bill or a certificate of deposit with a maturity of one year. Alternatively, an investor can buy a Treasury bill with a maturity of 28 days, earning interest at the Fed's target rate, then reinvest the payoff at maturity in another 28-day bill, and so forth 10 more times. Both strategies turn $100 today into a larger sum in one year, linking the interest rate on the one-year Treasury bill to the average of expected 28-day bill rates over the year. In addition, if the market fears future inflation, longer-term rates will go up immediately to compensate investors for the risk that the purchasing power of their $100 principal could fall.

No wonder then that traders in Treasury bills and bonds focus closely on expected Fed policy. But this doesn't mean that other parts of the financial system also pay undue attention to the Fed. For example, recent swings in the stock market mostly reflect changing views on A.I. and concerns about the closing of the Strait of Hormuz. In the bond market, however, Mr. Warsh's unwillingness to discuss future rates leaves prospective holders of longer-term bonds to wonder whether the Fed really will act if required to bring inflation down.

Those doubts explain the rise in longer-term yields during Mr. Warsh's news conference last week, after the decision to leave short-term rates unchanged. Resolving those doubts doesn't require that the Fed commit to a specific path of rates, which would be imprudent given the uncertainty over the economy's other fundamentals. Rather, Mr. Warsh should make clear statements about what developments would incline him to favor a rate change.

The Warsh reassessment of central banking orthodoxy goes far beyond communication. In his first news conference in June, he announced five task forces, each headed by luminaries of economics, business or finance, with topics including the Fed's data analysis and the causes of inflation. Their creation may leave the impression that economists have neglected key issues facing monetary policymakers. In fact, the opposite is true. The task forces will succeed by drawing on the best current economics research.

Consider the call for better data. Mr. Warsh correctly notes that the nation's existing data architecture could be improved. What stands today relies largely on household and business surveys that face declining response rates, and it takes time to collect and process them.

The economics profession has also taken notice. For example, in 2025 the National Bureau of Economic Research opened the Economic Measurement Research Institute, with the objective of basing the gathering, assembling and distributing of data "on 21st-century information technology to effectively measure the 21st-century economy." Other institutions have similar initiatives.

In practice, this means much more use of anonymized transaction accounts, payroll records and other administrative data that will allow for more granular and timely analysis of the economy's trajectory. Economists at the Federal Reserve are heavily involved in this effort. It would be a very good outcome if these initiatives — and support for the resources they require — gain the powerful imprimatur of the Fed chair.

On inflation, Mr. Warsh is correct to insist on a reassessment of the models used before the inflation surge. The research community has already trained its attention on several areas, including the frequency with which companies update their prices, what happens when they reach their production capacity, what drives their costs, and the role of supply chains. Other economists put more emphasis on supply shocks and expectations. An honest assessment of the past five years will find a healthy debate that resists a clear, unambiguous takeaway for policymakers but that also better reflects the complexity of the real world.

A final issue not directly the subject of a Warsh task force may prove the most pivotal of his tenure: the interaction of monetary policy, fiscal deficits and inflation. In one extreme view, budget deficits are the ultimate source of inflation, as any gap between spending and taxes will ultimately be filled by the printing of money by the central bank. Even if one believes that Congress will eventually address the nation's chronic deficits, the accumulated debt may constrict the Fed's room to maneuver by raising the fiscal cost of higher interest rates.

This conflict between monetary and fiscal policy was at the core of the last major debate over Fed independence, after World War II. In addition to drawing on the latest academic research, Mr. Warsh will need all of his political talents to secure Congress's help in meeting the Fed's ultimate objectives.

GABRIEL CHODOROW-REICH *is a member of the Dallas Fed Academic Advisory Council.*



ALEX KENT/THE NEW YORK TIMES

A top scholar's fall shows that universities don't get it

Jesse Singal

It's easy to see how Jason Arday held on to his University of Cambridge professorship until Wednesday, despite facing significant accusations of plagiarism and dishonesty for years. After all, his story fit quite neatly into certain culture war grooves.

On one side was a scholar born to working-class immigrant parents in South London public housing who rose to become the youngest Black professor in the university's 800-plus-year history. On the other were the forces of reaction, seeming to target him as part of a wide-ranging attack on tolerance and progress. In many academic circles, he was clearly the good guy.

Then, soon after Cambridge volte-faced from its longstanding insistence that there was nothing to see here, and announced its own investigation into Mr. Arday, he swiftly responded with an announcement of his own: He would resign.

If interest in this story peters out, that would be unfortunate, because what's needed now is genuine accountability. This was a prime example of academia's maddening tendency to embody the worst caricatures painted by its critics. The available evidence strongly suggests that, when faced with the allegations against Mr. Arday years ago, Cambridge and the other academic institutions connected to him responded not by genuinely investigating them with integrity and transparency, but acting in ways that helped him avoid scrutiny. Their decisions were both wrong and further damaged the reputation of higher education at a time when it has come under withering and sometimes unfair attack.

Mr. Arday was appointed in 2023, just 37 at the time. He tells a remarkable life story. Mr. Arday says he has autism, that he was nonverbal until he was 11 years old, and that he couldn't read or write until 18. Nonetheless he claimed impressive achievements, including raising millions of dollars for charity via feats such as running 30 marathons in 35 days. At one point, he claimed that he ran 600 miles in six days.

Mr. Arday's ascent began to stall just months into his tenure at Cambridge when, according to a detailed timeline published by the website Retraction Watch, an emeritus professor at Plymouth Marjon University named David Harris emailed Mr. Arday to ask about certain potential problems he had noticed with Mr. Arday's research, including a 2018 paper he had published in the journal Social Sciences. (Mr. Harris has written critically about critical race theory, which informs some of Mr. Arday's work.) Among other issues, Mr. Harris noted, Mr. Arday appeared to have lifted language from another scholar's work. Mr. Arday, after receiving a follow-up inquiry from Mr. Harris, responded by questioning Mr. Harris's motives and wrote that further emails from him would be "considered bullying and harassment." (Per The Guardian, Mr. Arday later reported Mr. Harris to the police, which didn't pursue charges.)

Mr. Harris then enlisted the aid of the sociologist Martyn Hammersley, who, according to Retraction Watch, which monitors retractions of scientific papers, emailed the plagiarism concern to Hilary Cremin, head of the faculty of education, and Rhys Morgan, the university's head of policy, governance and integrity. According to Retraction Watch, Mr. Morgan replied that since the paper was published before Mr. Arday's tenure, "we do not consider it within our remit to investigate." Ms. Cremin replied that while Mr. Arday had the university's "full support," he had agreed "to take the article down from the journal online platform" and revise it to address concerns.

This makes little sense. Professors are hired on the basis of their prior work and an assumption of academic integrity; if that work was plagiarized it's fair game for an investigation. Moreover, a credible allegation of plagiarism isn't resolved by an author agreeing to take down a paper for revision; it demands a thorough independent investigation.

Instead, Social Sciences posted a correction informing readers that the article had "been amended to increase the clarity of citation sources within the text."

Mr. Arday appears to have passed off quotes from interviews another researcher conducted as coming from his own interviews. The new version of the paper, according to Retraction Watch, edited some quotes, deleted others, and removed Mr. Arday's mention of a second researcher.

By protecting a star from plagiarism charges, a storied British college has undermined its values.

There was also apparently plagiarized material in a 2020 paper Mr. Arday helped write in Educational Philosophy and Theory, according to Retraction Watch. The journal had responded similarly in 2024 with generously framed corrections.

