

The Indian EXPRESS

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RAMNATH GOENKA
IN 1932

BECAUSE THE TRUTH
INVOLVES US ALL

CM Satheesan must own Kerala mandate

IN AN interaction with this newspaper after the Kerala election result came in, V D Satheesan spoke of the Congress-LDF's transformation from a "confederation of various political parties" into a "broader political platform" that included diverse groups and even "left fellow travellers". What brought these disparate elements together on the victory podium? A major factor, Satheesan acknowledged, was anti-incumbency against the 10-year-old LDF government, with Pinarayi Vijayan's centralising style having turned him into a lightning rod for gathering discontent. Now, the question before the UDF is — can it convert a verdict driven by anti-incumbency into a mandate for its own agenda? By choosing Satheesan as the next chief minister, Congress has begun wisely. His performance as leader of the Opposition, and as both the architect and face of the UDF's campaign, has earned him popularity. In the 10 days it took Congress to decide on its CM face, the outpouring of support for Satheesan reflected a groundswell that might have turned into a backlash against the party. That the high command chose to listen is a good start.

As chief minister, Satheesan faces immediate challenges of politics and governance. He will need to consolidate his authority within the party, handle the demands of an increasingly assertive Muslim League, and fend off attacks over his perceived closeness to the League and the Jamaat-e-Islami. With Kerala recording the slowest GDP growth among southern states in FY25 at 6.19 per cent, compared to Tamil Nadu's 11.19 per cent, a pro-growth agenda must be a priority. Whether the UDF's manifesto promises — including schemes to establish 10,000 MSMEs and set up global capability centres, a mission to develop and link the coastal region and inland waterways, and an emphasis on skill training for unemployed adults — will make a dent in Kerala's persisting problem of youth unemployment (65.2 per cent among those in the 15-29 age group, according to PLFS 2025) remains to be seen. This is even as global instability raises renewed questions about the future of the state's remittance-driven economy. Satheesan will also have to consider whether the UDF's slew of welfare promises, including free bus rides for women, can be squared with the fiscal math, with a debt-to-GDP ratio of 33.4 per cent. Under Vijayan, the LDF attempted to create a narrative of development and governance, labelled the "Nava Kerala" model. Voters have rejected this model, or at least its "captain", decisively. The UDF will have to build a credible vision of its own. This is especially crucial for the alliance's leading partner, Congress — a successful new "Kerala model" could be an asset in its quest for reversing its dwindling fortunes elsewhere in the country.

In UP, don't paint protest as conspiracy

IN THE aftermath of the workers' protests in Noida and other parts of Uttar Pradesh last month, the state government's response has unfolded in two contradictory ways. Chief Minister Yogi Adityanath urged that workers' dignity be respected, and that "fair wages must be ensured". A high-level committee was set up, and the Noida police announced a dedicated industrial cell to facilitate dialogue between industry, labour unions and workers. The immediate hike in minimum wages showed that the protests were not to be treated as a mere riot, and that the government could listen. Unfortunately, however, the protests have also invited a heavy-handed crackdown by the state.

At least 60 people are in jail for their alleged role in the violence that occurred at some places during the protests. The UP Police have invoked the stringent National Security Act against a 25-year-old former Delhi University student and an ex-journalist for "inciting violence". Of course, violence must be investigated, and the guilty punished. But laws like the NSA — which shift the burden of proof onto the accused and make it nearly impossible to get the rule, inverting the principle underlined by the Supreme Court — must be used in the rarest of rare cases. The political framing of the protests is also disturbing. CM Adityanath linked them to a "larger conspiracy" to "revive Naxalism", and the police have brought charges of criminal conspiracy against several accused. For many, the long judicial process will become the punishment.

The NSA has been used as a blunt instrument in UP: It has been deployed in cases of alleged cow slaughter, invoked against those allegedly helping students cheat in exams and those accused of selling fake fertiliser. An investigation by this newspaper in 2021 showed how the Allahabad High Court quashed a majority of the detentions under the law, and flagged its overuse by district magistrates. Often, charges under the NSA are framed seemingly to extend custody. Be it for workers, students, or civil society activists, the right to free speech and expression, including the right to protest, is guaranteed by the Constitution. When laws that restrict these rights are used wantonly, without what the Allahabad HC called "application of mind", they have a chilling effect on freedoms. A state government that seeks to promote industrial growth must be mindful of the message it sends to workers.

No one's dog, everyone's Kaddu

ON THE face of it, the story of Kaddu, the dog who disappeared from Delhi's Indira Gandhi International Airport — allegedly removed by authorities after reports of aggressive behaviour — and was later found safe and eventually adopted into a permanent home, can be read as a feel-good tale. A beloved community animal, fed and looked after by a loose constellation of local animal lovers, gets a happy ending.

But there is another way to read Kaddu's story. It is about what animals do to the hard boundaries humans try to draw — between the street and the house, the wild and the domestic. Kaddu belonged to no one. Yet, in that matters the most, she belonged to everyone who ever set down a bowl of water for her, reached out to pet her at Terminal 3 or arranged for her to be taken to the vet and vaccinated. The authorities may have seen her as a liability, but so many more saw her as a familiar figure of love.

Almost exactly a year ago, an order by the Delhi High Court, followed by interventions from the Supreme Court, barred deep divisions in public opinion about the best way to deal with stray dogs. But beyond the TV debates and the RWAs' WhatsApp group arguments, stories like Kaddu's reveal a more layered truth. They are a reminder of a shared world. One airport stray's story ended with the story of Dholu — the other community dog removed from the airport premises — is still unresolved. But even in ending well, Kaddu's story asks the same question that every stray animal asks simply by existing: Where, exactly, does the boundary run — and who gets to draw it?

THE OPTIMISM that has long surrounded India's economic story is now being clouded by conflicts — whether in the form of tariff wars or tensions spilling over from West Asia. For decades, India enjoyed balance-of-payments surpluses, buoyed by strong remittances, steady foreign capital inflows, and exports. But the tide seems to have turned. Foreign equity portfolio investors have pulled out over Rs2.2 lakh crore so far in 2026, even as oil prices threaten to double the current account deficit to 2 per cent of GDP, and the comfort of BoP surplus has given way to the rare discomfort of the third consecutive year of deficit.

This may become more than a statistical blip as the US-India war continues to defy expectations of an early resolution, warranting a closer look at the changing global environment and the policy roadmap ahead.

Global capital is no longer the neutral tide it once was, nor is it just about efficiency or returns. It is increasingly a tool of strategic competition, more fragmented and increasingly politicised. We are in a two-speed world: Developed economies are getting bigger dollops of flows, while developing countries are struggling. According to UNCTAD, in 2025, global FDI rose 14 per cent to \$1.6 trillion. Flows to developed economies jumped 43 per cent to \$726 billion, driven by Europe and financial hubs shaped by industrial policy and geopolitics. In contrast, FDI to developing economies fell 2 per cent to \$87.7 billion.

With the global environment steadily deteriorating and capital becoming more discerning, the way forward for policymakers would be a sequenced, time-bound set of tiered actions.

First, ensuring stabilisation through bold

moves over the next six months. Tax reform could be the big-bang stabiliser as opposed to yet another FCNR bond issuance. Capital market signals are worth paying heed to. India could evaluate a shift to a residence-based capital gains tax system, exempting foreign investors from long-term capital gain tax. This would remove a major irritant that currently deters foreign portfolio investors. Long-term capital gains are taxed at 12.5 per cent plus surcharge, short-term at 20 per cent, and indexation has been removed for property and gold. Every rupee taxed while being taken out is a disincentive to re-enter. Exempting non-residents from Indian capital gain tax could provide immediate relief, would have universal impact and requires no bilateral negotiations. Another measure would be to allow European UCITS funds to access India directly, giving them a passport into the market, though this could take longer to work. Also, cutting withholding tax rates and indexing tax thresholds to inflation would further ease the burden.

What about FCNR bonds? Under the circumstances, FCNR bonds should remain in the toolkit, but as a fire extinguisher, not the first line of defence. Offering a concessional window to NRIs at a time when US yields are 4-4.5 per cent would mean a much higher cost and would subsidise foreign/NRI capital at the expense of domestic savers. It will also distort capital allocation, favouring banks and NRIs over corporates. Moreover, external reserves remain strong with reserves of \$650 billion-plus, and manageable debt ratios and healthier balance sheets.

Efforts must be made to curb imports of oil and gold in line with the Prime Minister's appeal. Do-



SACHCHIDANAND SHUKLA

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domestic fuel prices must be raised to allow demand-side adjustments, followed by the intent to reform subsidies, especially those of fertilisers.

FDI ownership caps could be revisited, including allowing 100 per cent automatic foreign investment into remaining sectors. Note, for India, the FDI story is not one of despair and gross FDI remains resilient. Today, 90 per cent of sectors are on the automatic route. Even Press Note 3, which governs investments from land-border countries, has been eased: Ownership below 10 per cent is automatic, and proposals in electronics and polysilicon are fast-tracked within 60 days. Even these (PN3) rules could be refined by lowering the threshold for scrutiny and adopting a screening system similar to America's Committee on Foreign Investment in the United States (CFIUS). Risks of geopolitical exposure should be managed through careful monitoring. Together, the above changes would make India far more attractive to global capital in the world of 2026.

Second, boosting competitiveness. This should focus on measures at the grassroots, alongside which India must front-load infrastructure delivery. Closing infrastructure gaps and delivering on budgeted capex will

keep India in good standing and underwrite growth. Labour reform would be a critical measure, with the Centre having notified rules for all four labour codes. States are expected to finalise rules by the second half of 2026, and compliance could be encouraged through incentives. Raising labour force participation to 65 per cent, via a push to labour-intensive sectors as well as agro-processing, would create

jobs and strengthen India's position in global value chains.

Judicial reform is yet another grassroots pillar. By introducing AI-enabled case management and fast-track commercial courts, India could aim to resolve disputes within months rather than years. A new version of the national single-window system would simplify approvals further. Importantly, judicial improvements would amplify the impact of other reforms. They are politically less contentious but carry high leverage, much like Poland's judicial efficiency reforms that unlocked economic dynamism.

Third, for the transformation of the economy over the long-term, India must push decisively for trade liberalisation and integration into global value chains. This may also entail tariff cuts with ASEAN and the EU, alongside extending PLI incentives to labour-intensive sectors. This would make exports more sustainable, but only if the institutional foundations of tier two are in place. Broader policy reforms that target energy security, distribution reforms, and the inclusion of the energy sector, specifically electricity and petroleum products, under GST will also have to be acted upon. Financial deepening would provide resilience against volatile foreign portfolio flows. Working to deepen and energise the corporate bond market could also help build domestic pools of capital.

India stands at a cusp, and the policy imperative is clear. Big-bang reforms can draw capital, but structural reforms will ensure it stays and even grows the pie. The world is watching whether Indian can match ambition with execution.

The writer is group chief economist, I&T Views personal

No country can erect walls high enough to keep disease out



GAUTAMI MENON

THE MV *Hondius*, a Dutch-flagged ship, left the southern Argentinian port of Ushuaia on April 1 to return to Europe. It had passengers and crew members from over 20 countries. The passengers included an elderly Dutch couple who had travelled in Chile and Argentina before boarding. The man, 70 years old, was the first to die on the ship on April 11. He'd complained initially of a fever, headache, and diarrhoea, which soon morphed into acute respiratory distress. His wife fell ill shortly after leaving the ship, collapsing at an airport in Johannesburg, and died shortly after in a local health facility. Meanwhile, on the ship, a British national had similar difficulties in breathing as the Dutchman. He was evacuated to an ICU in South Africa. On May 2, a German woman died on board the ship. She had been unwell for only five days. On the same day, tests conducted in South Africa confirmed a viral infection, from a virus called the hantavirus, in the British man. On May 4, tests confirmed such an infection in the German woman.

This virus, which causes fever, fatigue, nausea, and breathing difficulty, is typically contracted through contact with rodent droppings and urine. Although infections are rare, the fatality rate ranges between 30 and 50 per cent. The hantavirus strain involved in this outbreak, the Andes strain, is the only version of the virus known to be transmissible between humans. There is no known cure or vaccine. On May 3, the MV *Hondius* reached the vicinity of Cape Verde. Three passengers presented with high fever and/or gastrointestinal symptoms, including the doctor who had treated the first patient. On May 5, the Spanish Ministry of Health announced that it had agreed to allow the ship to travel to Spain's Canary Islands. The cruise ship is currently anchored in Tenerife in the Canary Islands, where its passengers are being evacuated and flown home.

What epidemiological lessons can we draw from the MV *Hondius*? First, international collaborations, communication, and coordination remain crucial to global health, even as international health agencies come under increasing pressure. The US officially withdrew from the WHO

in January 2026, terminating all funding and related in-kind support.

Technical cooperation and information sharing between US agencies such as the CDC and the WHO continue for the moment. But the US response also takes account severe cuts in American public health research infrastructure. Many grants focused on infectious diseases and pandemic preparedness have been cut. Reinstating these, even if the government wanted to, will take time. And it deprives the world, at least at the official level, of the substantial experience that could be contributed by the US.

The strain of the hantavirus has been sequenced. It is known to vary from a sequenced strain from an outbreak dating to about a decade ago, where spread required prolonged in-person contact. These changes are a cause for worry, but it's too early to speculate. It is generally assumed that patients infected by the hantavirus will become infectious only once they begin to exhibit symptoms, but this might itself be incorrect. The WHO recommends strict isolation and quarantine of those who are travelling on the ship, and tracking of those they may have contacted. The quarantine time indicated is six weeks. Not everyone will disembark in Tenerife: Some 30 crew members will stay on board to take the cruise ship back to the Netherlands. Whether the two Indians from the crew will be part of this group is unknown, but it is likely that they will be quarantined for the mandated period. There are no risks to India directly, an offshoot of the fact that outbreaks on ships are most easily prevented from spreading if handled correctly.

Outbreaks of infectious disease, such as the hantavirus, remind us that in an interconnected world, we cannot erect walls high enough to keep every such disease out. The way out lies in global cooperation, in transparency, and indeed in governments funding global health agencies at the level they require to perform their essential roles. The US should not be our exemplar in this regard.

The writer is professor of Physics and Biology at Ashoka University. Views expressed are his own and do not represent those of his institution

In Kerala, the popular choice has prevailed



KESAVA MENON

DEMOCRACY IS alive and healthy in Kerala. That was about the only good news to emerge at the end of the sordid 10-day drama in the Congress high command after the result of the 2026 Assembly election. It was the mass upsurge of the people that broke through the barriers of the party organisation to install V D Satheesan in the chief ministerial chair.

Satheesan is popular enough, but more than the people's liking for him, it was the rank outrage at the injustice being perpetrated that fuelled the surge of emotion in his favour. From the time he took over as the leader of the Opposition in the Legislative Assembly five years ago, Satheesan has been at the forefront of the confrontation with the LDF. He dug out shortcomings in the government's functioning and relentlessly wooed back to his party's fold social sections that had broken away. Most commendably, he did this without pandering to organisations that have held UDF governments to ransom for far too long. Satheesan was clearly the leader of Team UDF, acknowledged by other alliance partners, especially the Indian Union Muslim League. Satheesan had been so confident that he predicted that his alliance would get over 100 seats in the 140-member House. It got 102, and the magnitude of the victory — eliminating the fear that infighting could culminate in a loss of power — seemed to stoke the rivalry for the top post.

Of the two who emerged as the main rivals to Satheesan, Ramesh Chennithala at least had a solid claim. He was the senior-most of the three and the most experienced in party and administrative matters. This was the last chance for him to collect on dues paid since power had passed to the next generation. If Chennithala had been chosen, both the masses and Satheesan would likely have acquiesced.

It is doubtful whether either Satheesan or Chennithala would have countenanced K C Venugopal pipping them to the post at the last minute. Yes, the AICC general secretary did campaign vigorously. He is also believed to have been instrumental in getting leaders from outside the state to pop in and boost the profiles of candidates. But Venugopal was an integral part of the high command that set the principle of banning MPs from contesting the Assembly polls. After the election, this MP suddenly presented himself as a candidate for the leadership of the legislature party. The loophole was the prior, though *pro forma*, announcement that the MLAs-elect would choose their legislature party leader. This should have been a formality since UDF voters had quite clearly indicated that only Satheesan and Chennithala figured in their considerations. However, it appeared that several legislators, maybe even a majority, wanted Venugopal. It was also widely bandied about that Venugopal had helped many of them shore up their campaign funds. All the sequel of India's current politics was suddenly on display.

The grounds well against all this could be sensed by people living in the state. In conversations, including with LDF supporters, there could be no mistaking the rage.

Menon, a journalist who was once based in Pakistan, is the author of Never Tell Them We Are The Same People: Notes On Pakistan

40 YEARS AGO May 15, 1986



PM in Africa

THE PRIME MINISTER, Rajiv Gandhi, and the Zambian President, Kenneth Kaunda, held discussions in Lusaka on the situations in their neighbourhoods. It was decided that Zambian PM Musokotwane would lead a delegation of economic experts to India shortly to explore possibilities of expanding economic co-operation. The meeting took place shortly after the PM and Sonia Gandhi returned from a visit to the Victoria Falls.

USSR's n-test moratorium

THE SOVIET Union has extended its nuclear

test moratorium on nuclear tests till August 6, CPSU general secretary Mikhail Gorbachev announced. Gorbachev said he was prepared to meet US President Ronald Reagan in any capital of Europe to reach an agreement on banning nuclear testing. "The accident at Chernobyl showed again what an abyss will open if nuclear war befalls mankind," Gorbachev said.

India Gandhi murder case

THE DELHI High Court rejected the defence plea that the hearing of the appeal of the convicts in the Indira Gandhi murder case by a three-judge bench was unconstitutional.

'Loan mela'

"LOAN MELAS" at one time were gimmicks at which Congress (I) politicians distributed cheap loans to the poor and picked up a bit of goodwill along the way. Today, a far more invidious loan mela has been unearthed. This one does not concern itself with a few hundred or thousand rupees each to poor families for a buffalo or a cow. It has to do with crores of rupees smuggled from banks in an ingenious and brazen scheme to divert public funds to private ends. If it has to be given a name, the most suitable would be "The Reliance Loan Mela".

DIS/AGREE
THE BEST OF BOTH SIDES

A weekly column, which offers not this-versus-that, but the best of both sides, to inform the debate

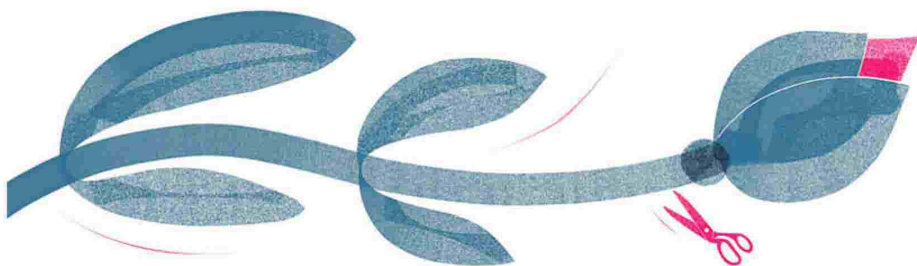


ILLUSTRATION: C.R. SASKUMAR

As Court takes lead in expanding abortion rights and reproductive autonomy, is legislature lagging behind?

Court shows the way, law must follow



SNEHA BANERJEE

THE MEDICAL Termination of Pregnancy (MTP) Act, 1971, which was most recently amended in 2021, expanded the permissibility of abortions from 20 weeks up to 24 weeks of gestation. Beyond this limit, petitioners have approached the courts for permission and in many instances medical boards and doctors have opposed the requests. In two notable cases this year, the Supreme Court (SC) has permitted abortion beyond 24 weeks with explicit observations upholding women's reproductive autonomy. With the repeated necessity of court intervention, it is time that legislative guarantees towards the right to reproductive autonomy were expanded for late-term abortions.

The most recent case where the SC overruled a Delhi High Court (HC) judgment involved a 15-year-old who conceived through a consensual relationship with a 17-year-old and was not aware of it. On the initiative of the minor's mother, a medical consultation revealed a pregnancy at 27 weeks. What followed was an order to access abortion after approaching the Delhi HC, which eventually denied permission based on the recommendation of a medical board at the All India Institute of Medical Sciences (AIIMS). One of the grounds for the medical board's recommendation was that the minor had no psychiatric disorder. However, the fact that her "psychological and emotional well-being" was so compromised that she was driven to multiple attempts at self-harm was disregarded. The SC rightly paid heed to this important aspect in its ruling. Surely, women's agency need not be scrutinised in such a manner in every case that reaches the courts. It is imperative that the law expand its provisions to sensitively acknowledge the psychological burden of an unwanted pregnancy and facilitate access to safe abortions.

The case led to a curative petition by AIIMS. The SC remained steadfast in its position that women cannot be compelled to carry an unwanted pregnancy to term. Their reproductive autonomy cannot be pitted against that of an unborn fetus who gets "too much focus...and not the mother". Establishing norms for "termination of pregnancy" by "medical or surgical methods", the law in India recognises the necessity of healthcare supervision. However, it is noteworthy that the

SC reminded AIIMS that it should "just...render medical service" and cannot "choose for the citizens" who must be given an opportunity to "take an informed decision".

In late-term abortion cases, a contentious issue that emerges is the mode of termination, which involves preterm birth. This leads to moral concerns around the "viability" of that fetus and apprehensions of possible "foeticide". The contrarian argument is that the pregnancy should be carried to term instead, and the child be relinquished by the mother, and given up for adoption. The SC has held that "that cannot be the correct approach" whereby the pregnant woman is rendered "subordinate to the child yet to be born". In most such cases of projected "viability", there is a need for active intervention to resuscitate upon birth. The medical board noted this in the most recent case as well.

It is important to question the constitutional grounds on which withholding resuscitation in case of an unwanted pregnancy is equated to "foeticide" by medical boards. Asking a woman who is dealing with an unwanted pregnancy to give birth and give the child away for adoption amounts to compounding her trauma. First, adoption rates in India are very low, with an abysmally low number of children getting adopted out of the lakhs in the state's institutionalised care. To expect someone to decide to give away their child in this context is extremely unfair. Second, even if adoption can be facilitated smoothly, a woman may not choose to live with the knowledge that she relinquished a child born out of an unwanted pregnancy. It must be recognised that those who request a late-term abortion do so in distress caused by an unwanted pregnancy they could not terminate within the permissible duration for reasons beyond their control. In the two recent cases, the minors were not aware that they were pregnant in the first place.

The MTP Act seeks to recognise "anxiety" and "grave injury to the mental health of the pregnant woman" in cases of contraceptive failure and rape. The length of pregnancy is not an obstacle for termination at any stage in case of the detection of fetal abnormalities. Moreover, in view of the SC rulings upholding reproductive autonomy as a fundamental right, it is imperative that legislative guarantees be amended to this effect. It is necessary, therefore, to bolster a legislative approach where women's anguish caused by unwanted pregnancies can be adequate ground to set aside gestational limits.

The writer is assistant professor, Department of Political Science, University of Hyderabad. Views are personal



CHARU PRAGMA

A 15-YEAR-OLD rape survivor. A pregnancy past 30 weeks. A mother approaching the Supreme Court in desperation. When the Court permitted the termination, the case became, almost instantly, a referendum on abortion law. Activists celebrated the judiciary, Parliament, by implication, stood accused of silence, of abandoning women to the courts. I understand that reaction. I do not agree with it.

In the ongoing pro-life vs pro-choice debate, I believe the Government of India has, on balance, got this right. The legislation as it stands is not the obstacle. The problem lies elsewhere, in implementation, in access, and in our collective unwillingness to engage honestly with what late-stage termination actually involves, medically and ethically. The Medical Termination of Pregnancy (MTP) Act of 1971 was enacted at a time when safe, legal abortion was not available to women in much of the democratic world and abortion remained criminalised in most developed countries. The United States was still two years away from *Roe v. Wade*. The United Kingdom had only just begun implementing its own liberalisation. India moved early, driven by a stark reality: Criminalising abortion was killing women. An estimated 9,30,000 abortions occur annually among adolescents in India, with around 78 per cent being unsafe. Approximately 8-13 per cent of maternal deaths are attributed to unsafe abortions.

The legislature acted again in 2021. The amendment extended the gestational limit to 24 weeks for specific categories of women — rape survivors, minors, those facing foetal abnormalities, women confronting changed circumstances mid-pregnancy. Twenty-four weeks is nearly six months into a pregnancy. In most situations, it is enough time for medical examinations, counselling, second opinions, and reflection. But pregnancies are not always emotionally linear experiences. Parliament recognised this complexity. It also explicitly included unmarried women, correcting a gap in the original law, and strengthened confidentiality protections, ensuring that seeking an abortion did not expose a woman to further harm. The intent was stated plainly: All women, irrespective of marital status, should have access to safe abortion within the legally allowed timeframe, with dignity, autonomy, confidentiality, and justice. This is not the referendum that has abandoned women.

The expulsion procedure of a foetus becomes significantly more difficult once the bones are formed, posing serious and documented risk to the mother. These are not bureaucratic hurdles invented to obstruct women. They are medical realities, and any honest conversation about late-stage abortion must reckon with them. Foetal viability is the other reality that cannot be overlooked easily. Medical science has advanced dramatically. Premature infants born at seven months today are mostly capable of going on to live healthy lives with proper neonatal care. This complicates the moral and legal debate around very late-stage termination.

This does not take away from a woman's right to decide, but it does make the choice more layered, more consequential. Medical-board approval for pregnancies past 24 weeks is not gatekeeping for its own sake. It is a recognition that in this stage, two lives are in the room. In the Indian context, a fetus even in the womb is referred to as a "jeev", a life. That spiritual dimension of this debate cannot be dismissed as regressive. The law consistently affirms the weight we place on every life. The 24-week framework is, in that sense, the most honest balancing act available between being pro-life and pro-choice.

Every right comes with a cap. The right to terminate a pregnancy is no different. It must be tempered with medical caution, particularly as gestational age advances and the risks to the mother herself become genuinely serious. This is precisely what the amended law sought to reduce by bringing women out of illegal clinics and into regulated medical care.

The cases that reach the Supreme Court are exceptional by definition. But such cases are not evidence that the legislation has failed. They are evidence that the framework is working, with the courts stepping in at the margins where human tragedy outpaces the written law.

In fact, the very reason the Supreme Court could intervene at all was because Parliament had already created a legal and medical framework capable of accommodating complexity. The judiciary was not operating outside the law, it was interpreting the law in an extraordinary factual situation. That distinction matters.

What we need today is not a new law but medical boards that function without delay; trained practitioners in every district, not only in cities; the existing law implemented as Parliament intended, not filtered through institutional hesitance or social stigma at the grassroots level.

The legislation is not the problem.

The writer is a lawyer and national media panelist, BJP

After West Bengal poll, a slippery slope, need for a People's Commission



DESHKAAL
BY YOGENDRA YADAV

SCIENTISTS CALL it phase transition. They mark it at a point where an object suddenly changes its state on crossing a threshold — water freezing into ice, or boiling into steam, for example. Elections in West Bengal and Assam mark a similar phase transition from doubtful to dubious elections.

Now, complaints about electoral irregularity in our system are as old as our elections. But this routine cacophony of disquiet that dominates any functioning democracy elided a fundamental shift in the nature of our unease with the practice of elections. We began by questioning the nature of Westminster-style representative democracy. Then we focussed it down to electoral system design — first past the post or proportional. From here, we slid further into a passionate debate about a yet narrower issue — the nature of candidates and campaigning. Over the last few years, our debates have revolved around the bottom issue of electoral integrity — polling and counting irregularities.

It is not that allegations of polling and counting irregularities were unheard of in the past. Yet these were scandals, noticed and debated precisely because they were exceptions. Indian elections were held up as a model of feasible electoral democracy in post-colonial countries as almost all the elections passed a minimum threshold of integrity. In the last instance, electoral outcomes reflected popular will. There are just a handful of exceptions to this rule — assembly elections in Punjab in 1992, J&K in 1987, Assam in 1983 and West Bengal in 1972. You could add some more elections in J&K and Nagaland to this list. These were the exceptions, not the norm.

Now we are witnessing a shift in the norm. This is where the concept of "phase transition" becomes relevant. For the first time, we are looking at a string of elections where you can debate whether the overall outcome reflected popular will. Having watched elections for over four decades, I still cannot make sense of the final outcome in the assembly elections of Madhya Pradesh in 2023 and Haryana as well as Maharashtra in 2024. To be fair, no one has, as yet, clinching proof. In the absence of any visible traces, we did not know where and how to find out. These remained doubtful elections.

The recent elections in Assam and West Bengal changed this. To be fair, Mamata Banerjee and Rahul Gandhi's allegations of "election chori" in both these states are still allegations waiting for proof. My own impression is that Congress would have lost Assam even if there were no irregularities. It is harder to say that about West Bengal, but it is undeniable that there was a lot of popular disaffection against the incumbent TMC government in the state. So, it is not that we now have incontrovertible

proof of the overturning of the popular mandate. What we have, now, is clear evidence of electoral manipulation that can be traced and documented. We can keep debating the quantum and impact of these manipulations, but cannot deny that we are now in the zone marked "dubious". If we do not draw the line here, we could be saying goodbye to electoral democracy as we have known it.

The delimitation of constituencies in Assam was not simply a case of selective gerrymandering in some seats. This was about the ECI carrying out a brazenly partisan and communal redrawing of electoral boundaries so as to tilt the electoral balance in favour of the BJP. The ruling party began the elections with an advantage of 20-30 seats. Reduction of about 20 assembly constituencies where Muslim or Alam voters were decisive and addition of about 10 seats where Bengali Hindus or Bodos were now decisive. This systemic manipulation in Assam and a similar exercise in J&K now threaten to become a template for the next nationwide delimitation.

West Bengal is an instance of multiple organ failure of electoral integrity. This failure is obfuscated by an excessive focus on the SIR and then on the exact impact of the SIR on the final outcome. Just as the debate on electoral reforms has narrowed down, so has the debate on the SIR — from a claim that it led to no wrongful deletion to a plea that the wrongful deletions were not targeted, and now to an argument that targeted deletions were possibly less than the final margin of victory. The last point can be settled. The case that the BJP would have lost elections but for the SIR rests on treating all 91 lakh deletions as suspect. Such a reading casts doubts on the final outcome in 158 seats, of which the BJP won 105. So far, the available evidence supports a more modest claim of 26 seats that the BJP may have won due to the most dubious deletion of 27 lakh names.

That, however, is not the most consequential issue. The real issue for those concerned about electoral integrity is whether West Bengal presents a case of partisan curbing of the voters' list at a scale that could alter the nature of party competition. The real issue for those concerned with a modicum of transparency is where and how we get basic information on how this curbing took place. To those who still remember the Model Code of Conduct, the real question is whether the ruling party can flout it and the law of the land, to openly use hatred as campaign strategy. To those who believe in the fiction of free and fair elections, the real question is whether the ECI can act as an arm of the ruling party, whether yesterday's umpire can overnight become the winning team's player.

We do not know where to look for redressal. The ECI is compromised. The Supreme Court has been a spectator so far. Perhaps we need a People's Commission to bring out the truth. We don't know if that would work. All we know is that we cannot keep walking down this slope any further. It is already too late. But if we miss this phase transition, there may be nothing left to recover.

The writer is member, Swara India, and national convener, Bharat Jodo Abhiyan. Views are personal

LETTERS TO THE EDITOR

Public legitimacy

THE CONTROVERSY around West Bengal's new Chief Secretary goes beyond one appointment ("Chief Secretary and a chief challenge", IE, May 14). It brings an older anxiety about the blurring of lines between bureaucracy, politics and electoral oversight. The Election Commission's Special Intensive Revision has already faced criticism over transparency and voter scrutiny. In such a climate, even procedurally valid decisions risk losing public legitimacy. The Supreme Court has repeatedly stressed that constitutional offices must inspire confidence across party lines. When governance begins appearing politically choreographed, institutional trust becomes the first casualty.

—Havya Garg, Chandigarh

A NEW government seeking to distinguish itself in 15 years of politicised bureaucracy must be especially careful about such appointments ("Chief Secretary and a chief challenge", IE, May 14). The concerns around voter deletions in Muslim-dominated con-

stituencies and the linking of welfare access to CAA applications are serious and warrant judicial scrutiny. West Bengal's new dispensation has a genuine opportunity to rebuild institutional trust. It must not squander it at the very outset.

—A Mylami, Coimbatore

Cervical cancer

THE DISPARITY between Tamil Nadu's screening rate of over 10 per cent and Assam's 0.2 per cent tells the real story ("Close cervical cancer gap, focus on equity", IE, May 14). Cervical cancer is preventable, yet it continues to kill roughly 80,000 Indian women annually — largely because access to vaccination and screening remains deeply unequal. The HPV vaccination programme is a welcome step, but uneven participation limits its impact. Community health workers, particularly in rural and marginalised areas, must be central to outreach. Adding HPV nucleic acid testing to the national diagnostics list would be a meaningful and overdue policy intervention.

—Sakunthala, Coimbatore



SRIATH SRIDHARAN

WHILE EVERY industry and management association worth its reputation and public relations machinery would applaud PM Narendra Modi's recent call to consider remote work as part of national resilience amid geopolitical instability and fuel uncertainty, the larger question lies elsewhere. As a nation aspiring to remain a serious global investment destination, India repeatedly celebrates its demographic dividend, youthful workforce, and digital capabilities. Yet the uncomfortable question before every promoter, chief executive, board member, and HR leader in corporate India is deceptively simple: Do companies trust their employees enough to allow them to work from anywhere?

Much of the country's managerial culture still operates within the psychological architecture of an industrial past, where productivity was historically associated with physical visibility, centralised supervision,

PM says work from home. But can you?

and tightly controlled workplace hierarchies. Those assumptions emerged from factory era models of labour and production. Large segments of India's modern economy now function through knowledge networks, cloud infrastructure, collaborative technologies, and digitally distributed intelligence. Gen Z employees increasingly value flexibility, mobility, and greater control over work-life structures. Yet large sections of senior management continue viewing such expectations through a moral lens. Conversations around burnout, mental health, and work-life balance were treated as peripheral concerns until the pandemic forced companies to confront them directly.

Even today, many senior professionals casually dismiss younger employees as psychologically fragile or insufficiently resilient. Such judgements ignore the scale of disruption shaping contemporary careers and livelihoods. Over the past decade alone, technological transformation, platform economies, automation, economic volatility, and now generative AI have radically altered assumptions around professional stability and long-term employability. The pandemic

demonstrated that substantial sections of India's formal economy could sustain continuity through distributed operational systems for prolonged periods. Yet once the immediate health emergency receded, most corporations moved aggressively toward restoring conventional workplace structures.

The future of work will demand greater sophistication in managing distributed talent, asynchronous collaboration, digital accountability, and productivity architectures operating across flexible environments. India's metropolitan regions already absorb enormous economic costs through congestion-heavy commuting patterns involving fuel consumption, lost productivity hours, and transport inefficiencies. As India urbanises at an extraordinary speed and its major cities grow denser, questions of commute sustainability and productivity architectures that no longer remain peripheral to economic planning or workplace design.

The resistance to reimagining work also appears increasingly inconsistent with how rapidly Indian society has already adapted to behavioural and technological change in nearly every other sphere of life. Over the

past decade, consumers shifted from physical retail to e-commerce, from cash with draws to digital payments, from standing in queues to app-based services, and from paperwork-heavy transactions to instant digital interfaces.

Indians today comfortably shop, bank, invest, learn, entertain themselves, and increasingly access healthcare through distributed digital ecosystems. Yet when it comes to knowledge work, many organisations continue to behave as though productivity remains inseparable from physical proximity and office attendance. The contradiction is becoming harder to defend in an economy that otherwise celebrates digital transformation as a marker of modernisation and efficiency.

Corporate India now faces an uncomfortable but necessary question: Is it prepared to reinvent the workplace for the future, or will it continue managing a digital economy through the psychological architecture of an industrial past?

Sridharan is a corporate advisor and author of Family and Oanda

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

• GEOPOLITICS

PM's Europe trip: New alliances for new uncertainties

Shubhajit Roy
New Delhi, May 14

PRIME MINISTER Narendra Modi is headed to Norway for the third India-Nordic summit. He will then visit the Netherlands, Sweden and Italy. The visit and the summit were planned in mid-May last year but were postponed after Operation Sindoor.

The PM's trip is part of India's push to deepen ties with Europe, a process that has been on for a few years now and resulted in the India-EU Free Trade Agreement (FTA) this year. In contrast to US President Donald Trump's unpredictability, Europe has positioned itself as a reliable partner, shedding its past hesitations in engaging with India. New Delhi too has warmed up to Europe as it looks for capital for investment, destinations for its people, and technology to power growth — reflecting strategic realism.

Next month, PM Modi will head to France for the G7 summit. With the Iran war adding to global uncertainties, this engagement assumes greater significance.