The British publication Times Higher Education was preparing a lengthy investigation of Mr. Arday in 2025, Retraction Watch reported, which was to include both the aforementioned accusations and a new one: evidence of extensive plagiarism in his 2015 Ph.D thesis from Liverpool John Moores University. Mr. Arday then hired the prominent British defamation firm Carter-Ruck, which sent the outlet a threatening letter that appears to have killed the story. The scandal broke out only when the philosopher of biology Nathan Cofnas published a lengthy Substack post last month dragging all of the plagiarism accusations into full public view.

Liverpool John Moores University's subsequent response appears to have been as thorough as the two journals': "A confidential procedure was conducted in response to those allegations and Professor Arday's Ph.D. still stands," a Liverpool John Moores spokeswoman told me in a written statement on Monday, declining to comment further.

Mr. Cofnas was not an ideal messenger, given his interest in the purported correlation between race and intellect. In a meritocracy, he wrote, "Blacks would disappear from almost all high-profile positions outside of sports and entertainment."

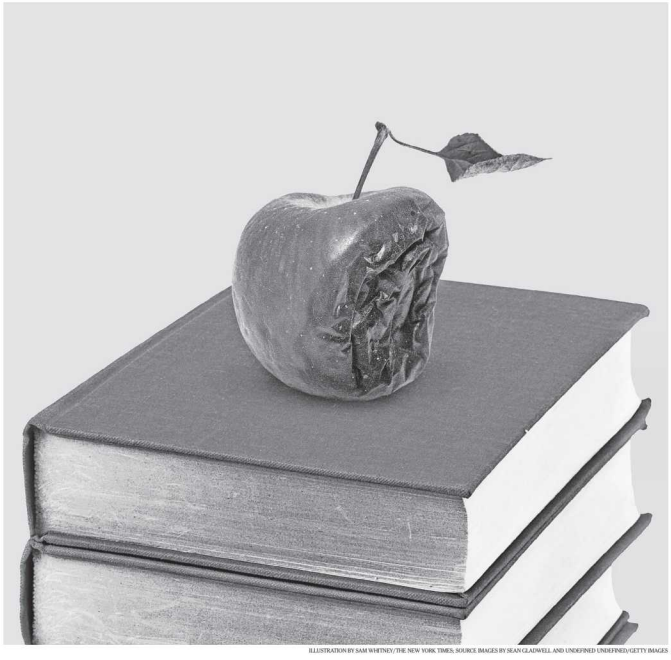


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But Mr. Cofnas arrived on the scene because of Cambridge's complacency — he wrote the post after an anonymous Cambridge tipster reached out to him — which soon hardened into stridency. "Professor Arday has been the victim of a vile campaign to undermine his credibility, which must stop," Cambridge said in a written statement it sent me last month, insisting the allegations against him "have been thoroughly investigated by the relevant institution and the journals in question."

That phrasing pointedly excluded Cambridge itself. Instead, the university gestured at the aforementioned investigations, none of which appear to have been thorough, as evidence it needn't burden itself with further action. Liverpool John Moores even kept Mr. Arday's Ph.D. thesis online, with the apparently plagiarized sections intact.

Mr. Arday attributed "some errors in his early academic work to his autism," as The Times of London paraphrased his response, "saying that his method of making sense of information relied heavily on mimicry," also blaming "inadequate supervision and support, especially given his autism." He softened some of his impressive endurance-running and fund-raising claims. He has denied any deliberate wrongdoing.

An Aug. 1 Guardian article by Lanre Bakare represents the absurd climax of this scandal. In it, Mr. Arday said a masked man threatened him with a knife at Cambridge. Mr. Bakare reports that Cambridge security cameras captured no such intruder and that Mr. Arday "did not inform colleagues that a masked man with a knife was in the faculty building."

The journalist Benjamin Ryan, meanwhile, documented the Orwellian efforts some of the institutions affiliated with Mr. Arday made to quietly revise or delete claims they published about him that now seem to be false. They include several universities that granted him honorary degrees, the TEDx speakers program and the Simon & Schuster speakers bureau that represents him.

If this had all come out earlier, it might have jeopardized Simon & Schuster's publication of Mr. Arday's memoir, "Great and Unfortunate Things," which is next week. Simon & Schuster told The New York Times that it stands by Mr. Arday's memoir and plans to press forward with its publication, naturally.

When Cambridge reversed course Wednesday, it cited new information about Mr. Arday's "academic qualifications and honorary appointments" — an apparent reference to recent reporting showing that Mr. Arday claimed affiliations at universities that denied any connection to him. In light of Cambridge's years of complacency, I think the more likely explanation is that it could no longer ignore the growing PR problem represented by Mr. Arday's continuing employment.

Of course genuinely unfair right-wing attacks on academia exist. Donald Trump's campaign against D.E.I. goes beyond concerns about the rigor of certain diversity programs — concerns I share, in part — and well into rocket-launcher-versus-mosquito territory. Sometimes, though, academics use Mr. Trump and the populist forces he represents as a convenient excuse to avoid the quality control that was so obviously absent here.

Their more clearheaded peers acknowledge that higher ed's own hands aren't spotless. A Yale University report published in April said "declining trust" in higher education "must be addressed," and acknowledged that "those of us in higher education have too often resisted calls to critically examine our own institutions, professions, and modes of thought."

In this case, perhaps what should be critically examined is how academia treats its stars — especially those who come to symbolize important new ideas or social-justice movements that bolster the reputations of their home universities.

In 2023, The Times of London paraphrased comments from the head of Mr. Arday's academic department, writing that his hiring "was proof of the university's commitment to tackling existing inequalities." "To any students or prospective colleagues who are wondering if Cambridge is a place where they can belong, the answer is, emphatically, yes," she told the paper.

If Mr. Arday isn't just a scholar, but a symbol of his university's commitment to social justice, perhaps that made it more difficult for Cambridge to examine its own role in his ascent — and to delay, by several damaging years, the full investigation Mr. Arday's case so obviously warranted.

JESSE SINGAL *is a host of the podcast "Blocked and Reported" and writes the newsletter Singal-Minded. He is working on a book about American youth gender medicine.*

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Why a Broadway show can fill seats and still close

Naveen Kumar

"Cats: The Jellicle Ball" is — or, now, was — like nothing else on Broadway: vibrant and Black and queer and a lot of fun. In its four-month run, the production had no trouble filling seats: Capacity rarely dipped below 90 percent. Theatergoers clacked yellow "Jellicle"-branded hand fans, purchased at the merch table, as a rotating roster of celebrity guest judges, including Angela Bassett and Anna Wintour, presided over the contest for one of the titular strays to be reborn.

But there just weren't enough ticket buyers who were willing (or, possibly, able) to pay full price. It closes this weekend.

That's a shame. The show, which reimagines Andrew Lloyd Webber's feline fantasia as a ballroom competition and features a catchy number about shoplifting, feels subversive, especially in a season when top honors at the Tony Awards went to more conventional fare, like "Schmigadoon!," a parody of Golden Age musicals adapted from a TV series, and "Ragtime," a broad-strokes retelling of early 20th-century American history. As Betty Buckley, the original Grizabella from the original "Cats," wrote in April, "Broadway grows and stays relevant when it listens to the culture outside."

"Cats: The Jellicle Ball" was a success, despite its short run.

Following the news that "Jellicle Ball" would close, Mr. Lloyd Webber lamented on Instagram that bringing a show to Broadway makes "practically no financial sense." He begged theater owners, unions and producers to come together to address this budget crisis. He's not wrong. The current conditions are untenable, and all of the parties he mentions need to consider what concessions they're willing to make. When a show is struggling, wealthy creatives could choose to waive their own royalties — as Mr. Lloyd Webber, who is also a theater owner in Britain, did in this case. But it wasn't enough.

Since Broadway reopened after the pandemic shutdowns, there has been a shift from four out of five new shows failing to recoup their initial investments to nine out of 10. It has been an especially difficult climate for musicals, which cost more to produce and run. "Jellicle Ball" was capitalized at a relatively modest $18 million, when as much as $30 million or more is not unusual for a musical. It still couldn't find its legs. Rising costs have led to a number of flops in recent seasons — including "Tammy Faye" and "The Queen of Versailles."

Lately, many American producers are opting to mount new material in London, where lower costs for labor and rent, as well as more generous government support, make balance sheets less precarious. (New York State allocated $150 million in May to extend a tax credit program that benefits the performing arts, though it's still less generous than similar support in Britain.) Producers also point to the labyrinth of union rules governing Broadway, including minimums for the number of workers and hours required to perform tasks that could be done with fewer people, a pain point that unions need to be willing to negotiate. It's also true that the West End pays less than Broadway minimums.

There are countless reasons behind the demise of any Broadway show, each of which is essentially a start-up business taking its chances in a volatile market. There is no denying that skyrocketing costs — including global issues like tariffs and gas prices, and industry-specific ones like labor and technology — are squeezing profit margins razor thin. A weekly gross close to $1 million used to be a benchmark for success. "Jellicle Ball" cost nearly $1 million to run per week, meaning it needed to earn that much over seven days just to break even. As high as Broadway ticket prices may be (around $150 each is average for a musical), box office receipts struggle to keep up with production costs.

Mr. Lloyd Webber is correct that Broadway is in a tight spot, but as anyone accustomed to the losing odds of producing on Broadway will tell you, there are meaningful measures of success beyond making a profit. A show can have cultural impact just because it was staged.

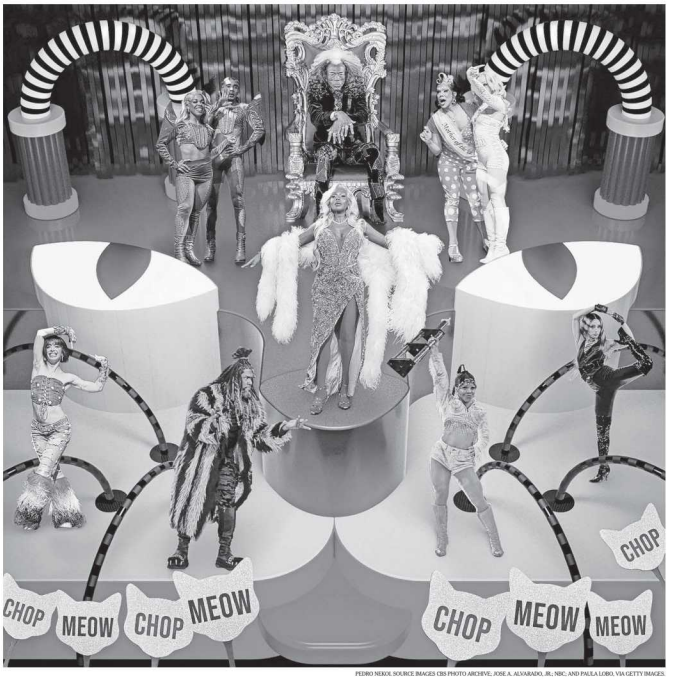
"Jellicle Ball," which premiered Off Broadway in 2024 at the Perelman Performing Arts Center, gave 17 of its 28 cast members their Broadway debuts. Many of those involved are Black, Latino and trans artists rarely granted mainstream opportunities. The costume designer Qween Jean became the first openly transgender person to win a Tony Award. The directors, Zhailon Levingston and Bill Rauch, and the choreographers, Omari Wiles and Arturo Lyons, also took home Tonys for their intrepid work.

André De Shields, who was nominated for a Tony for his performance, has suggested that "hate and intolerance" are to blame for the show's curtailed run. A representative for the show said it drew a notably diverse audience, including many who are most likely not Broadway regulars. Expanding the theater audience is a good thing. But Broadway, in the end, is in the business of selling full-price tickets, which means it has to draw a crowd that can afford them, including tourists and suburbanites. Despite the show's great press, it didn't draw enough of them.

Producers and theater owners may point to "Jellicle Ball" as an excuse to play it safe. They shouldn't — and the success of the original "Cats" is one of the strongest arguments.

Consider what an oddball idea "Cats" was to begin with: The original production lacked many of the conventional attributes of a musical — like a real plot. But it ran for 18 years. Broadway was different then, with lower overhead costs and less competition from other forms of media. But the necessary role of Broadway as a playground for risk-taking and innovation persists.

For what it's worth, the party isn't over yet: Atlantic Records is set to release a cast recording this winter, and producers have reportedly expressed interest in mounting a London run and an American tour, both of which offer ways to make up for financial shortfalls on Broadway. Even as it recedes into Broadway history, "Jellicle Ball" will live on, and not just as a beautiful memory.



PEDRO NEKOI. SOURCE IMAGES CBS PHOTO ARCHIVE, JOSE A. ALVARADO, JR./NBC; AND PAULA LOBO, VIA GETTY IMAGES.

NAVEEN KUMAR *is a critic and journalist. He is the associate director of the National Critics Institute.*

Who is my enemy? I'm no longer sure.

DOUTHAT, FROM PAGE 1

liberalism so far that it left vulnerable people adrift or abandoned to their vices, and it blundered in foreign policy because it didn't expect the non-Western world to push back so hard against its plans.

But watching this crisis unfold, I find that I've lost my sense of which contemporary worldview is most in need of criticism or opposition, where the good guys and bad guys are. Each major faction seems potentially dangerous, tempted toward the dark side in some unique way, contested or cross-pressured to a degree that makes me uncertain where the side of the angels really lies.

Start with the populism that has risen to power because of the elite consensus's failures. For many conservatives who shared my critique of the Obama-era establishment, the populist rebellion has been the vessel for their hopes. But in Donald Trump's second term populism has displayed most of the vices that its critics anticipated. It has been corrupt and bullying and destabilizing. It has rewarded hacks and cronies. And it stumbled into a Middle Eastern war with even less preparation than its establishment predecessors.

For many liberal readers, these sins make populism the maximum danger, the singular emergency. But as Trumpism has flailed and failed, it hasn't consolidated the kind of authoritarian power anticipated by its most alarmed opponents. At the moment, Trump 2.0 has no great popularity, no legislative capacity, no policy legacy that a Democratic successor can't easily roll back. The president himself might still be a dangerous figure, there might be darker forces waiting in the wings — but I don't think that justifies making anti-populism the measure of all things.

Especially when you consider the alternatives. First, there is what remains of the center-left establishment, some of whose vices look less serious in light of Trumpism — self-satisfied technocrats might be preferable to self-dealing hatchet men — but that remains culpable for the mistakes that led to populism's rise and at sea amid changed political conditions.

After 2020 we tried putting this establishment back in charge, but the Biden era just gave us a more left-wing version of meritocratic hubris, replacing experts with interest groups, maxxing out on social liberalism and illegal immigration and then unraveling completely in the end. Something similar could be said about the Keir Starmer experiment in Britain. There is no evidence that the old elite has a blueprint suited to contemporary governance, no reason to expect that it won't just cycle through the same mistakes and backlash.