India-Nordic Summit, Oslo (May 19)

The first India-Nordic summit was held in Stockholm (2018) and the second in Copenhagen (2022), bringing together leaders of India, Norway, Sweden, Denmark, Finland and Iceland. Only the US holds an equivalent summit-level engagement with the Nordics.

The trade and investment logic is important, as India-Nordic trade in goods and services touched \$19 billion in 2024 (exports \$9.4 billion, imports \$9.6 billion). Over 700 Nordic companies operate in India, while 150 Indian companies are present in the Nordic region.

The summit is expected to boost Make in India investment flows and attract Nordic capital, reinforced by the India-EU FTA, and the India-EFTA Trade and Economic Partnership Agreement with the European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland), which came into force on October 1, 2025.

Each Nordic country brings distinct strengths — Sweden in industrial innovation and defence; Denmark in maritime and green technology; Norway in blue economy and Arctic; Finland in digital technologies; Iceland in geothermal energy. The Nordic countries have consistently supported India's Permanent Membership in a reformed UN Security Council. Both sides also share a strong alignment on Indo-Pacific security, Arctic governance, climate action and the rules-based international order — all important elements of cooperation in the face of an unpredictable US and a rising China. In addition, all the countries have ageing populations, opening up opportunities for Indians to study and work there.

The Hague, Netherlands (May 15-17)

This is PM's second visit since 2017. The strategic and geopolitical context is that the Netherlands today engages India not as a market alone but as a major power. The Dutch ecosystem of frontier technology paired with India's scale of deployment defines a partnership of "innovation meets scale," visible most strikingly in semiconductors, water, hydrogen and maritime technology.

Gothenburg, Sweden (May 17-18)

PM Modi will visit Sweden after eight years. Sweden invests over 3% of GDP in R&D and ranks consistently among the top performers in the European Innovation Scoreboard. It has taken one of Europe's firmest positions on strategic de-risking from China. Saab is building its first Carl-Gustaf manufacturing plant outside Sweden at Jhajjar — India's first 100% FDI-driven defence manufacturing project. Sweden also hosts one of Europe's largest critical mineral deposits.

Oslo, Norway (May 18-19)

It is the first standalone bilateral visit by an Indian PM to Norway in 43 years. Defence and maritime cooperation are key pillars of India-Norway ties. Indian shipyards now hold 11% of the Norwegian Shipowners' Association order book. Norwegian tunnelling technology has powered the Char Dham railway project.

Rome, Italy (May 19-20)

PM Modi will visit Italy at the invitation of PM Giorgia Meloni, reaffirming a strategic partnership. Italy's championing of the India Middle East Europe Economic Corridor (IMEEC) as a founding member makes it the western anchor of the corridor. IMEEEC will ensure stability of supply chains and boost India's energy security.

• ECONOMY

Behind govt ban on sugar exports: Iran war, El Niño



HARISH DAMODARAN

TWO TERMS are spooking Indian policymakers with regard to agriculture: Iran war and El Niño. These also explain the thinking behind the government's decision to ban exports of sugar, notwithstanding the reasonably comfortable domestic availability of the sweetener for now.

The Directorate General of Foreign Trade (DGFT) Wednesday issued a notification placing exports of all raw, white and refined sugar in the "prohibited" category "with immediate effect till September 30, 2026".

In other words, no sugar — barring the 14,500-odd tonnes under preferential quotas at concessional duties to the European Union and the US — can go out of the country in the remaining part of the 2025-26 crushing year (October-September).

Supply situation

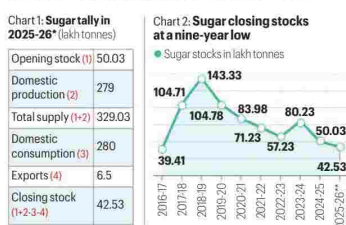
Indian mills are expected to produce 279 lakh tonnes (lt) of sugar in 2025-26. With opening stocks on October 1, 2025 at over 50 lt, the total supply of 329 lt would exceed the projected domestic consumption of 280 lt.

As far as exports go, the government had initially (on November 14) allowed 15 lt of shipments for the current sugar year (the sugar year runs from October to September). On February 13, it permitted an additional 5 lt of exports, taking the overall allocation for 2025-26 to 20 lt.

Out of the 20 lt, around 6 lt has already been shipped out of the country. Add to this another 0.5 lt now in ports, and the loading of which on vessels had commenced before the DGFT notification was published.

This would take the exports for the whole of 2025-26 to 6.5 lt. Deducting this,

• MEASURING INDIA'S SUGAR LEVEL



*The sugar year runs from October to September. **Industry estimates. Source: National Federation of Cooperative Sugar Factories Ltd. Note: Complete chart on indianexpress.com

along with the 280-1t domestic consumption, from the total availability of 329 lt will take the closing stocks as on September 30 to 42.5 lt (see chart 1).

This closing stock level would be the lowest since the 39.4 lt of the 2016-17 sugar year (see chart 2). That, by itself, shouldn't be cause for concern, as it is equivalent to about 1.8 months of domestic consumption, which can comfortably cover the country's requirement through Diwali in early-November. Mills would, moreover, start crushing for the next sugar year from November.

Taking no chances

This raises the question: Why has the Union government banned sugar exports, moving from the "restricted" (that is, subject to quantitative caps) to the outright "prohibited" category?

There are three reasons. The first has to do with El Niño — an abnormal warming of the waters of the central and eastern equatorial Pacific Ocean that leads to increased evaporation and

The govt already faces worries over fuel, fertiliser and food inflation. It would not want any potential sugar shortage to add to these concerns



Farmers in Uttar Pradesh plant sugarcane during February-April. It becomes ready for crushing in 11-12 months. ASHWINI SAHA/FILF

cloud-formation activity around South America, while depriving India, Southeast Asia and Australia of convective currents. El Niño is generally associated with sub-normal monsoon rainfall and higher-than-average temperatures in India.

Most global climate models are forecasting that a "weak-to-moderate" El Niño will emerge towards July, which can affect rains in the second half of the four-month southwest monsoon season (June-September). The models also suggest that the El Niño will persist till at least the end of 2026, with a significant probability of turning into a "strong-to-very strong" event.

"The impact of a poor monsoon won't be felt much in the coming sugar year. There's no dearth of water for the cane that is standing in the fields now and would be crushed in 2026-27. The problem will be for the crop that is planted for the 2027-28 sugar year," said a Maharashtra-based miller.

Farmers in Uttar Pradesh plant sugarcane during February and April. It becomes ready for crushing in 11-12 months. In Maharashtra, roughly 75% of the cane is

accounted for by a 15-month "pre-seasonal" crop planted during July-December. The balance 10% and 15% comprise an 18-month "adsali" (April-June) and a 12-month "suri" (January-February) planting respectively.

It is the new cane that farmers have planted or will do so from July — for crushing only next year — which would bear the brunt of El Niño.

This crop can also suffer from a shortage of fertilisers due to the ongoing West Asia supply crisis. And that links up with the second reason for the decision to ban exports — sugarcane requires high doses of fertilisers, in addition to water, for optimal growth and yields.

The third reason is stocks. Sugar mills are supposed to file "P-II" forms before the tenth of every month, furnishing data on the stocks held by them at the start of the month. Based on this data filed online, the Department of Food and Public Distribution allocates "releases" of quota of sugar for each mill to sell in the whole of that month.

"The government is not sure if all mills are actually holding the quantity of stocks declared in their monthly P-II returns. Such mills may have monthly release quota, but not the corresponding physical sugar to sell," said the miller quoted earlier.

Either way, the government does not want to risk any prospective shortfall in sugar, adding to its worries over fuel, fertiliser and food inflation.

Buy the export ban per se may not help. Ex-factory prices of sugar are at Rs 38-38.5 per kg in Maharashtra and Rs 40-40.5 in Uttar Pradesh. In comparison, export prices of Indian white sugar loaded onto ships are about Rs 41 per kg, and Rs 34 per kg for raw sugar. With bagging, transportation and port handling charges at Rs 2.5/kg, the ex-factory realisations from exports would be lower than realisations from domestic sales.

The absence of price parity already limited the quantity of sugar that could be exported from India. The ban shuts that window altogether.

• HEALTH

What is PCOS and why does renaming it to PMOS matter?



EXPERT EXPLAINS
DR GARIMA KACHHAWA

PROFESSOR OF OBSTETRICS AND GYNAECOLOGY AT AIIMS, DELHI

FOR YEARS, the term Polycystic Ovary Syndrome (PCOS) has been widely used to describe one of the most common hormonal conditions affecting women of reproductive age. In this condition, the ovaries produce excess androgens (hormones that regulate masculine characteristics), commonly leading to irregular periods, ovarian cysts, acne, weight gain and fertility difficulties.

But many experts have long argued that the name was incomplete, even misleading. By focusing only on the ovaries, it failed to capture the full spectrum of metabolic, hormonal, reproductive and psychological challenges associated with the condition.

That understanding has now prompted a major global shift in medical terminology. After a landmark global effort led by Monash University, PCOS will now be called Polyendocrine Metabolic Ovarian Syndrome (PMOS), which better reflects the condition's complex, multisystem nature.

Dr Garima Kachhawa, professor of obstetrics and gynaecology at All India In-

stitute of Medical Sciences, Delhi, tells Rinku Ghosh that "the shift underlines the need for women and clinicians to look beyond reproductive symptoms and recognise the broader health risks linked to the disorder".

For years, what doctors called "cysts" actually represented a hormonal complication. Normally, during each menstrual cycle, several follicles start growing in the ovary. One of these becomes the dominant follicle, which matures fully and releases an egg (ovulation). The remaining follicles naturally regress.

In what was traditionally called PCOS, that maturation process gets disrupted. Instead of one follicle fully developing, many follicles stall midway. They remain small and immature rather than progressing to ovulation. These are called arrested follicles. On an ultrasound, these immature follicles often appear as multiple small, round fluid-filled structures around the ovary. Hence the misconception, according to Dr Kachhawa. Excerpts from an interview:

What does the renaming of PCOS to PMOS signify, and why was this change considered necessary?

The renaming of PCOS to PMOS reflects the understanding that the condition is a multisystem disorder, involving endocrine, metabolic, reproductive, psychological and dermatological features.

The term PCOS focused mainly on the ovaries and did not adequately represent the broader nature of the condition. The new name, PMOS, will be introduced globally over the next three years.

Improving detection

Experts estimate a PMOS prevalence of around 16 to 18% in India.

The new name may aid awareness that the condition includes important metabolic and hormonal aspects, beyond the ovaries.

It could encourage earlier screening for obesity, diabetes, hypertension and other metabolic complications.

How is PMOS different from the traditional understanding of PCOS?

PMOS highlights its multisystem nature, including metabolic features such as obesity, dysglycaemia (abnormal blood sugar level), Type 2 diabetes, hypertension, dyslipidemia (high bad cholesterol and triglyceride levels), metabolic dysfunction-associated steatotic liver disease (MASLD) or fatty liver, cardiovascular disease and sleep apnoea. The symptoms are many.

Reproductive features could manifest as ovulatory dysfunction, irregular menstrual cycles, infertility, pregnancy complications and increased risk of endometrial cancer. Psychological features are depression, anxiety, poor quality of life and eating disorders. Dermatological features are identifiable as acne, thinning scalp and facial hair.

Why do experts say the term PCOS is misleading for patients and doctors?

The term was misleading because many women with PCOS do not actually have ovarian cysts, though they may have looked like that in an ultrasound scan. But labelling these cases as PCOS delays diagnosis and hinders effective communication between patients and health professionals. This results in patient dissatisfaction with care.

Will the new name change how the condition is treated?

The new name will not immediately change diagnostic criteria or treatment protocols. Existing treatment plans remain valid unless symptoms or health risks require reassessment.

However, it may help women better

understand that the condition extends beyond the ovaries and includes important metabolic and hormonal aspects.

It may encourage clinicians to adopt a more comprehensive approach to patient care by placing greater emphasis on screening for blood sugar, cholesterol, blood pressure and other long-term health risks, lifestyle modification, and multidisciplinary management alongside reproductive concerns.

What does this renaming mean for awareness and management of the condition in countries like India?

In India, where the prevalence of PCOS is high, the nomenclature could encourage earlier screening for obesity, diabetes, hypertension, and other metabolic complications, while promoting a more multidisciplinary and preventive approach to management.

How could this renaming help reduce stigma around the condition?

This could improve awareness among patients and healthcare providers, encourage earlier recognition of symptoms and reduce stigma associated with infertility, weight gain, acne and hirsutism.

The change carries particular significance for India, where experts estimate the prevalence of the condition to be between 16% and 18%. Given the genetic predisposition of Indians to heart disease and diabetes, delayed diagnosis can mean years of unmanaged symptoms and missed opportunities to prevent complications like insulin resistance, infertility, gestational diabetes and cardiovascular risks later in life.

• GLOBAL

The rise of Xi Jinping loyalist Cai Qi and what it reveals about China's politics

Rishika Singh
New Delhi, May 14

After Landing in Beijing, US President Donald Trump walked alongside Chinese President Xi Jinping to greet a row of top officials. The first man to shake his hand was Cai Qi, 70, described in recent Western media reports as Xi's "right-hand" and the country's "second most powerful man".

For a country that reveals little information about how its all-powerful government works, and whose actions often directly affect the world, information about its power players offers a window into its workings.

And, if being present in the right rooms can be counted as an indicator of power, Cai makes the cut. He held a meeting with Prime Minister Narendra Modi during his 2025 visit to China, and attended the Xi-Trump meeting in South Korea later that year.

Old links to Xi

Shengyu Wang, a US-based research assistant at the Asia Society Policy Institute's Center for China Analysis, told The Indian

Express that Cai's current role is "considered one of the most sensitive positions in the Chinese political system and is traditionally reserved for someone who enjoys the leader's deepest trust".

Cai is the director of the Chinese Communist Party (CCP) General Office, described as chief of staff to Xi. He manages Xi's daily schedule, internal communication, the Standing Committee of the Central Politburo, travel arrangements, and the organization of major meetings and political events," Wang said.

Their ties go further back. Cai calls from the southeastern coastal province of Fujian. Xi was worked in Fujian for 17 years and posted with Cai. He has since promoted many officials from that period, informally known as the "Fujian gang". For long, such factions have influenced Chinese politics, with groups contesting against one another.

Rapid rise

Cai was on the public radar even before being appointed Fujian mayor in 2016. A report in China Daily, the CCP's English

• CAI QI'S WIDENING ROLE OVER THE YEARS

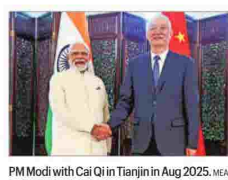
IN THE 1970s, Cai began his association with the Chinese Communist Party (CCP) in his home province of Fujian, mainland China's closest region to Taiwan.

SINCE 2022, he has been a member of the Standing Committee of the Politburo — the CCP's top political decision-making body.

SINCE 2023, Cai has also become director of the CCP General Office. He manages Xi Jinping's schedule, security and key meetings.

newspaper, spoke about Cai's "tens of millions of followers" on Weibo, China's equivalent of the social media platform X.

Wang said that Cai Qi's rise was "closely tied" to Xi, with a turning point in 2014 (Xi became the general secretary of the CCP in 2012). Under China's retirement rules, officials who do not reach ministerial rank by a certain age are expected to retire. But Cai



PM Modi with Cai Qi in Tianjin in Aug 2025. MEA

was appointed executive deputy director of the Office of the Central National Security Commission, with full ministerial rank.

The promotion, Wang said, brought him into "Beijing's core political and security apparatus... This strongly suggests that Xi already viewed Cai as a trusted ally and intended to elevate him further. Cai was then rapidly promoted to become Beijing

party secretary in 2017... he implemented Xi's priorities in the capital, including campaigns aimed at restructuring entrenched local interests and tightening political discipline." This trajectory also reflected "Cai's reputation as an effective political operator capable of carrying out Xi's agenda."

In 2022, Cai joined the top political body, the seven-member Standing Committee of the Central Politburo. Wang attributed Cai's perception as one of Xi's closest loyalists to his "unusually rapid promotions, his long-standing working relationship with Xi... and the highly sensitive positions he has been entrusted with over time, involving political security and internal party management".

Caution amid purges

Despite Cai's rise, Wang said he was "cautious" about identifying anyone as Xi's definitive "No. 2". Power within the Politburo is "fluid and shaped by Xi's own evolving political calculations. Different members oversee different portfolios, but their influence depends heavily on Xi's level of trust in them at a given moment. Xi

is also widely regarded as highly micromanager," he said.

The assessment comes as several leaders of the Fujian gang, and other loyalists, have been purged as part of a wider "anti-corruption" campaign under Xi. Prominent members include former admiral Miao Hua and He Weidong, former Vice Chairman of the apex military decision-making body, the Central Military Commission.

Wang said China has a history of trusted aides falling out of favour, including during the Mao Zedong era, when he purged two chiefs of staff after concluding that they "might be leaking information about his decision-making to other party elites".

In this context, claims of a "No. 2" leader deserve scrutiny. Chinese columnist Dang Yuwen recently argued in Foreign Policy: "Xi has deliberately eliminated any complete second-in-command in the real sense. Everyone is assigned a piece of power, but no one is allowed to form a center of power of their own... In a system without a true second-in-command, the person closest to the leader is the easiest to mistake for one."

ECONOMIC SAFEGUARDS

Finance Ministry has taken steps since the start of the West Asia war to ensure macro stability and trade facilitation. Here's a recap of the measures taken so far:



MARCH 8: Customs norms simplified when Indian export cargo had to return from international waters due to disruption in West Asia shipping routes. Requirements like sea arrival manifest, bill of entry were eased.

MARCH 10: Fees for amendment or cancellation of export documents were waived where consignments had to be withdrawn due to force majeure.

MARCH 17: Customs facilitation provided for export cargo affected by closure of the Strait of Hormuz. Cargo diverted to different Indian ports was allowed easier return.

MARCH 18: Special provision for Micro Credit Cards under Credit Guarantee Fund Trust for micro and small enterprises to support shopkeepers, small manufacturers facing short-term working capital pressure.

MARCH 26: Central excise duty on petrol and diesel cut by Rs 10/litre. Retail prices were not increased. Estimated revenue hit of over Rs 1 lakh crore in FY27.

MARCH 26: Export duty/cess levied on exports of petrol, diesel and ATF to discourage outward movement of these fuels and ensure domestic availability.

MARCH 27: Global transshipment of cargo from all ports and airports enabled in view of maritime route disruption to give exporters, importers flexibility.

MARCH 31: Special one-time SEZ relief window was notified from April 1 to allow SEZs to sell goods into the domestic tariff area at concessional customs duty to utilise idle capacity.

APRIL 2: Customs duty exemption given on critical petrochemical products till June 30 to ensure availability of key inputs for sectors like plastics, textiles, pharma.

APRIL 10: Stranded SEZ export cargo was allowed to be returned, stored or re-routed to cut cost and compliance burden for exporters.

APRIL 15: Re-entry norms eased for export containers that offloaded at foreign ports and returned to India. Where seals were intact and matched export documents, Customs gave nod to offloading without a fresh entry bill.

MAY 6: Cabinet approved ECLS 5.0 (Emergency Credit Line Guarantee Scheme) to support businesses facing working capital stress. It will provide credit flow of Rs 2.5 lakh crore, including Rs 5,000 crore for airlines.

MAY 12: Customs duty increased on gold, silver, platinum imports to conserve forex, moderate available imports, which will also help reduce pressure on rupee.

MAY 12: Bharat Maritime Insurance Pool launched with a sovereign guarantee of \$1.4 bn or Rs 12,980 cr for continuous maritime insurance coverage to ensure trade, fuel supplies and essential cargo movement if war-risk insurance becomes difficult or costly.

Rupee slips to record low near 96 per USD as energy risks deepen

Mumbai: The rupee fell to an all-time low Thursday, pressured by stubbornly high oil prices and persistent portfolio outflows that have strained the current and capital balances of Asia's third-largest economy. The currency fell 0.2% to 95.9575 per US dollar, eclipsing its previous record low of 95.7950 hit on Wednesday. It closed at 95.7625, down marginally from its previous close.

The currency trimmed losses after Bloomberg News reported that the country is considering a reduction in the taxes paid by foreign investors on the nation's bonds. REUTERS

SYMI, NV SUNSHINE CROSSINGS COME AHEAD OF BRICS FOREIGN MINISTERS' MEET

Two India-bound LPG tankers cross Hormuz

Sukalp Sharma
New Delhi, May 14

TWO LIQUEFIED petroleum gas (LPG) tankers bound for India crossed the Strait of Hormuz between Wednesday and Thursday.

Marshall Islands-flagged Syymi and Vietnam-flagged NV Sunshine are the first India-bound energy tankers to transit the strait in nearly two weeks.

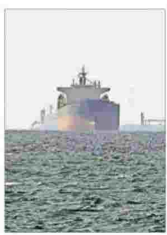
The crossings came just ahead of the BRICS foreign ministers' meeting in Delhi, in which Iran's Foreign Minister Abbas Araghchi is also participating. Ship-tracking data shows that both the ships are broadcasting Gujarat's Kandla port as their intended destination, although the Shipping Ministry said that NV Sunshine is headed to the New Mangalore port. It is not uncommon for ships to change destinations mid-voyage.

Syymi is carrying LPG from Qatar's Ras Laffan, while NV Sunshine picked up the fuel from the UAE's Ruwais refinery. EXPRESS PHOTO

to arrive at New Mangalore on May 18. The cargo on both vessels belongs to the country's largest refiner and fuel retailer Indian Oil Corporation.

India has been in talks with Iran to facilitate safe passage of its vessels and also that of India-bound foreign vessels carrying critical cargoes like LPG.

While a few Indian ships made their way through the strait over a weeks-long period starting mid-March, transits of Indian and India-bound vessels were badly hit after the April 18



Syymi carrying LPG from Qatar's Ras Laffan and NV Sunshine picked up fuel from the UAE's Ruwais refinery.

incident in which a couple of Indian ships were fired upon by Iranian forces as they attempted to cross the waterway.

Iran suddenly closed the strait on that day—within a day of announcing unimpeded vessel movements through the waterway—leading to confusion among vessels that had lined up to cross the chokepoint.

Subsequent blockades imposed by Iran and the US further constrained vessel movements through the strait.

Marshall Islands-flagged

ACROSS THE STRAIT

- Syymi is carrying 19,965 tonnes of LPG, and is expected to arrive at Kandla in Gujarat on May 16
- NV Sunshine is carrying 46,427 tonnes of LPG and is expected to arrive at New Mangalore on May 18
- The cargo on both vessels belongs to the country's largest refiner and fuel retailer IOC
- They are estimated to be carrying just under a day's worth of India's LPG consumption, but their transit springs hope for more energy supplies

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Subsequent blockades imposed by Iran and the US further constrained vessel movements through the strait.

Marshall Islands-flagged

LPG tanker Sarv Shakti was the last India-bound vessel to cross the strait on May 2. So far, 10 India-bound vessels—nine LPG tankers and one crude oil tanker—have crossed the strait since early March.

Additionally, a few foreign-flagged energy tankers had also arrived in India from the Persian Gulf after crossing the strait. Currently, there are 14 Indian vessels stranded in the Persian Gulf, and a number of others that are foreign ships but carrying cargo for India.

As per vessel tracking data, Syymi, which had turned off its location transponder, started transmitting its location from the Gulf of Oman on Thursday. It is likely that it exited the Persian Gulf by crossing the strait on Wednesday. NV Sunshine, on the other hand, had just crossed the strait when it stopped transmitting its location post midnight (India time). It began transmitting its location on Thursday afternoon from the Gulf of Oman.

While the two tankers are estimated to be carrying just under a day's worth of India's LPG consumption, their transit springs hope for more energy supplies making their way to India in the coming days.

Wholesale prices in India jumped 8.3% year-on-year (y-o-y) in April as against an increase of 3.88% in March as the impact of the West Asia war mounted sharply, with producers bearing the brunt of the cost.

As per the data released by the commerce ministry on Thursday, inflation based on the Wholesale Price Index (WPI) in April was the highest in 42 months, with energy-related items accounting for nearly three-fourths of the rise in inflation from March.

Wholesale prices of Aviation Turbine Fuel, or ATF, more than doubled in April from March, with naphtha, furnace oil, and bitumen seeing prices rise 67%, 46%, and 39% on a month-on-month (m-o-m) basis. Naphtha is used in a variety of industries, including plastics and paints. Bitumen is used to make roads.

Meanwhile, wholesale price of petrol was 24% higher in April compared to March, high-speed diesel 17%, natural gas 15%, kero-

April wholesale prices jumped 8.3%, most in 42 months amid war

Energy-related items accounted for nearly three-fourths of the rise in inflation from March

Siddharth Upasani
New Delhi, May 14

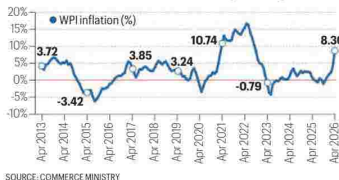
WHOLESALE PRICES IN India jumped 8.3% year-on-year (y-o-y) in April as against an increase of 3.88% in March as the impact of the West Asia war mounted sharply, with producers bearing the brunt of the cost.

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Wholesale inflation is at multi-year highs



SOURCE: COMMERCE MINISTRY

se 12%, and LPG 10%. Among common everyday items, the largest m-o-m price increases were seen for plastic tape (12%), aluminium foil (7%), plastic bags (5%), and cigarettes (5%).

The wholesale price numbers come two days after the statistics ministry released the retail data for April, which showed that Consumer Price Index (CPI) inflation rose very slightly to 3.48% y-o-y from 3.4% in March, as the Centre's effort to protect households from the West Asia energy price shock continued to bear results.

However, signs of producers passing on some of their highest costs to consumers have begun to emerge, with the price of dined out rising sharply in April compared to March.

"The first sign of the impact of war on the Indian economy has been seen in the WPI inflation number for April," said Madan Sabnavis, Chief Economist at Bank of Baroda. "While WPI inflation is not a target for

MPC, it is known that with a lag, these prices also get transmitted to the CPI component through higher input costs. Therefore, these numbers remain important for policy formulation. They also indicate the pressure that is being exerted on the government to raise prices at the retail end," he added.

As per Rajani Sinha, Chief Economist, CareEdge Ratings, the rise in wholesale inflation—which she expects will average 7.8% in FY27 as against 0.7% in FY26—raises the risk of second-round effects "gradually spilling into retail inflation." "So far, OMCs and the government have absorbed much of the rise in crude prices, but a prolonged period of elevated oil prices may lead to some pass-through to consumers. Additionally, concerns around a higher probability of an El Niño event this year pose upside risks to food inflation," she added.

FULL REPORT ON WWW.INDIANEXPRESSION.COM

How AI-focused GCCs are challenging traditional IT services

Soumyarendra Barik
New Delhi, May 14

INDIA'S GLOBAL Capability Centre (GCC) ecosystem is undergoing a rapid transformation, with multinational firms increasingly using their India centres not just for back-office operations but for AI development, engineering, research and global business functions.

A recent report estimates that India now hosts 2,117 GCCs employing 2.36 million professionals and generating nearly \$98.4 billion in revenue in FY26.

The report, prepared by IT industry lobby group Nasscom and consulting firm Zinnov, titled "The GCC Value Orbit", says the sector has expanded by 32% over the last five years, with more than 500 new GCCs and 1,000 additional units set up during the period.

However, despite the rapid expansion of GCCs, policymakers believe India still has fewer global decision-making and senior leadership roles than it would like.

While engineering, operations and product mandates have grown sharply, strategic control and top-level corporate authority continue to remain headquartered overseas.

The report reflects this gap, noting that only 5% of GCCs evolved into "transformation hubs" with CXO roles and functional sovereignty.

Analysts say India's next challenge will be moving beyond being a large execution and engineering base to be-

coming a location where multinational firms place more global business heads, AI leadership teams and enterprise-wide decision-making authority. GCCs are offshoring units set up by multinational corporations to handle strategic functions like technology, engineering, operations, finance, research and product development for their global business.

Initially established in India largely for cost arbitrage and back-office support, GCCs have steadily evolved into high-value innovation and engineering hubs, driven by the large technology talent pool and digital ecosystem. Many GCCs are now involved in AI development, cybersecurity, chip design, cloud engineering and enterprise transformation work for their parent companies worldwide.

It argues that India's GCC story is no longer about low-cost outsourcing. Instead, global firms are increasingly assigning India centres ownership over products, AI systems, platforms and business outcomes.

The report describes GCCs as evolving from "delivery engines" into "enterprise nerve centres".

AI is at the centre of this shift. The report said over 1,200 Indian GCCs have AI and machine learning capabilities, while over 250 operate dedicated AI/ML Centres of Excellence. India's GCC ecosystem also employs over 250,000 AI professionals, making it the world's second-largest enterprise AI talent base after the US.

FULL REPORT ON WWW.INDIANEXPRESSION.COM

Sunil Mittal maps path to restore Bharti Telecom's Airtel control

Urvi Malvani
Mumbai, May 14

Bharti Enterprises Chairman Sunil Mittal on Thursday said he hopes to pass the baton to the next generation over the next decade, but before that wants to restore Bharti Telecom's controlling stake in Airtel. Speaking during Airtel's FY26 earnings call, Mittal said his "cherished desire" was for Bharti Telecom to once again own more than 50% of Airtel over the next decade as the group prepares for an eventual leadership transition.

ADVANCE AUTHORISATION SCHEME

Govt caps duty-free gold imports

Mukesh Jagota
New Delhi, May 14

A DAY after hiking customs duty on gold, the government on Thursday put limits on the quantity of yellow metal that can be imported under a key export scheme without paying any duty.

Capping gold imports under the Advance Authorisation (AA) Scheme at 100 kg, coupled with tighter compliance and monitoring, aims to curb potential misuse of the export scheme after a higher import tariff increased arbitrage opportunities.

Earlier, exporters could import unlimited amounts of gold under the scheme without the payment of duty, for processing and re-export.

The duty-free import only puts an obligation for export within a defined timeframe.

Earlier, exporters could import unlimited amounts of gold under the scheme without the payment of duty, for processing and re-export.

On Wednesday, a public notice by Directorate General of Foreign Trade (DGFT) stated: "There is a high probability that the AA Scheme may be misused to import large quantities (of gold) immediately and take price arbitrage. In order to prevent any possibility of misuse of AA Scheme the fresh directions have been issued," according to the sources.

The DGFT said that in case of application for AA by a first time applicant, mandatory physical inspection of the applicant's manufacturing facility shall be undertaken by the regional authority concerned to verify the existence, capacity and operational status of the manufacturing facility.

Any subsequent AA for the import of gold will be considered only upon fulfilment of 50% of export obligation.

The AA holder will also have to submit a fortnightly performance report to facilitate effective oversight and compliance monitoring.

The Regional Authority shall submit a monthly consolidated report to DGFT headquarters containing details regarding the issuance of AA and corresponding export/import transactions of gold to enable centralised monitoring and policy oversight. FE

Air India registers \$2 bn loss in FY26

Reuters
New Delhi, May 14

AIR INDIA clocked a record loss of over \$2 billion for its 2025-26 fiscal year, according to shareholder Singapore Airlines' annual report, as India's second-largest airline grappled with disruption from the Iran war and Pakistan's ban on Indian carriers from its airspace.

In its report, released Thursday, Singapore Airlines, which owns a 25% stake in Air India,

said the group's losses amounted to 3.56 billion Singapore dollars, or \$2.80 billion at current exchange rates, for the 12 months to end-March. Singapore did not indicate the exchange rate it had used to calculate the loss.

Reuters had previously reported that Air India was likely to post an annual loss of \$2.12 billion. Air India, which is not listed in India and has not yet filed its earnings with local regulators, declined to com-

ment. Its 2024-25 loss was at Rs 39.75 billion.

The loss will be another major setback for the airline, which has been forced to cut scores of international flights in recent months, hitting its turnaround plans.

Air India's flight cuts are a boon for foreign carriers, with Lufthansa Group and Cathay Pacific among those adding services to one of the world's fastest-growing aviation markets, Reuters reported Thursday.

BRIEFLY

Regulators hold talks to enhance financial sector

Mumbai: Financial sector regulators on Thursday discussed key global and domestic macroeconomic developments and ways to enhance resilience through better coordination amid geopolitical frictions.

The Sub-Committee of the Financial Stability and Development Council (FSDC-SC) met in the Reserve Bank office under the Chairmanship of Governor Sanjay Malhotra, according to an official statement. PTI

ECB filings halve to \$5.43 billion in March, says RBI

Mumbai: Foreign borrowing filings by companies and lenders halved to \$5.43 billion in March amid financial market volatility following the West Asia conflict, the RBI said on Thursday. The proposals filed by Indian companies, including non-banking financial companies (NBFCs), were lower than the \$11.04 billion they had filed in March 2025, but higher than

preceding February's \$4.59 billion, the RBI said. PTI

TaMo PV posts quarterly profit fall as JLR weighs

Mumbai: Tata Motors Passenger Vehicles posted lower fourth-quarter profit on Thursday as its luxury JLR unit grappled with US tariffs and recovery from a cyber incident, while higher raw material costs hurt margins. The firms posted a profit of Rs 57.83 billion for the quarter ended March 31, against Rs 84.7 billion a year earlier. REUTERS

San Francisco: Anthropic and the Gates Foundation have pledged \$200 million to back AI-related public goods and areas like health and education, they said Thursday. The commitment will span 4 years. The news follows a \$50 million pact that the Gates Foundation and OpenAI announced in January to support 1,000 African cities and communities with AI by 2028. REUTERS

MARKETS

Sensex	NIFTY	Gold	US Dollar
75,398.72	23,689.60	₹1,66,000	₹95.76
789.74	277.00	Silver	₹1,019.31
1.06%	1.18%	₹2,96,600	

NOTE: GOLD, SILVER RATES AS PER ALL INDIA SAFARIA ASSOCIATION DATA
GOLD PER 10G, SILVER PER 1KG, CRUDE OIL (INDIAN BASKET) AS OF MAY 13, 2026



Bursting at the seams

The current rise in inflation is not transient, but systemic

India's April retail inflation, at a 13-month high of 3.48%, is only marginally higher than its March print of 3.4%, and continues to remain deceptively benign. Wholesale inflation has more than doubled to 8.3% in April from 3.88% in March – a 42-month high – signalling that substantial upstream price pressures are still working their way through the economy. Unsurprisingly, the spike in the Wholesale Price Index (WPI) has been led by soaring fuel and power prices, which rose 24.71%, while petroleum and natural gas prices surged 67.2%. This clearly indicates that the full impact of rising energy costs has not yet been passed on to end-consumers. However, such a pass-through now appears imminent. Union Petroleum Minister Hardeep Singh Puri recently indicated that the Centre may have little choice but to raise retail petrol and diesel prices, with public sector oil marketing companies reportedly absorbing “under-recoveries” of nearly ₹30,000 crore a month since the U.S.-Israeli war with Iran began. Any increase in retail fuel prices will have economy-wide implications.

April retail inflation has already been driven chiefly by food, with the Consumer Food Price Index rising to 4.2% from 3.87% in March. Predictably, restaurants and accommodation services witnessed among the sharper increases, reflecting the cascading effect of rising commercial LPG prices. The price of the widely used 19.2 kg commercial LPG cylinder has risen by roughly ₹850-₹1,000 over revisions since the conflict began, while the 5 kg canister has reportedly seen increases of over ₹200 in several markets. The canister is extensively used by migrant wage labour across the country, directly feeding into food basket costs and potentially dampening consumption demand. This comes even as Prime Minister Narendra Modi has appealed to people to refrain from “extravagant spending on weddings and travel abroad” and to cut back on buying precious metals for a year. Consequently, the Centre doubled import duties on gold and silver in an attempt to discourage safe-haven investments and ease pressure on the rupee, which has depreciated by nearly 8.5% against the U.S. dollar in the past two-and-a-half months since the conflict began. For context, the rupee had depreciated by roughly 2%-3% annually on average over the previous five fiscal years. The current slide is therefore exceptionally sharp. It is increasingly evident that retail inflation is bursting at the seams and will likely find fuller expression in the months ahead. The sharp divergence between the Consumer Price Index and WPI suggests that producers are still absorbing a significant share of rising costs, a situation that is unlikely to remain sustainable. This leaves the Reserve Bank of India with limited room but to eventually tighten monetary policy in order to keep inflation within its tolerance band of 2%-6%. What is unfolding is not merely transient inflation driven by commodity volatility, but also broader systemic inflationary pressure, with limited manoeuvring space for both the government and the central bank.