I lived through the years of peak woke, and it was a McCarthyite experience.

But if you don't want to join the populist backlash, then the only alternative to propping up the liberal establishment is putting the West in the hands of Wokeness 2.0, Hasan Piker Thought and Democratic Socialists of America energy — social progressivism with socialist characteristics.

I don't want to describe this movement as categorically worse than its establishment opponents, since sometimes the left grasps things the center misses.

But I lived through the years of peak woke, and it was a McCarthyite experience. I lived with the blue-state governance that doctrinaire progressivism encouraged, and it yielded civic and educational collapse. And I would prefer not to give the far left the power to regulate and prosecute and rewrite the federal budget.

Then, finally, all of these political forces — the unpopular populists, the flailing establishment, the rising left — are displaying their vices in the shadow of the artificial intelligence revolution, which is creating new zones of power in which the friend-enemy distinction is almost impossible for me to parse.

Anthropic or OpenAI? The Pentagon or the frontier labs? The weird accelerationists or the even weirder doomers? The China hawks or the data center skeptics? The people who think A.I. is a normal technology (and thus might underestimate its dangers) or the people who think they're making a machine god (and thus might end up in its thrall)?

Again and again, the choice of which side to favor and which side to fear depends on unknown things about how far and how fast the technology will move. And unknown things about how a given worldview might interact with these changes and the temptations they create. And unknown things about how existing political factions align themselves for and against different perspectives on A.I.

Which makes this a very important time for the kind of journalism that asks a lot of questions before it leaps to opinionated claims.

For the past two years, I've been fortunate that The Times has let me pursue that kind of questioning as a podcast host. And this month, I accepted a position with CBS News's "60 Minutes," where the asking of questions will be central to my professional work.

That means that this is my last column for The Times, in this season at least. Once I would have imagined a valedictory essay offering some stirring brief for religious conservatism, some last foray into the territory where I was most likely to be in disagreement with my readers. But I don't think that quite fits the moment.

Instead, I'll express — along with incalculable gratitude to The Times itself, my colleagues and editors — a hope that I have contributed illumination. I hope my writing has added something to your understanding of America's complexity, the world's uncertain future and the strangeness of our times.

I hope that I make that kind of contribution at "60 Minutes." I hope The Times can continue to illuminate the world as only a great newspaper can. And wherever I'm working and whatever you're reading, we'll all be going into the future together — and trusting, like many Americans before us, that there's an angel giving directions somewhere in the storm.



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FINANCIAL TIMES
'Without fear and without favour'

US social security could soon be insolvent

But will Congress and the president have the courage to save it?

Kirk O'Donnell, a top aide to former US House of Representatives Speaker Tip O'Neill, called the social security system the "third rail" of American politics — like a high-voltage line on an electric train, touch it and you're dead. Politicians see little personal political benefit and significant risk in tampering with the key pillar of the US social safety net.

But today the system faces a crisis: by 2032, the retirement trust fund will be insolvent. This would mean a 22 per cent reduction in benefits to American retirees, a national average cut of $500 a month. Years of resistance to reform have brought things to this point. The two parties in Congress face a game of chicken as the system spirals towards demise.

Social security is a pay-as-you-go system, meaning current payroll taxes cover current retiree benefits. As the ratio of retirees to working-age Americans climbs, the system is coming under increased strain. The impact of an ageing US population and declining birth rate is staggering: retirement-aged people made up just 8 per cent of the US population in 1950, but will make up 21 per cent by 2030.

Congressional gridlock and polarisation make solving the problem extremely difficult. But a bipartisan solution to save social security is not entirely out of the question. Senators recently introduced a bipartisan bill to conduct a further study of the problem, and the ingredients of a compromise are clear. A combination of more funding, lower payout and a higher-yielding investment strategy could make social security solvent again.

A first step would be reforming the social security payroll tax cap. The system's design as an insurance model means that income above $184,500 is exempt from social security tax. Under this regime, low-income workers pay a significantly higher proportion of their income to social security than the highest earners. Lifting the cap has bipartisan support in the Senate, and polling indicates majority support among Democratic and Republican voters.

Raising the retirement age, which will reach 67 next year, would also shore up funding. Today's retirees live longer, putting a strain on pension liabilities. Polling suggests 74 per cent of Americans already plan to work past retirement age — but an across-the-board rise could place a burden on workers with more physically demanding jobs who have difficulty working into later age. Attempts to raise the retirement age, however, could trigger a backlash similar to that in France, where pension reforms sparked protests, or the contentious debates in Germany.

Investing social security funds, which currently sit in low-yielding US Treasuries, would also be beneficial. As stocks have boomed over the past half-century, social security returns have underperformed private pensions. This conservative arrangement is in part by design to avoid excess risk. Some senators have proposed ways to move towards a system that invests in equities, reflecting the realities of the 21st-century economy. It would be a mistake, however, to allow the fund's investment decisions to be subject to political whims.

> Political gridlock and polarisation make solving the problem extremely difficult, yet a bipartisan solution is not entirely out of the question

President Donald Trump will be the final decision maker on changes to social security. Over the next two years, he has few incentives to advocate for tax rises and benefit cuts but every incentive to pass on the looming crisis to his successor. The fate of social security will most likely be decided by the president who wins in 2028, and the congresses in that term, which will include members who hold seats today. They will have to decide whether to preserve the cornerstone of America's social safety net for nearly a century, or allow it to fail.

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Opinion UK politics

Enforcing duty of candour is harder than it seems

Ben Hickey



Margaret Heffernan



We stand on the precipice of change." Sir Keir Starmer's euphoric announcement last month promised much for the Hillsborough Law. It aims to eradicate the collusion and obfuscation that has thwarted public inquiries and stalled governments in their efforts to bring cultural change to public institutions. Its efficacy hinges fundamentally on a legally enforceable "duty of candour", threatening to punish public officials if they do not tell the truth in investigations and public inquiries. Starmer's rhetoric was well meant — but will the law work?

A duty of candour isn't a new or untested idea. In 2015, after a series of NHS scandals, Sir Robert Francis's report "Freedom to Speak Up" introduced the first statutory duty of candour for all NHS staff and regulated healthcare providers. The hope was that legally mandated honesty would draw early attention to errors, malpractice and cover-ups.

> We are taught that loyalty is professionally more important than individual integrity

But in the decade since, it's hard to see any great impact. The horrors exposed at hospitals in Shrewsbury and Telford, East Kent and Nottingham University Hospitals provide vivid evidence that legal compulsion to call out malpractice is no panacea.

Moreover, the 2025 NHS staff survey showed that the percentage of staff who feel candour is safe in their institution has seen a year-on-year decline, while across the NHS as a whole, staff confidence that clinical concerns will be addressed is at an all-time low. This augurs badly for the new law.

Why the need to enforce honesty? Research suggests that most people are predisposed to honesty, but that is largely when functioning as private individuals. When we work in organisations, fear, obedience and conformity hold great sway. As social beings, we want to belong and would rather fit in than be isolated. We take cues from colleagues, believing (rightly or wrongly) there is safety in numbers and that loyalty is professionally more important than individual integrity.

Education reinforces this behaviour. In medicine, what is known as the "hidden curriculum" teaches students that respecting the hierarchy is critical to a long and successful career. Graduates are more certain of this on graduation than when their training began. "You don't rat on your mates" is what one NHS nurse was told when questioning the high mortality rates of a senior surgeon. The co-operative silence of the many is a leading reason why NHS scandals — like many corporate failings — have taken so long to be uncovered and addressed.

This is what I've come to see as an excess of solidarity: a socialisation process by which individuals, under constant pressure from and supervision by managers, government, media and markets, are more prone to stick together and soldier on than to take on the additional burden and risk of blowing the whistle. Many that I've worked with, both in healthcare and policing, readily acknowledge the daily dangers of such tribal behaviour. It is telling that both professions have a terrible, long-running record when it comes to dealing with whistleblowers.

Even leaders don't always feel they have the autonomy one might expect either. Many see their effectiveness and legitimacy as dependent on the endorsement and coherence of their team. This may explain why Sir Mark Rowley felt obliged to contest the charges of systemic misogyny and racism in the Metropolitan Police, despite the overwhelming evidence presented in the Casey review. In doing so, he defused and dodged the hard truths a leader might be expected to confront.

Demanding that individuals break from their tribe to be candid for the long-term benefit of the general public is a highly abstract principle to test. But manifesting solidarity with peers and bosses is immediate and visceral. That a single blunt legal threat could displace such entrenched human behaviour seems naive, ignorant of organisational realities and self-righteous.

We would all like to believe that a tragedy like Hillsborough or scandals in the NHS will never happen again. But, wilfully blind to the realities of institutional life and social psychology, it seems unlikely the new law will prove a game-changer. It is well intentioned — who wouldn't want to believe that everyone would tell the truth to public inquiries? — but ill-conceived. Tribal loyalties run deeper than is good for most institutions, including the government.

The writer is a former CEO and the author of 'Wilful Blindness: Why We Ignore the Obvious at Our Peril'

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Trump's yen move recalls Baker's Plaza Accord

Barry Eichengreen's Markets Insight "Yen intervention contains troubling message for dollar" (August 5) illustrates how little has changed in US international economic policy since the Plaza and Louvre accords (1985 and 1987, respectively) spearheaded by Treasury secretary James Baker III.

The current US administration, by intervening in currency markets, is aiming to achieve the very same objectives of these accords of the late 1980s: weaken the dollar to boost American exports and lower the huge Japanese trade deficit with the US; discourage Japan from selling its large holdings of US Treasury bonds to finance yen purchases (this would increase US interest rates). With a yen boosted by currency intervention there will be less need for the Bank of Japan to raise interest rates — another positive factor for the Japanese economy — and the potential for more American goods to be purchased with a stronger yen/cheaper dollar.

There may be a new sheriff in town, but he appears to be wearing the same badge and uniform.

President Donald Trump has portrayed the yen currency intervention as an act of simple goodwill, friendship and virtue: "We are always there for Japan."

Alexis de Tocqueville, the 19th-century French philosopher and historian, observed that Americans did not view virtue as a selfless act but rather as something that benefited all. This was certainly the view back in the heyday of G7 international policy co-ordination under Baker in the 1980s, and no doubt Trump and his Treasury secretary, Scott Bessent, have similar motivations.

Tom Berger
Deputy Assistant Secretary of the US Treasury (1986-89), London SW1, UK

National justice reform charity's prison proposals

The FT's editorial "How to solve Britain's prisons crisis" (The FT View, August 6) is wholly correct: the prisons system is expensive, unproductive and unsustainable, both for those within it, staff included, and for the public.

We would, however, offer a corrective to the editorial's recommendation that short sentences of less than 12 months be abolished.

This isn't because we disagree. Despite their proven ineffectiveness, there has been a sharp increase in short sentence rates in recent years.

In the 12 months to March 2026, there were 55,497 short-term sentences of 12 months or less imposed, an 8 per cent increase compared with the previous year.

These statistics are untenable, but also why Revolving Doors spent the past decade fighting for change.

The Short-Sighted Campaign, launched by Revolving Doors, and backed by the then Conservative justice secretary David Gauke and prisons minister Rory Stewart, centred on evidence from our members (people with extensive experience of short sentences).

Together, we successfully highlighted the staggering fiscal and social cost of short sentences.

Polling we commissioned showed extensive public support for moving away from prison sentences for offending clearly driven by unmet health and social needs.

A presumption against short prison sentences was a welcome core recommendation of the Sentencing Act 2026, which came into force in March. But the new guideline, which is merely to suspend the prison sentence, is of limited benefit to the justice system and society more broadly.

A meaningful end to short sentences is still out of reach, and our work continues, so we join the FT's call for abolition.

Here, we agree wholeheartedly with your editorial. Community sentences are the way forward, and sentencing must prioritise addressing the root causes of offending if we are to see progress.

Given the new government's focus on joined-up approaches, we propose the same for repeat offending: whole-system solutions, focused on place and people, combining resources and expertise to ensure justice is fit for purpose.

Pavan Dhaliwal
Chief Executive of the national justice reform charity Revolving Doors, London SE1, UK

Why Malacca cannot be a model for Strait of Hormuz

Your report "Iran says it has agreed Hormuz ship route" (August 7) notes that ships will not be charged during the interim Hormuz arrangement. Kazem Gharibabadi, Iran's deputy foreign minister, supplies the reason for caution. Iran does not need to require that ships pass entirely through its territorial waters, he said, to exercise "effective sovereignty in the Strait of Hormuz". Whether fees follow at all, he added, turns on a decision to enter a second phase.

Oman's longer-term framework, which Abigail Hauslohner, Andrew England and Bita Ghaffari report on in "Trump caught between more war or a deal on Iran's terms" (August 6), is modelled on the Strait of Malacca. That comparison will not hold. Singapore's Maritime and Port Authority addressed it in July, calling American coverage of the parallel not entirely accurate. Indonesia, Malaysia and Singapore, it said, impose no fees, tolls or payment of any kind on ships exercising transit passage. Contributions to the Cooperative Mechanism's Aids to Navigation Fund are separate from transit passage altogether.

The separation is the point. In Malacca, declining to contribute cannot affect a ship's right to pass. In Hormuz it plainly can. In July, weeks after undertaking to permit safe passage, Iran fired on three commercial vessels in Omani waters, according to US officials.

That distinction also disposes of the argument that Iran seeks payment for services rather than for passage. A charge conditioned on permission is a charge for passage.

Article 44 of the Law of the Sea Convention provides that states bordering straits shall not hamper transit passage. Article 42 lists what they may regulate. Tolls are not among them.

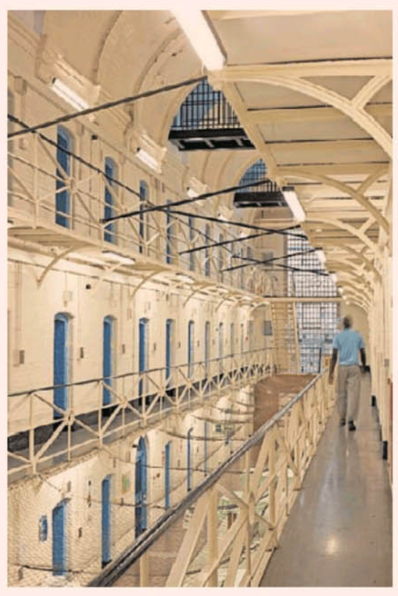
Effective sovereignty is what transit passage was designed to constrain.

Alan B Kahn
Attorney, Cutchogue, NY, US

US theory of subordination is playing out in Venezuela

Pedro Burelli's call for the Trump administration to actively throw its support behind Venezuela's democratic transition is a noble attempt to bring the South American country out of its quarter-century-long autocratic stupor ("In Venezuela, legitimacy matters more than continuity," Opinion, August 5).