Cooling doctrine

Access to safe indoor temperatures must be a public-health entitlement

Over the past decade, India's response to extreme heat has settled into a familiar choreography. Summer comes and the National Disaster Management Authority (NDMA) regurgitates its tally of rising preparedness. The 16th Finance Commission has gone further, recommending that heatwaves be notified as a national disaster – a designation that would unbolt the door to dedicated central funding. But the heat action plan, as currently conceived, has reached the limits of what it can do. Even the NDMA concedes that the quality of these plans is uneven – several are imitations of plans drafted elsewhere. Where implementation happens at all, it leans heavily on short-term palliatives such as water kiosks, public advisories, and shaded waiting areas at bus stops. While these measures save lives at the margins, they do not alter the underlying exposure of the tens of millions of Indians who work, commute and sleep in conditions that are becoming, in the most clinical sense of the word, biologically untenable.

What India needs is something larger and more ambitious – a national cooling doctrine; a scalable framework that treats sustained access to safe indoor temperatures as a public-health entitlement to be guaranteed. The doctrine must begin where the harm is most acute: mandatory minimum cooling standards for indoor workplaces – factories, warehouses, commercial kitchens, call centres, delivery hubs – backed by an honest and fair inspection regime. Technology will have to do the heavy lifting by deploying passive cooling materials, reflective roofing deployed at scale, district cooling systems for dense urban zones, and cheaper, more efficient air conditioning calibrated for the peculiarities of Indian grids. But the problem cannot be solved by importing solutions designed for the temperate, wealthy economies of the global North. India's heat is wetter, longer and more humid than the dry European summers that produced much of the existing cooling literature. Most Indians cannot afford the energy bills that western-style mechanical cooling implicitly assumes, as the grid in India, even on its best days, can supply at most 60% of its installed capacity. There is no quick fix on offer but to keep printing heat action plans while indoor temperatures climb is no longer a serious answer – it is theatre.

The Iran war, India's strategic autonomy challenges

United States President Donald Trump's tariff wars against friend and foe over the last year now pale in comparison to the upheaval created by the unprecedented Israeli-American attack on Iran and counterstrikes. For decades, India's stakes in a stable and friendly Tehran have been huge for energy security, geopolitical advantage, and space for strategic autonomy. If the Ukraine war tested India's foreign policy agility and independence, the Iran war is a generational challenge. The slew of economic and defence deals that India signed with European countries recently was popularly seen as a signal of major geo-economic and geopolitical shift in India's favour. In this new West Asian war scenario, it is already clear that deals with France and the European Union (EU) hardly give India a stronger hand.

Strategic autonomy is difficult

The H14 Rafale fighter jet purchase from France and the India-EU Free Trade Agreement (FTA) pointed to historic achievements. These surprisingly quick denunciations (after 20 years of slow negotiations on the FTA and extended talks on the Rafales since 2016) were mostly rearguard actions against Mr. Trump's punishing tariffs. But New Delhi and some European countries such as France seemed to believe they were important steps toward a more distributed multipolar world order against American unilateralism. Washington's disregard for potentially catastrophic effects from the attack on Iran on global commerce and security are showing that U.S. unipolarity is holding fast.

Until Mr. Trump's coercive tariffs, New Delhi did not have to worry much about independence in economic policymaking. That is because unlike the post war American-led military order with the North Atlantic Treaty Organization (NATO) and Asian formal treaty alliances, Washington's liberal economic order tended to be open and inclusive, driven largely by market forces. The double whammy of economic and military unilateralism will now make it more difficult for countries such as India to exercise strategic autonomy.

President Trump is changing the economic system in ways that mirror the exclusivist military system. The U.S. government is increasingly demanding a greater alignment of the economic policies of other countries with American strategic interests. This is a fundamental break from the earlier practice and it threatens the entire post-Second World War liberal economic order. New Delhi has been able to pick and choose close economic tie-ups with the U.S.



Deepa M. Ullally

Research Professor of International Affairs, The George Washington University, U.S.



N. Manoharan

Professor and Director, Centre for East Asian Studies, CHRIST University, Bengaluru

Despite the defence, commerce and trade deals, India needs to be aware of a possible European alignment with the United States

while, at the same time, keeping its distance from alliance politics. That had not stopped the U.S. from nurturing commercial ties with India in a big way since 2000. Indeed, the U.S. overtook China as India's largest trading partner in 2021-22. But note that China was at the top of India's economic partners even as U.S.-China relations were sharply declining. All this is to say that until very recently, economic and strategic relations could co-exist along competing trajectories.

For India and the U.S., a convergence of interests about a rising China had brought their relations to a level that appeared irreversible. Even as this meeting of the minds occurred, India's diversification of big power partnerships remained intact. India's ability to maintain good relations simultaneously with the U.S., Russia, China, Iran, Israel, Vietnam, and the major European powers – without taking strong sides, even under duress – is the clearest expression and exercise of strategic autonomy.

Mr. Trump's arbitrary demands to discontinue crude oil imports from Russia, forego the strategic partnership with Iran on Chabahar port, option in BRICS, and clearly align with American geo-economic and geopolitical interests, pose the biggest challenge to India's strategic autonomy in decades. America's 30-day waiver for Russian oil purchases owing to energy supply chain disruptions came as a brief reprieve for India, yet on terms set by Washington. It was more than just an embarrassment for India when a U.S. submarine sank an Iranian naval ship (*GRIS Dena*) in the Indian Ocean that was returning from the Indian Navy's International Fleet Review 2026 naval exercise on March 4. India's image as the key regional naval power took a big hit.

Deals with Europe have not eliminated risks

India's FTA with the EU and historic Rafale fighter jet deal with France are two developments that many interpreted as India trying to manage the new autonomy dilemma created by Mr. Trump. New Delhi chose French fighter jets over Russian and American jets with the hope that it would finally get the technology transfer and domestic production it has long sought. India is growing, and so is its military; it will keep buying, and France is locking itself into a huge commercial deal.

For India, while the spending is extremely high, it will not get a better deal with the U.S.; and it will not get a better performing fighter jet from Russia. In this geopolitical climate, this deal helps both India and France as they want to diversify partners and protect their strategic autonomy.

But there is some doubt about just how much tech is being transferred and the fact that source codes and algorithms will be under French control. This means that India will be wedded to the French for upgrades. This also could undercut India's 'Make in India' aspiration.

As for the FTA, we could see this in the context of Mr. Trump's economic assaults and a rushed attempt to save the idea of a liberal economic world order. But there are domestic political hurdles in India to overcome, from farmers and industrial workers who are a big electoral chunk. Moreover, France and the EU might be using commerce and trade now as a way to gain leverage over India. De-risking from Mr. Trump's uncertainties through the FTA has obviously not eliminated political or economic risks.

America's long shadow

What seems the flimsiest basis for strengthening strategic autonomy is the novel idea of a common perception of a new world order. Geopolitically speaking, India is much more in favour of global multipolarity than western countries. Europe (less France) tends to fall into line with the U.S. under pressure. At this particular moment of Mr. Trump's high-handedness with Europe, it is not surprising that Europe is turning to countries such as India. But historically they have followed the American lead.

U.S. Secretary of State Marco Rubio's speech at the Munich Security Conference in February 2026 made it clear that Europe and America belong together, casting it in common civilisational and identity terms which leaves the Global South out in the cold. He minced no words, openly whitewashing western colonial expansion and calling for a “western supply chain” to regain its position. This suggests that a new geo-economic alliance system of this sort would be hierarchical. The Global South seems to be less partner, more targets of competition. The standing ovation for Mr. Rubio from a supposedly critical European audience spoke volumes.

In this era of culture contests and tribalism, it is hard to see a natural affinity between Europe and India when the going gets tough. As the world remains shell shocked by the Iran war, it is clear that European states will effectively facilitate American and Israeli interests despite the display of reservations by pronouncements such as “not our war” on the West Asian conflict. In any new regional order that emerges, it is also clear that New Delhi will hardly be able to count on the Europeans for Indian strategic autonomy purposes.

Building a preventive health culture in India

India has made remarkable strides in health care over the past four decades. It has built institutions of global repute, trained exceptional clinicians, and expanded access to advanced treatments. Yet, even as it celebrates these achievements, it must confront a deeper truth: it has built a system that responds to illness far more effectively than it preserves health.

For too long, health has been viewed as something to recover after it is lost, rather than something to protect every day. After four decades of building the institutions of modern medicine in India, I have come to understand that the greatest threat to our national health is not the disease we have failed to cure. It is the disease that we have failed to prevent.

We, as a civilisation, have confused the treatment of illness with the pursuit of health. These are not the same endeavour. One begins when something is already broken. The other is an act of continuous, deliberate care for oneself, for one's family, for the generations that will inherit the consequences of choices made today. India has built a world-class capacity to heal. It must now build the culture and the will to prevent.

A civilisational reckoning

Non-communicable diseases – heart attack, strokes, cancer, diabetes, and infectious diseases – are now the leading cause of death in India, surpassing infectious illnesses. Approximately



Dr. Prathap C. Reddy

Founder, Chairman, Apollo Hospitals

The country's economic and social progress depends on citizen health and longevity

270 million Indians live with chronic disease today, the majority unaware of their condition until the body has already begun to fail. This is not a medical statistic. It is a measure of a society that must learn to listen to itself.

The economic consequences for a young democracy can be severe and compounding. Preventable illness diminishes the contribution of individuals who might otherwise have given their best years not to illness but to their work, their children, and their country. A nation cannot reach its highest potential while its people are quietly losing ground to conditions that need not have taken hold.

The window for action

Insights from large-scale health assessments, including Apollo Hospitals Health of the Nation Report 2026, point to a critical window in early adulthood. The decade between 30 years and 40 years of age is emerging as a turning point. It is during these years when individuals are most engaged in building careers and supporting families that early metabolic and cardiovascular risks begin to take hold.

By the age of 40, a significant proportion of individuals are no longer disease-free. The concern is not only the presence of disease but also the absence of awareness. Most people do not seek care because they do not feel unwell. By the time symptoms appear, the opportunity for early reversal is often lost.

And yet, there is reason for optimism. The

human body is remarkably resilient when intervention is timely. Early detection, lifestyle correction, and sustained monitoring can prevent, delay, or even reverse many of these conditions. The window exists – but it does not remain open indefinitely.

This is why India must now embrace a new paradigm: one of self-stewardship.

Push for transformation

Prevention is not a programme. It is not a policy intervention or a campaign to be launched and forgotten. It is a philosophy – one that asks each of us to understand that the stewardship of our own health is among the most consequential duties we carry. Not only for ourselves, but for everyone who depends upon us, and for a nation whose extraordinary promise rests entirely upon the vitality of its people.

India has the knowledge and the infrastructure. What remains is the transformation of habit – a culture of early action, of routine checks, of health understood not as the absence of disease but as the active, daily commitment to life.

The legacy a nation leaves is measured in the health and the hope it passes forward. The ambitions we hold for India – economic, social, and global – rest on the strength, vitality, and longevity of its citizens.

That reckoning can begin not in a hospital but in the choices that homes and families make before one is ever needed.

LETTERS TO THE EDITOR

Kerala CM selection

Ultimately, The All India Congress Committee has succeeded in selecting the most suitable leader for the post of Chief Minister of Kerala. V.D. Sathesan had already served effectively as the Leader of the Opposition during the previous regime, gaining valuable administrative and political experience. Moreover, in the recently concluded Assembly elections, the Congress-led UDF secured a resounding victory under his leadership, clearly reflecting the confidence reposed in him by both the party and the people.

At the same time, it would not be appropriate for leaders to aspire to be the highest office merely on the basis of their position as Members of Parliament or

their proximity to the Congress high command. Leadership opportunities should also be extended to those who demonstrate the capability, vision, and intellect required to govern the State effectively.

Basavaraj N. Akki,
Dharwad, Karnataka

Message and reaction

While the intention behind the Prime Minister's recent appeal urging citizens to conserve fuel and avoid ostentation and luxury is commendable, it has inadvertently triggered panic among some sections of the public, leading to large-scale stockpiling of petrol and diesel. Such behaviour not only disrupts the supply chain but also creates unnecessary fear and instability in the market.

Panic-driven demand and hoarding can quickly turn a manageable situation into a real and widespread shortage, despite the availability of adequate reserves. In this context, the media must spread awareness about the actual fuel situation and inform citizens about what they can do. A well-informed citizen can help prevent hoarding, ensure equitable distribution, and maintain calm.

Anush Singh,
Raipur, Chhattisgarh

Floor test and governance

That Tamil Nadu Chief Minister C. Joseph Vijay and the Tamilaga Vettri Kazhagam-led alliance won the floor test after days of hectic political activity is welcome. One cannot deny the significant role played

by social media in the phenomenal success of the actor-turned-politician's party within a short span of time. On the flip side, social media algorithms tend to polarise people towards extreme viewpoints. In sharp contrast, news reports in the conventional print media often reflect ground realities more accurately. The balanced mindset of a large section of Tamil Nadu's voters is evident from the fact that quite a few did not support the TVK in the election. In this context, Mr. Vijay, as the elected Chief Minister of

Corrections & Clarifications

A report, “CBI arrests five, conducts raids across India in NEEI leak case” (Front Page, May 14), referred to “three brothers – Mangalial Bival, Vikas Bival, and Dinesh Bival”. However, Dinesh and Mangalial are brothers, while Vikas is Mangalial's son.

The Readers' Editor's office can be contacted by Telephone: +91-44-28576347/28576300; E-mail: readerseditor@thehindu.in

Tamil Nadu, has a duty and responsibility to encourage regular engagement with print media among the people he has now politically mobilised. In addition, he should pay attention to prominent voices in the conventional print media. Such a move would help young parties such as the TVK broaden their outreach among a wider section of voters.

A. Venkatasubramanian,
Tiruchir, Tamil Nadu

A certain set of images

The article, “When grief has a face” (Open Page, May

10), was moving. Several photographs have captured the raw emotion, tragedy, and chaos of India's darkest moments, serving as enduring and unfiltered records of history. When one thinks of tragic images etched in public memory, photographs by the legendary photojournalist, Raghunath Rai, instantly come to mind. His photographs following the 1984 Bhopal gas tragedy remain among the most haunting depictions of the disaster. Similarly, his cover photograph after Indira Gandhi's assassination is still regarded as one of India's most memorable images of grief.

R. Sivakumar,
Chennai

Letters emailed to letters@thehindu.in can carry the postal address.

Is this the end of the road for the INDIA bloc?



K.K. Kailash
Professor at
Hyderabad
University

PARLEY

Following the recent electoral setbacks of two of the largest constituents of the INDIA bloc, the Dravida Munnetra Kazhagam (DMK) and the Trinamool Congress, there is renewed debate over the future of Opposition politics in India. Do these developments signal the end of the road for the INDIA bloc, or are they part of a longer, structural shift in Indian politics? Professor K.K. Kailash and Yashwant Deshmukh discuss the question in a conversation moderated by **Sobhana K. Nair**. Edited excerpts:



Yashwant Deshmukh
Founder-Director of C-Voter and a well-known psephologist

Despite India's vast diversity in terms of religion, language, and caste, nearly 80% of States are now ruled by the BJP, while the Congress governs only a handful of them. Are we moving from a multipolar political landscape to a more bipolar one?

Yashwant Deshmukh: Rather than counting how many States the Bharatiya Janata Party (BJP) rules, the more important question is who the BJP's principal opponent is in those States. In almost all major States, it is not the Congress but regional parties that pose the main challenge: the Trinamool Congress in West Bengal, the Rashtriya Janata Dal (RJD) in Bihar, the Jharkhand Mukti Morcha (JMM) in Jharkhand, the Biju Janata Dal (BJD) in Odisha, and the Aam Aadmi Party (AAP) in Delhi, Punjab and even Gujarat. Bipolarity exists in most States, but it is not necessarily BJP versus Congress. Bipolar contests have existed for decades; we have seen anti-Congress fronts in the past, just as we now see an anti-BJP front. The form changes, but the phenomenon is not new.

K.K. Kailash: The nature of the first-past-the-post electoral system incentivises parties to position themselves as one of two main contenders. At the State level, different combinations emerge, and when aggregated nationally, this creates a multiparty system. To defeat a dominant party, alliances form to prevent vote splitting. India's diversity has not diminished; what has changed is which party is seen as representing it. In several cases, this has involved changes in party labels rather than voter bases, as seen in Arunachal Pradesh in 2016 when legislators shifted to the BJP. What appears to be bipolarity at the national level conceals a far more complex State-level reality.

Even with 240 seats, well short of a majority, and at the head of a coalition government, the BJP appears to be pursuing a strong, centralised governing model. Does this suggest that the era of coalition-driven



Sharp rift: Leader of the Opposition in the Lok Sabha Rahul Gandhi and DMK president M.K. Stalin at a meeting in Coimbatore in 2024. PERIASAMY.M

governance is effectively over?

YD: The BJP's functioning at the Centre resembles the 2014 model. One might have expected greater pressure from allies, but that has not happened. This is largely because the BJP's allies are deeply rooted in anti-Congress politics, making it difficult for them to shift alignments. I believe the INDIA bloc was structurally designed to fail in the long run. The collective tally of the INDIA bloc in 2024 is not significantly different from the Opposition numbers of 2014. The BJP's runaway victories in 2014 and 2019 were primarily due to the Congress's collapse. The Congress's tally of 99 came largely from riding on allies like the DMK. The BJP's reduced numbers reflected internal issues in States such as Uttar Pradesh and Rajasthan, not Congress's growth. Non-Congress Opposition parties have consistently held their ground since 2014. It was the Congress's weakness that dragged down Opposition totals. In 2024, the jump from 44 to 99 seats created the illusion of an Opposition revival. But regional parties had already reached saturation in their States. The DMK swept Tamil Nadu, Mamata Banerjee did the same in Bengal, and the Samajwadi Party checked the BJP in U.P.

KKK: The BJP's allies are primarily State-based parties focused on extracting benefits for their States. As long as these interests are served, they have little incentive to challenge the BJP's centralised functioning. In earlier coalitions, a larger pool of regional parties could restrain the coalition leader. Today, allies lack the numbers to do so. This has enabled the majoritarian model seen over the past two years.

Given a choice, neither the BJP nor the Congress prefer coalitions.

Does the defeat of the DMK and the Trinamool create space for the Congress to



The defeat of the DMK and the Trinamool is not good news for the Congress. The Congress's inability to occupy space vacated by regional parties strengthens the BJP's narrative that there is no national alternative

K.K. KAILASH

consolidate its position against the BJP?

YD: Hypothetically, yes. The decline of regional heavyweights could create a vacuum that the Congress might fill. But the Congress is not positioned to do so. Even where the Congress and the BJP face off directly, the party struggles to hold ground. Leadership remains a major issue. After the May 4 results, four of five Chief Ministers were sworn in quickly; Kerala took time. Until Congress resolves its organisational disarray and leadership paralysis, it will not be able to replace the BJP.

KKK: The defeat of the DMK and the Trinamool is not good news for the Congress. They weaken the Opposition's collective strength and expose the Congress further in direct contests with the BJP. The Congress's inability to occupy space vacated by regional parties strengthens the BJP's narrative that there is no national alternative. A diverse Opposition with strong State-based parties provides broader resistance. Fragmentation only benefits the BJP.

The INDIA bloc has also shifted form – now we may see a new entrant, the TVK – how does this play out in the intra bloc rivalry?

YD: The Congress's decision to support Vijay has come as a great sign of relief for the BJP. The 27 Lok Sabha MPs and nine Rajya Sabha MPs of the DMK are now completely liberated from the Congress alliance. The DMK can now operate just like the way the YSR Congress or the BJD functioned in Parliament for the last 12 years. Even if Vijay joins the INDIA bloc, does he have any MP in the Rajya Sabha or Lok Sabha right now? One must remember that the DMK has previously worked with the BJP.

KKK: The TVK is not bringing anything to the Lok Sabha till 2029. Now, even in 2029, I think a great deal depends on how the government in the State functions and whether the people still have confidence in them.

Given all this is there still a case to revive and strengthen the INDIA bloc ahead of the 2029 general elections?

YD: Well, never say never in politics. Historically, the BJP is in a similar position as the Congress used to be. It too faced a strong united Opposition in 1967, 1977 and 1989. Can a similar position develop against the BJP? I believe that every other party barring the Congress has been delivering their 100% in order to win their States. The question still wrests on whether the Congress can get its rank and file in order. Can the leadership of the Congress actually start making some strategic decisions which would make the party seem like a viable alternative to the BJP? Without a structural revival within the Congress, even if their partners win big in their respective States, the INDIA alliance will remain weak at the centre.

KKK: One key element missing from this discussion is what comparative studies tell us about legitimacy and delegitimisation. Whether it is an idea, a party, or a political formation such as the INDIA bloc, legitimacy is neither natural nor permanent. These are not inherent or fixed qualities. Political formations emerge at particular moments, shaped by specific contexts and circumstances. As those contexts change, so too do legitimacy and delegitimisation. There is no guarantee that alliances like INDIA will endure forever, just as there is no permanent right to legitimacy enjoyed by any party. Many parties and ideas have experienced both acceptance and rejection over time. The Congress, the BJP, and the DMK have all seen reversals. Ideas, too, go through cycles. The BJP's current success rests partly on its alignment with what has come to be projected, or constructed, as a national consensus. But what passes for consensus today may not hold in the future. Generational shifts and changing social realities will inevitably reshape political alignments. A second point is about opposition. Those excluded from power, or seen as delegitimised, are not passive spectators. In a parliamentary and liberal democracy, opposition is inevitable and necessary; it cannot be erased or permanently shut out, and it will continue to adapt strategically. Even if the INDIA bloc does not endure, the idea of opposition will. I agree with the point that this moment is a wake-up call for the Congress. There is a broad agreement that the party needs internal revival, cadre building and clearer leadership. But that raises a final question: if everyone recognises this, and the Congress does not seem to be acting, does it know something that the rest of us do not?



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NOTEBOOK

The enduring legacy left behind by Ted Turner

The mind behind 24-hour globalised news saw its profitable nature first thrive, and then be commodified

Suhasini Haider

As a child, Ted Turner's father, Ed Turner, who was a major if overbearing influence on him told him to set his goals so high, that they were impossible to accomplish in one's lifetime. "That way you'll always have something ahead of you," Turner senior told him. Ted Turner, who died this month at the age of 87 followed this dictum all his life, but not only did he see many 'impossible dreams' come true, he also saw many of them die – be it the gift of globalised news, or steadfast support to the United Nations.

He gave the world its most important journalistic invention – 24-hour news, through the creation of CNN, which he eventually had to sell. Turner, called "Captain Outrageous", also had a personal life that played out on the public stage. When asked about his biggest regrets, he told me there were two in an interview in 2012 – "I regret losing control of CNN, and I regret that my marriage [to actress Jane Fonda] just didn't work out", he said.

As a journalism student, my dream was to work for CNN, a channel that had captivated everyone with its coverage of the first Gulf War in 1991. At the time, there was no world news that was truly global, and CNN was the only U.S. network that interviewed Iraqi President Saddam Hussein. Turner had banned the word "foreign" across his network, mandating the word "international" instead. In Boston in 1993, I heard him speak about why, when after a visit to Cuba where he met with Cuban leader Fidel Castro, he realised that much of what he had grown up believing about Cuba was propaganda borne of a "my country right or wrong mentality". CNN had a show called "World Report" that aired reports from local channels around the world, so that Americans and global audiences could see news through a different prism.

Turner was also concerned about global issues, with his UN Foundation channelling a billion dollars into the UN and its various projects. In 1985, he set up the Better World Society with many international fi-

gures, including Dr. M.S. Swaminathan, and funded the "Goodwill Games" in Moscow and Atlanta to counter the U.S.-led boycott against the Moscow Olympics.

During my days as an intern at the CNN bureau of the United Nations, I became Turner's gopher for a day, on duty to escort him and Jane Fonda at a UNGA meet ahead of the UN Population summit in Cairo. His enthusiasm for globalisation and building global citizens was what stayed with me. Months later, when I was hired to work at CNN's "South Asia" bureau, I realised the importance of his dictat on "international v/s foreign" as I travelled across the region, including to Pakistan, to report in a non-partisan way for a global network. Those were heady days, when the "CNN effect" – the idea that international coverage which humanised conflict in remote areas could help to drive solutions to the violence – was on full display. Under Turner, CNN had major reporting budgets. Once, we chartered a helicopter to get to the site of a mid-air collision in rural Haryana.

However, Turner's discovery, that 24-hour news could actually be a profitable business became the reason for its downfall. In the U.S., networks that had thought of news as a government-mandated public service (according to FCC regulations, all TV stations had to broadcast a certain amount of news programming every day), began to set up their own 24-hour CNN copies in order to make money. Instead of spending on news coverage as a necessity, they began to look at the "bottom-line" – chasing stories that would catch attention rather than important news, and shutting down their bureaus in world capitals. CNN too went down the same route after Turner left, and even the New Delhi bureau now operates with just skeletal staff.

When I asked him in 2012 what his 'impossible dream' was, he said, "a world at peace". By the time he died this month, however, the world is witnessing more state-based conflicts than at any time since World War II, when he was born.

suhasini.h@thehindu.co.in

PICTURE OF THE WEEK

Salt of the earth



Dry seasoning: A worker harvests salt at the Little Rann of Kutch region in Gujarat, where summer temperatures routinely cross 45 degrees Celsius. While India faces heatwaves every year, few places endure conditions as searing as the country's western desert salt pans, where workers have to survive almost unbearable temperatures. AFP

FROM THE ARCHIVES *The Hindu*

FIFTY YEARS AGO MAY 15, 1976

Carter will seek ban on equipment sale

New York, May 14: Mr. Jimmy Carter, the likely choice of Democrats to contest the U.S. Presidency, yesterday indirectly assailed President Ford for failure to persuade France and the Federal Republic of Germany at summit level to halt the sale of nuclear reprocessing plants to other countries.

Mr. Carter was addressing a private meeting held at the United Nations on "nuclear energy and world order." The meeting, addressed

among others by Dr. S. Eklund, Director-General of the International Atomic Energy Agency based at Vienna, was organised by a number of private organisations devoted to science and humanistic problems.

Mr. Carter's address was significant in that it disclosed his thinking on the nuclear question that he might implement in the event of his election as the next U.S. President in the November contest. While Mr. Carter did not name any country in his speech, sources close to him said he was having in mind the agreements concluded by France and the Federal Republic of Germany to sell nuclear reprocessing plants to Pakistan and Brazil and the earlier moves to sell them to South Korea.

A HUNDRED YEARS AGO MAY 15, 1926

Polish revolt

Warsaw, May 13: The streets of Warsaw are now calm and orderly and communications and transport are normal.

The anti-Government coup began on Wednesday morning when regiments quartered in the neighbourhood of Warsaw becoming excited at the news of the attempted assassination of Marshal Pilsudski, marched on the capital, where they were joined by the garrison. Pilsudski assumed command of the combined forces and occupied the town after a brief engagement.

Text & Context

THE HINDU

NEWS IN NUMBERS

People belonging to the Kuki and Naga communities detained

38 More than 38 people belonging to the Kuki and Naga communities are being held hostage by various groups in Manipur, according to the State Home Minister, amid renewed violence that has left several people dead and triggered shutdowns in multiple districts. PH

Value of assets frozen in a money laundering case

526 in ₹ crore. The Enforcement Directorate froze bank deposits and other movable assets worth ₹526 crore and seized gold jewellery and cash during searches linked to a probe against gaming platform Gameskraft. Three founders of the company were also arrested. PH

Arunachal allocation under the 'Pride of Hills' initiative

4,900 in ₹ crore. Arunachal Pradesh has received ₹4,900 crore under the Centre's 'Pride of Hills' initiative aimed at improving infrastructure and connectivity in Himalayan and Hill States. The scheme was introduced earlier this year. PH

HFCL investment in Andhra Pradesh defence facility

230 in ₹ crore. HFCL will invest around ₹230 crore to set up a defence manufacturing facility in Andhra Pradesh's Sri Satya Sai district. They will manufacture multi-mode hand grenades and defence products as part of its expansion into the strategic sector. PH

Pilgrims died during the Char Dham Yatra in Uttarakhand

38 Pilgrims have died due to health issues, including altitude sickness and cardiac arrest, during the first 26 days of the Char Dham Yatra in Uttarakhand, with Kedarnath accounting for the highest number of fatalities. PH
COMPILED BY THE HINDU DATA TEAM

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Capital flight and pressure on the rupee

India's economy is witnessing significant capital outflows and depreciatory pressures on the rupee amid rising oil prices and global uncertainty; coupled with a widening current account deficit, future interest rate increases abroad could place further stress on India's external account and underlying vulnerabilities

ECONOMIC NOTES

Rahul Menon

The recent announcement by Prime Minister Narendra Modi urging individuals to reduce their consumption of gold and petrol brought to the fore what many analysts have warned about: India's situation on the external front is far from rosy. The rupee has witnessed significant depreciation over the last few weeks, while the rise in LPG prices has caused hardships for the working classes and triggered a reverse migration of workers back to villages.

Let us focus on the question of capital flows. The outbreak of hostilities in the Persian Gulf and the closure of the Strait of Hormuz have led to an outflow of foreign capital and a weakening of the rupee relative to major currencies. These are to be expected given the profound uncertainty that has gripped global markets. What makes the situation doubly worrying for India is that these outflows and depreciation have occurred even though interest rates in the U.S. and the U.K. have not changed. If foreign central banks do raise interest rates, it might lead to even more pressure on India's external account in the future.

The taper tantrum

Emerging market economies such as India offer higher returns, but they are also exposed to currency and inflation risks. A rise in Indian inflation and/or a depreciation of the rupee can lower the net return to a foreign investor on holding Indian assets. The return on Indian assets would have to be higher relative to those on foreign assets to compensate for these risks. In simple terms, the decision to hold Indian assets relative to foreign ones depends on the difference between Indian and foreign interest rates.

If Indian interest rates remain fixed, an increase in foreign interest rates can prompt foreign investors to reduce their



GETTY IMAGES

holdings of Indian assets. This leads to depreciation of the rupee as it is exchanged for dollars. The only way – apart from capital controls – to arrest such a slide is to raise domestic interest rates, but that would negatively affect domestic investment. Monetary policy in emerging economies is tied to that of the U.S.; any increase in U.S. interest rates often forces smaller economies to consider raising their own rates to defend their currencies.

Given the ease with which capital can flow across borders, these outcomes can occur merely on the expectation that interest rates will rise, even before any actual rise. Such an outcome was seen in 2013. With interest rates hitting the zero lower bound in the wake of the 2008 Great Recession, the U.S. Federal Reserve announced a possible end to quantitative easing. The mere expectation of higher future interest rates caused a massive withdrawal of capital from emerging market economies. This was known as the 'taper tantrum'.

What is happening currently is somewhat similar, with capital flight occurring even though interest rates have not actually risen. What is worrying about

the current scenario is that India's depreciation and capital flight have occurred even though foreign central banks have not made any definitive signal that they intend to raise interest rates in the future.

Uncertainty in monetary policy

Despite turmoil in energy markets, central banks in developed economies did not initially raise interest rates. The U.S. Federal Reserve and the Bank of England have maintained interest rates at 3.75% since December 2025. Their initial forecasts were built on the idea that the war – and the subsequent oil price increase – would be temporary, with prices returning to normal levels. Raising interest rates in such a scenario would only prove deflationary.

However, the longer the war continues, the greater the possibility that oil prices will remain elevated, thereby increasing inflationary expectations. Rising wages and prices, as economic agents fought to maintain their purchasing power in the face of rising energy prices, would result in rising inflation.

As the war drags on, the possibility of interest rate increases to combat

inflationary pressures rises.

The beginning of the war provided confusing signals to central banks. While the futures market in the energy sector anticipated an eventual decline in prices, interest rate futures assumed heightened inflation. In dealing with this profound uncertainty, the central banks of the U.K. and the U.S. initially maintained interest rates, providing detailed forecasts outlining different scenarios. And yet, foreign capital exited the Indian economy despite foreign central banks making no commitment to raising interest rates and forecasting the rise in energy prices as being merely temporary.

The rupee had been facing depreciatory pressures for some time; the war gave impetus to a process already occurring. Perhaps one could argue that foreign capital has priced in the possibility of future interest rate hikes and has already acted upon these expectations. The future rise in interest rates – if it were to occur – may not have much of an effect then. But this is to assume that foreign wealth holders have completely discounted the initial stance of Central Banks that inflation was temporary. This is a dangerous assumption to make in a situation of such profound uncertainty.

The Prime Minister's announcement diagnoses the problem the economy currently faces. The current account deficit is widening owing to rising oil prices. Coupled with capital flight, it puts significant pressure on the rupee. But moral suasion cannot be a policy response.

The RBI had initially intervened by imposing restrictions on certain foreign exchange derivative contracts, and the government has recently announced the imposition of import duties on gold. But this has not resolved the underlying vulnerabilities. If interest rates were to rise in the future, these vulnerabilities would come under further stress. The economy is not out of the woods yet. (Rahul Menon is associate professor at O.P. Jindal Global University)

THE GIST

The outbreak of hostilities in the Persian Gulf and the closure of the Strait of Hormuz have created profound uncertainty in global markets, leading to capital outflows from emerging market economies such as India.

Foreign investors may have already priced in the possibility of future interest rate increases abroad, while the war merely accelerated the depreciatory pressures that the rupee had already been facing for some time.

India's labour market shows gains, but challenges persist

PLFS 2025 points to improving employment trends alongside structural gaps in skills and participation

Phalasha Nagpal

Every year, about 7-10 million young Indians enter the labour market. They are better educated than any generation before them – the average years of formal schooling for those aged 15 and above has reached 10 years nationally – and with hopes and expectations to match. This raises key questions: Can India's economy productively absorb the current generation of new workers, including youth and women? Under what conditions? And how can India ensure that its demographic potential translates into meaningful employment and economic growth?

The recently released Periodic Labour Force Survey (PLFS) 2025 report offers some key insights.

It points to measurable progress across several dimensions, while also underlining some challenges that must be addressed to fully leverage India's demographic dividend.

Encouraging trends in employment

The Labour Force Participation Rate stands at 59%, the Workforce Participation Rate at 57%, and the unemployment rate at 3%. These are robust headline indicators. Youth unemployment has declined since 2024, with gains for rural and urban youth. Monthly PLFS bulletins through 2025 also point to improving trends in women's participation. Female LFPR in rural areas rose across successive months through September 2025, reaching its highest level since May. These trends show a sustained and directional improvement across multiple survey rounds.

The quality of employment has also improved. The share of regular wage and salaried employment increased from 22% to 24%, with gains recorded for both men and women. Correspondingly, the share of self-employment declined from 58% to 56%. Since formal salaried employment is associated with higher earnings and access to social protection, this shift in the nature of employment is among the more

important signals in the 2025 data.

Wage trends reinforce this pattern, particularly for women. In regular salaried employment, female earnings grew by 7%, compared to 6% for men. In self-employment, female earnings rose by 9% against 8% for men, while in casual labour, women's wages increased by 5%, even as male wages largely remained unchanged.

At the same time, there remains scope to further narrow gender gaps in absolute earnings. Analysis of the data indicates that women earn about 76% of male wages in salaried work, around 69% in casual labour, and just 36% in self-employment. While disparities remain substantial, the shift towards salaried employment is beginning to offer more tangible economic gains for women.

Structural transformation is also creating better employment opportunities. Agriculture's share of employment has declined to 43%, while manufacturing and services have grown to around 12% and 13%, respectively.

Young people, particularly young women, are increasingly entering manufacturing and service sectors. Caste- and gender-based occupational segregation among younger cohorts is measurably lower than among older ones, reflecting the cumulative effects of expanded access to education and rising social mobility now beginning to translate into more inclusive labour market outcomes.

Gaps in skills and job creation

The first is the education-to-employment transition. India has significantly expanded tertiary education enrolment, making higher education more accessible across income groups. Yet gaps remain. For instance, between 2004 and 2023, roughly 5 million graduates entered the labour market annually, but only about 2.8 million secured employment of any kind.

Limited access to formal skills training also poses a challenge. Only 4% of individuals aged 15-59 have received formal vocational or technical training. Yet among those who have, workforce participation is substantially higher – 83% for men and 51% for women – underscoring the strong link between skills training and employment, which needs to be both harnessed and scaled up.

Another challenge lies in women's sustained workforce participation. While most men outside the labour force cited education as the primary reason, women pointed to childcare and household

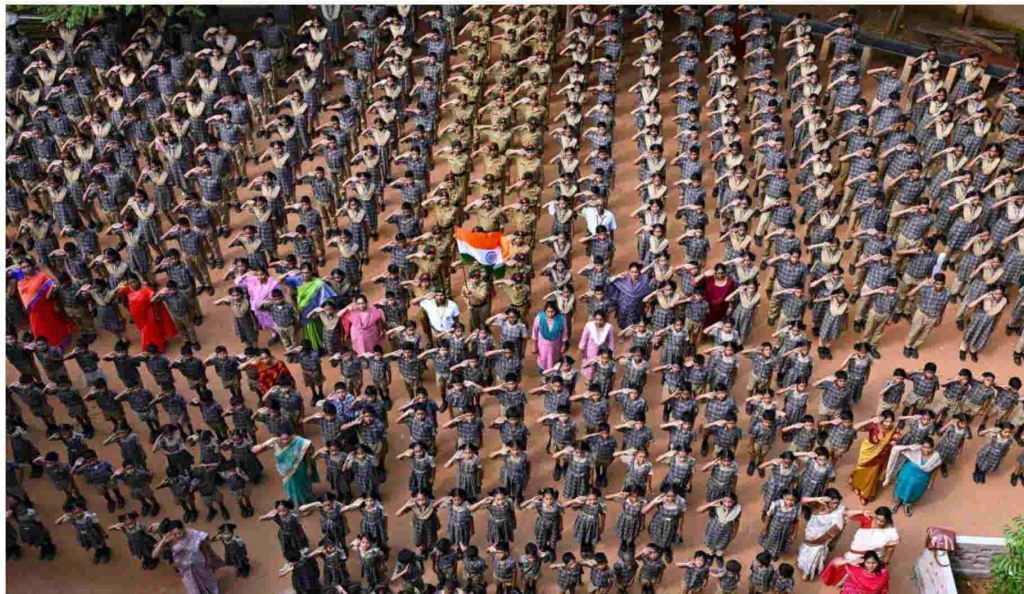
responsibilities, revealing structural constraints rooted in the unequal distribution of unpaid work. For instance, urban self-employed men work approximately 17.5 hours more per week than women, and in regular salaried employment, the gap is about 7.9 hours per week, reflecting a persistent double burden of paid and unpaid labour that women experience disproportionately.

The fourth challenge is the NEET group. Around 25% of those aged 15-29 fall into this category. Moreover, these individuals are not counted in unemployment figures. Without timely intervention, this disengagement can lead to young people becoming detached from the workforce in the long term.

The way forward

The PLFS 2025 data points to a labour market that is moving in the right direction. However, translating these gains into meaningful and productivity-led economic growth will require more targeted interventions: scaling industry-relevant skills training, enabling women's workforce participation through gender-responsive interventions, and strengthening pathways to stable job employment with expanded social protection and a focus on green sectors. Targeted programmes like apprenticeships will also be crucial to re-engage NEET youth as active contributors to the economy. (Phalasha Nagpal is Livelihoods and Gender Lead, Oxford Policy Management)

KEYWORD



School children rendering Vande Mataram. FILE PHOTO

Vande Mataram and the challenge to multicultural nationalism

The decision to sing the full version of Vande Mataram at government events has revived debate over the song's communal undertones and its compatibility with the secular and multicultural foundations of the Indian state

Venkatanarayanan S.

The official oath-taking ceremony of C. Joseph Vijay, as the 13th Chief Minister of Tamil Nadu, on May 10 saw the playing of the national song Vande Mataram at the beginning and end of the event, before the national anthem and the Tamil anthem (Tamil Thai Vaazhthu — a song praising Mother Tamil). Written in 1871, the Tamil anthem has been sung at all Tamil Nadu government events since 1970, following an order issued by the then Chief Minister, Mr. Karunanidhi. It is a secular song that praises the language and culture of the land without invoking any specific religion.

In 2018, controversy erupted when the Kanchi Pontiff, Sri Vijayendra Saraswathi Swamikal, refused to stand during the Tamil anthem. A legal case was filed, and in 2021, Justice G.R. Swaminathan of the Madras Bench of the Madras High Court said that the Tamil Anthem was only a prayer song and that there was no executive or statutory order requiring people to stand. Then, the Dravida Munnetra Kazhagam (DMK) government under M. K. Stalin declared Tamil Thai Vaazhthu the State song and mandated that everyone, except persons with disabilities, should rise while it is sung. It has been performed before the national anthem at all State government events.

Vande Mataram has long been controversial due to its glorification of one religion. In February 2026, the Government of India made it mandatory to play or sing the full song at all government events. According to the order, the song should be rendered during the arrival and departure of the Governor at formal State functions. Vande

Mataram was sung at Mr. Vijay's oath-taking ceremony in this order. But why did the opposition parties, including Congress, oppose singing the full verses of Vande Mataram at government events? While the song is celebrated for its literary excellence and its role as a slogan during the freedom struggle, the song has a strong communal undertone, glorifying the Hindu religion, which is against the secular and multicultural values of the Indian state.

Historical origins

Bankim Chandra Chatterji's Bengali novel Anandamath, written in 1882, has the song Vande Mataram ("Hail to the Mother"). The novel was translated into English as Abbey of Bliss by Nares Chandra Sen-Gupta in 1906. The original novel's context was the Sannyasi rebellion against Muslim rule, where the author welcomed British rule and its positive potential for transforming India.

During the national independence movement, the novel was translated again by Basanta Kumar Roy in 1941. This version sanitised all its communal aspects to suit the Indian independence movement.

In the preface to the 1941 translation, William J. Jackson, Professor, Department of Religious Studies at Indiana University-Purdue University, mentioned that the original author would not have approved of various omissions made in the new translation. The 1941 translation, which is widely available today, does not reveal the original context of the novel or the song Vande Mataram.

In the preface to the original 1906 translation, Abbey of Bliss, Nares Chandra Sen-Gupta stated that anti-Muslim sentiment and Hindu

nationalist feelings were significant aspects of the novel. He wrote: "Two very sinister consequences are seen to flow from this conception of a religious basis of nationality in the present work. The first is the attempt to rehabilitate the Hindu Pantheon with new-fangled patriotic gods and goddesses, and the second is the morbid dislike of Mussulmans that seems to be indicated in this work" (pages vii-x). He further observed that the heroes of the novel were hostile to Mussulmans, and this led him to think thrice before placing the work before a larger public through translation.

The novel not only glorifies the Hindu religion but also expresses anger that the caste system is not being protected under Muslim rulers. One passage states: "In every country, the bond that binds a sovereign to his subjects is the protection that he gives; but our Mussalman king — how does he protect us? Our religion is gone; so is our caste, our honour and the sacredness of our family, even! Our lives even are now to be sacrificed. Unless we drive these tipsy long beards away, a Hindu can no longer hope to save his religion."

It is not only the Muslim rulers who are opposed in the original novel; hatred against ordinary Muslims is widespread. In some sections, the villagers are urged to set fire to the Muslim homes and pillage them. The novel also mentions the Sannyasi rebellion as a means to make the British, the sovereigns of India, who are friendly and can instill knowledge of Hinduism. One passage reads: "The true Hinduism is based on knowledge and not on action. To revive it, therefore, you have first to disseminate objective knowledge. The English are great in objective sciences, and they are apt

teachers. Therefore, the English shall be made our sovereign".

The present debate

During the pre-independence period, the leaders did not reject Vande Mataram completely but tried to restrict it to the first two stanzas, as the other stanzas glorified religion. Jawaharlal Nehru read the original English translation, Abbey of Bliss, to understand the song's background and agreed that it would irritate Muslims. In 1937, a Congress sub-committee resolved to sing the first two stanzas, which praised the beauty and abundance of the motherland. The other stanzas were excluded from the singing. During the Constituent Assembly debates, many Bengali members, including Syama Prasad Mookerjee, praised the song, but finally, Jana Gana Mana was adopted as the national anthem.

An idea or a text derives its meaning from the context in which it emerges; without that context, it becomes a mere ritual. Nationalism and patriotism are not mere rituals; they carry emotional and moral duties towards the political state. The revival of the song and its imposition at this period, when accusations against the ruling regime of its communal polarisation reeked more ideological than nationalistic. Indian nationalism can never be confined to a monocultural identity, and we need stronger voices from Opposition parties and civil society to protect the multi-cultural foundations of the Indian state.

(Venkatanarayanan S. teaches at the Department of International Relations, Political Science and History at Christ University, Bangalore. The views expressed are his personal)



FROM THE ARCHIVES

Know your English

S. Upendran

What is the difference "in time" and "on time"? (G. Natarajan, Trichy) When you are "in time" for a function, you arrive a few minutes before the function begins. Here are a few examples. I thought I was going to be late. But I was in time for class.

Saritha was in time to take the flight. If you arrive an hour before an event begins, then you don't usually say "in time". In such situations, we usually say "early", "very early", or "well in time". The expression "in time" usually implies that you arrived a few minutes before the event began.

If you are "on time" for an event, you arrive punctually. If a class begins at 11:00 and you are on time for it, you arrive at exactly 11:00. If you are "in time" for it, you arrive a few minutes before 11:00. If you arrive at 11:01, you are late! Here are a few examples.

The flight arrived on time. I was in time to receive Mohan.

Venkat is always late. I wonder when he will learn to be on time.

What is the meaning of "to cock a snook at"? (Dr. M. Balakotaiah, Prakasham District, A.P)

This is something that we all probably did when we were children. When you "cock a snook" at someone, you place your thumb on the nose and point the remaining fingers straight up and pretend that you are playing the trumpet or something. Some people place their thumb under the nose and push it up - you end up seeing their dirty nostrils! Do you remember making these gestures to your friends when you were young? Why did you do it? You did it in order to show your contempt for that person. And that's what the expression to "cock a snook" at someone means - to show or express defiance or scorn at someone. Here are a few examples.

The arrogant rich boy cocked a snook at the principal and continued to cheat in the exam.

Preetha cocked a snook at her parents and went with Rahul to the party.

What is the meaning of the term "Kafkaesque"? (B. Jambulingam, Thanjavur)

This word is derived from the name of the Czech writer Franz Kafka. In his writings, "The Trial" and "The Castle", he created a world in which individuals are oppressed and full of despair. When you say that something is "Kafkaesque", it means that it is like the work of Kafka - in other words, a world in which sinister and impersonal forces control human affairs.

Is it ok to say, "I am on diet"? (M. S. K. Rao, Hyderabad)

Dictionaries say that you can "go/be on a diet". So you have to say "I am on a diet." Here are a few more examples.

Sumitha always seems to be on a diet. It's about time that Anand went on a diet.

I don't believe in going on a diet. Published in The Hindu on August 22, 2000

THE DAILY QUIZ

On Sukhdev Thapar's birth anniversary, a quiz on the life, networks, and revolutionary activities of one of the sharpest organisers of India's anti-colonial movement

Prathmesh Kher

QUESTION 1 At which historic 1928 meeting was the word "Socialist" formally added to the Hindustan Republican Association's name?

QUESTION 2 What organisational post did Sukhdev hold in the Hindustan Socialist Republican Association after the 1928 restructuring?

QUESTION 3 Which specific incident convinced many HSRA revolutionaries that constitutional protest alone would not weaken colonial rule?

QUESTION 4 What was the official title of the Lahore Conspiracy Case in which Sukhdev was a principal accused?

QUESTION 5 On what date were Sukhdev, Bhagat Singh, and Rajguru executed?



Visual Question: Identify this police officer who was assassinated in 1928 in retaliation for the death of Lala Lajpat Rai? PUBLIC DOMAIN

Questions and Answers to the previous day's daily quiz:

- Hantaviruses are naturally found primarily in which group of mammals? **Ans: Rodents**
- Smallpox was an infectious disease caused by ___ virus, which belongs to the genus Orthopoxvirus. Fill in the blank. **Ans: Variola**
- This is a virus belonging to Reovirales, an order of segmented, non-enveloped, double-stranded RNA viruses. It is an arbovirus, being primarily transmitted to humans from the bite of infected mosquitoes to the genus Culex. Which is it? **Ans: Banna virus**
- This virus causes a type of

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

viral hemorrhagic fever. It is endemic in West African countries, especially Sierra Leone, the Republic of Guinea, Nigeria, and Liberia. Which is it? **Ans: Lassa Virus**- This is the main cause of hemorrhagic fever with renal syndrome (HFRS) in East Asia. It is transmitted by the striped field mouse. Name the virus. **Ans: Hantaan virus**
- Visual: Identify the infection caused by this virus. What is the name of the cancer that may be an eventual result of this? **Ans: HPV (Human papillomavirus infection)**
- Early Birds: Sunil Madhavan | Arun Kumar Singh | Pulkrit Sathe | Mohan Lal Patel | Pranab Biswas

Word of the day

Kerfuffle: a disorderly outburst or tumult

Synonyms: commotion, stir, disturbance

Usage: There was a kerfuffle before the event began

Pronunciation: newsth.live/kerfuffle

International Phonetic Alphabet: /kəfəfəl/

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

OUR VIEW

MY VIEW | FARM TRUTHS



What we can expect of the US Fed under Warsh

The change of guard at the Federal Reserve, with Trump's appointee taking over, could have significant implications for the global economy. Other central banks will be watching closely

With the confirmation of Kevin Warsh as chair of the US Federal Reserve by the Senate, the curtains come down on one of the world's most talked-about appointments. He takes over on Friday from Jerome Powell, whose term has been both momentous (think covid) and tempestuous (recall his run-ins with US President Donald Trump on rate policy); and at a time when the central bank's independence is being severely tested, Trump has tried—in vain so far—to exert influence over the Fed. He even pushed for a probe by the US justice department of Powell's handling of a Fed building renovation project. The investigation has since been dropped, most likely to ease Senate approval. Powell, though, has vowed to stay on at the Fed (his term on its board ends in 2028) until that probe is truly over, saying he is worried about "the series of legal attacks on the Fed which threaten our ability to conduct monetary policy without considering political factors."

Warsh's views on monetary policy are a bit of a mystery. Seen as an inflation hawk during his previous term on the Fed's board, he appears to have softened his stance since, perhaps to align it with Trump's. The White House, of course, has made no bones about wanting rate cuts. Asked recently if he expects to see lower interest rates, Trump reportedly retorted, "When Kevin gets in, I do." The White House appointee, however, has kept his cards close to his chest. So far, as chair, Warsh has only one of 12 votes on Fed funds rate decisions and is only one of 19 experts on broader policy. This is unlike the Reserve Bank of India governor, who has considerable power over its rate-set-

ting panel. Powell staying on as a member of the Fed's board would also limit Warsh's ability to chart a different course, be it on short-term rates—the central bank has been on pause for three consecutive meetings—or the larger issue of going by Fed analysis or White House diktat. Notably, Warsh has spoken of "regime change" at the Fed, including tighter coordination with the Trump-led US administration on non-monetary policies. He has also expressed a dim view of the Fed's bloated balance sheet, a remnant of furious bond-buying for "quantitative easing" during the covid years. The Fed's total assets had gone above \$8.9 trillion in mid-2022 and have fallen to about \$6.7 trillion since then. If this pile is reduced by means of heavy bond selling in addition to runoffs (i.e., letting bonds mature), it would push market prices down and yields up for longer tenure paper. Even if the overnight policy rate is held firm, that could put the Fed in conflict with Trump's desire to see cheaper credit in general.

It will be a while before Warsh reveals his cards. The first meeting of the US central bank's rate-setting committee with him at its helm is slated for mid-June. In truth, he is caught between a rock and a hard place: US inflation in April was 3.8%, the highest since May 2023 and likely to go higher as the US-Iran stalemate over the Strait of Hormuz persists, even as America's GDP growth remains satisfactory by US standards (2% in the first quarter of 2026, annualized, up from 0.5% the previous one). Economics 101 would ask for a rate hike, while Politics 101 pushes for the opposite. Which way the Fed turns under its new chief will matter enormously for the global economy, India's included.

SOMNATH MUKHERJEE



is chief investment officer, ASK Private Wealth.

"It's the best of times. It's the worst of times. Charles Dickens wasn't an economist, not by a long way, but his immortal lines in *A Tale of Two Cities* perfectly captures India's macro-economic dilemma today.

Gross domestic product (GDP) growth has averaged above 6%, making India one of the world's fastest major economies. Inflation has been under control, kept well below the Reserve Bank of India's (RBI) mandate of 4%. Last year, the current account deficit (CAD) was barely half the consensus 'ideal' level of 2% of GDP. Just a few months ago, RBI governor Sanjay Malhotra used the term 'Goldilocks economy' (for satisfactory growth and inflation rates).

However, it seems global investors are not impressed. Net foreign portfolio (NFP) outflows hit \$2 trillion in 2026 recently, already 25% more than \$1.6 trillion that FPIs pulled out in all of 2025. FDI, while strong at a gross level, has remained anemically low at a net level. Consequently, India's balance of payments (BoP) could end up in negative terri-

tory for the third year running in 2026-27. So we have a fast-growing economy with stable macro-stability markers, yet we face an exodus of foreign capital; this is a trick question, way out of syllabus. The solution set needs to go beyond the textbook too.

First, fix the yield spread. For five years running, the 10-year yield spread between rupee and dollar denominated assets have been at historic lows. From a 21st century average of 350-400 basis points, spreads have shrunk to 250 points today. Part of the reason is a narrowing inflation gap: the India-US inflation differential has narrowed (and often even flipped). Note how RBI was less hawkish when the US Fed started tightening its policy in 2022 to quell US inflation. While theoretically defensible, in brass-tacks terms a narrow yield spread is not consistent with India's structural CAD and dependence on capital flows to bridge the former. Local interest rates need to trend higher, even if it's an ephemeral rate spike, to keep rupee assets attractive *vis-à-vis* dollar rivals.

Second, fix the new transmission choke-point between currency and equity markets. When the rupee looks over-valued to market participants, outflows of foreign capital engender a depreciation shock absorb to currency over-valuation. It's working as the

book says, in this case. Thanks to high oil prices and FPI selling, the rupee has depreciated more than 10% over the last year. Today, measured in terms of its Real Effective Exchange Rate, a relative-value index comprising major trade currencies, it looks undervalued. But equity market over-valuation (relative to other emerging markets) hasn't undergone a similar correction because of the "liquidity put" of systematic investment plans of mutual funds (MFs); Indian MF flows have no deployment avenue but India's equity market. A vicious cycle is the immediate outcome. FPIs sell, saying Indian valuations are relatively high, but then domestic liquidity funds orderly exits without much price impact. Since relative valuations remain high, FPIs sell some more, putting further pressure on the capital account and rupee. Net net, the self-healing price mechanism of currency markets isn't transmitted to the Indian equity market. The fix

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Third, fix tax differentials between corporates and investors that distort incentives. Corporate tax rates were lowered in 2019 with an express objective to spur private capex. Almost concurrently, capital gains taxes on investors were raised to backfill the revenue losses arising out of the corporate tax cuts. The results since then have been sobering.

The economy's private investment rate has inched up only marginally, with the public sector doing much of the heavy lifting. Not only has private capex been sluggish, India's corporate sector has also been lagging on research and development spends. As a consequence, India seems at a risk of being left behind in the global AI sweepstakes.

Yield spreads between rupee and dollar assets must widen, Indian equities must undergo a correction to reasonable valuations and India's tax burden on capital gains must ease.

Recently, chief economic advisor V. Anantha Nageswaran flagged low private capex as a major concern. At the same time, higher capital gains taxes have made India, at the margin, less attractive for foreign investors. When data proves a policy wrong, it makes sense to pivot. The Indian investor has been both disciplined and adventurous. Ever-growing MF flows even as equity prices stay volatile, on one hand, and the rising interest among high net-worth individuals in venture capital and private equity on the other, testify to that. It's time to swap those tax incentives again. India should ease capital gains taxes and revise corporate tax rates upwards in its budget math. Making Indian assets tax-competitive with emerging market peers will increase market attractiveness for FPIs. More importantly, it will leave more capital with Indian investors to allocate to, say, a fledgling Indian deep-tech ecosystem in need of risk capital.

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These are the author's personal views.

Is austerity India's best option in the face of an economic shock?

Official spending cutbacks can spell recessions if overdone. Other forms need impact analysis too



HIMANSHU is associate professor at Jawaharlal Nehru University and visiting fellow at the Centre de Sciences Humaines, New Delhi.

Earlier this week, India's Prime Minister exhorted citizens to adopt austerity measures by limiting purchase of gold, avoiding foreign travel, reducing consumption of edible oil, minimizing the use of personal transport and shifting to work-from-home as much as possible. He also encouraged farmers to avoid chemical fertilizers and shift to natural farming. Most of these measures are meant to reduce consumption of items for which India is largely dependent on imports.

These suggestions are good for the economy and society even in normal times. Given the climate crisis, a shift towards public transport is desirable. But these suggestions are not general, as they arise from a crisis that has been in the making for some time now. The timing is merely a recognition of the severity of it, given the uncertainty that arose from the war in West Asia and structural weaknesses in the economy. The impact of an oil shock is visible in higher petroleum and fertilizer prices in the global market, with other critical inputs for industry more costly as well. Supply chain disruptions for fertilizers and petroleum products like cooking gas, aviation fuel and so on are just part of the story. The impact on macro-economic indicators is visible in a fast depreciating rupee, widening current account deficit and other indicators.

While the traditional macro view

favours austerity as a fiscal response to such crises, the experience of many countries, developing ones particularly, would advise a degree of caution. In a traditional framework, austerity works by reducing government debt via spending cuts that depress aggregate consumption. In most cases, such measures result in reduced economic activity in the short run, but have also caused recessions in some cases. This risk is more serious in an economy already going through a demand deficiency amid weak overall investment, as is the case with the Indian economy. Any reduced spending reduces the economic activity associated with it. For example, millions involved in the manufacture and sale of gold jewellery may face a sectoral setback. Similarly for other goods and services that see consumption decline.

Other developing countries such as Sri Lanka and Pakistan have imposed restrictions on the consumption of import items. But most of these are already in a fragile economic situation, with fiscal austerity conditions imposed as part of structural adjustment programmes framed by the International Monetary Fund (IMF). Austerity programmes employed after the 2008 financial crisis in Greece, Italy and other European countries led to long recessions in many of these countries. Similar experience was reported by Latin American countries that went for austerity after the commodity price collapse of 2014-15 fared poorly too. Most of these countries were trying to control a balance of payments crisis and exchange rate devaluations, but faced prolonged distress.

Private spending cuts can have similar effects. Austerity that operates like a national-level programme can have unforeseen effects. In Sri Lanka, food security and livelihoods were put at risk. In April 2021, it pushed for natural farming to save on foreign exchange but found itself in a worse crisis than what it tried to solve. It led to a decline of almost 30-50% in agricultural output, with rising inflation and hunger. The result was social unrest that led to a change in government. In a year that we expect a deficient monsoon, we must be careful about employing any policy measure that may threaten food output. India's latest retail inflation data shows a rise in food inflation from 3.9% in March 2026 to 4.2% in April 2026. This is likely to rise further and fertilizer adequacy will be a factor.

Given the track record of officially implemented austerity policies (in contrast with public exhortation) across the world, knee-jerk responses to today's war-created crisis are likely to worsen our economic situation. The impact will not only be on aggregate demand for consumption and investment but perhaps also on food security. So far, the PM has only suggested spending cuts. But a proper analysis of policy impact must precede any drastic measure that imposes hard restrictions.

Meanwhile, the government also needs to protect the livelihoods of millions who are likely to be impacted by rising costs. The poor need a cushion against their cost-of-living crisis. While several policy options exist, austerity, whether it is voluntary or mandated, is unlikely to be helpful in dealing with today's economic circumstances.

QUICK READ

A call for austerity to reduce India's import burden may have been helpful advice under other circumstances but it's unclear if our economy can afford weaker aggregate demand right now.

Knee-jerk responses to a crisis could even end up worsening the situation, as seen in other countries. In Sri Lanka, a shift away from regular fertilizers had a drastic effect on food security.



JUST A THOUGHT

Political interference in monetary policy can generate undesirable boom-bust cycles that ultimately lead to a less stable economy and higher inflation.

BEN BERNANKE

GUEST VIEW

Confront reality: India's flywheel may need fresh grease

SOMNATH MUKHERJEE



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THEIR VIEW

MINT CURATOR

Gold's grim message: prospects of globalization remain dismal

Graduating students require timeless advice in an AI world

They will be entering a treacherous workforce and they know it



DAVE LEE
is Bloomberg Opinion's US technology columnist.



Speakers at US graduation ceremonies are often seen as patronizing. ISTOCKPHOTO

As boos rang out among the audience of University of Central Florida (UCF) graduates, commencement speaker Gloria Caultfield turned to the faculty staff behind her to ask what had happened. Then it dawned on her: She had mentioned artificial intelligence (AI).

The real estate executive pressed on. "Only a few years ago," she said, "AI was not a factor in our lives." When that statement was greeted with loud cheers, Caultfield said: "We've got a bipolar topic here. I see." For any commencement speaker in 2026, no conversation about the future could be credible without mentioning AI. But in front of today's graduates, striking the right tone is hard. They know the world of work they are entering has never been more uncertain, a landscape that will have changed drastically since they began the courses they have now completed successfully. Anxiety runs high. The patience afforded to wealthy commencement speakers is being tested. "Back in my day" remarks are more frustrating than ever.

The tense anti-AI sentiment hung in the air ahead of Marquette University's graduation ceremony on Saturday. Its speaker, Adobe's global head of AI and agentic systems, Chris Duffey, was announced months ago to a cacophony of criticism. "This is so embarrassing and frustrating, makes me want to skip the graduation I've worked so hard to attend," said one alumni, commenting on the announcement on Instagram. "A slap in the face to real authors, artists and writers," another said. The college decided to press ahead.

Kevin Conway, its communications director, told me they felt the choice of speaker reflected the institution's Jesuit mission to help its graduates "be the next generation of ethical leaders that many industries need." And Conway noted, Duffey's speech was not on AI but the broader application of intelligence and insight. As Duffey began to speak, some mild boos could be heard on the ceremony's livestream, and a student gave his remarks two prominent thumbs down. (Duffey could not be reached for comment on Monday.)

The developments, and downstream effects of AI have made it an increasingly fraught commencement topic, according to Jeff Shesol, a former speech writer for President Bill Clinton, whose firm West Wing Writers has written commencement speeches for technology CEOs. "In some cases you're seeing a disconnect between the world the speakers inhabit," he said, "and the world the graduates know they are entering."

His advice? Don't patronize. "They're smarter than that." Instead, speakers must acknowledge the treacherous road ahead.

Over the same weekend, 800 miles or so north of the boos at UCF, Nvidia CEO Jensen Huang addressed students at Carnegie Mellon University in Pittsburgh. He got the audience onside quickly by heralding the college's proud history in computer science. "AI started right here at Carnegie Mellon," he said to big cheers. He then fell back on a tried-and-tested argument that graduates will be fine as long as they adopt AI themselves. "AI is not likely to replace you, but someone using AI better than you might," he said.

We can expect similar sentiment from the crop of other tech leaders when they speak to graduates soon. Alphabet CEO Sundar Pichai will make the short trip from Google's campus to address graduates at Stanford next month. His old boss, the former Google Chairman Eric Schmidt, will speak at the University of Arizona on Friday. Also this month, AMD CEO Lisa Su will deliver remarks at her alma mater, MIT.

They will hope to thread the needle as well as Huang, who seemed popular among the Carnegie Mellon crowd. It perhaps stands to reason that, as founder of the world's most valuable public company, Huang was well-received figure to graduates from one of America's most elite colleges, where the average median salary for alumni in the first five years after graduation exceeds \$100,000.

Compare that with the AI-hostile UCF, where graduates on average make half that, according to data from PayScale cited by *US News & World Report*. Some students might feel more vulnerable than others. Though, of course, the AI revolution could be coming for us all. Thus, offered Clean Harbors founder Alan McKim to graduates at Northeastern, "Your character will matter more than your code."

That kind of message seemed to resonate the most sincerely. Speakers wading into the subject of AI know they are less a student of it than the people they are addressing.

What they can offer is the age-old advice that could have been given at any commencement address at any time in the last century or more: Work hard, have integrity and hope for the best. **©BLOOMBERG**



BARRY EICHENGREEN
is professor of economics and political science at the University of California, Berkeley, and the author, most recently, of 'Money Beyond Borders: Global Currencies From Croesus to Crypto'



Gold may be a "barbarous relic," as John Maynard Keynes once observed, but it remains the relic of choice among central banks. Emerging-market central banks have been loading up on gold reserves ever since the 2008 global financial crisis, more than doubling their holdings. Does the anomalous behaviour of gold prices since the outbreak of the war with Iran call this strategy into question, or is something else going on?

Gold's allure derives from its reputation as a safe haven and inflation hedge. Yet in March, following the start of the war, an event that should have supported demand for gold on both grounds, its dollar price fell by 10%. Prices then remained flat in April. Evidently gold is not quite the safe haven and inflation hedge investors thought it was.

Various explanations have been offered for this anomalous behaviour. Traders incurring losses on other investments may have sold gold futures and funds to meet margin calls. Higher interest rates, or at least diminished expectations of interest-rate cuts, may have caused investors to shift from gold to bonds. Turkey's central bank sold gold to obtain the foreign exchange needed to support the country's currency, the lira. Other central banks may have followed suit.

In any case, this episode is a reminder that gold prices can be volatile. So, should central bankers rethink their investment strategies?

Consider why central banks hold gold. Holding bullion has history on its side, having long been a sign of respectability for central banks. Any global investor will want to include in its portfolio a 'commodity play,' an investment correlated with commodity prices. Being long on gold is one way to obtain this exposure, although in a world with commodity and future exchange-traded funds (ETFs) there are other instruments offering better combinations of risk and return.

The most important factor, though, is that gold kept at home is free of sanctions risk. Foreign-exchange reserves held as bank deposits and securities abroad are at risk of being immobilized, or even garnished, by a foreign government using sanctions for deterrence purposes, as Russia was reminded following its attack on Ukraine in 2022.

Russia was not unaware of the danger: the share of its foreign reserves held in gold more than doubled from 2014, just prior to its annexation of Crimea, to its full-scale invasion of Ukraine in 2022. It repatriated all of it, vaulting it in St. Petersburg and Moscow.

The People's Bank of China (PBoC) has been less forthcoming about its gold operations but is thought to have been the single most important

central-bank purchaser in recent years. The PBoC is thought to store the vast majority of that gold in Beijing and Shanghai, presumably because it is cognizant of sanctions risk.

My own research with co-authors suggests that the pattern is general: exposure to US financial sanctions significantly increases the share of reserves that emerging and developing economies hold in the form of gold. Generally, the largest central-bank gold purchases in recent years have been by countries that are significantly exposed to geopolitical risk, not just Russia and China but also Poland, India and—before last March—Turkey.

A further indication of what central banks are thinking is that the share of official gold reserves held in custody at the Federal Reserve Bank of New York has fallen from 30% of the global total in 2005 to barely 20% today. Policymakers in other countries are questioning whether the US is a reliable ally and whether the New York Fed is a reliable custodian.

Recent reports link popular pressure for gold repatriation in Germany and Italy to political ten-

sions with the US and threats to the Fed's independence. Who would have thought?

But gold vaulted at home can't be lent, swapped, or posted as collateral, unlike gold vaulted in London and New York. It is clunky if used for payments. In 2019, Venezuela's government, subject to US sanctions, chartered a Boeing 777 from a Russian company to ferry 7.4 tonnes of gold to Uganda, where it was refined and resold. Venezuela received \$300 million worth of euros to pay for merchandise that would have been unavailable to the country otherwise.

Venezuela did it again in 2020, paying for oil-field equipment and services from Iran, also sanctioned, by hiring a fleet of 747s to transport gold bars. These operations, complex and unwieldy, were exceptions that proved the rule.

In this sense, central-bank purchases and repatriation of gold are a symptom of deglobalization. They signal the advent of a more geopolitically fragmented world in which cross-border transactions of all kinds are poised to become more difficult and costly.

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QUICK READ

Gold is seen as a safe haven investment whose price goes up during times of uncertainty but after the Gulf war erupted this year, its price confounded us: it dipped and then plateaued.

Various explanations have been offered but what's clear from recent patterns is that gold's ascent reflects how rapidly geopolitical schisms are pushing the world to deglobalize.

Business owners frequently ask questions like, "Can I take out my necklace set for a wedding and pledge it back immediately after?" If lenders offer a revolving credit overdraft (OD) limit that lets people 'check in' and 'check out' individual pieces of jewellery, the perceived risk of losing family heirlooms evaporates. Lifting these stigmas could enable a micro-business owner currently borrowing \$50,000 for an emergency to confidently transition into a ₹20 lakh credit customer. Medium enterprises could leverage holdings for loans up to ₹2 crore.

If demand for such flexibility exists—as evidenced by the informal pawn broker mar-

tural and emotional significance of gold jewellery, which many families refuse to melt or pledge (for too long) because it is essential for social functions and weddings.

While there has long been a buzz around making productive use of household gold, current windows like the Gold Monetization Scheme (GMS) are estimated to monetize hardly 1-2% of the total stock. Even proposals by the Indian Bullion and Jewellers Association to have the jewellery industry manage GMS for working capital needs face the same hurdle. To unlock this asset, psychological barriers must be addressed by providing a 'locker-like' experience.

Business owners frequently ask questions like, "Can I take out my necklace set for a wedding and pledge it back immediately after?" If lenders offer a revolving credit overdraft (OD) limit that lets people 'check in' and 'check out' individual pieces of jewellery, the perceived risk of losing family heirlooms evaporates. Lifting these stigmas could enable a micro-business owner currently borrowing \$50,000 for an emergency to confidently transition into a ₹20 lakh credit customer. Medium enterprises could leverage holdings for loans up to ₹2 crore.

If demand for such flexibility exists—as evidenced by the informal pawn broker mar-

ket—why haven't banks scaled this solution? The answer lies in two critical risks: valuation expertise and collateral traceability.

Jewellery valuation is not a core bank competence. They rely on external assessments, a largely un-auditable process prone to risks of overvaluation, collusion or fraud. While karat-meters offer objective measurements, XRF technology only penetrates 10-50 microns, making it vulnerable to fraudulent cores. Unlike jewellery shops, banks cannot melt gold to verify its purity. Most banks still store gold using manual seals and tamper-proof packets in vaults.

This makes frequent audits time-consuming and raises concerns of misappropriation by staff—a point of caution for the Reserve Bank of India (RBI). The operational burden of managing a revolving line of credit is too heavy for current branch staff without compromising other responsibilities.

To overcome these hurdles, India needs a specialized jewellery val-

uation and custody management-as-a-service' model. By separating these specialized activities from daily bank operations, we can build a robust, scalable physical infrastructure. This would be implemented in phases. *First, in-branch service providers:* Initially, third-party providers could operate in bank branches, investing in advanced valuation technologies and bearing the cost of assessors. They would manage identity marking, tagging and appointment scheduling for check-in/check-out processes.

Second, assessment centre: Providers could then set up independent assessment centres near high-demand MSME clusters that are technologically integrated with multiple banks, allowing for high volumes while maintaining end-of-day custody transfer back to bank vaults.

Third, licensed infrastructure: The final step could involve RBI issuing licences for 'physical service infrastructure providers.' These entities would retain custody in

their own secure lockers and issue 'digital custody certificates' that banks and non-banks could accept as collateral.

The modernization of this sector relies on adopting technologies already proven in retail and logistics. Using RFID or QR code-based marking would let lenders track individual pieces of jewellery. This level of traceability allows for the adjustment of OD limits in real-time as collateral is swapped, ensuring that the loan-to-value (LTV) ratio always stays within stipulated safety margins.

From a regulatory perspective, RBI's concerns about inflation or systemic instability can be mitigated by strictly linking gold-backed credit with business-use cases rather than individual consumption. Future refinements could include dynamic LTVs, functioning like Basel's counter-cyclical capital buffers to stabilize the system.

Further, industry-wide standardization of jewellery tracking could eventually be integrated with existing credit records, providing a more comprehensive view of an MSME's financial health. Gold is more than a financial asset; it is a multi-generational symbol of security. Now, India can turn it into a growth catalyst for MSMEs in a way that honours cultural values while aiding its economic agenda.

RAMKUMAR R.S. & ADITYA IYER



are, respectively, founder and CEO of mintGOLD, and a financial services and fintech lawyer.

India stands at a unique economic crossroads. It possesses massive household wealth that remains largely disconnected from its industrial engine. While the nation's micro, small and medium enterprises (MSMEs) grapple with a staggering credit gap estimated at about \$310 billion, Indian households are sitting on an estimated 34,600 tonnes of gold valued at roughly \$3.8 trillion as of June 2025 as per a Morgan Stanley report. This is a colossal pool of idle capital that, if leveraged correctly, could bridge the MSME funding deficit several times over. However, tapping this resource requires more than standard financial products; it demands 'phygital' infrastructure, which blends digital experiences seamlessly with the physical world, and respect for Indians' cultural and emotional relationship with jewellery.

The main reason household gold is seen as an 'asset of last resort,' one that is liquidated last, is its historical context. Traditionally, gold loans in India have been reserved for dire emergencies. This is driven by the cul-

Gold-backed credit can unlock vast sums of idle capital

GUEST VIEW



CONTRAPUNTO

There came into the world an unlimited abundance of everything people need. But people need everything except unlimited abundance

- KAREL CAPEK

What Austerity?