Despite Nicolás Maduro's arrest by US special forces seven months ago, Venezuela is still very much operating under the same regime, with the same old Chavistas governing key ministries and Nobel Peace Prize winner María Corina Machado on the outside looking in. But this isn't 1989. George HW Bush is not the president of the US. And America's support for democracy, commonly viewed as universal, is far more selective than many like to admit.



An inmate walking on Victorian-era landings in Wandsworth prison

This is particularly the case in the age of Donald Trump. Unlike his predecessors, who engaged in the usual virtue signalling about the importance of democracy and respecting human rights, Trump is unapologetically brash about his priorities. Democracy isn't one of them.

He's very comfortable working with unsavoury foreign leaders, even outright autocrats, if doing so provides the US with tangible economic, political or security benefits. Whether those partners govern their people harshly, throw dissidents in prison or engage in corrupt practices is frankly irrelevant to him.

What matters most is unfettered co-operation, if not outright subordination to US power.

This theory is playing out in Venezuela as we speak. Machado may have the political legitimacy and widespread public support from the Venezuelan people, but acting president Delcy Rodríguez has the army behind her, the machinery of the state and is giving Trump what he wants: US influence in the Venezuelan oil sector, lucrative business opportunities and levers of control. As long as Rodríguez continues deferring to the US on the big issues, then Trump will have reason to continue supporting her and won't risk breaking a relationship that serves his interest.

Unless and until that basic calculation changes, the Venezuelan opposition will have to wait — and there's likely little it can do to press the issue.

Daniel R DePetris
Fellow at Defense Priorities, a foreign policy think-tank, Washington, DC; New Rochelle, NY, US

Mistral AI lab will change the procurement calculus

The report by Ivan Levingston, the FT European deals reporter, and Tim Bradshaw, global tech correspondent, on Samsung's talks to invest in Mistral at a €20bn valuation (Report, July 23) answers a question European companies have been asking for two years: can a European AI lab hold its ground against far better capitalised American rivals?

The answer matters because Mistral is Europe's leading AI lab and one of the few frontier-class developers anywhere releasing flagship models under permissive open licences, which lets companies run them on their own servers.

A funding round of this size, following Microsoft's multibillion-dollar commitment to Mistral's European data centres, makes that strategy durable enough to plan around.

That changes the procurement calculus. A US provider with a Frankfurt data centre stores data in the EU under American law; a model running on a company's own servers keeps data inside the building. From August 2, most obligations under the EU's AI Act apply, and that distinction becomes something companies must document.

Subscription services remain cheaper and simpler for most workloads. But for the regulated half of the European economy, the supplier question just resolved itself.

Malte Clausen
Founder, Velocity Insights, Copenhagen, Denmark

The simple love my wife radiated in her final years

Your editorial ("Social care reform is a test of British politics", The FT View, July 30) implicitly accepts that the state should shoulder a greater financial responsibility for social care.

I reject this view.

My wife was diagnosed with Alzheimer's several years ago and I cared for her at home, with privately recruited help, until her death two years ago.

Not everyone can do this, but with adequate support many more could. Starting from a clear understanding of the humanity of the person concerned, and a deep education for the carer of how to do it, caring to the end is possible.

No one taught me how to do it, so I learnt as I went along. I also lacked the equipment (such as a hospital-type bed, a hoist, and a stair lift).

Friends and family helped a great deal too, and they benefited from the simple love that my wife radiated in her final few years.

Dr Andrew Palfreman
Hull, East Yorkshire, UK

Putting off the inevitable

I read with interest Miranda Green's column "In praise of the deadline: a blessing in disguise" (Opinion, August 3).

Its sentiments can be applied to life in general, where we all have an expiration date.

However, because we do not perceive that moment as imminent we succumb to an attitude of "I will go on that cruise when I retire" or "I will save that bottle of champagne for a special occasion" or "I am too busy to ask that lady out today".

Career obligations should inspire us to implement an equivalent bucket list to focus our energies, in order to experience what we enjoy for the short period we have on Earth.

And to further motivate us — unlike those office commitments — we should remember we have far less control over extending life's deadline.

Rajiv Radhakrishnan
London NW8, UK

Opinion

New York is having a summer for the ages

SOCIETY



Ruchir Sharma

Even a year ago, chatter around New York evoked a rotten apple, with rats and crime gnawing at the reputation of the world's premier city. Millionaires were moving in droves to more business-friendly places like Miami. Foreigners were staying away, repelled by the agenda of the hometown president, Donald Trump. Now we're having a summer for the ages.

I've lived here for 25 years and can't remember a more energetic buzz. It started with the Knicks winning the NBA title for the first time in over half a century, with a disarmingly blue-collar roster. Then came the best-attended World Cup ever. But the excitement goes deeper than great moments in sports. Tourists kept flooding in after Spain's victory, if the crowds around Rockefeller Center are any indication.

A booming Wall Street is turning midtown into an even more dense village of the world's most powerful financiers, who pull in other industries. June saw a monthly record $4.7bn in new venture capital investment in New York, a third of it coming from outside the US and more than half going into AI start-ups. The AI entrepreneurs are said to be "feasting on Manhattan office space".

New York recently passed San Francisco as the hottest US office market, driven by demand for prime spaces and trophy buildings. JPMorgan's bold new bronze and rock tower on Park Avenue has been called a "thrilling addition" to the skyline, and has become a must-see for visitors who can wrangle an entry.

The city remains America's biggest magnet for young professionals chasing careers from finance and media to law and, increasingly, AI. New recruits in their twenties seem to sense that it's worth stretching to live in a city where networking can be done more effectively within a short walk, rather than online. New York ranks as both the most walkable US city, and the number one destination for college grads seeking office jobs.

Another big draw for the young is the vibe around the Democratic socialist mayor, Zohran Mamdani. Even my most liberal friends, foreign or American, no longer begin conversations by complaining about Trump. Instead, they marvel at Mamdani's ascent.

> I've lived here for 25 years and can't remember a more energetic buzz

By governing as a pragmatist — keeping a tough police chief, cutting red tape to help small business, pushing tax-the-rich proposals but not too hard — Mamdani is exasperating the far left. But he is also making it harder to associate NYC with ideological hostility and Trump.

Crime rates are falling; the number of murders hit an all-time low in the first half of this year. The exodus of millionaires to Miami, scared off by tax threats and crime, has slowed. Net international immigration remains positive despite the immigration crackdown. Ridership on the main commuter rail lines into Manhattan is climbing back towards pre-pandemic levels.

The impact of incoming traffic is visible all over town. Broadway box office revenues are close to breaching the $2bn threshold in the past year. My summer concert calendar included Bruce Springsteen, Shakira and Rüfüs Du Sol, a line-up reflecting New York's status as the world's biggest draw for top artists. The restaurant scene too is as hot as I've ever seen.

For years I've called New York the second-best place to try any national cuisine — after its home country — except for Indian. But recent arrivals, including the tough-to-book Ambassadors Clubhouse, have made New York a tie with London at number two for Indian.

After trying about 20 new restaurants this summer, I'd give 10 of them a "Wow!". The new thing is opening eateries in a museum or gallery; my favourite is "Marcel" in the Sotheby's headquarters on Madison Avenue, where the decor is itself a work of art.