New India doesn't know what it means. Price signals are a better way to influence its consumption choices

Austerity is this week's buzzword. But if majorities define societies, it's fair to say India doesn't know what austerity is anymore. That's because two of every three Indians - a supermajority - living today were born after 1991, the year of Liberalisation. The year we, as a nation, decided we'd had enough of poverty, shortages and austerity. As Manmohan Singh, finance minister at the time, said in his budget speech, austerity was still needed to accumulate capital, but it needn't be "negation of life or a dry, arid creed that casts a baleful eye on joy and laughter". And the 'austere' Indian state was notorious for being a killjoy then. Our March 4, 1991 edition reported that "allottees" of the new Maruti 1000 were avoiding deliveries for fear of income tax raids. Allottees? Yes, car ownership in that age of perpetual scarcity required patience and luck, besides ready cash.

We have banished scarcity, and how! Bajaj Auto's 2000-01 annual report mentions monthly capacity of 50,000 bikes. Last month, the company sold 2.1L two-wheelers in India, and 2.3L abroad. Overall, roughly 24L bikes were made in the country in April 2026. Everything's available off the shelf. Even fuel, three months into the Hormuz crisis. So, no, we don't know what austerity is. And that's an achievement, not a failing. But doesn't it leave us ill-equipped to deal with high import costs and a weakening rupee? No. Normative regulation - don't do this, do that - was part of our pre-Liberalisation playbook. In Feb 1991, when America's war on Saddam's Iraq had created similar conditions, pundits were prescribing curbs on consumer credit to reduce imports. But hobbles-the-buyer is bad policy, especially now when private consumption expenditure exceeds 60% of GDP.

It's far better to influence buying decisions with prices, as govt has already done with higher import duties on gold and silver. Let fuel, fertiliser, and other imports get costlier to reflect market realities. Consumption will find its own level. And if some people still want to holiday abroad, or drive everywhere, they can do so, while filling state coffers. Trust the market, and let it work.



NEET Not Clean

It's inexplicable why edu ministry hasn't moved to overhaul NTA

Nodal testing body NTA has fragility inbuilt. It is not a statutory body accountability is iffy; it is highly dependent on contractual employees, and has no watchdog overseeing it. Given NTA conducts at least 15 national-level exams, its very foundation is weak. These are points that emerge after every paper leak. Yet, GOI's ministry of education hasn't moved decisively. In limbo are youngsters, wound up through their formative years, to sit for various tests. For the 23L medical aspirants this year - is there any guarantee a re-test won't suffer a similar fate?

Going by the shuffling of feet in both ministry and NTA, this is hardly the last leak. It's not safe to assume that in 2025, in some corner, question paper wasn't sold - given experiences of 2021, 2024 and 2026. It's more likely no one was caught in the years between. The MO isn't new, nor have any of the lacunae, identified for years, been plugged. That's what raises questions, and eyebrows. First, why weren't any of the ways to minimise risk of paper-leaks - including 101 suggestions by 2024's Radhakrishnan committee - implemented? Why hasn't NTA moved to less expensive, obvious and tried-and-tested ways to nullify risk of a paper leak? The simplest way is to have multiple sets - results normalised during grading. No rocket science. After all, how many would an aspirant buy, when a set costs upwards of ₹10L? Third, why after sacking NTA chief in 2024, did GOI leave the post without a full-time director, until March 2025? Finally, will insiders be thoroughly probed?

All entrance exams are an industry - coaching, hostels, books, publishers, ed-tech, apps. It's endless. Add to that the profitable exam mafia. ROI on buying a question paper is huge - if you make the grade, a govt college costs a fraction of private medical study. Even a small leak can change ranks. Given the stakes, ministry's go-slow on reforms, despite so many leaks of various NTA-conducted exams, is inexplicable. And it's mysterious why so many trapezoids remain wide open, when vulnerabilities are fully recorded, as is every weak link in the chain of custody of a NEET paper. Perhaps the push needed will come from students, who must be compensated for NTA's failure to conduct an exam, held for years now, fairly.



The bot and I

AI is making the distinction between man and machine increasingly indistinct

Jug Suraiya



To research a column, I tried to access a site that I thought might be helpful.

Before the site could open, a message flashed on the screen of my mobile: Verifying You are Human And Not A Bot. This May Take A Few Moments.

A small dotted circle began to whirlpool on the screen while I waited to have my humanness confirmed. And it was. The spinning circle disappeared to be replaced by a box. Tick To Confirm You Are Human. I ticked as told, and the fact that I was a bona fide human, a fully paid-up member of Homo sapiens, was confirmed.

By this time, I'd forgotten about the information I'd wanted to find, so pleased was I that my human provenance had been reaffirmed for me by an all-knowing AI.

But my initial good cheer at having been certified human, a status that has not infrequently had doubts cast on it by sceptics, gave way to disquiet, which, as I dwelt on the matter, made my quiet merris.

I was an AI-certified human and not a bot. But the problem with AI, which permeates more and more aspects of our everyday life, is that it's blurred, if not obliterated, the distinction not only between man and bot, but also between reality and illusion, in the form of deepfakes that are growing with a prodigality of proliferation commonly attributed to jackrabbits.

Indeed, so deep are such fakes, or so fake is their depth, that they elude the powers of human detection and can be unmasked only through the agency of AI, which created them in the first place.

Is my AI-verified humanness a deepfake? A parable tells of a poet who dreams he's a butterfly, and, on waking, wonders if he's a butterfly dreaming that he's a poet.

Could I be a bot programmed by AI to believe I'm human? Am I and the bot mutually interchangeable? Best get Gemini to figure it out...

(Gemini: A search has been unable to ascertain the nature of the subject under question being human/ bot/ unsuspected/ other.)

Not Venu, V. Not Quite Vici

Congress high command's dithering before confirming Satheesan as Kerala CM has taken the shine off the party's post-win profile, and is a bad sign for the future

PK Yasser Arafath



VJ Satheesan's rise as the most popular political figure in Kerala, and now CM-designate, cannot be understood merely through the conventional language of communal arithmetic, or anti-incumbency. His popularity arose from a deeper political shift: transformation of opposition politics from discourse, centred on administrative criticism and developmental activities, into one organised around dignity, democratic anxiety, social recognition, and affective reassurance.

At a moment when Kerala's public sphere was increasingly marked by inter-community suspicion, minority insecurity, digital hate, and polarisation, Satheesan positioned himself as the face of a morally coherent and emotionally responsive opposition. Repeated invocations of 'Team VDU' weren't simply rhetorical, but a strategic political language that foregrounded coalition-building, collective leadership, and organisational unity, against factionalism within Congress itself.

Unlike many mainstream political veterans, who often adopted ambiguous or cautious positions in confronting communal rhetoric in Kerala, Satheesan consistently articulated a visibly confrontational secular politics. He openly challenged what many minority communities perceived as the normalisation of 'minoritytyphoid'. His repeated criticism of figures such as Vellappally Natesan, along with his questioning of Pinarayi's public proximity to such personalities, acquired symbolic significance beyond political controversy.

Politics of dignity | Satheesan grasped a fundamental transformation taking place within Kerala's political culture: the gradual shift from welfare-centric politics to dignity-centric politics. While the electoral left continued to rely heavily on a welfare-cum-development narrative, emphasising infra, governance efficiency, and state delivery, large sections of Kerala's youth, minorities, Dalits, women, and marginalised communities, increasingly articulated a different political aspiration - a desire for dignity, recognition, and secure democratic belonging.

While welfare politics primarily addresses material distribution, Satheesan understood the significance of dignity politics. This addresses questions of humiliation, fear, symbolic exclusion, and recognition. His political language operated within this terrain. This shift became especially visible in the unprecedented consolidation of Muslim and Christian

voters behind VDU. Together constituting nearly half of Kerala's population, these communities increasingly viewed Satheesan as a political figure attentive to their anxieties and aspirations.

Issues such as debates surrounding Waqf lands, Christian institutions, and mans in different parts of India, the proliferation of communal charges digital propaganda, and the continued visibility of anti-minority rhetoric, collectively produced a heightened sense of insecurity in the state. This unprecedented consolidation was not merely communitarian in the narrow sense; rather, it reflected a broader perception that religious dignity itself, was under strain.

Kerala's political consciousness also shaped this consolidation. Unlike many parts of India, where welfare benefits are often framed as acts of state generosity, Kerala's historically politicised society increasingly interprets welfare as entitlement. This political sensibility is historically rooted in Kerala's long genealogy of anti-caste and dignity-centred reform movements. Satheesan's speeches and conversations, consciously or otherwise, resonated within this longer historical tradition, creating a special bond with communities that felt vulnerable.

His outreach to micro-social collectives, particularly among Dalit and Adivasi communities, reflected an understanding that contemporary politics increasingly operates through dispersed networks of recognition, rather than centralised vote-bank mobilisation alone. Similarly, Satheesan was able to communicate in the idiom of millennials and Gen Z voters. Younger voters in Kerala sought political futures grounded in inclusion, aspiration, democratic freedoms, and cultural confidence, not nostalgic celebrations of the past.

Satheesan's repeated emphasis on a "future Kerala", thus, distinguished him from other leaders, who focused primarily on defending the achievements of the present.

Delhi's slow command | With such an extraordinary electoral victory, and unprecedented popularity, it became incomprehensible for many why Congress high command took such a long time to

finalise who'd be CM. The delay emerged from the entry of Venugopal and Chennithala, who attempted to test their political possibilities for the position, citing support of MLAs, and organisational seniority, respectively.

However, they were never central to the public imagination of this state. They were not perceived as the ideological face of the movement that mobilised voters against communalism, administrative fatigue, caste anxieties, and what was described as LDF's algorithm-driven political spectacle. Yet, the central leadership could not entirely ignore their claims and institutional location, within the party structure.

At the same time, high command appeared determined not to repeat earlier political mistakes by ignoring a popular mandate, which some prominent Congress veterans from Kerala reportedly described as "manufactured", during discussions in Delhi.

Public support | Apparently unconvinced by these claims amid thousands of emails, social media posts, and public interventions, the leadership continued to examine the emerging "discourse of manufacture", as Kerala witnessed an unprecedented eruption of support demanding Satheesan as the only acceptable choice for CM. These mobilisations also functioned as warning signals against a possible high-command hijack of the people's mandate, recalling political destructions in states such as Andhra in 2008, and Rajasthan in 2018.

Within Kerala's politically hyper-aware public sphere, hundreds of social media discussions emerged, arguing that such distinctions between popular sentiment and leadership decisions could inflict irreversible damage on Congress in Kerala. Media reports further suggested that

Congress high command even sought professional expertise, to determine whether support for Satheesan was genuinely organic or artificially amplified.

Yet, almost every post-election CM preference survey indicated overwhelming support for him, often exceeding 80%, ultimately reaffirming the unmistakable ground realities shaping Kerala's contemporary political imagination.

The writer teaches at University of Delhi



Calcutta's New Chromosome: Blueprint for Bengal

Sixty years of leftism & quasi-leftism killed the city & state's economic vitality. But a revival isn't hard. Policy needs to build on moribund industrial bases & stock exchange. Plus, prioritise learning English

Prasenjit K Basu



A week after Bengal's momentous electoral earthquake, as I dined at a Tangra-Chinese restaurant in Singapore, the Bengali waiter declared our meal would be on the house to celebrate the state's deliverance from six decades of economic blight. For two centuries until the mid-1960s, Kolkata was a magnet for businessmen and workers searching for opportunity. But for the past 60 years, the flow reversed, obliging Bengalis to flee worldwide, as opportunities dried up in their home state. The new non-left regime could overturn that relentless tide of decline. Here are some economic pointers.

First, Kolkata still has high-quality private hospitals and doctors, who provide the nucleus of a potentially successful health tourism sector: Bangladeshi patients provide the primary customer base of both tourists today. But quality private hospitals can be expanded to cater to 'refugees' from UK's NHS, and soaring costs for surgical procedures in US and EU.

Second, labour market reforms codified nationally last Nov, should be implemented in Bengal to capitalise on its vast reservoir of relatively cheap, but currently under-employed, workers. Labour-intensive manufacturing of garments, textiles, and shoes would build on a historic legacy. Shoes and leather products from Batanagar and Kapat's Chinatown, could be re-activated via collaboration with Yue Yuen of Taiwan (the global leader in outsourced shoe manufacturing), which has moved much of its production from China to Vietnam and Indonesia.

Third, Bangladesh's success in garment exports began with Korean collaborations four decades ago. Most of the leading garment exporters of Bangladesh were perceived to be excessively close to Awami League, so their top executives were jailed by the Yamas regime. Bengal should encourage these family enterprises to diversify across their western border, producing garments in Bengal for global markets - to which they have better access through decades of experience. In turn, a revival of Bengal's cotton and jute industries would also dovetail nicely into augmenting garment export possibilities.

Calvin & Hobbes



Higher Perspectives Dissolve Contradictions

Jayant B Dave

Astronaut Sunita Williams observed that from space, Earth appears as one, and you do not see man-made borders; you see them only when you return to Earth. Your perspective changes in space.

Likewise, apparent differences in smaller truths are reconciled when one views from a higher perspective. At first, the Upanishads seem to be full of contradictions. Yes, spiritualised thoughts, philosophy of Upanishads in Brahmasutra. The apparent differences found in Upanishads are reconciled in Brahmasutra. Five great acharyas - Shankara, Ramanuja, Nimbarka, Vallabha and Madhya - differ in their interpretation of Upanishads in relation to the nature of Brahman, the relationship of individual soul to Brahman, soul's state during final emancipation, means of attaining it and its causality with reference to the universe.

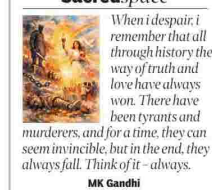
But they all emphatically declared that Brahman is the cause of world and that knowledge of Brahman leads to moksh, final emancipation, which is the goal of life, explains Swami Sivanova.

One finds apparent contradictions while studying the scriptures. On one hand, scriptures often must transcend the mind and intellect to realise the supreme Truth, which is subtle, abstract, infinite, and all-pervading. On the other hand, it is said that knowledge of Supreme reality arises only in a purified mind/intellect as Brahmakar Vritti. It is said that in deep sleep, one experiences the bliss of the Self but does not know it because the mind and the intellect are not functioning. Mind is described as both friend and enemy of a person, leading to bondage and liberation. Mind, per se, is not good or bad; an impure and gross

mind creates bondage, while a pure and subtle mind is an instrument for salvation. This applies to intellect, too. While explaining creation, it is held that Brahman is the ultimate causeless cause of creation, referred to as *abhinnanimitta upadana karan* - non-different material and effect cause of the world. In other instances, it is held that creation is mere appearance, an illusion like a perceived snake in the rope or a mirage in the desert. When one realises the phenomenal world, it is also unreal. Like the dream world upon waking, it is not given much attention or importance. Journey always proceeds from known to the unknown, from gross to subtle.

Vedanta has *adhyarupa* and *aparupa*, superimposition and negation. Lower truths, also referred to as *ananta*/non-self, are superimposed on the highest truth - Brahman/Atma. We must first accept the

Sacred space



When I despair, I remember that all through history the way of truth and love have always won. There have been tyrants and murderers, and for a time, they can seem invincible, but in the end, they always fall. Think of it - always.

MK Gandhi

relative apparent truth that is obvious to us and proceed with root cause analysis, called *laya chintan*. Cause is independent in effect, but effect is not independent of cause. Cause is self-existent and a higher truth, whereas effect is dependent existence and represents a lower truth. Exemplified by clay, wood, or gold and ornaments. Swami Krishnananda says that appearances have reality in them, but reality is different from appearances. Appearances do not exist in the Absolute even as adjectives, for they cannot have adjectives other than nouns. Most truths revealed in the phenomenal world are relative due to the limitations of our tools, methodologies, and interpretations of results. We approach the phenomenal truth from a few dimensions known to us, whereas truth has multiple or infinite dimensions; hence, we conclude a relative or fractional truth as final, like perceiving part of an elephant as a whole organism.



the hindu businessline.

FRIDAY • MAY 15, 2026

Precious saving

Increasing import duties on gold, the right step

The Centre's move to increase import duty on gold and silver from 6 per cent to 15 per cent and the duty on platinum imports from 6.4 per cent to 15.4 per cent was expected. Gold and silver imports ballooned in FY26, preceding the impact of the Iran war which broke out late February, putting the current account balance under stress. Since the war, the rupee has lost almost 5 per cent.



With gold prices having risen about 30 per cent over a year and holding firm now at \$4,700/troy ounce, India is staring at the prospect of another year of high foreign exchange outgo on imports if it does not change its ways. At \$83 billion in FY26, gold and silver already exceed 10 per cent of the total import bill. A drop in import volumes will be necessary to offset the double whammy of firm prices and a weak currency. The Prime Minister's appeal to households to postpone gold purchases should be seen in this light. Gold is largely viewed as a non-essential import with industrial demand limited to 13 per cent of its consumption. So, clamping down on consumption will not impact economic activity. To be sure, the volume of gold imports came down from 879 tonnes in FY22 to 721 tonnes in FY26, but the increase in gold prices resulted in a spike in value terms. Gold imports stood at \$72 billion in FY26, up 24 per cent over FY25, while silver imports at \$12 billion were 150 per cent higher than in the previous fiscal. The sharp increase in gold prices since 2024 appears to have stoked investment demand too, with demand for gold exchange traded funds as well as gold bars and coins witnessing an increase.

Duty increases can dampen both types of gold demand — namely, retail and investment. The Centre has done well to close an arbitrage possibility between FTA and general rates, by increasing the concessional duty on gold imported from the UAE (under the India-UAE Comprehensive Economic Partnership Agreement) from 5 per cent to 14 per cent. In the past, gold imports declined substantially in value terms in the months following Centre's import duty hikes. This was observed in 2013, 2019 and 2022. If that scenario plays out now, the import bill can be expected to decline \$6-9 billion following the nine percentage points increase in the levy. Given the unrelenting pressure on the balance of payments due to continuing foreign portfolio outflows, increasing oil import bill, decline in inward remittances and impact of the war on exports, the Centre will have to use all tools at its disposal.

There is a downside to these duty hikes — the prospect of gold being smuggled into the country, as the price gap between domestic market and overseas market widens. The Centre will have to heighten its vigilance. The Centre may also want to consider another, better designed and implemented scheme of gold monetisation as a way to step up recycling of idle domestic gold.

OTHER VOICES.

The Moscow Times

As the world watches Iran, Ukraine seizing the initiative

Since the start of the war in Iran, conventional wisdom says that Russia has enjoyed a windfall from soaring oil prices so great that it has strengthened its position in the war in Ukraine. This has even trickled into the White House, which is quietly continuing to incentivise Russia to end the war, while Moscow claims that Kyiv is "militarily defeated." But that consensus has masked a far more overlooked truth. Rather than Russia, it is Ukraine that has recently seen its most successful stretch, both on and off the battlefield, in years — and perhaps since the war first began. Start with the battlefield first. Not only has Ukraine managed to stave off Russia's years-long offensive, forcing Moscow's troops to advance at a slog so slow they are reminiscent of World War I. But in recent weeks, Kyiv has managed to capture more territory than the Kremlin for the first time in nearly three years. (MOSCOW, MAY 12)

GULF NEWS

Gulf universities: Global partnerships to local strength

As schools and universities in the UAE reopen, the moment offers a useful reminder. The real test of a higher education system is not only the calibre of the institutions linked to it, but its ability to sustain learning, support students, and adapt when conditions become less predictable. That is a timely point for the Gulf. Across the UAE, Saudi Arabia, and Qatar, governments have spent years investing in higher education to raise quality, widen access, and strengthen their position in the global knowledge economy. International partnerships have been central to that effort. Branch campuses, research collaborations and faculty exchanges have broadened academic choice, introduced global standards, and accelerated transfer of expertise. (DUBAI, MAY 14)



A NARAYANAMOORTHY

The Tamil Nadu Assembly election of 2026 has imprinted a permanent mark on India's political history. Actor Vijay's Tamilaga Vettri Kazhagam (TVK) has achieved what many deemed impossible: storming into power and dismantling some six decades of bipolar Dravidian rule. However, as the initial dust of celebration settles, the new administration finds itself at a critical crossroads. While winning the election was a cinematic feat, the new government now faces harsh economic realities that require sound policy rather than just public appeal.

The most immediate challenge facing the TVK government is the State's fiscal health. Tamil Nadu currently has the largest absolute debt among all States. The outstanding debt is projected to reach approximately ₹10.71 lakh crore for the 2026-27 fiscal year. This has an intuitive impact on the State's spending capacity. The total annual debt servicing cost (interest plus principal repayment) alone is expected to touch a staggering ₹1.16 lakh crore at the end of March 2026. This debt trap effectively crowds out capital expenditure. If a significant portion of every rupee earned goes towards paying off past borrowings, the government's ability to build new schools, hospitals and infrastructure is severely restricted.

Furthermore, both the electricity sector (burdened by a debt exceeding ₹1.5 lakh crore as of March 2026) and the transport sector are grappling with a severe financial crisis. Adding to this pressure is the party's own electoral promises. The TVK manifesto includes substantial welfare commitments, such as the ₹2,500 monthly assistance for women heads of households, provision of six free LPG cylinders annually, monthly allowance for unemployed, etc. While these freebies are aimed at social upliftment, they represent a massive recurring expenditure that will further strain the State's already fragile fiscal condition.

THE GROWTH-REVENUE PARADOX

While the State's Gross State Domestic Product (GSDP) is resilient and projected to grow by nearly 15 per cent at current prices in 2025-26, there is a worrying disconnect between economic expansion and State income. Tax receipts have not increased in consonance with GSDP growth in recent years.

This paradox stems from several factors. First, the transition to the GST regime has limited the State's flexibility in revenue generation, with the tax-to-GSDP ratio witnessing a gradual decline in recent years, from 6.40 per

TVK will need to deal with economic challenges

LEGACY ISSUES. The new gov't in TN has inherited a mountain of debt, sick public utilities, a stagnant agricultural base and an irrigation system that has stopped growing



cent in 2022-23 to 6.20 per cent in 2025-26. Second, the buoyancy of state-own tax revenues (SOTR) has remained sub-optimal, which was 7.92 per cent in 2011-12. The new government must investigate why the wealth of the State is not reflecting in its coffers. Is it due to leakages or an over-reliance on a few sectors or a failure to formalise growth segments of the economy? Without fixing this leaky bucket, the government will find it impossible to fund its visionary projects and freebies.

Unlike many other States, Tamil Nadu's economy is structurally heavily skewed towards the service sector, which hovers around 54 per cent of the GSDP since 2020-21. While this looks good on a balance sheet, it poses a socio-economic problem. The service sector comprising IT, financial services and professional consulting is capital-intensive and skill-heavy.

For the millions at the bottom of the economic pyramid mostly residing in rural areas, the trickle-down effect is

To succeed, the new administration must restructure debt and improve revenue buoyancy to create fiscal space, while simultaneously pivoting investment towards the long-neglected rural economy

minimal. High-rise tech parks in Chennai or Coimbatore do little to boost the daily wages of a rural labourer in Pudukkottai or a small-scale weaver in Kanchipuram. The disparity between a high GDP and the stagnant income of the poor is widening. The TVK government must find a way to turn towards labour-intensive manufacturing and value-added agriculture to ensure that growth is inclusive rather than just arithmetic.

AGRICULTURE IN DISTRESS

Nowhere is the crisis more visible than in the agricultural sector over the last five years or so. Despite the State's overall growth, agriculture has often languished, failing to keep pace with the rest of the economy. While the real growth of GSDP was 8-11 per cent in 2023-24 and 2024-25, the same was negative in agriculture in this period.

The State's monthly income from crop cultivation stands at a meagre ₹2,641, ranking 22 among States as per the latest data. There is a palpable sense of anger among farmers who feel abandoned by the State's policy framework. Rising input costs, volatile market prices, lack of market support, and absence of institutional support for high-value diversification have pushed the agrarian community to the brink. If the new government does not address this rural discontent, the political honeymoon of TVK could be remarkably short-lived.

Central to the agricultural depression is the irrigation crisis. Irrigated area in

Tamil Nadu has been hovering around 34 lakh hectares since 1970-71; a stagnation that is virtually unmatched by any other major State. While neighbouring Andhra Pradesh and Karnataka have expanded their irrigated area significantly through new projects and rejuvenation of tanks, Tamil Nadu has remained trapped with dependency on dwindling groundwater and inter-State river disputes.

Without improving the irrigated area or modernising the existing irrigation sector through canal and tank restoration, achieving sustained agricultural growth is an impossible dream. The lack of new irrigated area over four decades is a structural failure that the TVK government must now rectify to ensure the State's food security and rural stability.

To conclude, the path to a golden age for Tamil Nadu is blocked by a mountain of debt, sick public utilities, a stagnant agricultural base and an irrigation system that has stopped growing. To succeed, the new administration must move beyond the allure of populist rhetoric, to the hard reality of rigorous economic management.

This requires a sophisticated banking act: restructuring debt and improving revenue buoyancy to create fiscal space, while simultaneously pivoting investment towards the long-neglected rural economy.

The writer is an Economist and former full-time Member (Official), Commission for Agricultural Costs and Prices, New Delhi. Views are personal.

Payment discipline, a must for making ECLGS work

A good credit design alone will not help in ensuring the scheme's success. The collapse of trade credit must be dealt with

Bhawaral Chandak

The Cabinet's approval of ECLGS 5.0 is a timely response to geopolitical stress, rising fuel costs, and supply-chain disruptions affecting MSMEs and aviation. With 100 per cent government-backed guarantees, capped rates, and near-automatic sanctions, the scheme continues the borrower-friendly approach of earlier ECLGS versions.

ECLGS 1.0, launched in May 2020 for MSMEs, was perhaps the most accessible working-capital facility India had ever offered. Loans of up to 20 per cent of outstanding credit were available without collateral, with interest capped at 9.25 per cent for banks, no processing fees, and a 100 per cent sovereign guarantee eliminating credit risk for lenders. Banks were actively reaching out to eligible borrowers. Government machinery was promoting drawdown. Yet, after four rounds of ECLGS, which ended in mid-2022, MSMEs availed of guarantees worth ₹2.45 lakh crore, out of the corpus of ₹5 lakh crore that was set aside. The total sum disbursed was ₹3.6 lakh crore. The reasons for this need to be explored.

MSMEs and traders do not operate on bank credit alone. Their working capital cycle is built on a continuous chain of trade credit — goods and services

supplied on deferred payment terms to buyers ranging from large corporates and distributors to government departments. Bank working capital usually rests on the underlying trade credit system. The MSME's ability to service any loan depends on the speed and reliability with which its buyers settle their dues. Covid-19 disrupted this payment chain and the legacy continues.

In this environment, a well-managed MSME made a rational calculation: borrowing more to extend fresh trade credit into a market already delaying or defaulting on dues would increase liabilities without assurance that the resulting receivables would be recoverable in full or on time.

Banks were, understandably, approaching the problem from a supply-side lens: credit is available, guaranteed, and cheap. MSMEs were approaching it from a receivables' reality: the problem is not absence of funds — it is absence of collections. This mismatch of perspectives, rather than any design flaw in the scheme, explains much of the utilisation gap.

CHALLENGE FOR ECLGS 5.0

The concern for ECLGS 5.0 is that the post-Covid payment environment has not fully normalised. What began as emergency-driven payment delays gradually shifted behavioural norms — delayed payment and defaults became,



DELAYED PAYMENTS. A major problem area for MSMEs

for many buyers, an accepted working-capital strategy rather than an exceptional measure. When delays cross a critical mass, reputational deterrence weakens: many honest payers cannot be distinguished from defaulters, and no individual firm has an incentive to restore discipline alone. Trade credit, supply-chain financing, bank working capital, and NBFC lending are deeply interconnected; stress in one segment transmits across the system, slowing credit circulation and compressing the credit multiplier.

India is fortunate to already possess the digital infrastructure to address this challenge. GSTN captures invoice-level transaction data across the supply chain. UPI, NEFT, and RTGS generate time-stamped payment trails. The Account Aggregator framework enables consent-based data sharing. What is

needed is one additional architectural step: systematically pairing each accepted invoice with its corresponding digital payment record.

Once a buyer accepts an invoice on GSTN, it becomes a digitally authenticated liability. Linking the related payment details — UTR, date, amount, and mode — to the same invoice creates a verified audit trail where invoices are either matched to payments or flagged as outstanding. Lenders would be able to assess not merely balance sheets, but actual cash-flow behaviour — the true determinant of an MSME's ability to service debt.

TreDS platforms could price invoice discounting based on verified buyer payment records, reducing financing costs for MSMEs with reliable payers. A transaction-backed credit profile for consistent payers would gradually replace collateral-dependence. ECLGS 5.0 is a well-designed, appropriately targeted scheme.

Its success in the case of MSMEs, however, will ultimately depend on a factor outside its own design: the health of the trade-credit payment ecosystem into which it is released. Credit availability alone, as ECLGS 1.0 demonstrated, does not guarantee credit utilisation.

The writer is former DGM, SIDBI

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.

Austerity measures

Prime Minister Narendra Modi's has appealed to Indians to defer gold purchases, avoid foreign travel, and reduce oil consumption to save foreign exchange. The appeal comes amid a weakening rupee, rising crude oil prices following the closure of the Strait of Hormuz during the US-Israel conflict with Iran, surging imports, and slowing foreign investment and remittance inflows. The government must present a credible economic roadmap to tackle these challenges. Though India's forex reserves remain comfortable at nearly \$690 billion,

prolonged crude prices above \$100 per barrel could severely strain fiscal stability. What India needs now is transparent economic management and long-term policy clarity.

M Jayaram
Shivajinagar, TN

Advertisement cost

This refers to FMCG giants cut advertising spends due to slowing demand, rising costs (May 14), India remains among the world's top spenders on television, print, billboards, and news channels ads. Yet the sheer frequency of repetition

often irritates viewers, undermining the products being promoted. Excessive advertising not only risks alienating consumers but also inflates costs. In fact, ad expenditure is a major component of the Maximum Retail Price (MRP), meaning buyers ultimately foot the bill for campaigns they may not even appreciate. Rationalising ad spend, focusing on relevance rather than saturation, and shifting towards digital or targeted formats could ease costs while preserving consumer trust. Sustainable advertising must balance visibility

with value, not drown audiences in noise. If a product truly resonates with people, advertising becomes secondary. Word of mouth naturally spreads its appeal, as satisfied customers share their experiences with others.

O Prasad Rao
Hyderabad

Tapping gold ETFs

Sripoo: Allow gold ETFs to unlock vaults (May 14). The article makes a technically sound argument. Allowing gold ETFs to deploy futures alongside physical holdings could

meaningfully reduce import pressure without asking investors to sacrifice exposure. The regulatory groundwork, as the article notes, already exists. What is missing is SEBI's willingness to create managed futures allocation as standard practice rather than an exception. With 115 tonnes sitting idle in vaults and imports surging, this structural

fix deserves faster consideration than it is currently receiving. Tariffs alone will not solve a problem rooted in how Indians save.

Abharna Barathi
Chennai

Agri stack revolution

Transforming digital delivery of farmer welfare

Devesh Chaturvedi

Recognising the need of a standardised farmer database, the government launched Digital Agriculture Mission in 2024, with strong Centre-State collaboration. The Agri Stack is emerging as a quiet but powerful transformative pillar of this mission. It comprises of three registries — farm, farmer and crop sown. Agri Stack signals a new chapter in India's agricultural journey.



AGRI STACK. Digital farm solutions PH

Farm registry comprises database of geo-referenced agriculture plots. In the second layer, each land owning farmer is being provided with a unique farmer ID with essential information related to all plots owned along with the share in case of co-ownership. The data is dynamically linked to the Record of Rights so that any change in ownership due to inheritance, sale etc gets updated in the farmer registry. The third layer comprises of details of crop sown on each plot, obtained through a Digital/Technologically driven crop survey conducted in each crop season after the sowing is completed.

districts using mobile devices, geotagging and satellite support.

Land data integrated with crops sown and soil health has the potential to unleash a transformation in agriculture extension as now tailored advisories can be designed and disseminated at very low cost. Farmers can receive personalised guidance on optimal sowing times, irrigation schedules, nutrient application and pest management based on local conditions.

Agri Stack fosters evidence based data driven policy making due to availability of accurate and timely data to track cropping patterns, anticipate supply-demand gaps and intervene in a timely manner to prevent price volatility.

Central and State Farmers, have developed their own farmer databases for scheme implementation. Agri Stack breaks such self-created silos by providing a common but universal digital layer allowing various systems to work using the same verified data.

Several States have gone ahead to successfully implement use cases of Agri Stack. Uttar Pradesh is using Agri Stack for MSP based procurement. Chhattisgarh used the Agri Stack to seamlessly register farmers for MSP based paddy procurement during last kharif. Madhya Pradesh used the database for its Price Deficiency based support to soybean farmers under PMASHA. Maharashtra is using Agri Stack for all its DBT based benefits including Disaster Relief. As the Stack matures, there are opportunities for start-ups to build applications that combine crop data, weather forecasts and market prices into user-friendly tools.

Agri Stack is a forward-looking reform, which through collaboration is empowering farmers and strengthening governance.

The writer is Former Secretary (Agriculture), Government of India

S ADIKESAVAN

The image of Jitu Munda carrying the exhumed remains of his sister on his shoulder to a bank in Odisha's Keonjhar district will haunt India for a long time. Not because it was merely a story of how the poor are normally treated. What made this episode numbing was that every institution of the State — and society itself — appeared to watch the spectacle, as it unfolded, with complete moral apathy.

Jitu Munda had walked to a regional rural bank branch seeking access to the modest savings left behind by his sister, Kalra Munda. Actually, the greater tragedy lay in what followed.

After the bank and the police intervened, he walked back with the same burden on his shoulder. No ambulance arrived. No police vehicle was offered. No local official intervened. No one in the bank also thought it necessary to arrange at least the basic assistance of arranging a vehicle for Jitu and the body to go back home. The bank branch certainly possessed discretionary powers to sanction a small amount towards emergency support. The police officer standing beside an official vehicle could easily have stepped in. The Mussorie-trained babus in the district administration could have acted. But the "system" collectively looked away.

The ₹19,000 lying in Kalra Munda's account has now been paid to the family. Donations reportedly amounting to nearly ₹15 lakh have poured in. The system's conscience, it appears, became active only after national and international media attention forced it to awaken.

Yet the larger questions raised by this episode remain unanswered.

RBI'S ROLE
The first concerns the silence of India's banking regulator, the Reserve Bank of India. Customer protection and financial inclusion have long been projected as central pillars of RBI's institutional philosophy. One therefore expected at least a public acknowledgment that a grave systemic failure had occurred. Even a brief statement assuring citizens that the matter was being examined for redress and non-recurrence, would have conveyed that the regulator recognised the enormity of what happened.

More importantly, there is no indication whether the Banking Ombudsman mechanism under RBI took "suo motu" cognisance of the matter. Must a poor and illiterate tribal first draft a formal complaint before the grievance redress architecture moves into action? If the Ombudsman



Representative picture

Keonjhar incident, an institutional failure

MORAL DEFICIT. The apathy of bank officials, RBI's silence and inaction by the banking ombudsman has shown up the banking system in poor light

mechanism cannot proactively respond to such an extraordinary case of exclusion and distress, then fundamental questions arise about the philosophy underlying the system itself.

The issue also raises concerns about regulatory communication and institutional design. RBI regulations mandate that banks "shall" obtain nomination details for deposit accounts. If a depositor declines nomination despite being informed of its advantages, such refusal must be recorded in writing and preserved by the bank. Was this procedure followed in the account of Kalra Munda? The public does not know.

There is a deeper issue as well. Can rural India reasonably be expected to navigate concepts such as "nomination", "legal heir" and "ombudsman" with ease? There is profound disconnect in even the regulator expecting rural India to make sense of a Scandinavian title that many educated Indians themselves

barely understand. If institutions meant for the common citizens remain linguistically and culturally distant from them, "Inclusion" becomes more theoretical than real. There is need to democratise and decolonise the redress machinery.

This incident also exposes the gradual retreat of institutional outreach by the regulator. There was a time when senior RBI officials, especially from Regional Offices, regularly travelled into rural India to understand conditions on the ground. Former RBI Governor D Subbarao had repeatedly emphasised such an outreach. Won't our system be more responsive if those on the Board of RBI visit at least one village every six months and bank branches nearby? They will then realise how "Antyodaya" works on the ground.

WESTERN GAZE

Today, the banking system's gaze often appears more fixed on Washington, Basel and global regulatory discourse, while India's own margins remain inadequately examined. It is revealing that no top brass of the banking or regulatory establishment appears to have visited Jitu Munda's village to understand how the system failed and what lessons to be learnt.

The second issue thrown up by this episode concerns the near absence of institutional support structures for rural citizens dealing with official systems. Why did the village-level government

machinery not intervene to help this family navigate procedures? Kalra Munda died in January. So arranging a death certificate for the family should not have been a problem. Does the State possess any effective structure to assist poor citizens in handling paperwork relating to banks, welfare entitlements and government offices?

Despite repeated claims of simplification and digital transformation, official processes remain intimidating. Ease of doing business cannot remain confined to corporate India and entrepreneurs. For the ordinary citizen, ease of doing business means the ability to deal with banks, local administration and welfare systems with ease and without endless procedural obstacles.