To be sure, old flaws persist. Rats still scurry boldly around Central Park during my evening runs. Giant garbage bags blot street corners. The city is increasingly difficult to afford, whether you are shopping at a bodega or for an apartment. While foreigners and recent college grads are moving in, older Americans are not. But the affordability barrier is in part proof of liveability. To borrow what Yankee star Yogi Berra once said of an iconic restaurant, nobody comes here anymore, it's too crowded.

Recent surveys don't count New York among the world's best cities to live in, which makes me wonder who they are surveying. Small European capitals dominate the top spots; minor Chinese metropolises feature among those rising fastest up the ranks. But if these places are so attractive, why don't they draw in more people? This sizzling summer is a reminder that New York remains by far the world's premier city.

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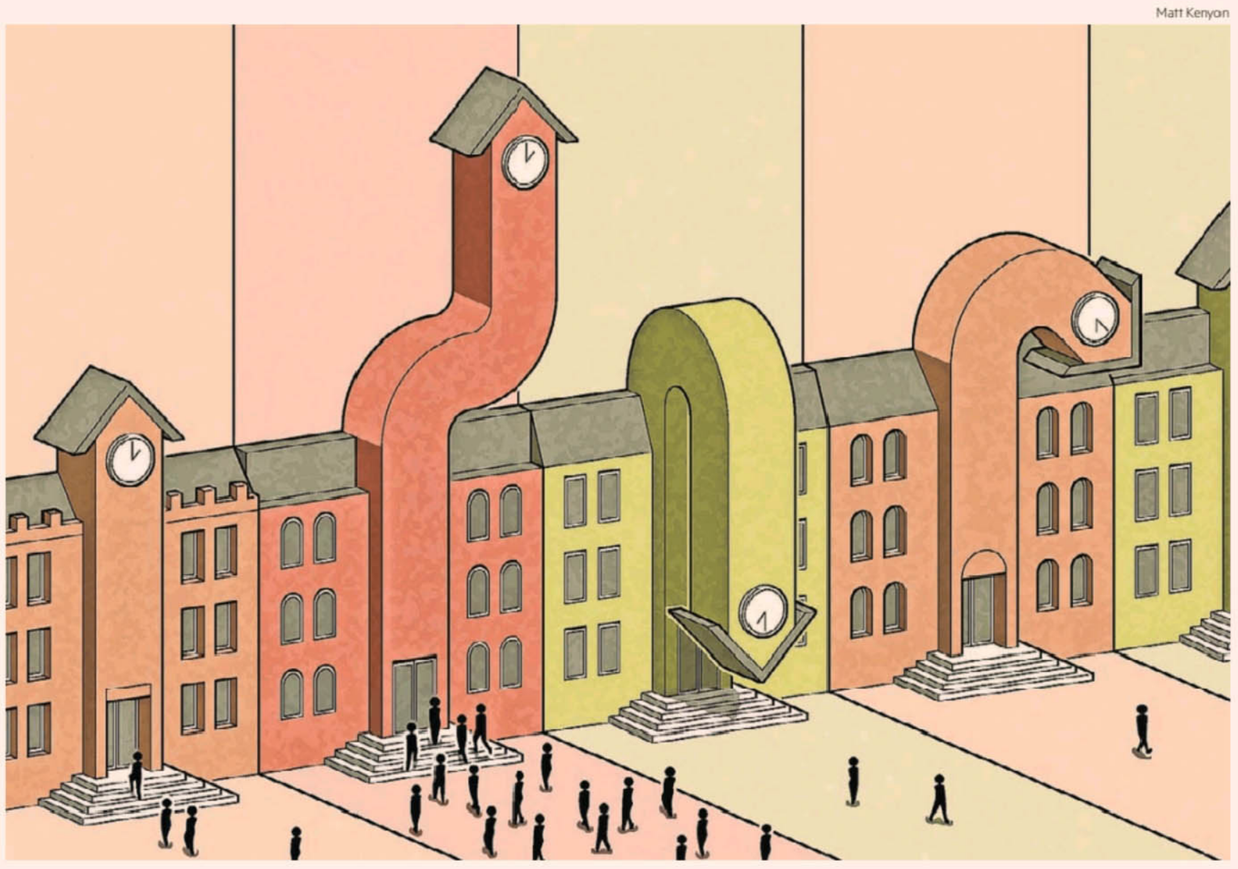
America's hidden M&A boom

BUSINESS



Rana Foroohar

Matt Kenyon



The global mergers and acquisitions boom has hit a surprising sector — the American university system. Higher education is the country's sixth-largest export, but the number of institutions is shrinking. If the Trump administration has its way, it will get much smaller still.

Last month, the administration announced new rules designed to speed up the consolidation of the sector. As education under-secretary Nicholas Kent put it in June, "there are 6,000 institutions of higher education in this country, and not all of them are going to make it out of the next decade. The ones that do are going to be nimble." By the end of July, several colleges in New York, New Jersey and California had announced new M&A deals.

But even before the administration, which is sceptical of higher education in general, began making it easier for colleges to merge, consolidation was well under way. The trend is driven by a number of factors: demographic shifts; prohibitive cost; financial over-reach; declining trust in institutions; the falling value of a college degree; a need to find new efficiencies in an age of online education and coming AI disruption.

Between 2000 and 2025, the number of higher education mergers and takeovers tripled, driven largely by consolidation in for-profit schools (some of which had come under fire in recent years for poor results and exploitative practices — think Trump University). Many of these had been underperforming and overpromising for years, exploiting a generous federal loan system but failing to graduate large numbers of poor students who would end up defaulting on loans and leaving university with debt but no degree.

More recently, private non-profit universities — where a year of tuition and housing costs can run into the high five or even six figures — have come under pressure to consolidate. While large public "land grant" universities still offer value for money (particularly for in-state students), high-cost, middle-market private colleges that don't have elite brands or a specialised offering (like some sort of vocational programme or professional track degree) are under pressure. Over the past couple of decades, many of these schools took on debt to hire more administrators and build fancy facilities to lure in full-fee-paying students (often from overseas).

Now, the environment has shifted. Operational costs and interest rates have risen, even as debt loads remain the same or higher. Foreign students are reconsidering the US as it has become more hostile to immigration. Meanwhile, overall college enrolment numbers fell 11 per cent between 2010 and 2021. Numbers have rebounded a bit in recent years, but a demographic cliff looms. America turns out 3.9mn high school graduates per year, but that number has probably peaked. One recent study has projected that it will fall to about 3.4mn by 2041, a 13 per cent loss.

Many colleges are decreasing prices to try to maintain enrolment (private non-profit colleges discounted tuition by 57 per cent on average in the 2025-26 school year). That can, in turn, create budget shortages. Meanwhile, as a recent survey of state higher education officers put it, as "education at large continues to face lower state funding and an increased need to maximise operational efficiencies, the number of consolidations" will become "more prominent" in the US.

> Many higher education schools took on debt to lure fee-paying students, but the environment has shifted

Nearly a fifth of college and university presidents had serious merger discussions in 2025, according to one study; 34 per cent of those were at private non-profit universities versus 7 per cent at public institutions. Many of those are exactly the type of expensive, elite, liberal arts schools that have been battling with the administration over funding cuts and civil rights probes in recent years.

But the higher education M&A story isn't just a reaction to political and economic forces. It's also about institutions getting ahead of trends. There are a host of up-and-coming schools that seek consolidation to build global presence and visibility in what is increasingly becoming a winner-takes-all environment. One prominent example is Northeastern, a Boston-based institution once known as a commuter college that has become one of the most selective universities in the country, in large part because of a successful "co-op" programme in which students often work — in well-paid jobs arranged by the school — for at least six months to graduate.