Admittedly, on so many parameters, the RBI remains one of the country's finest institutions, and the present Governor has repeatedly stressed the importance of customer service. But financial inclusion cannot end with the opening of a bank account. True inclusion will be achieved only when the poorest citizen can remain engaged with the financial system without any difficulty.

For, what happened in Keonjhar, we can only collectively say "Lit a fistful of earth and pour it over our shameless heads, Bapu" (Quote adapted from an article by Gopal Krishna Gandhi)

The writer is a commentator on banking and finance

thehindubusinessline.

TWENTY YEARS AGO TODAY.

May 15, 2006

National grid plan may get delayed

States of the northern region that have been rampantly over drawing power from the regional grid could be playing spoiler in the Government's national grid project. According to the Government's latest grid frequency profile data, the northern grid's average frequency fell below the stipulated limits into the crisis zone — a whopping 27 per cent of the total time between April and January 2005-06.

OVL board meeting likely in Vietnam

In keeping with its status of a global player, ONGC Videsh Ltd (OVL), the overseas arm of ONGC, is planning to hold its board meeting in Vietnam. According to sources, if the mandatory approvals come through, this would be the first time that OVL would be holding its board meeting at a place where it has production assets.

Govt may drop plan on body for revamp of PSBs

The Centre is likely to drop its earlier plans to establish a financial restructuring authority for revamping or restructuring of any weak or potentially weak public sector banks. It may, instead, go with the Reserve Bank of India suggestion of appointing an administrator to take charge of the board of the public sector bank that has been superseded or dismissed.

Starmmer rival Streetering quits, setting up UK leadership bid

Alex Wickham
Joe Hayes

Wes Streetering resigned as Keir Starmer's health secretary, paving the way for him to challenge the UK Prime Minister for his job.

"It is now clear that you will not lead the Labour Party into the next general election and that Labour MPs and Labour Unions want the debate about what comes next," Streetering said in a letter to Starmer that he published on X. He added that he wanted to see "the best possible field of candidates" in competition to replace the Prime Minister.

Streetering's departure raises the prospect of an imminent leadership contest, where Starmer will have to fend off rivals like the 43-year-old member of parliament for Ilford North

plus other potential contenders.

Starmer is fighting to stay Prime Minister after almost a quarter of his Labour Party publicly called for him to resign in the wake of disastrous local election results last week.

Streetering is only one of the party figures likely to throw their hats into the ring in the event of a formal leadership contest. Former deputy premier Angela Rayner said Thursday morning that she had been cleared of wrongdoing in a probe into her tax affairs, while there is a large faction on the party's left working to secure a parliamentary seat for Manchester Mayor Andy Burnham, who can't run without one.

For Starmer to face a formal leadership challenge, a potential successor would have to be nominated by 20 per cent of Labour Members of Parliament. The party currently has 403 MPs, putting that threshold at 81.



UNDER PRESSURE, Keir Starmer REUTERS

The ensuing contest would be decided by preferential votes by Labour Party members and affiliates, with precise voting eligibility set by Labour's governing body.

Streetering had a remarkable public falling out with Starmer in November, when allies of the premier accused the cabinet member of plotting a leadership bid. He hit back by giving interviews to broadcasters denying the allegations and demanding Starmer fire

anyone found responsible for the briefings.

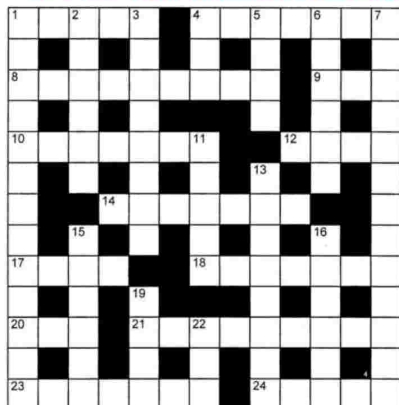
GROWTH SURGES

The UK kicked off the year with a burst of economic growth that is now at risk from the fallout from the Iran war and the prospect of a new prime minister.

Gross domestic product grew 0.6 per cent in the first quarter, a jump from the 0.2 per cent in the previous three months and the fastest expansion for a year, the Office for National Statistics said on Thursday. The reading was in line with the median forecast of economists and above the 0.5 per cent predicted by the Bank of England.

The strong start of 2026 owes much to a bumper February when the economy grew 0.4 per cent. However, it also expanded 0.3 per cent in March, driven by the services sector. Economists had expected a modest in fall in March. © Bloomberg

BL TWO-WAY CROSSWORD 2680



EASY

- ACROSS**
01. Male water fowl (5)
04. Type of print, illustration (7)
08. Fan, backer (9)
09. Provide a crew (3)
10. Aperture (7)
12. Money circulating system (4)
14. Take off clothing (7)
17. Move over and over (4)
18. Tudor portraitist (7)
20. Very cold (3)
21. Unwilling to wait (9)
23. Rubbish (7)
24. Sandhills (5)

- DOWN**
01. Upsetting, off-putting (13)
02. Pippins (6)
03. Feelings (8)
04. Rainy (3)
05. Belonging to us (4)
06. Consign; perpetrate (6)
07. Paper money (3-5-5)
11. Belly-band (5)
13. Set apart, cut off (8)
15. Sportsman, instrumentalist (6)
16. English river (6)
19. Size of type; magpie (4)
22. Welcome luxury, prize (3)

NOT SO EASY

- ACROSS**
01. Old admirer was a libertine after end of childhood (5)
04. Would, one is told, incise a block for printing from (7)
08. A fan will drink dark brown liquor (9)
09. A human being, or three-fifths human (3)
10. Opportunity found in key activity (7)
12. Money-go-round will almost expand to include one (4)
14. Sort of uniform necessitated on retirement? (7)
17. How to make one's own cigarette from portion of bread (4)
18. Unendingly holy, Ben took one in and became a painter (7)
20. Itchy — and every other one is freezing (3)
21. I am one under doctor and can't wait to get better (9)
23. Dress, with sensility, is utter rubbish (7)
24. Send back round forbidden turn as they rise by the shore (5)

- DOWN**
01. Diana's musical evening in one key may prove disturbing (13)
02. Half a Cockney's stairs may be Granny Smith's (6)
03. One is upset about car test giving rise to such feelings (8)
04. A dram for a weak and ineffectual person (3)
05. It shows we have ownership that may turn sour (4)
06. How to indulge in crime and send one to prison (6)
07. Two quintets hammer at the keyboard and often get spent (3-5-5)
11. How thick one is, being made fast with end of cloth (5)
13. Detail so upset, it is set apart (8)
15. Instrumentalist takes 'The Hen' quietly to begin with (6)
16. A number get right inside the river (6)
19. Type size used up in almanac, I perceive (4)
22. Mixed type of pork product with a crust (3)

SOLUTION: BL TWO-WAY CROSSWORD 2679

ACROSS 2. Unfed 5. Cube 7. Spin 8. Lie awake 9. Glowworm 11. Dare 12. Weather report 15. Door 17. Pivoting 19. Venomous 21. High 22. Dawn 23. Eaten
DOWN 1. Repulse 2. Urn 3. Folio 4. Dreamer 5. Cow 6. Baker 10. Water 11. Depot 13. Explore 14. Renegade 16. Opera 18. Visit 20. Own 21. Hen

Xi's Thucydides Trap For the US to Dodge

Reminder of a rival that has already arrived

Xi Jinping's invocation of the 'Thucydides Trap' at the Beijing summit on Thursday was a carefully staged assertion of primacy. The trap, popularised by political scientist Graham Allison, describes the near-inevitability of war when a rising power challenges an established one, as observed by 5th-c. historian Thucydides about the Peloponnesian War breaking out due to the rise of Athens and the fear this instilled in Sparta. Xi's rhetorical flourish — can China and America avoid it? — was not the anxious plea of a challenger but a confident reminder of a rival that has already arrived.

Trump spoke of tariffs, oil sales and transactional deals. Xi spoke of Taiwan as the fulcrum of peace and of 'a brighter future for humanity'. The US appeared reactive, its president haggling over trade balances and quipping, while China cast itself as calm steward of global stability. The balance of advantage is no longer theoretical. China has demonstrated resilience against US economic aggression, retaliating swiftly to tariffs and proving it can absorb shocks. It commands the supply chains of rare earths, giving Beijing leverage over Washington's tech advantage. Its energy diversification strategy, including interest in US oil,



is a way to reduce vulnerability to West Asian turmoil while turning US exports into bargaining chips. Diplomatically, Xi's framing of Taiwan as the 'most important issue' underscored the asymmetry. Mismatching it, Xi warned, would push relations into 'dangerous territory'.

The classical dilemma assumed the ruling power held structural superiority. In 2026, that assumption looks quaint. So, Xi's invocation of 'Thucydides' was a reminder that history's oldest pitfall can be avoided — but only if Washington accepts that the 'rising power' has already arrived, and the two superpowers work for each other's benefit. Trump may have been genuine when, at the official banquet, he thanked his hosts for a 'magnificent welcome like no other'. But maybe the welcome was 'like no other' very differently from what he believes it to be.

When Good News is Compelling News

In a world where headlines are written in the shrill register of one crisis daisy-chained to another, it's almost suspicious when something reassuring slips through. Earlier this month, amid the usual news of blockade threats, escalating oil prices and a plummeting rupee, there was a quieter story from the Arabian Sea that should be talked about louder. Pakistan Navy lent a hand to a stranded Indian vessel, MV Gautam, dispatching PMSS Kashmir to provide food, medical aid and technical support, and rescuing its crew of 6 Indian and one Indonesian sailors. No fireworks, no hashtags, just sailors helping sailors.

It is tempting to either inflate such gestures into diplomatic breakthroughs or dismiss them as trivial. Both miss the point. The significance lies in the fact that such acts of kindness do happen even in the fog of manufactured discord. In an climate where division is the default setting, even an isolated humane act is a reminder that not everything has gone to pot. The crew of both ships shared the most elemental truth of seafaring: against the vastness of the ocean, nationalities are laughable.

Yes, the vessel Pakistan sent was Chinese-built — cue the analysts with their geopolitical spreadsheets. But the more human ledger is simpler: A stranded ship was steered, its crew reassured. That is news worth acknowledging and amplifying. It tells us that progress is not always hammered out in summits or treaties, but can sometimes be found in the real world inhabited by persons 'out there'. In the end, the Arabian Sea offered a parable: amid the noise of confrontation, gestures of cooperation still surface. They may not change world order, but they change the day for those caught in the swell. That's worth raising a toast to.



From Lü-bi-ao to Lü-bi-ao is all that's needed to give Marco a makeover

What's in Intonation Of a Name? Lots-ao!

The Chinese have cracked the code to international diplomacy: if someone is persona non grata, to make him or her grata, simply change the person's name. Marco Rubio, barred from entering China for his past lectures on human rights violations, managed a ride with his boss to Beijing after his name was given a fresh set of Chinese paint. Rubio, former senator against whom China still has a travel ban, is 'Maa-ke Lü-bi-ao'. On the other hand, Rubio, secretary of state who's now in China, is 'Maa-ke Lü-bi-ao'. The switch from 'Lü' to 'Lu', with the latter's 'u' being pronounced with an upward inflection, does the trick.

Forget rehab programmes, or truth commissions. All you need is a linguistic makeover. If you want Vijay Malia back in the country, move from his default name to Vijayam Malia, or Bijoy Malay. Want Nirav Modi to pop by? Call him Neerabh Mody. Zakir Nair can become Zakeer Nayyar. After all, that's how you lasso most folks and keep them out of the Special Intensive Revision process. The beauty of this system is its efficiency. No need for costly PR campaigns, elaborate cover-ups or cracking U-turns. Just tweak the spelling, adjust the characters, pronounce the name, and voilà! — sanctions evaporate, reputations sparkle. It's a bureaucratic spa treatment: exfoliate the name, moisturise the image and send the client out glowing.

Improve risk-return profile of Indian assets quickly for external buffers to become self-replenishing

A Newer Mind ₹, Let's Talk \$



Anubhuti Sahay & Nagaraj Kulkarni

With the rupee weakening beyond 95 per dollar, and West Asian tensions showing no signs of easing, it is time to bolster dollar inflows and support the currency has become more pressing. Measures such as curbing gold import demand, allowing retail fuel prices to adjust to moderate oil import volumes, and reducing withholding tax on external commercial borrowings may be under consideration.

But market attention is increasingly focused on incentivising fresh dollar inflows from NRIs, akin to initiatives implemented in 2000 and 2013. Those schemes mobilised sufficient foreign currency to stabilise sentiment and reinforce the external position, which explains their renewed relevance today.

Of course, this strategy isn't free. So, what's the price tag this time? And is it worth it? In 2013, even with US interest rates near zero, the incentive required to attract foreign currency was meaningful: 5% non-resident deposits offered a 4% coupon on dollar balances when US market funds were yielding about 0%. To ensure the product was both attractive to investors and viable for banks, policymakers provided funding support of 2.50% through a concession on the prevailing FX swap rate.

The starting point today is markedly different. Fed funds rate is around 3.5% and US money market funds offer broadly similar yields. While factors such as lower hedging costs than in 2013 provide some mitigation, a me-



The rupee needs that bounty money

aningful pickup over US risk-free rates — and/or more substantial policy support — would likely be required to mobilise non-resident dollar funding at scale.

Against this backdrop and allowing for different combinations of deposit pricing and incentives, an estimated deposit rate of 6.0-6.25% — with funding support of 2.75-3.0% — could be sufficiently attractive to raise meaningful dollar inflows. Put differently, for every \$10m raised, the 3% funding support to be provided by policymakers could be \$700-850 mn, around 10-20% higher than in 2013.

More expensive? Yes. Still worthwhile? Absolutely. Such schemes should not be interpreted as cost in conventional sense if the prime objective is to maintain macroeconomic stability. India's capital inflows have been subdued for over 2 yrs, with limited near-term prospects of a sustained recovery, amid elevated global rates and continued investor focus on the AI theme.

As a result, the external position is more exposed to higher crude prices than in the past episodes. India is also on track for a third consecutive year of BoP deficit over the next 12 months, an unprecedented outcome. To be clear, this isn't a BoP crisis yet. With nearly 9.5 mths of import cover (almost 3x IMF's safety net), India isn't on the ropes.

But with global shocks becoming more frequent and capital flows thinning, the external buffer is less comfortable. Given that external resilience has been central to India's macro stability and growth, incremental funding support by policymakers is unlikely to be a binding constraint.

The more material question, the more, is not the headline price tag but scale of inflows required to stabilise market conditions, as in 2000 and 2013. For context, the 2013 NRI deposit mobilisation raised \$26 bn — about 10% of reserves at the time, and roughly equivalent to two-thirds of one month's goods imports.

Today, with reserves near \$700 bn and average monthly imports around \$65 bn, the required quantum is materially larger. Compounding this, net annual FDI has slowed to low single digits (vs around \$20 bn a year in 2013), while oil prices remain a key source of uncertainty. In short, a much larger amount of dollar funding would likely be needed to materially strengthen defences.

Relying on a single instrument is unlikely to be sufficient. Alongside incentivising dollar inflows from NRIs, a cost-sharing framework should include other commercial entities, like oil marketing companies to

support working capital needs) and banks/NBFCs (with proceeds potentially channelled toward targeted segments such as MSMEs, industry and infrastructure).

Complementary measures would also be required, like some degree of monetary tightening, greater tolerance for a weaker rupee and import-demand management, potentially by allowing retail fuel prices to play a more active role in allocating demand. Coordinated employment of these measures could improve the probability of stabilising outcomes.

These measures can help India withstand an adverse external environment. But they are not a substitute for addressing the underlying issue: weakening capital flows. India can neither set global interest rates nor can it replicate the scale of AI-led investment currently concentrated in the US and China. It can, however, act decisively to improve expected re-

turns on Indian assets. Priorities include further diversification of energy sources to strengthen energy security, faster and more targeted investment in infrastructure projects (for both domestic and foreign investors), and a simpler, more predictable policy and regulatory framework. Ultimately, the critical test is not merely the scale of investment, but structure, or choosing the 'right' quantum of dollar mobilisation. It's improving the risk-return profile of Indian assets quickly enough for external buffers to become self-replenishing.

Sahay is India economic research head, and Kulkarni is chief rates strategist, South Asia & Indonesia, Standard Chartered Bank

THE SPEAKING TREE

Döstädning: Leave Light

NAJIB SHAH

Paradoxical as it may sound in this age of consumerism, the Swedish concept of döstådning, which focuses on getting rid of unused or rarely used items, is catching on with the young. This is more a nod to the reality that real estate is expensive and that one needs to keep only what one's abode can accommodate. But there is another concept with a similar goal, but with a more distinct philosophy: profound and spiritual. It is the Swedish concept of 'döstädning', translated as death cleaning, popularised by Margareta Magnusson.

As the name suggests, this concept acknowledges the fact that death is a reality and that we all need to prepare for our journey to the beyond. However, far too many of us forget that death comes unannounced. While preparing for the inevitable can be a process as slow as yourself in prayers and ritual to clean up your 'book of deeds', rarely do we prepare by getting rid of the things that are cluttering our journey to the beyond. However, far too many of us forget that death comes unannounced. While preparing for the inevitable can be a process as slow as yourself in prayers and ritual to clean up your 'book of deeds', rarely do we prepare by getting rid of the things that are cluttering our journey to the beyond. However, far too many of us forget that death comes unannounced. While preparing for the inevitable can be a process as slow as yourself in prayers and ritual to clean up your 'book of deeds', rarely do we prepare by getting rid of the things that are cluttering our journey to the beyond.



With nearly 9.5 mths of import cover, India isn't on the ropes. But with global shocks becoming more frequent and capital flows thinning, the external buffer is less comfortable

Why this Could Be a Good Crisis

stitched up, reserves adjusted for the forward loss and gas exploration may be just around \$500 bn, and not the \$890 bn headline number. The market knows it too well. Waiting to reach a situation where the need for a swap line with the Fed arises may not be the best strategy.

When India resorted to a special deposit scheme after the taper of US monetary stimulus in 2013, global rates were near zero or low because ECB chief Mario Draghi promised to do 'whatever it takes' to keep EU intact. This time is different. A similar programme is going to inflat a cost on the sovereign, which must be borne.

These and other measures, such as raising retail fuel prices and reducing the import subsidy may bring in relief. But these are bandages. What is required is surgery. While precious metals and crude dominate the import bill, nothing much can be done about gold and silver as curbs could lead to smuggling. Furthermore, it is illogical to persuade citizens to stop buying gold when the central bank is printing their own currencies are accumulating the yellow metal.

Crude addition cannot be substituted with solar or wind. India's re-



M C Govardhana Rangan

The alarm button has been pressed. Import duty on gold and silver is the first step to counter the fire started by the US-Israel war on Iran. It's not often that the PM, principal secretary, economic adviser, energy minister, and one of India's top bankers all warn about an impending crunch time in a span of hours. This means making precious metal imports more expensive is just the beginning.

Facing a crisis is a familiar script for many Indian policymakers, but this time round, the economy's standing is more dire. What could go wrong for an economy that's acknowledged as the fastest growing by IMF and World Bank? For years, India received capital flows that few emerging economies did. The inflation-targeting monetary policy appeared to have slain the inflationary demon that has been the root cause of physical crises.

The latest one proves that in a connected world, fault lines need not be within the economy but could emerge from anywhere. And it so hap-

pened with the blockade of the Strait of Hormuz. India's Achilles heel, the dependency on imported crude, is at play again. This rounds up the holy trinity of capital outflows, and collapse of free trade that served economies like China, India and Bangladesh for three decades.

Current, the visible barometer of an economy is slowing at a rapid pace, down 6.1% this year — the worst performance in the region. If this trend is to be reversed, RBI, which has remained comfortable with inflation levels over the past few years, needs to prioritise financial stability over growth.

It must increase interest rates even if unwillingly to change the behaviour of importers who rush to buy and exporters who delay shipping, causing the lead-lag distortion. India's inflation rate may not necessarily spike, but the interest rate differential between the US and India has narrowed from more than five percentage points to about 2.5, calling on MPC to look beyond prices when setting rates.

Unlike China and South Korea, which built reserves through exports, India relies on capital flows. A plan to bring in US dollars needs to be

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port can on oil and gas exploration has been slow and inconsistent. Policies have ensured that private capital gives it a miss. In the past decade, of the awarded 172 exploration blocks, there were just 14 discoveries, and only one is producing, and that too marginally.

When one looked at the potential, it's just the tip of the iceberg. S&P Global's commodity insights estimate that the country holds an estimated 22 bn barrels of undiscovered hydrocarbon resources. Yet, nearly 70% of these reserves remain unexplored. The numbers may be deceptive — many of them may be in locations, like deepwater or ultra-deepwater, which require billions of dollars and advanced technology like only the likes of BP Shell or Exxon-Mobil possess.

They may demand business terms that ensure profitability. Go! must take its conservation strategy bold enough to roll out the red carpet for MNCs. Some of them may become unviable if oil prices fall, but then even if they are not, they are a national priority and persist with them even if they would be loss-making when prices fall below breakeven in the short term.

If prices are designed with the long-term prism, this may turn out to be a good crisis.

govardhanarangan@timesofindia.com

ALGO OF BLISSTECH

Smelling Flowers

The bliss of smelling flowers is a sensory joy that begins with molecules drifting invisibly into the nose, and ends with the brain lighting up in delight. Unlike sight or sound, smell is a sense that our molecules catch at receptors in the olfactory epithelium, sending signals directly to the olfactory bulb and limbic system — the seat of memory and emotion. That is why a whiff of jasmine can summon childhood summers before you've even named the scent.

Floral aromas trigger neurotransmitters that regulate mood, lower stress and reduce cortisol, lowering stress, while jasmine boosts serotonin, producing calm and happiness. Dopamine joins the mix, and cortisol levels warm up. This heady cocktail explains why flowers can soothe, uplift, and even lower blood pressure. Early humans drawn to blooms were more likely to find fruit and seeds, embedding attraction to flowers deep in our biology. What began as survival instinct has become aesthetic indulgence.

To inhale a rose is to experience molecules transformed into memory; chemistry into poetry. Smelling flowers is a neurological embrace, with beauty measured in atoms that can be felt as joy.

Chat Room

Symbol Au, Atomic No. 79, Trust 100%

Appropriately Hike Pushes Up Bullion Prices by 7%... by Satarika Ghosal (May 14), the recent hike in gold import duties forces us to look at the economic and fiscal necessity and its deep-seat cultural psyche. While curbing non-essential imports is vital to stabilising the rupee and narrowing the current account deficit, gold remains a sanctuary of security rather than a mere commodity. Taxation alone cannot curb the current account deficit. Instead, it risks fanning the grey market and social discontent. For this policy to succeed, the government must bridge the gap between current fiscal nationalism and innovation by offering viable digital alternatives that provide the same safety net assurance as physical bullion.

Vijayar K K Rajvar

AI-NEET Encrypted Tech Solution



Rohit K Singh

Every year, India holds its breath for NEET, the single gateway exam through which 23 lakh aspirants compete for roughly 1 lakh medical seats.

The problem is physical paper-printed days in advance, transported in sealed trunks across a vast and unequal country, handled by hundreds of middlemen, and exposed to corruption at every step. There is, however, a solution hiding in plain sight. When a major studio releases a blockbuster, no physical print travels to every theatre. Instead, an encrypted digital cinema package (DCP) is transmitted to projection servers at each multiplex days in advance. The decryption key, Key Delivery Message (KDM), is released separately, synced to show-time. Without the key, the file is gibberish. With it, the film plays. Pirates can steal the file. But they cannot screen it without the key.

This 2-layer architecture has made pre-release leaks of theatrical prints nearly extinct. NEET needs exactly this architecture. Here's how it would work:

Nata and Testing Agency (NTA) encrypts the final paper using military-grade AES-256 encryption and transmits the ciphertext to a secured local terminal at every one of the roughly 4,500 exam centres, beginning 60 mins before the examination. The decryption key, a time-stamped OTP, is released through a separate centralised channel to authorised centre superintendents 10 mins before exam starts. Only when both elements exist simultaneously at the terminal does the paper become readable. Stealing the encrypted file in transit buys a criminal nothing. Intercepting the OTP buys nothing either: The two must meet, briefly inside a tamper-evident, CCTV-monitored local terminal. And it so hap-

pened with the blockade of the Strait of Hormuz. India's Achilles heel, the dependency on imported crude, is at play again. This rounds up the holy trinity of capital outflows, and collapse of free trade that served economies like China, India and Bangladesh for three decades.

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Make it tricky

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The writer is former secretary, GoI

IT sector can focus on austerity rather than remote work

DEBATE over 'work from home' (WFH) is back on the table. After Prime Minister Narendra Modi urged businesses to opt for WFH wherever possible, now India Inc is seriously mulling over working on the remote mode. Importantly, WFH has been a popular mode of operations in the services sector, especially in the Indian IT industry. Therefore, the debate around remote mode of working is back in the IT industry. With more than 5.5 million direct employment, Indian IT industry has been one of the largest employers of the Indian economy. During the COVID pandemic period, this critical industry with gigantic workforce has successfully operated in the remote mode, serving clients worldwide. Such was the natural transition

to remote mode that no major cybersecurity breaches or work disruption had happened during this period. Against this backdrop, this is natural that IT industry can again go on remote mode as the country tries to preserve forex reserves coupled with serious supply disruptions. This looks like a no-brainer. However, there is a catch. The IT industry is not keen to go back to the full remote mode. And the reasons are many. Firstly, unlike COVID pandemic, where mobility restrictions were imposed for restricting the disease spread; current situation is more supply-side driven. It means the government wants less fuel consumption by Indian citizens to reduce the import bill. So, many

industry experts are of the opinion that it is better to stick to current hybrid model of work (employees have to work from office for some days) than going back to full remote mode. This will create no disruption to current workflow. Because going back to remote mode means companies again have to rearrange the workflow, think about the project access issues, and sort out the logistics problems among others. It definitely imposes cost on companies. Secondly, IT companies have very bitter experience from WFH. Though work flow was sound with no disruption, getting people back to offices proved to be herculean tasks for most companies. Many companies had to literally issue job loss threats to get back their employees back to offices. According to companies' management, some employees were moonlighting (doing two or more jobs), posing serious risk to privacy of clients' data. Company culture was another casualty according to them as team members only interacted virtually without any real bonding or knowledge on the company. IT industry association, Nasscom has argued that IT firms are operating under hybrid mode wherein employees are working in remote mode for a few days and the rest in offices. This should be continued, they suggest. Lastly, AI (artificial intelligence) has emerged as the biggest disruptor in IT industry of now. While IT services companies are losing market share, employees are worried about their job stability. The very foundation of Indian IT companies' business model is at risk. At this crucial juncture, if the whole company goes remote, then it will be really tough for planning, R&D work, & strategy. So, the resistance from IT companies to remote mode is natural. Meanwhile, the central government has already clarified that WFH is not mandatory for companies. Against this backdrop, IT industry may stick to its current hybrid mode of operations than opting for remote mode. However, it doesn't absolve the industry from its responsibility of contributing to austerity measures. Therefore, unnecessary conferences, travel, luxury stays of highly-placed executives, and all other such engagements should be curbed by the companies.

Vijay's victory strengthens democracy



RAVULAPATI SEETHARAMA RAO

That difference struck us immediately. The lesson sank in. Reflecting on the recent elections in West Bengal, Kerala, Tamil Nadu, Assam, and Puducherry and the conduct of leaders from various parties, unbiased analysis brings that Chief Constable's priceless remark back to mind — how true it is.

As long as Jawaharlal Nehru led the Congress, leaders in every state did exactly as he said — without question or resistance. A few southern leaders like Rajaji broke away from the Congress and formed other parties. Indira Gandhi exercised the same kind of dominance. In later administrations, everyone tried to toe the line — except Vijay (to the PV Narasimha Rao's minority government didn't allow a similar display of dominance).

Whatever they did, they claimed the Constitution as their justification. Lately, courts, election commissions, and institutions invoking the constitution have often served as instruments for those asserting that dominance. Analysts repeatedly note that presidents, governors and government departments have become rubber stamps — how justified the conclusion should be left to the people to decide. In a democracy, governments chosen by the people must be held answerable. They



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include everyone. We see the opposition behaving beyond acceptable limits, but it is the Prime Minister's responsibility to respond to that behavior with restraint. He must act like a statesman; if he always behaves merely as the leader of his party, he will inevitably fail to earn the title "leader of all" or "prime minister of everyone."

A leader of Modi's stature does not need that. Vijayveer endured more setbacks than Modi did — and when he was able to be perceived as "everybody's man," why does Modi think only in party terms, trying to expand the party's reach across the country? Both men belong to the BJP, so why is there such a difference in how the public perceives them? Isn't a both the people's duty and the government's responsibility to reflect on this for the nation's welfare? Even though Vijay won the

Tamil Nadu elections, and even though the victory was only a short distance away (but ten seats), and the Governor raising objections to his oath as Chief Minister, the famous film actor Vijay being kept waiting has currently captured the nation's attention. It's striking how often, even when a party comes up short by only a few seats, governors (appointed by the central government) have in the past allowed on swearing in chief ministers during such interim periods.

What kind of politics is this? What kind of democracy is this? That cry is growing louder. One might say history need not be rewritten, but the current situation has arisen precisely because events have pushed us to that point — and that's a fact. Whether Vijay, who nearly overtook decades of Dravidian rule, remains uncertain.

Yet seeing Tamil Nadu voters set aside the two big parties — DMK (with Congress) and AIADMK (aligned with the BJP) — without a second thought, and giving more seats to TVK, the party Vijay founded less than two years ago, speaks to the resilience of our democracy. Still, institutions and officials in power must act in ways that support the law — whatever the truth — because rumors have spread widely among the public. If election commissions or

courts become entangled in this controversy, it would harm democratic robustness and the sanctity of the Constitution.

If Mamata had refused to step down and held her ground in West Bengal, it was definitely a mistake. But her determination has to be viewed differently. In the heat of elections, all the parties forgot propriety and took to street fights — which is hardly appropriate. For a long time the Congress ran both the state and the Centre under a kind of single-party dominance without using the phrase "double engine."

Whenever any party seeks authoritarian control — its flag flying in every state and at the Centre — people have firmly rejected that. Now the NDA (led by the BJP) is strategically pushing the "double engine" slogan nationwide in an effort to extend its rule across the country; whether voters will accept that remains to be seen. What people want is good governance, and the leaders they support to rise to power. If what happened in Tamil Nadu can be replicated — where that popular choice prevailed — then democracy in this country is safe and can be sustained.

(The writer is a retired IPS officer, who has served as an Additional DGP of Andhra Pradesh)

LETTERS

Increase medical seats in colleges

A PROPOS 'Aspiring global power should be able to conduct fair exams (May 14)'. The cancellation of the NEET for medical seats is certainly a big blow for those honest students who prepared for the same studying day and night sincerely to write the exams. Their parents especially spent their huge savings and also borrowed huge sums of money in getting their children the best coaching etc in preparing for the exams. All these things ended up in a rock bottom statement by the authorities stating 'exams cancelled' due to leak of papers happening in some parts of the country. This is very shocking for the students. The author further has rightly observed that the national tests such as for civil services etc go very smoothly without any problems but the tests for professional courses frequently get these types of cancellations. The craze for entering into the medical education is tremendous and ever increasing and it is high time that the government also focuses on this issue by increasing the number of medical seats throughout the country year by year. This definitely will curb corruption existing in any of the administrative levels of the National Testing Agency to a great extent motivating honest students to secure medicine seats avoiding 'dangers of cancellations' etc.

Katuru Durga Prasad Rao, Hyderabad

Probe deep and eradicate NEET scam

THIS is further to your editorial 'Aspiring global power should be able to conduct fair exams'. Efficiency and delivery must reflect in every endeavour that the country attempts at. The repeated paper leaks in NEET-UG test — despite enormous precautions to prevent copying and other malpractices during the conduct of the examination, the paper leak two or three days prior to the NEET test came as a rude surprise to students. The government should have gone meaningfully to the bottom of the scam, involving people in the first instance itself, but this has become a repetitive story when scammers turned the prestigious examination into a frivolous exercise of gambling to make money — barely bothering about the after effects this will have on the students community who have been toiling to clear the examination.

K V Raghuram, Wayanad

Triumph of democracy in Kerala

THE denouement of the drama over the choice of the next Chief Minister in Kerala has ended the suspense and enabled the people of the state to have a sigh of relief. It is clear that the spontaneous support of the people for V.D. Satheesan, coupled with the preference of the other constituents of the UDF for him over other contenders for the top job, inclined the Congress high command to eventually decide in favour of him, albeit after a long wait. It is apt to describe the decision as a gesture towards public opinion. To this extent, it is a triumph of democracy.

Any other decision might have sparked widespread protests on the streets. One quality that has endeared V.D. Satheesan to the people is his principled stand on issues of great import without considering 'narrow interests'. His attitudes that show a certain broadness of mind will stand him in good stead when it comes to performing his duties as Chief Minister.

G David Milton, Maruthancode (TN)

Has Rahul's choice been overlooked in Kerala?

THE Congress announced V.D. Satheesan as its Kerala chief minister pick after days of discussions for the top post for which senior leaders KC Venugopal and Ramesh Chennithala were also in the running. According to publicly available information senior Congress leader Satheesan is a lawyer from Kerala who served as the Leader of the Opposition in the state legislative assembly from 2021 to 2026. He represents the Paravur constituency in Ernakulam district and has been elected MLA multiple times since 2001. He won from the seat in the 2026 Kerala assembly election as well. He was running as a favorite candidate of Priyanka Gandhi for CMS post whereas Rahul Gandhi's pick KC Venugopal lost out in a close contest. Thus Rahul Gandhi faced backlash within his own party men in the end game. Thus, Kerala saw a new CM after a considerable delay in picking the right candidate.

Mani Ramani Jayanthi, Kozhikode

theansreader@gmail.com

BENGALURU ONLINE

Siddaramaiah defends religious attire decision

BENGALURU: The government decision to permit students in schools and colleges to wear religious symbols, including the hijab, has reignited the state's contentious uniform debate, triggering sharp criticism from opposition parties even as Chief Minister Siddaramaiah strongly defended the move.

The state government's latest order allowing religious attire in educational institutions has sparked what many are calling another round of Karnataka's "uniform row", reviving memories of the 2022 hijab controversy that had drawn national attention and legal scrutiny.

Opposition leaders have accused the Congress government of attempting to appease a particular community and disregarding earlier judicial observations. They argue that the previous dress code introduced by the BJP government in 2022, which restricted the wearing of hijab in classrooms, had received backing from the Karnataka High Court. Responding to the criticism in Mysuru, Chief Minister Siddaramaiah clarified that the government's decision was not limited to allowing the hijab.

"We have not permitted only the hijab. We have also allowed traditional religious symbols such as the janavira, shivadara, rudraksha, and traditional headgear. However, students will not be allowed to wear sarifon shawls or hawer headgear to schools," he said.

He further explained that only traditional and previously accepted forms of headgear would be permitted, adding that newly introduced colour-based alterations would not be allowed.

Read more at
<https://epaper.thehansindia.com>

SOUTH KOREA, JAPAN, AND THE RACE FOR INDIA



DR ANUPAM SHUKLA

ence. With no quick resolution in sight, Seoul needed to send a signal to its own people that it was securing alternative economic relationships. India, with its enormous market and an emerging economy, was the most credible option. The fact that over 600 South Korean companies already operate in India, according to the Embassy of India in Seoul, only strengthens the case.

Despite a Comprehensive Economic Partnership Agreement signed in 2010, the relationship has never quite realised its potential. Part of the reason is straightforward geography and economics — Vietnam offers South Korea a business a closer, more familiar operating environment with a stronger ease-of-doing-business record, where factory approvals that take weeks in Vietnam can take weeks in India. But the deeper problem is structural. Land acquisition remains one of India's most intractable investment challenges.

POSCO's experience is instructive — the South Korean steel giant spent two years trying to establish a \$12 billion plant in Odisha before finally withdrawing in 2017, caught in the complexity of acquiring land in a country where the vast majority of the population still lives in rural areas and where land carries deep cultural, livelihood, and environmental significance.

India's infrastructure gap — in roads, ports, and industrial logistics — remains a significant deterrent, par-

Behind Lee's visit

One area where this partnership could deliver something concrete is semiconductors. India's ambition is clear — to move from being a consumer of chips to a producer, backed by the India Semiconductor Mission's outlay of Rs 76,000 crore. Japan is already moving into India — Renesas Electronics has set up a facility in Gujarat, and Tokyo Electron has partnered with Tata Electronics, with Japanese semiconductor investments in India nearly tripling between 2020 and 2024



ticularly when compared to the seamless connectivity that Vietnam and China offer to foreign manufacturers. That is not a problem that a trade agreement can resolve. What makes this moment different from previous visits is India's own trajectory. South Korea, like many export-oriented economies, is increasingly drawn to the scale of the Indian market — not as a future possibility but as a present reality. India is now the world's fourth-largest economy, having overtaken Japan in 2025 according to IMF projections, and is expected to climb to third by 2028.