As Northeastern president Joseph Aoun (not to be confused with the president of Lebanon) put it to me last week: "The universities that have brand differentiation are doing well in the current environment, and those that aren't, aren't." In the past 10 years, Northeastern has acquired three other institutions (in London, Oakland, California, and in July, New York City) as part of an effort not only to build a global brand but also to prepare for the disruptive effects of AI, towards which many US universities have adopted a hostile stance.

As Aoun sees it, AI will increase the possibilities for learning remotely, but it won't necessarily replace human contact in the real world. That's why having a greater number of physical campuses will be crucial. "We think experiential education will become more important in a world of AI," he says. Given the trend towards more higher education consolidation, scale will be, too.

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The Bayeux Tapestry loan is a model for the Parthenon Marbles

Michael Vatikiotis

The loan of the almost 1,000-year-old Bayeux Tapestry by France to the British Museum is a good example of creative cultural diplomacy that strengthens ties between friendly states and generates much-needed revenue for museums.

It also presents an opportunity — and a template — for the UK to reach a similar agreement with Greece on the Parthenon Marbles, sometimes referred to as the Elgin Marbles. After all, Prime Minister Andy Burnham has long supported their return to promote British soft power: "Send them back, no strings. And let's use culture to change how Britain is seen around the world," he said in 2023.

The marble sculptures that once adorned the Parthenon in Athens, the icon of ancient Greek civilisation as well as modern Greek national aspiration, have been in Britain for over 200 years and are displayed in the British Museum. The Bayeux loan is a model for the marbles, although the scope and implications could be far greater.

Their display in Greece could stimulate a much broader cultural partnership under the umbrella of a "Cosmopolitan Commonwealth", involving the reciprocal exchange of rarely seen ancient Greek artefacts, the use of modern technology to enhance and restore the glory of ancient Greek culture and civilisation, as well as a range of broader social and economic aspects of a boosted Anglo-Greek partnership. This would also help with the UK's effort to draw closer to Europe while Greece holds the EU presidency in 2027.

There is, however, a legislative obstacle. Until now, successive British governments have argued that the dispute is a matter for the trustees of the British Museum. In turn, the trustees have claimed they are prevented from de-accessioning from their collection by the 1963 British Museum Act. A loan would theoretically be possible under the Act, but Greece has refused to accept one on the basis that it confirms British ownership. Reported conversations between George Osborne, chair of trustees of the British Museum, and Giorgos Gerapetritis, the Greek foreign minister, appear to have stalled. Burnham could change that by promising a parliamentary vote of conscience on a carve-out to the Act at the end of the loan period — which can be three years, renewable once.

> Burnham could honour his commitment to return the artefacts to Greece and reap geopolitical benefits

The envisaged deal would fulfil the Greek aspiration of having the marbles returned without depriving the British Museum of its role as a vital custodian of a cosmopolitan heritage.

This approach allows Burnham to honour his public commitment to returning the marbles and reap the geopolitical benefits in terms of relations with Europe; it circumvents anti-repatriation criticism by allowing the marbles to initially leave under the terms of a loan; it provides a window of time in which both countries can build trust; and as a carve-out to the Act rather than a revocation it prevents a future avalanche of de-accession. On the Greek side, the government can sell the temporary loan to the electorate as the best possible opportunity for the eventual permanent return of the marbles.

The key to the deal will be making the most of the opportunities presented by the new Anglo-Greek partnership for the duration of the loan. It will establish a "lending library" of ancient Greek civilisational heritage, enabling museums in both countries and beyond to curate exhibitions using new technology that serves to increase the scope of public viewing and enhance understanding of the ancient Mediterranean world across a range of media and formats.

Like the French loan, the trigger could be renovation and restoration. The Bayeux Tapestry was on display at a dedicated museum in Normandy until it was closed for renovation last year. Similarly, several galleries at the British Museum will be closed for renovation in the coming year or two, assuming funding can be raised. At the same time, many spectacular artefacts on display at the National Archaeological Museum in Athens, including the gold Mycenaean mask of Agamemnon, will be rehoused as that museum closes for renovation.

The coincidence of renovation in Athens and London creates an opportunity for a range of reciprocal loans that would generate spectator interest and revenue for museums in both countries.

This formula of a "Cosmopolitan Commonwealth" shifts the focus of the debate away from legal arguments towards the restoration and enhanced cultural importance of the artefacts — and ultimately facilitates an expansion of the circle of countries sharing cultural treasures.

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Britain needs to redefine what it considers cutting-edge

Peter Marsh

Adding "advanced" to "manufacturing" captures attention. But few people have thought through what advanced manufacturing means. Andy Burnham and his new business secretary, Jonathan Reynolds, now have a chance to change that — and redefine this category in a way that promotes growth for a wider range of innovative UK companies.

The new prime minister has put reindustrialisation at the heart of his vision. Reynolds understands the ability of manufacturing to provide high-wage, high-productivity jobs. The duo might start by visiting a gleaming factory in South Yorkshire. "We're not so much a manufacturing company as a reliability company," says Chris Rea, managing director and founder of AES-Seal, a Rotherham-based maker of engineering seals. The devices prevent fluid leaking from rotating equipment used in a huge range of places, from chocolate plants to data centres. Rea's company has built a commanding global position by mixing engineering skills with a tight focus on supplying spare parts and technical support to keep customers' plants operating with minimum downtime.

Yet AESSeal would struggle to fit into the category of advanced manufacturing as routinely classified. Officialdom tends to define this in narrow terms, restricted to clunky, technology-based concepts centred on better-known industrial sectors. The UK's most recent document on advanced manufacturing focuses on just six "higher technology frontier industries", an absurdly narrow list that includes automotive, batteries, aerospace, space, advanced materials and agritech. A more sensible definition would include technology but add more nebulous ideas based on management and company mindset, such as how businesses blend individual technologies to develop new ideas.

> Officialdom tends to use narrow terms, restricted to clunky, technology-based concepts

Yes, frontier technology is important but so are other factors. Take London-based Brompton Bicycle. Central to its success is an ingenious folding-bike design devised in the 1970s describing how to fit together more than 1,000 components, many of which are made in-house. Its most useful technology involves brazing — a way to join thin and light parts — that was invented 5,000 years ago by the ancient Sumerians.

Games Workshop, a manufacturer of miniature fantasy figures used in mock battles, is another company that should be regarded as an advanced manufacturer — though it is seldom considered as such. The company has become a stock market star by using the internet and a network of retail outlets to connect with games players globally.

There are dozens of often lesser-known UK companies that, by adding novel management thinking to technical expertise, have created a source of competitive advantage. If official pronouncements on the "brightest and best" manufacturers fail to include such businesses, lower-ranked entities tend to get pushed back in the queue for resources such as government grants.

A new corporate classification formulated by China's National Bureau of Statistics may show a path forward. In a study of emerging growth mechanisms, the bureau has devised three key drivers: "new industries, new business formats and new business models". While technology is a key factor behind all three, other "softer" elements include combining service thinking with product creation, using new ideas to reinvigorate old industries and finding new ways to reach customers. The US Center for Advanced Manufacturing has also hit on a better, more inclusive approach. It seeks to promote "manufacturing mavericks" — the "visionaries transforming manufacturing through bold ideas and advanced technologies".

The new UK government should take on some of these ideas. Its current methodology is weak in describing the many excellent UK businesses that should be considered at the forefront of growth efforts. A new lens is required.

The writer is a journalist and lecturer specialising in modern manufacturing