What gives India an edge over its competitors is democratic stability. Vietnam, despite its manufacturing

world's leading chip producer, with Samsung and SK Hynix together accounting for over 60 per cent of the global memory semiconductor market — an edge that Japanese firms, whose strength lies in semiconductor materials and machinery rather than production, cannot match.

Japan is already moving into India — Renesas Electronics has set up a facility in Gujarat, and Tokyo Electron has partnered with Tata Electronics, with Japanese semiconductor investments in India nearly tripling between 2020 and 2024. For South Korea, the risk is straightforward. If Japan anchors India's semiconductor supply chain first, South Korea may find itself locked out of the world's fastest-growing major semiconductor market in the sector it dominates globally.

The trade deficit between the two countries remains a stubborn problem — and the reasons are structural rather than incidental. India is still a largely agricultural economy with an industrial base that is growing but not yet globally competitive across most sectors. South Korea, by contrast, exports semiconductors, automobiles, and household appliances in large volumes.

Despite the CEPA being in place since 2010, bilateral trade grew at a compounded annual rate of just 3 per cent from 2018 to 2025, reaching \$26.8 billion in the financial year ending March 2025, according to India's Ministry of Commerce — barely half the \$50 billion target both

sides keep reaffirming.

India's trade deficit with South Korea widened to \$15.19 billion in 2024-25, up from \$8 billion in 2020-21. A renegotiation that puts India's strengths on the table — services and pharmaceuticals, where Indian firms are genuinely competitive globally — would be a more honest starting point than simply renewing targets that have not been met.

President Lee, during the visit, described India and South Korea as "the most ideal partners for comprehensive cooperation" in "an era of hyper uncertainty." That is the right framing. Whether it produces something lasting will be visible in the years ahead — not in the language of joint statements, but in three measurable outcomes: whether South Korean investment in India grows beyond its current modest levels, whether the trade deficit begins to narrow through a renegotiated CEPA that genuinely opens Korean markets to Indian services and pharmaceuticals, and whether Indian companies find the same welcome in Seoul that Samsung and Hyundai have found in India. If they do not, it will join a long list of well-photographed moments that changed very little.

(The writer is a PhD in East Asian Studies from Jawaharlal Nehru University, New Delhi, with a research focus on foreign policy, economic diplomacy, and global governance.)

Our economic and trade teams produced generally balanced and positive outcomes. This is good news for the people of the two countries and the world. Where disagreements and frictions exist, equal-footed consultation is the only right choice
-Xi Jinping, President, China

BIZ BRIEFS

UWA announces scholarship prog

The University of Western Australia (UWA) has announced a scholarship program through UWA India. Applications for UWA India are now open, interested candidates can explore and apply for programs via the official website of university. Professor Amit Chakma, VC, UWA, said: "This landmark scholarship commitment reflects UWA's deep and enduring commitment to India. We are expanding access to a globally recognised UWA education and ensuring that financial constraints do not limit ambition."

HDFC Bank's edu initiative

HDFC Bank, through its CSR programme Parivartan, in partnership with Round Table India, has inaugurated a new primary wing at the Government Composite School at Chhajrasri Village, Noida. Under Round Table India's flagship Freedom Through Education (FTE) initiative, the project has transformed the campus into a 32-classroom modern learning facility serving approximately 1,300 students annually. HDFC Bank Parivartan funded the construction of 12 new classrooms, the renovation of 8 existing classrooms, 3 sanitation blocks, and sports facilities.

QualiZeal's new report

QualiZeal, an AI-powered Quality Engineering (QE) firm, has established Hyderabad as the nerve centre of its global delivery operations, with three Global Capability Centres, a workforce of over 850 engineers, and a 71 per cent CAGR since 2021. The company is strengthening its Hyderabad operations through an AI-driven quality engineering platform ecosystem comprising QMentisAI, ValidAte, and NexaAI.

Axis Max Life opens 50 offices

Axis Max Life Insurance Limited, has announced the expansion of its distribution network by opening 50 new agency offices across Tier 2 and Tier 3 markets, specifically across Uttar Pradesh, Odisha, West Bengal, and Assam, while strengthening its footprint in key metros like New Delhi-NCR and Bengaluru. Sumit Madan, MD, Axis Max Life, said: "Our commitment is to ensure financial protection reaches every corner of India, starting with a tangible presence where customers are underserved."

ICICI, Visa's debit card

ICICI Bank, in partnership with Visa, announced the launch of India's first USD-denominated debit card from its IFSC Banking Unit (IBU) at GIFT City, Gujarat. This first-of-its-kind debit card is linked to ICICI Bank's USD Global Savings Account offered through the Bank's IBU. Built on Visa's premium Infinite platform, the card enables global transactions and provides liquidity by allowing NRIs to access their USD savings in the bank account for usage worldwide.

Crude shock pushes WPI inflation to 8.3%, highest in 42 months

Rising energy costs begin feeding into manufacturing inflation

NEW DELHI

WHOLESALE price inflation shot up to a 42-month high of 8.3 per cent on the back of a spike in energy prices that followed the disruptions caused by the West Asia conflict.

Wholesale price index (WPI) inflation was 3.88 per cent in March, while it was 0.85 per cent in April last year.

According to global brokerage Barclays, the sequential increase in WPI inflation was the highest on record in the series.

A sharp increase in global oil prices drove the surge in the headline rate. Core WPI inflation rose to 5 per cent year-on-year, led by higher manufactured prices of metals, chemicals and textiles. WPI inflation in fuel and power jumped to a 42-month high of 24.71 per cent in April, from 1.05 per cent in March. In crude petroleum, inflation was 88.06 per cent in April, the highest since October 2021.

The West Asia war and the blockade of the Strait of Hormuz has disrupted crude petroleum imports into India. Also, the sharp rise in crude prices globally has made fuel imports costlier. Positive rate of inflation in April



2026 is primarily due to an increase in prices of mineral oils, crude petroleum & natural gas, basic metals, other manufacturing and non-food articles, etc," the ministry said in a statement. Inflation in food articles was 1.98 per cent in April, compared to 1.90 per cent in March.

In non-food articles, inflation rose to 12.18 per cent during April, 11.5 per cent in the previous month, data released by the commerce and industry ministry showed.

In manufactured products, inflation was 4.62 per cent in April, as against 3.39 per cent in the previous month. In the fuel and power basket, inflation in LPG was 10.92 per cent in April, as against (-) 1.54 per cent in March, while in petrol it was 32.40

per cent, as against 2.50 per cent in the previous month. In high-speed diesel, inflation was 25.19 per cent in April as against 3.26 per cent in March. Despite a 50 per cent spike in global crude oil prices, the government has so far held fuel pump and household LPG rates stable to shield households from the impact of the retail price rise of petrol, diesel and LPG.

However, prices of commercial LPG cylinders have been raised.

Barclays further said it expects a Rs 5/litre hike for both petrol and diesel is imminent in May, as crude oil prices remain elevated. "We expect the MPC to look through the supply-shock-driven increase in inflation and persist with a pause for the remainder of 2026," it added.

prices and via its users, ie, the manufacturing sector. "WPI is expected to be higher than the CPI on account of higher weight of fuels in the index, as well as delayed transmission of high crude price to consumers, as the government and the oil marketing companies absorbed most of it until now," Arora said. The West Asia conflict leading to higher price of crude and its derivatives, as well as the potential El Nino effect continues to pose the upside risk to inflation, Arora added.

Bajaj Broking Fundamentals Analyst Shashwot Singh said higher logistics, freight, and commodity prices are now increasingly getting reflected in wholesale inflation, which could eventually pass through to consumer inflation as well. "The spike also suggests margin pressure for manufacturing and industrial companies if cost increases cannot be fully passed on to consumers," Singh said.

This was evident from the April retail inflation data, which came in at 3.48 per cent. India Ratings & Research Director Megha Arora said the headline inflation is likely to further rise to 9 per cent in May 2026, due to transmission of high energy

CII Green Cementech held in Hyd

HANS BUSINESS HYDERABAD

THE 22nd edition of Green Cementech, Confederation of Indian Industry's (CII) flagship annual Conference & Expo for the Cement Industry, commenced on Thursday at the Hyderabad International Convention Centre (HICC) here.

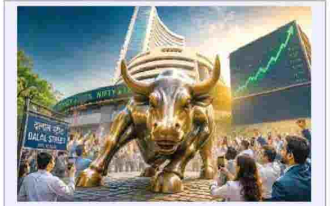
Organised by CII - Green Business Centre (CII-GBC), in partnership with the Cement Manufacturers' Association (CMA), India, the conference has witnessed participation from over 400 industry representatives, including policymakers, senior industry leaders, technology providers, academic & research organisations, and sustainability experts from India and across the globe.

CII Green Cementech, over the years, has served as a strategic platform to deliberate on decarbonisation pathways, digital transformation, and future-ready technologies critical for the cement industry's sustainable growth.

Bulls regain control as Sensex rebounds from intraday lows

Telecom and banking stocks offset IT weakness, crude concerns

MUMBAI



- FII sold Rs4,703.15 cr; DII bought Rs5,869.05 cr
- Mcap of BSE-listed cos rose Rs6,82L-cr in 2-days
- 2,107 advances, 2,076 declines, 190 remained unchanged on BSE
- Rupee hit a record low

STOCK markets rose for the second consecutive day on Thursday with the benchmark Sensex jumping by nearly 790 points in a volatile session, driven by value buying in telecom, pharma and private banking shares.

The 30-share BSE Sensex jumped 789.74 points, or 1.06 per cent, to close at 75,398.72. The index opened higher but slipped into negative territory in late morning deals. However, value buying in telecom and banking shares helped the barometer pare losses and later jump more than 1,000 points to a high of 75,681.88.

Extending gains to the second day, the 50-share NSE Nifty dimmed 277 points, or 1.18 per cent, to finish at 23,689.60. Among Sensex firms, Bharti Airtel emerged as the biggest gainer, rallying over 5 per cent after the telecom carrier's annual revenue crossed the Rs 2 lakh crore mark for the first time.

Eternal rose by 3.32 per cent while HDFC Bank advanced 2.67 per cent, emerging as the major contributor to the Sensex gains. Adani Ports, Sun Pharmaceuticals, Bajaj Finance, Mahindra & Mahindra, NTPC, Kotak Mahindra Bank, Titan, Trent, UltraTech Cement, ITC and State Bank of India were among the other gainers.

On the other hand, Infosys, Tech Mahindra, HCL Technologies, Tata Consultancy Services, Hindustan Unilever, Axis Bank and Maruti Suzuki India ended lower.

"Indian equities staged a counterintuitive recovery from intraday lows and ended higher despite the rupee hitting a record low and crude remaining elevated," Vinod Nair, Head of Research, Geojit Investments Ltd, said.

Investor confidence was bolstered in anticipation of potential government measures to mitigate INR weakness, including consideration of bond tax relief for foreign investors and potential tightening of the Liberalized Remittance Scheme to stem capital outflows, he added.

"Sentiment was further anchored by positive cues from the Trump-Xi summit, which raised hopes of expanding economic cooperation. Sectorally, while pharma and healthcare advanced owing to sectoral rotation, metals gained on higher metal prices and improving demand expectations from China. Conversely,

the IT stocks extended their decline," Nair said. The BSE SmallCap Select index rose 0.86 per cent, and the Mid-Cap Select index gained 0.40 per cent. Among the sectoral indices, Telecommunications rose the most by 2.87 per cent, followed by Healthcare (2.08 per cent), Metal by 2.03 per cent, Utilities (1.59 per cent), Power (1.44 per cent), Top 10 Banks (1.40 per cent), PSU Bank and Private Banks Index by 1.38 per cent each. A total of 2,107 stocks advanced, while 2,076 declined and 190 remained unchanged on the BSE. The market capitalisation of BSE-listed companies climbed by Rs 6.82 lakh crore to Rs 462,85,684.68 crore (USD 4.83 trillion) in the last two trading sessions. Wholesale price inflation shot up to a 42-month high of 8.3 per cent, driven by a spike in energy prices following disruptions caused by the West Asia conflict.

Sugar exports banned amid supply concerns

Decision comes amid inflation concerns linked to West Asia tensions

NEW DELHI

INDIA has banned the export of sugar till September 30 this year with immediate effect, a move which would help enhance domestic availability and contain prices.

Earlier the exports were under a restricted category, under which a license was required for the outbound shipments. "The export policy of Sugar (Raw Sugar, White Sugar and Refined Sugar)... is amended from 'Restricted' to 'Prohibited' with immediate effect till September 30, 2026, or until further orders, whichever is earlier," the Directorate General of Foreign Trade (DGFT) said in a notification dated May 13. This order, however, does not apply to sugar being exported to the European Union and the US under the CXL and Tariff Rate Quota (TRQ) arrangements, respectively. The arrangements allow exporters to ship specified quantities of



sugar to these destinations at significantly reduced or zero customs duties. The DGFT's order is also not applicable to the shipments under the advance authorisation scheme, government-to-government exports and consignments already in the physical export pipeline. For the 2025-26 sugar marketing year (October to September), the Food Ministry initially allowed 15 lakh tonnes in exports, then opened an additional 5,00,000-tonnes pool, of which only 87,587 tonnes were approved. So, nearly 16 lakh tonnes of sugar

export were allowed. The food ministry and sugar mills were expecting 7.5-8 lakh tonnes of shipments in the entire 2025-26 marketing year. India's sugar production rose 7.32 per cent to 27.52 million tonnes till April in the 2025-26 marketing season, driven by higher output in Maharashtra and Karnataka, according to industry body ISMA. ISMA projected total production for the 2025-26 marketing season at 29.3 million tonnes after ethanol diversion, up from 26.12 million tonnes recorded in 2024-25.

No price hike, fuel retail outlets operating normally: Centre

NEW DELHI: There are adequate stocks of petrol and diesel available at all petrol pumps in the country, regular retail prices for petrol and diesel are unchanged, and there is no price increase at PSU oil marketing companies (OMCs) retail outlets, the government said on Thursday.

"All citizens are requested to make necessary efforts to conserve energy in their daily use during the current situation," a Petroleum Ministry official said in the daily inter-ministerial briefing. "Citizens are advised to avoid panic purchase of petrol, diesel and LPG as the government is making all efforts to ensure availability of petrol, diesel and LPG.



Beware of rumours and rely on official sources for correct information," the ministry official said.

The government said, despite the ongoing geopolitical situation, it has ensured that 100 per cent supply is being made to domestic LPG, domestic PNG and CNG (transport). During the last three days, about 1.90 lakh 5-kg FTL cylinders were sold. On Wednesday, about 67,600 5-kg FTL cylinders were sold.

CBI conducts searches at 7 premises in RComm fraud case

NEW DELHI: The Central Bureau of Investigation conducted searches at seven premises on Thursday in connection with a fraud case against Reliance Communications Ltd, an Anil Dhirubhai Ambani Group company, officials said.

The searches took place in Mumbai, Gurugram and Bengaluru at the residential premises of the then CEO, CFO and directors of the company who served during the 2015-2017 period, a CBI spokesperson said in a statement. "The searches were conducted on the strength of search warrants dated 14.05.2026 issued by the special judge for CBI cases, Mumbai. The searches resulted in seizure of incriminating documents and further investigation is continuing," the statement said.

Air India drag dents Singapore Airlines earnings; annual profit falls 57%

SIA SAYS AIR INDIA REMAINS KEY TO ITS LONG-TERM INDIA GROWTH STRATEGY

NEW DELHI

SINGAPORE Airlines Group on Thursday reported a 57.4 per cent decline in net profit at SGD 1.184 billion in the fiscal year ended March 2026, mainly due to the absence of a prior-year one-off accounting gain related to the Vistara merger, and Air India losses.

In 2024-25, Singapore Airlines (SIA) Group raked in a net profit of 2,778 billion Singapore Dollars (SGD). SIA Group said it was committed to its 25.1 per cent investment in the Air India Group, which is a core component of its long-

term multi-hub strategy. "This strategic investment provides the Group with a direct stake in one of the world's largest and fastest-growing aviation markets, complementing its Singapore hub and strengthening its long-term growth," it said in a release.

SIA Group's net profit declined by SGD 1,594 billion or 57.4 per cent to SGD 1,184 billion, primarily due to the absence of the SGD 1,098 billion non-cash accounting gain recognised in November 2024 upon the completion of the Air India-Vistara merger.

"The swing from a share of profits of associated



- Singapore Airlines Group net profit fell 57.4% to SGD 1.184 bn in FY26
- Decline due to absence of one-off Vistara merger accounting gain
- SIA accounted for full-year Air India losses this fiscal
- Share of associate profits swung to SGD 846 mn loss

companies last year to a loss this year (SGD 846 million) was due to the Group accounting for its share of Air India's full-year losses, versus only four months the previous year," the release said.

Specific details about the loss incurred by Air India were not disclosed. Vistara was a full-service airline, jointly owned by Singapore Airlines and the Tata. In November 2024, the carrier was merged with Air India as part of the Tata Group's consolidation of its airline business. Meanwhile, SIA Group's total revenues climbed 5 per cent to SGD 20,552 billion in 2025-26

from SGD 19,540 billion in the year-ago period.

Air India is facing financial headwinds due to airspace curbs and a surge in jet fuel prices that has forced the carrier to curtail international flights.

"SIA is working closely with its partner Tata Sons to support Air India's multi-year transformation programme. "Air India faces headwinds such as industry-wide supply chain constraints, airspace restrictions, constraints on operations to its key Middle East markets, and elevated jet fuel prices," the release said.

Nonetheless, SIA said Air India continues to make progress in its fleet renewal and aircraft retrofit program, initiatives to elevate the end-to-end customer experience, and improve its operational performance. "Net profit declined due to the absence of a prior year one-off accounting gain, coupled with the share of full year losses from Air India," the release said.

In the 2025-26 financial year, Air India Group, comprising Air India and Air India Express, is projected to have incurred more than Rs 22,000 crore loss.

On Wednesday, Air India announced it would cut nearly 100 overseas flights and temporarily suspend services on seven routes, including Delhi-Chicago, that will result in up to 27 per cent reduction in the loss-making airline's international capacity as it grapples with mounting operational costs due to airspace curbs and high jet fuel prices.

Managing demand

Gold imports need structural solutions

After Prime Minister Narendra Modi's appeal to reduce the consumption of items such as fuel and gold, the government has taken several steps. While the government itself at various levels is pushing to reduce fuel consumption, the Union Ministry of Finance on this week increased the effective import duty on gold and silver from 6 per cent to 15 per cent. Given that gold is the biggest component after crude oil in the import basket, the expectation is that the higher duty will discourage Indians from buying and help improve the external balance. In FY26, India imported gold worth about \$72 billion, and the import bill has more than doubled since FY23. Thus, there is little debate that gold imports put pressure on the external account and have a significant impact during times of stress. However, a tariff increase may not have the desired impact.

India is one of the biggest consumers of gold in the world, and most of it is imported. A variety of social, cultural, economic and religious factors drive demand. All of that is unlikely to significantly change because of the tariff increase. Silver also has a significant industrial use, and higher duty will push up the prices of final goods. In terms of pure economic reasons, gold is seen as a store of value and a hedge against inflation. Since liquidity is not much of an issue, even poor families prefer keeping some savings in gold, which can be used in times of stress. Notably, the pure investment demand for gold has increased substantially over time. According to the World Gold Council data, exchange-traded fund demand for gold, for instance, surged from about 7 tonnes in the first quarter of 2025 to about 20 tonnes in the first quarter of 2026. This demand might be tempered a bit by the expectation that the duty increase may be reversed once conditions improve, which would lower the value of holdings. It remains to be seen how the other demand drivers behave.

Notably, international gold prices increased about 50 per cent during FY26. Although the physical demand declined by about 5 per cent compared to the previous year, the output went up over 24 per cent. Thus, for India, movements in international prices would be more important than the duty increase. Besides, there are other complications. It is well known that higher duties encourage smuggling. The Directorate of Revenue Intelligence reported a considerable decline in gold seizures in 2024-25, after the government reduced duty in July 2024. The reverse can now be expected. Further, under the India-United Arab Emirates Comprehensive Economic Partnership Agreement, India is expected to gradually reduce import duty on silver to zero over a 10-year period. Gold can be imported at a tariff that is one percentage point lower than the most-favoured-nation rate. The share of the United Arab Emirates in India's gold imports more than doubled between FY23 and FY25. It is likely that more imports will be routed through this channel.

Therefore, in the overall policy framework, gold imports must be treated as a structural factor and addressed to the extent possible over time. The government attempted to address the issue through sovereign gold bonds, but the scheme did not succeed for a variety of reasons. It is worth debating whether reducing financial repression will help. Banks are mandated to invest in government bonds under the directive of maintaining the statutory liquidity ratio, which artificially keeps market interest rates low. This helps the government and businesses but hurts savers. Better market-determined interest rates and greater financial inclusion could help shift investment demand from gold.

Judicious reforms

The efficiency of courts demands better infrastructure

One of the well-documented weaknesses in India's judicial system is the mammoth backlog of court cases. With 55 million cases pending, the problem has been attributed mostly to chronic manpower shortages — mainly judges but also subordinate staff members such as stenographers and clerks. As of 2026, India has 22 judges per million people, against the 50 recommended by the Law Commission way back in 1987. Often overlooked is the other factor hampering judicial efficiency: Basic infrastructure. Chief Justice of India Surya Kant's move to constitute a Judicial Infrastructure Advisory Committee to assess requirements across the country is well meant. The committee is to make a case for a dedicated government allocation of ₹4,000 crore to ₹5,000 crore to upgrade justice delivery. This is not the first time a chief justice has recognised the problem. In 2016, one of them famously broke down in public while enumerating the vacancies and infrastructure shortages afflicting the judiciary. Another suggested a National Judicial Infrastructure Corporation to develop facilities in trial courts.

Any recommissioning committee will have its work cut out. Even a cursory examination suggests serious physical and digital deficiencies, especially in lower courts, which, unsurprisingly, account for 85 per cent of the case backlog. Despite the push for e-courts, fewer than half the lower courts have studio-based video-conferencing facilities, and less than a third can provide judges with computers on the dais. Many court buildings lack basic facilities such as clean (or any) toilets, drinking water, comfortable waiting areas, or digital information systems. Higher up, the situation is only marginally better. At a recent Supreme Court hearing, the judges commented on poor amenities in terms of housing and transport given to tribunal judges. The tribunals, ironically institutions meant to fast-track the judicial process, suffer no less from all-round shortages. Several of them function from temporary or shared offices. The National Company Law Tribunal and its appellate counterpart, for instance, both make do with cramped, makeshift premises in a government complex in central Delhi. The Telecom Disputes Settlement and Appellate Tribunal operates from a nearby hotel, as does the Delhi State Bench of the Goods and Services Tax Appellate Tribunal.

The gaps are obvious; bridging them remains the challenge. The chief justice has spoken of creating a "rights-centred digital approach rather than superficial digitisation". It is unclear what this might entail, especially when even newly constructed premises tend to be inadequate and poorly maintained. The issue demands both systemic reform and greater infrastructure expenditure. For instance, growing politicisation in judicial appointments has played its role in exacerbating shortages across levels. Further, there appears to be no system for monitoring the functioning of lower and subordinate courts, where judges are often missing for days. Compounding this is the states' reluctance to spend on upgrading facilities. The Centre runs a "Centrally Sponsored Scheme for Judicial Infrastructure". But states often fail to contribute their matching 40 per cent share. Most states have allocated less than 2 per cent of their budgets to judicial infrastructure. Accountability, as much as higher infrastructure spending, is the order of the day. However, it remains to be seen whether the executive and the judiciary can come together to improve outcomes.

The arithmetic of Viksit Bharat

India's 2047 aspirations require large foreign capital inflows and deep reforms to reverse the recent outflow

ILLUSTRATION: BINAY SINHA



The political discourse in India is unified around the aspiration of becoming a developed nation, or Viksit Bharat, by 2047. We must examine the arithmetic of this ambition.

The World Bank defines a high-income country as one with a per capita gross national income of around \$14,000. India currently stands at about \$2,700. A mechanical calculation shows that reaching per capita of \$14,000 from \$2,700 over 20 years would require an annual compound growth rate of 8.5 per cent.

Concurrently, the Indian population expands by roughly 1 per cent a year. When we adjust for this moving target and population expansion, the required growth rate in aggregate output is roughly 9 per cent a year. Sustaining a 9 per cent compound growth rate over two decades is a formidable task.

Economic growth requires a mechanical coming together of two variables: The volume of investment and the efficiency of that investment. The metric for efficiency is the incremental capital output ratio (ICOR). It measures the amount of capital required to generate one additional unit of output. In a well-functioning developing economy, the ICOR is typically around 4. In India, recent data places the ICOR closer to 5. If the required growth rate is 9 per cent, and the ICOR is 5, the arithmetic dictates an investment-to-gross domestic product (GDP) ratio of roughly 45 per cent.

To begin with, our own savings can finance this investment. India's current gross domestic savings (GDS) rate is approximately 30 per cent of GDP. There is a structural ceiling to this number. A developing country cannot compress current consumption indefinitely without causing human distress. A required investment rate of 45 per cent minus a domestic savings rate of 30 per cent yields a gap of 15 percentage points of GDP. For a \$4 trillion economy

today, this translates to a capital shortfall of \$600 billion a year. As aggregate output expands, this absolute financing requirement scales up proportionally.

Two distinct problems come to mind when we see these numbers. The first is the current hesitation of the private sector to invest anywhere near the required numbers. Firms, both Indian and foreign, require specific conditions to commit capital at this scale. They require predictability in the policy framework. They demand equal treatment for private firms, foreign firms, and public sector undertakings. They require a retreat from central planning, a modern tax administration, and deep internationalisation of the economy. Most of all, they base their calculations on the operation of the rule of law in the economy. Let us assume that the government completes the execution of the large reform projects required to achieve this environment over the next two years, thus removing this constraint.

The second problem is the availability of funds. There is a shortfall of 15 percentage points of GDP between the available resources (30 per cent of GDP) and the required number (45 per cent of GDP). The gap must come from abroad.

The global financial system holds infinite capital. This capital is constantly searching for yield and institutional safety. If India constructs a sound policy framework and offers viable investment projects, global capital will readily deploy in India at the required scale.

We must compare this requirement with Indian economic history. Over the past three decades, India integrated into the global economy and became an established investment destination. Yet, the current account deficit has not seen large values. In the latest decade, it has averaged just 1.07 per cent of GDP.

India's growth aspiration requires 15 per cent. The historical peak is 5 per cent. If India is to decisively

move towards developed status, we cannot rely on the conventional trickle of foreign capital. We require a flood. The change required cannot be achieved through minor adjustments in sectoral policy or marketing campaigns. It requires a foundational overhaul of institutional certainty.

What constitutes this institutional overhaul? First, the removal of capital controls. At present, foreign capital faces an obstacle course in entering India. We need to change gears from a system of capital controls to a system of capital encouragement. This will require a full transformation of overt capital controls, taxation of foreigners, financial regulation and AML/CFT (anti-money laundering and countering the financing of terrorism) frameworks. The Indian state has to stop being hostile to foreign capital if we want to grow the economy.

Second, regulatory and legal predictability. Long-term capital, such as sovereign wealth funds and pension funds, evaluates risk over decades. These allocators abhor the drama of the Indian policy environment, where bold new measures are announced frequently. Capital requires mundane predictability. What is required is the implementation of simple, economically sound policy frameworks, followed by decades of little change. The flow of non-strategic policy adventurism deters capital.

Third, the depth of debt markets. Equity capital alone cannot supply 15 per cent of GDP. A large fraction of these inflows must come in the form of debt to finance infrastructure and corporate expansion. In addition to removing capital controls, the domestic debt market has to work better.

Fourth, reducing the cost of capital. Foreign investors apply a risk premium to Indian assets. This premium stems from macroeconomic uncertainty. When the state executes discretionary currency policy, loose fiscal policy, and opaque debt management, risk premiums rise. Consistent fiscal consolidation, formal inflation targeting, and a mature view of exchange rate fluctuations are required. They are the essential mechanisms that lower the risk premium faced by Indian projects. A stable macroeconomy, managed by independent and technically competent government policy agencies, is the foundation for large-scale foreign investment.

The road to 2047 is paved with capital. The arithmetic suggests that our domestic engines, while strong, are insufficient to reach the required altitude. The gap between domestic savings and required investment is a structural reality. To become a developed nation, the Indian state has to change its colours: From a suspicious system that seeks to block foreign capital to one that promotes capital flows. This demands a restructuring of domestic institutions to make India the most efficient, certain, and predictable home for capital in the emerging global order.

The author is an honorary senior fellow at the Isaac Centre for Public Policy, and a former civil servant



AARTHIKAM CHINTANAM
KP KRISHNAN

Coal gasification emerges as a priority

Picture a lump of coal. For decades, coal in India had a singular role — to be burned for power. Today, that same lump can be transformed into fertiliser, steel inputs, transport fuels, and hydrogen, redefining it from a combustion fuel into a strategic industrial feedstock. This transformation, enabled by coal gasification, is no longer experimental. It is fast becoming a national priority.

At its core, gasification is a chemical, not thermal, process. Coal is heated at 700-1,500°C in a low-oxygen environment, producing synthesis gas (syngas), a mixture of hydrogen and carbon monoxide. This intermediate unlocks an entire value chain — ammonia, urea, methanol, synthetic natural gas, and petrochemical feedstocks. In a resource-constrained economy, this is not merely technological diversification; it is value maximisation. India's recent moves signal a shift from hesitation to intent. Underground Coal Gasification (UCG), where coal is converted in situ without mining, is being piloted in Jharkhand. Bharat Heavy Electricals Ltd (BHEL) has developed indigenous gasification technology suited to India's high-coal cost, to produce high-purity methanol. Simultaneously, the private sector is emerging as a serious partner.

The transition is underpinned by India's unique resource position. India produced over 1,047 million tonnes of coal in FY25, crossing the one-billion-tonne mark alongside China. It holds nearly 199 billion tonnes of proven reserves and 401 billion tonnes total geological reserves, one of the largest coal endowments globally. Yet nearly 80 per cent of the mined coal is still burnt for power. This is serious underutilisation of an advantageous natural endowment.

The urgency is amplified by import dependence. India imports 88 per cent of crude oil, over 90 per cent of methanol, and 13-15 per cent of ammonia, with ammonia imports alone costing \$982 million (2024). Each geopolitical disruption, from the Strait of Hormuz to tariff regimes, translates directly into inflation. Coal gasification offers a strategic domestic hedge.

Estimates suggest a scaled gasification programme could reduce imports by \$15 billion annually and generate savings of ₹60,000 crore-90,000 crore through domestic fertiliser and chemical production. This is not just energy transition but a macroeconomic stabilisation lever.

Policy and investment momentum reflect this shift. The ₹8,500 crore viability gap funding scheme (2024) targets 100 mt of gasification capacity by 2029. ₹4,050 crore for public sector units and ₹4,450 crore for private players. The Cabinet on Wednesday approved a ₹37,500 crore unified incentive scheme, with a maximum support of ₹3,000 crore per project (up from ₹1,000 crore for private projects and ₹1,350 crore for public projects), targeting self-refill in liquefied natural gas (LNG), urea, ammonia, methanol, and iron. Complementing this framework is a proposed ₹50,000 crore plan to revive 20,000 Mw of idle gas-based capacity. Seven major gasification projects worth ₹64,000 crore across Maharashtra, Odisha, and West Bengal are already underway. Experts estimate 15-20 large complexes will be needed between 2026 and 2030 to meet the 100 mt target.

The project pipeline reflects an ecosystem that looks credible: Policy, technology, capital, and execution are converging. Key developments include the Coal India Ltd-BHEL joint venture at Lakhapur, Odisha (₹1,782 crore); Coal India-Gas Authority of India Ltd (GAIL) joint venture at Sonepur Bazar, West Bengal (₹3,052 crore); and CIL-Steel Authority of India Ltd joint venture at Durgapur Steel Plant, commissioned by FY26. The ₹13,000 crore Talcher Fertilizer Plant in Odisha, India's first coal gasification-based urea project producing 1.27 million tonnes annually, has been developed as a joint venture between GAIL, Coal India, Rashtriya Chemicals & Fertilizers Ltd and Fertilizer Corporation of India Ltd, was inaugurated by the Prime Minister in September 2018.

Private sector initiatives are equally significant: Jindal Steel's Anul facility, among the world's largest syngas-based steel plants, is operational, with new

projects in Raigarh in Maharashtra. New Era CleanTech's \$2.5-billion coal-to-ethanol investment and NLC India's lignite-to-methanol project further expand the ecosystem. Recent developments indicate deepening engineering and execution capability: L&T Energy Hydrocarbon Onshore has secured a large order from Bharat Coal Gasification and Chemicals Ltd in Odisha. The total pipeline now exceeds ₹85,000 crore. More large Indian capacity is now preparing to enter.

What distinguishes the current moment is the alignment of five enabling conditions: Abundant domestic coal supply, India-adapted technology, strong policy backing, rising private participation, and a geopolitical environment penalising import dependence.

The economic logic is compelling. Syngas from domestic coal can substitute for imported LNG, supply farmers with home-grown urea, reduce coking coal imports in steel, and bridge the hydrogen economy transition. But this is also where caution is warranted. Gasification projects are capital-intensive, technologically complex, and highly sensitive to global price cycles. India has faced this before. When oil prices declined in the past, interest in gasification waned. China, by contrast, persisted. Both countries began exploring gasification simultaneously, but China treated it as a strategic priority, deploying patient capital across price cycles. Today, China gasifies over 80 mtpa annually and dominates global methanol and ammonia production through coal-derived syngas. India's output is a mere 3-5 per cent of that scale.

India now stands at an inflection point. The debate on coal is often framed as one between continuation and transition. Gasification reframes it entirely. From combustion to conversion, from fuel to feedstock, from constraint to opportunity, from black to green. If executed strategically, it can redefine energy security, industrial policy, and economic and environmental resilience.

One wonders why this transformation was delayed for decades!

The author is an infrastructure expert. He is also the founder & managing trustee of The Infravision Foundation. With inputs from Murtam Chaobisana

Japan: The hubris of great power



AMRITESH MUKHERJEE

"Oh, how I'd like to forget the world! Mine is the utter humiliation. I'm just unlucky! Enemy planes, come! Kill me! Then I'd forget this world!" writes Tsubunjiro Tamura, a man in his 70s, in his diary on December 9, 1944. What is it worth, all of it? The invasions and the ideologies, the holy wars and the chosen nations, the flags planted in soil already soaked with someone else's blood? History repeats itself through humanity's amnesia. We act, we suffer, we understand, we forget,

we repeat. Today, as new empires draft old ambitions and borders become bargaining chips once more, as wars are created for the benefit of a few, to the detriment of everyone else, one need not look far to understand the futility of it all, for it's been less than a century since nations massacred themselves for the petty, pretty visions of a few.

Japan's War: Hirohito's Holy War Against the West by Stewart Binns is the story of one such vision. It's the story of a nation at the height of its powers and the depth of its delusions simultaneously. A nation that had defeated Russia, humbled Britain, swallowed China whole, and dreamed of ruling Asia. It is also the story of a dream shattered, the story of the 20th century.

Mr Binns builds his account from the ground up, drawing on "letters, diaries, autobiographies and oral evidence" from across Japanese society. He tells history through private voices, in the

confessions of ordinary people swept into extraordinary violence. At its centre is an emperor who was considered divine, and a nation that would follow that god into ruin.

But what did it actually mean for an emperor to be divine? Mr Binns gives an example: "In November 1934, a motorcycle policeman leading the imperial motorcade through Kiryu City, Gumma prefecture, was supposed to take a left turn at an intersection. Instead, he led the procession straight on, upsetting the itinerary of the tour. Seven days later, the erring policeman committed suicide, the governor of Gumma and all the top officials involved in staging the tour were reprimanded, police officials in Gumma had their salaries docked for two months, and the home minister was questioned and severely criticised in the Imperial Diet."

A divine emperor required a divine mission. Japan was to be a civilisation

force, Asia's liberator and a sovereign simultaneous. It was Kido, the ideological father of Japanese fascism, is quoted thus: "After destroying England [in Asia] and restoring Turkey, after making India independent and China autonomous, the Rising Sun Flag of Japan shall offer the light of that sun to all mankind. The second coming of Christ, prophesied in every country on earth, actually signifies the scripture and sword of Japan [as a new] Mohammed."

Japan's early campaigns across China and the Pacific fed the myth of unstoppable

all, there is only one battle that ends the world. Even so, what Japan endured for the beginning of 1945 for the next eight months came very close to a national Armageddon," Mr Binns writes.

And defeat, when it came, was absolute. He notes, "Japan had to face not only the best of war literature, but also the devastation of a cultural heritage and beliefs. The divine emperor would become mortal, its warrior tradition would be destroyed, its invincibility made myth."

In short, two millennia of history came to an end, leaving the nation with an uncertain future during which they would have to live with the conflicting traumas of guilt, humiliation and anger. For an extraordinary period of three and a half years, Japan had conducted a merciless war of aggress-

ion and brutality, then, as 1945 dawned, its enemies were about to respond in kind: "As you sow, so shall you reap."

Mr Binns writes that "human nature, its propensity for both good and evil, becomes most visible" in times of war. Captain Shosaku Kameyama writes in his diary, "It is the war which forces human beings into such a dreadful environment: an environment that tests the best of our nature, a fundamentally anti-war treatise, its voices, collected and preserved, in unison, say that war, across decades, is this: Remember.

The story of the 20th century has never been more relevant. As we forget the graveyards of history and dig new burial sites, the questions remain the same. What is history? What is humanity? Although its pages contain much violence, grief, and despair, *Japan's War*, like the best of war literature, is a fundamentally anti-war treatise, its voices, collected and preserved, in unison, say that war, across decades, is this: Remember.

The reviewer is a journalist, writer, and editor fascinated by the stories that shape our world. @aroomofwords

Opinion

FRIDAY, MAY 15, 2026

Delhi-Dhaka reset?

Connectivity and other initiatives can potentially progress with a BJP government in West Bengal

THE TARIQUE RAHMAN-LED administration in Bangladesh presents opportunities and challenges for India's relationship with its largest trading partner in the neighbourhood. The Bharatiya Janata Party's (BJP) coming to power for the first time in West Bengal also represents a historic realignment between Delhi and Kolkata that so far been elusive in improving our ties with Dhaka. Fifteen years ago, a river named Teesta scuppered what would have been a historic visit by then Prime Minister Manmohan Singh to Bangladesh. With West Bengal's opposition to a more equitable sharing of the waters of this river, India failed to deliver on a key takeaway for Bangladesh. This long-festering issue stands a better chance of being addressed by the new BJP-led government in that state. Not so long ago, no state government officials were present when the largest and most modern passenger terminal at the Petrapole border with Bangladesh was inaugurated.

The major opportunity of regime changes in Dhaka and Kolkata is for West Bengal to become a more integral part of the regional connectivity drive with India's neighbours. India has pushed initiatives to be better connected to the Northeast through Bangladesh during the earlier Sheikh Hasina-led administration but these were paused during the subsequent interim government led by Muhammad Yunus. With Rahman at the helm, a fresh impetus to bilateral ties can see Kolkata potentially emerge as a hub for Dhaka that can uplift the eastern region through new transportation and energy infrastructure linking Nepal and Bhutan, the north-east region, and the Bay of Bengal, argued Constantino Xavier, senior fellow at the Centre for Social and Economic Progress. As a hub, Kolkata will have access to larger and more ready markets, including global. Looking eastwards to access the prosperous South-east Asian region becomes more feasible.

To be sure, there are challenges that also must be addressed for a reset with Dhaka. Rahman seeks more strategic autonomy in the relationship. Neither Delhi, nor Rawalpindi, but Bangladesh first in the credo as he seeks to strengthen the long-standing ties with India. Dhaka is ready to move forward without being inhibited by the past but there is a need to address issues that result in gains for the common people. He looked forward to advancing ties based on dignity, equality, mutual trust, and respect. The people-to-people dimension of this relationship thus assumes greater importance. What can make a huge difference to West Bengal is the easing of visa and travel restrictions as it is the major beneficiary from visiting Bangladeshes that boosts its tourism, health, and education sectors. Tourist visa services are set to resume soon.

While this is the good news, the biggest challenge is delinking these progressive developments from the politically charged rhetoric of the chief ministers of West Bengal (Anu Assam) regarding the Bangladeshi immigrants. While the repatriation of Bangladeshi citizens who are illegally staying in India is considered a "core issue" in the Delhi-Dhaka relationship by India's ministry of external affairs, how can the reset atmosphere improve with reports of "push-ins" of migrants through the unguarded land boundary from the Indian side, shootings, and fencing the border between Bengal and Bangladesh? Bangladesh's response is that it is not intimidated by barbed wire and that it will not remain silent on the push-ins and killings. It is in Delhi's interest that Kolkata remains on the same page of its efforts to engage Dhaka.

Ford is becoming an AI stock — sort of

FORD MOTOR HAS finally hit upon an electric strategy that shouldn't lose money. The key element is that it doesn't involve vehicles — not for now, anyway.

Ford's stock, a habitual water-treader, jumped almost 14% on Wednesday, its biggest gain in more than six years, on news that the Detroit stalwart had found a way to tap into the AI boom — sort of. This week's formal launch of Ford Energy, a grid-battery business, has stoked hopes that Ford can benefit from the insatiable demand for energy from data centres powering artificial intelligence tools. As with other old industrial firms including Caterpillar, which has discovered a seemingly boundless new client base for generators in Silicon Valley, Ford is pivoting to the hot new thing.

It's a sound move on several fronts, not least of which is that it helps to keep Ford's electric vehicle dreams alive.

Ford Energy arises phoenix-like from the ashes of the company's existing EV battery manufacturing site in Kentucky. This was part of the now defunct joint venture with South Korea's SK On, impaired and taken over by Ford as part of a mammoth \$19.5 billion write-down of its EV business. Spending \$2 billion to retool, Ford plans to produce up to 20 gigawatt-hours of battery capacity a year, with deliveries beginning in 2027. To put that in context, the leading US manufacturer of batteries for energy storage, Tesla, can produce about 46 gigawatt-hours a year at its facilities in California and Nevada.

Ford's Model e division had money even before congressional Republicans dealt the US EV market a heavy blow by removing federal tax credits for new vehicle buyers. Ford continues to develop a new, lower-cost EV truck platform that it describes in transformative terms, although the recent departure of storied former head Doug Field struck a dissonant note. Salvaging something from the wreckage is sensible, and grid batteries, which retained their tax credits, are a growth business.

US demand is expected to double by 2030 to more than 100 gigawatt-hours, according to Bloomberg NEF. The current crisis in PJM, the country's largest electricity grid, centres on the difficulties of building enough power plants to supply new data centres quickly and cheaply. With gas turbine orders backed up, solar-tinned with batteries offers one way to both get power quickly and offer backup and flexibility benefits to data centre owners and struggling grids alike. Capturing a bit of that AI aura for Ford's stock, currently taking a beating from concerns around high gasoline prices and tariffs, helps, too.

The fact that Ford is licensing the underlying technology from Contemporary Amperex Technology, or CATL, the world leader in grid batteries, is another huge help. It lends credibility to Ford's pivot, given its EV struggles, and lets it get going relatively quickly. It should also help with economics, even after paying a licensing fee, this could be a roughly \$600 million EBIT business within a few years, according to Morgan Stanley estimates. Such projections rest on a host of assumptions about AI uptake and that complex, political beast known as the US power grid. The fact that Henry Ford's car company is suddenly entering the market in a big way rather suggests that, like any hot segment, competition will put pressure on margins sooner than expected. Yet any positive contribution will be welcome given that the Model e division is forecast to lose an average of about \$4 billion a year at the pre-tax line through 2028, according to consensus estimates.

There are strategic benefits, too. In one sense, Ford is now travelling the same road as Tesla but in a different direction. Tesla's energy business grew out of EV. Tesla did not even split out energy as a separate reporting line until end-2016. For Ford, its energy business offers a way of keeping its own EV options open during a tumultuous time.

It needs those options since, despite President Trump's protectionist and pro-gas-guzzler policies, electrification continues to expand worldwide, with the Iran war's oil-market disruption providing renewed impetus. Reducing the cost of batteries is critical to EV winning the affordability argument versus internal combustion engines and, as China has shown, scaling up battery manufacturing capacity is key to this.

Legacy US auto manufacturers could use Chinese know-how to help catch up in EVs. Replicating China's own made by fashioning Sino-US joint ventures in the US, controlled by domestic firms, offers one way, albeit one that draws political opposition.



LIAM DENNING
Bloomberg

FOR DECADES, INDIA has been a consumer of telecom technology rather than a creator of it. Over 90% of the country's telecom infrastructure equipment is imported, with a handful of foreign giants — Ericsson, Nokia, Huawei, Qualcomm, Samsung, and ZTE — collectively holding over 95% of the Standard Essential Patents that define how modern networks work. Every rupee spent on imported proprietary gear is a royalty payment to a foreign balance sheet. Every closed-stack deployment deepens a dependency that threatens not just our wallets but our digital sovereignty.

This was, until recently, the simple reality. Building competitive telecom equipment required decades of investment and thousands of specialised engineers. The entry barrier has been prohibitively high for any newcomer, and only a few Indian companies have attempted to breach it. Two forces have now changed the calculus fundamentally — the rise of open-source software stacks that disaggregate the telecom network into interoperable software components running on commonly available hardware; and the emergence of AI as a network management and optimisation engine. Together, these forces have created a structural opening for India that did not exist five years ago.

The transformation of enterprise data-centre networking over the past decade offers a precise template for what is now possible in telecom. In 2010, data-centre networking was a closed jigsaw — Cisco, Juniper, and a few others bundled hardware and software and charged accordingly. The rise of open networking initiatives like "OpenFlow" and "SONiC", combined with commoditised merchant-silicon hardware, shattered that model. Cloud hyperscalers drove costs down 60-80%, and hundreds of new software-defined networking companies emerged virtually from scratch.

The global telecom industry stands at exactly this inflection point today. An operator-driven initiative called the O-RAN Alliance opened the internal architecture

STRATEGIC INCUBATOR

HOW OPEN-SOURCE AND AI CAN MAKE INDIA A GLOBAL PLAYER

India's telecom moment

INDER GOPAL KRISHNA SIROHI

Respectively professors at Indian Institute of Science, Bangalore, and Indian Institute of Technology Delhi



of mobile networks, creating the "Open-Flow moment" for wireless. Open-source telecom initiatives have blossomed globally. India's IOS-MCN programme — a multi-institutional collaborative initiative involving IISc, IIT Delhi, Centre for Development of Advanced Computing, and a growing ecosystem of startups and micro, small, and medium enterprises — has already delivered a deployment-grade, standards-compliant open-source platform, validated in live campus deployments at IIT Delhi and IISc Bangalore using Indian-manufactured radio hardware. The platform exists. The question is whether India will seize the opportunity it creates.

India's framework for captive non-public networks represents one of its most significant market-creation opportunities

India's framework for captive non-public networks (CNPNs) — private wireless deployments for enterprises and industrial facilities — represents one of the most significant market-creation opportunities in the history of Indian technology. Manufacturing plants, ports, mines, railways, hospitals, and smart cities all need dedicated, high-performance wireless connectivity. Global analysts estimate that CNPNs could reach hundreds of billions of dollars globally within a decade, without an indigenous platform, that demand will be met by yet another wave of imports.

The private network context is uniquely suited to India's open-source approach for a reason that deserves more attention — private networks do not need to be fully compliant with onerous international standards in every interstitial detail. Unlike public networks, which must

interoperate with every device and every carrier on the planet, a CNPN deployed in a factory or port operates in a controlled environment with known devices and known use cases. This gives AI-driven implementations room to substitute for complexity. Instead of manually engineering thousands of network features — a process requiring hundreds of human-years of specialised effort — AI can learn, optimise, and adapt to deliver the same

outcomes through intelligent protocol machinery. This is not a theoretical possibility. Just as mobile phones exploded in utility by enabling third-party apps on the phone, the O-RAN architecture has enabled apps within the network. AI-driven apps can transform networks by delivering energy optimisation, interference management, and radio resource allocation, replacing rule-based configuration with predictive, intent-driven control. They can improve network performance by improved load balancing and handover management, replacing static rules with reinforcement learning. AI-driven handover systems can reduce failure rates by 30-50% — a capability critical for robotic process control and autonomous vehicles in industrial settings. Large language models trained on the international standards specification can further compress implementation from years to months, allowing an open-source platform to match the feature velocity of proprietary vendors with far fewer engineers. The Indian Open Source for Mobile

Communication Networks (IOS-MCN) road map, for example, embeds AI throughout the network. The result is networks that are not just cheaper to build, but also easier to operate, faster to deploy, and better suited to the specific demands of each vertical industry. That is a genuinely differentiated value proposition — one that Indian product companies can own.

India should treat the CNPN market not merely as a business opportunity but as a strategic incubator. The policy imperative is clear — aggressively promote CNPN using open-source and the emerging Indian product ecosystem, create procurement incentives that favour domestically built open-source solutions, and fund the next phase of the program with the urgency it deserves. The prize is a vibrant ecosystem of Indian product companies — startups, system integrators, domain specialists — each building differentiated CNPN solutions on a shared, freely available foundation. Like how India's UPI catalysed a generation of fintech innovation, this approach can catalyse a generation of connectivity product companies serving not just Indian verticals but also the global market. Success in the CNPN market builds the engineering talent, the IP portfolio, the customer references, and the manufacturing ecosystem that India will need to compete in the broader public network market.

That broader market is the ultimate strategic goal. India's public telecommunications infrastructure — the backbone of a 1.4 billion-strong digital economy — cannot indefinitely depend on foreign proprietary systems. An open-source 5G/6G stack such as IOS-MCN, developed by Indian institutions, auditable by Indian agencies, and maintained by Indian engineers, is not merely a cost-saving measure. It is a prerequisite for genuine digital sovereignty. The technology exists. The ecosystem is forming. The market window is opening. India's telecom moment is now.

This article is to mark World Telecommunication and Information Society Day which falls on May 17

The rise of China and fall of WTO



AMOL AGRAWAL

The author teaches at the National Institute of Securities Markets

IN DECEMBER 2001, China became the 143rd member of World Trade Organization (WTO). The 25th anniversary of this landmark moment marks an interesting paradox. Ideally, the WTO should have emerged stronger as China's stunning rise as an export-driven economic powerhouse and globalisation can be attributed to it. However, what we are seeing is a near collapse of the organisation.

There have been two phases of globalisation in the last two centuries. The first phase was from 1875 till World War I in 1914. In *The Economic Consequences of the Peace*, John Maynard Keynes quoted how a Londoner "could order by telephone, shipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep." WW-I was followed by the Great Depression and World War-II, disrupting globalisation for next 30 years.

To restore peace and globalisation, in 1944, a group of leaders led by Keynes assembled in Bretton Woods. Amidst many things they decided to set up three global institutions. The World Bank (for reconstruction of Europe) and International Monetary Fund (for financial stability) started right away in 1945. The third, the International Trade Organisation, could not start due to deep inequalities among countries. Instead, the members signed on a General Agreement on Trade and Tariffs (GATT) to streamline trade issues.

From 1945 onwards, the second wave of globalisation started, albeit at a slow pace as capital flows were restricted. The pace picked up from 1971 onwards when the Bretton Woods agreement broke down, leading to a sea of global capital flows. The end of the Cold War and the disintegration of the Soviet Union pushed the world economy towards globalisation.

On January 1, 1995, the WTO was finally established after many deliberations. Until then, countries formed bilateral trade agreements, which were limited to large economies. The WTO was built on the principles of multilateral trade, under which countries had to treat all trading partners as equal. It put special emphasis on protecting small and developing economies, which were given training and longer periods to comply with WTO agreements.

The Chinese story starts in 1978, when the country started to reform its moribund economy by liberalising its markets, privatising state-owned enterprises, and inviting foreign investments. It had an interesting political economy structure — while the politics was highly centralised, the economics was much more decentralised, with provincial governors and city mayors having autonomy. The Chinese leadership believed joining GATT/WTO

would force the economic policy actors to adhere to the reform agenda and benchmark against best global practices. It was expected to be a win-win as both China and the rest of the world would get access to each other's markets.

China drastically overhauled the economic system by lowering tariffs, producing quality goods, and strengthening its IP regime. It ran campaigns educating people and trained officials to join the WTO.

Finally after 15 years of constant effort, China became a member in 2001. China's staggering rise as the largest exporter in the world exceeded all expectations. Its share in the world's merchandise trade has doubled from 6% in 2003 to 13% in 2024. Within trade, China's share in world exports and imports is 15% and 11% respectively. China is the biggest producer and exporter of many goods — textiles, iron and steel, office equipment, etc. China's GDP has also surged from \$1.6 trillion in 2003 to the second-largest (\$18.7 trillion) in 2024.

While China surpassed expectations on growth, it lagged in compliance. It reduced tariffs and non-tariff barriers but continued to aggressively deploy industrial policy to push its exports by providing cheap credit, subsidies, and non-financial support. There have been violations of IP rights and allegations of keeping its

exchange rate undervalued. WTO member countries have filed several disputes against China. The global shocks of 2008 crisis, Covid-19, and wars have led to rising protectionism. China has faced a slowdown in growth due to the same factors and has turned protectionist as well.

China's rise has also fuelled a trade war between it and the US. The US has a large trade deficit, the highest with China. In both his presidential terms, Donald Trump has raised tariffs on Chinese exports (and other nations), followed by retaliation from China. The trade war is threatening to undo the progress made after WWII. China has also taken other steps to challenge US hegemony, such as the Belt and Road Initiative, trade invoicing in renminbi, and providing aid to developing countries.

It believes most global institutions are US governed and is creating its own ecosystem. The US-China gridlock in turn has fuelled geopolitical uncertainty. Countries are back to signing bilateral and regional trade agreements, undoing years of progress towards multilateral trade.

Though it has just been 25 years of China's WTO membership, it seems as if a century has passed. The period has seen seismic shifts that could be expected to span 100 years. The US, once a supporter of China joining the organisation, is now deserting the organisation. The WTO itself has been reduced to a mere bystander watching the collapse of multilateral trade.

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LETTERS TO THE EDITOR

Reducing import bill

Appropos of "Signal, not a solution" (FE, May 14), while suggesting austerity measures, Prime Minister Narendra Modi has advised avoiding gold purchase to reduce India's import burden. With a view to conserving foreign exchange and safeguarding macro-economic stability, the Centre also hiked import duty on silver and gold. It has also taken steps to demonetise locked-up physical gold by

popularising electronic gold receipts, etc. It could also consider buying gold jewellery, bullion, and coins from the public through authorised PSBs, and pay the proceeds across the counter and convert it to bars for safekeeping. This could help conserve forex outflow and reduce the import bill. 50% of such proceeds must be made mandatory to invest in bank deposits for three years to help the lenders overcome funds crunch. —RV Baskaran, Pune

Strategic relationship

"A new strategic compact" (FE, May 14) captures the evolution of India-UAE relations. What was once largely a remittance-and-oil arrangement has grown into something more substantive — defence cooperation, digital connectivity, food security, and countering terrorism coordination. The timing of PM Modi's stopover in Abu Dhabi is deliberate. With the Strait of Hormuz under stress and West Asia's security

architecture shifting rapidly, consolidating this partnership is sound foreign policy. The point is about Abu Dhabi's regional relationships giving India diplomatic flexibility is particularly crucial. In a neighbourhood where most actors carry ideological baggage, India's pragmatic, non-interventionist approach is genuinely valued. The real test now is implementation. —M Barathi, Bangalore

Write to us at feletters@expressindia.com

Economy

FRIDAY, MAY 15, 2026

IN THE NEWS

RBI-LED FSDC-SC TO MONITOR GLOBAL TRADE

THE SUB-COMMITTEE of the Financial Stability and Development Council (FSDC-SC) met on Thursday to review global and domestic macroeconomic conditions along with developments in the financial sector, as per a regulatory press release.

MAHANAGAR GAS HIKES CNG PRICE BY ₹2 PER KG

MAHANAGAR Gas (MGL) has raised the price of CNG by ₹2 per kg across Mumbai and adjoining areas, effective May 14. The company attributed the revision to geopolitical disruptions impacting global energy supply chains, increased reliance on costlier gas sources.

IRB Infra Trust offers to sell 2 BOT highway assets

IRB INFRASTRUCTURE TRUST on Thursday said it has offered two of its 14 revenue-generating highway assets worth approximately ₹4,663 crore to IRB InvIT Fund (Public InvIT). The value of assets was assessed by an independent valuer as of March 31, 2026.

Govt exploring PLI scheme for seafood sector

THE FISHERIES DEPARTMENT will explore the possibility of formulating a production-linked incentive (PLI) scheme for MSMEs in the seafood sector, an official statement said on Thursday. The proposal is aimed at improving international competitiveness, strengthening export-oriented infrastructure.

FE BUREAU & AGENCIES

DRIVE TARGETS HIGH-VALUE DISPUTES, LEGACY BACKLOG CLEARANCE

I-T dept unveils aggressive litigation cleanup plan

PRASANTA SAHU
New Delhi, May 14

THE INCOME TAX Department has drawn up an aggressive litigation management strategy for 2026-27 with a view to speeding up disposal of tax appeals. The new drive will focus on high-value disputes, and cutting long-pending legacy cases despite substantial vacancies in appellate authorities.

It has disposed of more than 224,000 appeals in FY26, substantially higher than the 179,000 fresh appeals instituted during the year, bringing down pending appeals to 495,000 from 540,000 a year earlier, according to the Central Action Plan (CAP) 2026-27.

The litigation management framework focuses on expediting disposal of appeals pending before first appellate authorities, improving representation before the Income Tax Appellate Tribunal (ITAT), and significantly strengthening judicial coordination.

Under the revised framework, appeals instituted up to March 31, 2022, will now be classified as "legacy appeals", expanding the scope from the earlier cut-off of September 2020. The department said

DISPUTE CRACKDOWN

■ Tax department cleared over 224,000 appeals in FY26, outpacing 179,000 fresh filings and cutting pending cases to 495,000 from 540,000

■ The new litigation framework prioritises faster disposal of old tax disputes and tighter coordination with appellate tribunals and courts

■ High-stakes disputes are under sharper scrutiny, with tax demands above ₹5 crore classified as priority "O-1" cases

■ The National Faceless Appeal Centre will roll out a new SOP by June 2026 to speed up adjudication, including handling cases with missing digital records



higher weightage points would be assigned for the disposal of such old cases to incentivise faster clearance. The plan also seeks a sharper focus on high-demand litigation. Appeals involving disputed tax demands above ₹5 crore have been categorised as "O-1", while a separate "T" category has been created for top-high-demand cases identified system-wide for each appellate authority.

To improve accountability, the tax department has

prescribed detailed Key Result Areas (KRAs) for appellate officers. Faceless Commission (Appeals) has been tasked with disposing of 725 appeals each, including priority top-demand cases, by March 2027, while JCIT(A)s have targets of 800 appeals.

The action plan also mandates the quicker submission of remand reports, time-bound disposal of Black Money Act appeals, quarterly monitoring of pending matters, and the preparation of

updated master lists of appeals pending before the ITATs, High Courts, and the Supreme Court.

Additionally, the National Faceless Appeal Centre (NFAC) has been directed to prepare a comprehensive standard operating procedure by June 30, 2026, to facilitate faster adjudication, including mechanisms for handling legacy appeals lacking digital records and incentive schemes for high performers.

India flags grave concerns over crisis in West Asia

Iran, UAE clash at BRICS foreign ministers' meeting

PRESS TRUST OF INDIA
New Delhi, May 14

INDIA ON THURSDAY flagged grave concerns over the West Asia crisis and its impact on energy supplies and maritime stability in the Strait of Hormuz and urged Brics nations to develop "practical ways" to navigate "unprecedented" geopolitical and economic uncertainty as well as "unilateral coercive" sanctions.

In his address at the opening day of a two-day Brics conclave in New Delhi, External Affairs Minister S Jaishankar asserted, without naming specific nations, that respect for sovereignty and territorial integrity must anchor international relations, maintaining that "dialogue and diplomacy offer the only sustainable path to conflict resolution."

Jaishankar said India stands ready to contribute constructively towards de-escalation efforts and to support initiatives aimed at restoring stability while noting that "peace cannot be piecemeal" and "it is essential to uphold international law, protect civilians, and avoid targeted public infrastructure."

He also underlined the importance of new members "fully appreciating and subscribing to the BRICS consensus mechanism on various important issues, remarks that came amid sharp differences between the United Arab Emirates (UAE) and Iran over the West Asia conflict.

It is learnt that there were heated exchanges between



Prime Minister Narendra Modi meets Russian Foreign Minister Sergey Lavrov on the sidelines of the BRICS foreign ministers' meeting, in New Delhi on Thursday

Iranian Foreign Minister Abbas Araghchi and UAE's Minister of State for Foreign Affairs Khalifa Shaheen Al Marar during one of the two sessions at the conclave and Russian Foreign Minister Sergey Lavrov intervened to cool the tempers.

Iran and the UAE have been sparring in recent weeks over Iran's alleged attacks on energy infrastructure in the UAE that has resulted in Brics failing to come out with a consensus statement on the West Asia crisis. Brics, originally comprising Brazil, Russia, India, China, and South Africa, expanded in 2024 to include Egypt, Ethiopia, Iran, and the UAE, with Indonesia joining in 2025.

It is essential for the smooth advancement of BRICS that later members fully appreciate and subscribe to the BRICS consensus on various important issues, Jaishankar said.

In his remarks, he also

strongly pitched for ensuring safe and unimpeded maritime flows through the Strait of Hormuz and Red Sea, and voiced concerns over the "grave humanitarian implications" of the conflict in Gaza.

The India-hosted meet assumed greater significance as the influential bloc grapples with the economic consequences of the West Asia crisis, particularly the severe energy supply disruptions, and Washington's policy on trade and tariffs. Besides Araghchi and Lavrov, Brazilian Foreign Minister Mauro Vieira, Indonesian Foreign Minister Sugiono and South Africa's Minister for International Relations Ronald Lamola were among the senior leaders attending the meeting.

Jaishankar said safe and unimpeded maritime flows through international waterways remain vital for global economic well-being.

FADNAVIS ON AUSTERITY RIDE



Maharashtra Chief Minister Devendra Fadnavis rides a two-wheeler, in view of Prime Minister Narendra Modi's appeal for austerity, in Mumbai on Thursday

India asks US for Russian oil waiver extension

BLOOMBERG
May 14

INDIA HAS ASKED the US to extend its waiver on Russian oil, according to people familiar with the matter, as the nearly 11-week war in the Persian Gulf disrupts energy supply. The US first provided a green light in March, and then widened that with an authorization that runs until May 16, in an effort to limit rising oil prices with additional barrels. While Russian crude is not subject to blanket sanctions, Washington has previously pushed New Delhi to cut back on discounted purchases in order to pressure Moscow over its war in Ukraine.

With no end in sight for the conflict in the Middle East, officials in New Delhi have warned Washington that supply remains a priority, as continued volatility in the oil market will have wide consequences. That includes the impact on 1.4 billion Indians already struggling with a cooking gas shortage, the people said. They asked not to be named as the conversations are not public.

The Oil Ministry and Ministry of External Affairs did not respond to requests for further information. The US Treasury also did not respond to emailed queries.

Modi may seek more energy supplies during brief UAE visit

REUTERS
New Delhi, May 14

PRIME MINISTER NARENDRA Modi will visit the United Arab Emirates briefly on Friday, where he is likely to discuss long-term energy supply deals and seek support to expand India's strategic oil reserves, three sources said.

The UAE will be Modi's first stop on a five-nation tour from May 15 to 20, as the world's third-largest energy importer seeks to secure supplies that have been badly disrupted by the US-Israel war on Iran.

The UAE's recent exit from OPEC is expected to boost its output and help countries like India. Trips to the UAE by heads of governments have been rare since the war began and Iran launched strikes on the country.

The UAE is one of India's biggest suppliers of crude oil and natural gas. In January, India signed a \$3 billion deal to buy liquefied natural gas from the Gulf nation. Modi will meet UAE President Sheikh Mohamed bin Zayed Al Nahyan and will discuss a range of issues, in particular energy cooperation, India's foreign

OIL DIPLOMACY



■ Meeting with Sheikh Mohamed bin Zayed Al Nahyan to discuss long-term crude and LNG supply deals

■ Talks aim to expand India's strategic oil reserves amid West Asia supply risks linked to war

■ UAE remains a key energy supplier to India, building on a recent \$3-bn LNG pact

■ Both sides target \$200 bn in trade and deeper energy and defence cooperation

seek help with long-term supplies of cooking gas and crude oil, in addition to expanding India's strategic reserves.

They did not give additional details and declined to be named publicly because they were discussing potential government-to-government negotiations.

India has three strategic reserve facilities with a total capacity of 5.33 million metric tons (MMT) and plans to build two more with additional capacity of 6.5 MMT. India has been about 1.5 MMT of the existing capacity to Abu Dhabi National Oil Co (ADNOC).

India's oil and gas ministry did not respond to an email seeking comment. ADNOC declined to comment about the visit and the UAE foreign ministry did not respond to an emailed request for comment.

In 2015, Modi became the first Indian premier to visit the UAE in 34 years. The upcoming trip would be his eighth.

The countries plan to double bilateral trade to \$200 billion in six years and form a defence partnership. From the UAE, Modi will take off for the Netherlands, Sweden, Norway and Italy.

Hormuz shipping gridlock traps 360 vessels, threatens global oil trade

Evacuation limited to about 40 ships a day

SAURAV ANAND
New Delhi, May 14

A MASSIVE SHIPPING bottleneck has built up inside the Strait of Hormuz, with nearly 360 laden commodity vessels stranded in the Gulf and evacuation capacity limited to around 40 ships a day, raising fears of prolonged disruption to global oil, gas and commodity trade despite US-backed evacuation efforts.

Shipping intelligence firm Kpler said clearing the backlog could take several weeks even under a "best-case" emergency scenario, highlighting the logistical constraints in one of the world's most critical energy transit routes.

The Strait of Hormuz handles nearly a fifth of global oil and gas trade, making the disruption one of the biggest threats to global energy supply chains since tensions in the region escalated earlier this year.

"Based on a 40-vessel-per-day 'best case' scenario, Kpler intelligence reveals that clearing the current backlog of around 360 laden commodity cargo ships will be a race against logistical bottlenecks and the limits

CRISIS RINGS ALARM BELLS



Global energy demand slumps

GLOBAL FUEL MARKETS are slipping into a major demand crisis, with refinery runs projected to plunge by 5.2 million barrels per day (b/d) in the second quarter and refined fuel demand expected to contract by 4.4 million b/d as prolonged disruptions around the Strait of Hormuz severely tighten global energy supplies, according to S&P Global Energy.

The agency said the market has now crossed a critical threshold where supply disruptions are no longer temporary logistical shocks but are beginning to force large-scale fuel demand destruction across economies.

On an annual average basis, S&P Global Energy now expects global refinery runs to decline by 1.9 million b/d during 2026.

clearance unlikely. Historical shipping data suggests there is little room to accelerate traffic through the narrow corridor even during emergency. Between January 2017 and February 2026, average laden vessel transit through Hormuz stood at 41.3 ships a day. Even after the initial attack on February 28, only 38 laden vessels exited the Middle East Gulf zone despite heightened urgency across shipping markets. "This number is close to the pre-war average, suggesting that even with a high sense of urgency, the daily exit numbers unlikely to exceed this threshold," Kpler said.

The highest daily laden vessel movement recorded through the Strait was 62 ships on June 9, 2025.

SAURAV ANAND
New Delhi

TWO LPG TANKERS carrying cargo for Indian Oil Corporation (IOC) have successfully transited the Strait of Hormuz this week, even as an Indian-flagged cargo vessel sank off the coast of Oman following a suspected drone or missile strike, underscoring persistent risks to commercial shipping in the region.

The developments come against the backdrop of continuing instability in the Strait of Hormuz, which handles nearly 20% of global oil and gas trade and has remained under strain amid prolonged

tensions involving Iran and the US-Israel alliance.

Government officials said two Indian-flagged vessels crossed the Strait on May 13, while NV Sunshine transited safely on Thursday.

Symi, a Marshall Islands-flagged vessel carrying 19,965 tonnes of LPG cargo for IOC, is expected to arrive at Kandla on May 16. With the latest movement, 13 India-linked vessels—including 12 LPG carriers and one crude oil tanker have crossed the Strait since early March despite heightened ten-

sions and shipping disruptions in the Gulf region.

Officials said several foreign-flagged ships carrying India-bound cargoes have also managed to transit the waterway, though at least 12 Indian vessels remain stranded inside the Gulf.

Separately, HaiAll, an Indian-flagged mechanised sailing vessel travelling from Somalia to Sharjah in the UAE, sank in Omani waters after catching fire early Wednesday.

"All 14 crew members onboard were safely rescued by

the Omani Coast Guard and have reached Dibba Port in Oman," Mukesh Mangal, additional secretary, ministry of ports, shipping and waterways, said.

The vessel, measuring 57 metres in length, was carrying livestock cargo at the time of the incident.

While India did not officially specify the nature of the attack, maritime security agencies assessed that the vessel was likely hit by a drone strike or missile. "The attack on an Indian-flagged ship off the coast of Oman is unacceptable," the ministry of external affairs said, adding that target vessels should be avoided.

SHORT TAKES

STREETING QUILTS, CALLS TO OUST STARMER

London, May 14: Labour's Wes Streeting resigned as health minister on Thursday to call for a leadership contest to oust Keir Starmer, accusing the British PM of overseeing political drift and forcing others to take the blame for his government's failings.

Disastrous results for the governing Labour Party in last week's local elections have plunged Britain into its latest crisis, just under two years after Starmer won a large majority on a vow to bring stability and end a decade of political chaos.

After days of calls by a growing number of Labour lawmakers for Starmer to either resign or set out a timetable for his departure, Streeting was the first senior minister to break cover, saying he was standing down because "it is now clear you will not lead the Labour Party into the next general election". But he did not trigger a formal contest.

"It is now clear... that Labour MPs (members of Parliament) and Labour (trade) unions want the debate about what comes next to be a battle of ideas, not of personalities or petty factionalism," he wrote in his resignation letter. "It needs to be broad, and it needs the best possible field of candidates."

His announcement fell short of forcing the launch of a formal leadership contest but piles the pressure on the British leader who has so far weathered a drip feed of demands for him to step down. Streeting's criticism was stinging. "Where we need vision, we have a vacuum. Where we need direction, we have drift," he said, criticising Starmer's speech on Monday which the UK leader had hoped would silence the resignation demands.

"Leaders take responsibility, but too often that has meant other people falling on their swords." A source said the former health minister had the numbers to mount a formal challenge to Starmer.

Mishandling of Taiwan could spark conflict, Xi tells Trump

US Prez left waiting for Jinping 'big hug'; Chinese Prez gets Sept. 24 WH invite

Beijing, May 14: China's Xi Jinping told President Donald Trump that trade talks were making progress at the start of a two-day summit on Thursday, but cautioned that disagreement over Taiwan could send relations down a dangerous path and even lead to conflict.

Xi's remarks on Taiwan, the democratically governed island claimed by Beijing, came in a closed-door meeting of the leaders of the world's two largest economies that ran more than two hours. China's foreign ministry said.

They represented a stark — if not unprecedented — warning during a pomp-filled occasion that was otherwise friendly and relaxed, although the US summary of the talks made no mention of Taiwan.

Instead it focused on the leaders' shared desire to reopen the key waterway of the Strait of Hormuz, effectively closed due to the Iran war, and Xi's apparent interest in buying American oil to reduce China's dependence on West Asia supplies.

With Trump's approval ratings dented by a war with Iran that shows no signs of abating, the first visit by a US president to China in nearly a decade has taken on added significance as he searches for economic wins.

"There are those who say this may be the biggest summit ever," Trump told Xi in brief opening remarks, after a ceremony that featured an honour guard and throngs of children waving flowers and flags at Beijing's Great Hall of the People. Xi told Trump that pre-



US secretary of defence Pete Hegseth (bottom C), US treasury secretary Scott Bessent (centre R), Nvidia founder and CEO Jensen Huang (R), Tesla and SpaceX CEO Elon Musk (centre R middle row) and Apple CEO Tim Cook (centre L middle row) look on ahead of a welcome ceremony for US President Donald Trump at the Great Hall of the People in Beijing, on Thursday.

aratory negotiations between US and Chinese economic and trade teams in South Korea on Wednesday had reached "balanced and positive outcomes", China's foreign ministry said in a summary. The talks aimed to maintain a fragile trade truce struck when the leaders last met in October, where Trump suspended triple-digit tariffs on Chinese goods and Xi backed away from choking global supplies of vital rare earths.

Achieving the great rejuvenation of the Chinese nation and making America great again can go hand in hand. We can help each other succeed and advance the well-being of the whole world.



— XI JINPING Chinese President

Trump expected Xi to raise the thorny issue of US arms sales to Taiwan, he said earlier this week. With the status of a \$14-billion package awaiting Trump's approval still unclear, China has reiterated its strong opposition to the sales. The US is bound by law to provide Taiwan with the means to defend itself, despite a lack of formal diplomatic ties.

The Chinese leader told Trump that Taiwan was the most important issue they faced and if handled poorly could push the entire US-China relationship into an extremely dangerous situation and cause the countries to collide or even enter conflict, according to Beijing's summary of the talks. "Achieving the great rejuvenation of the Chinese nation and making America great again can go hand in hand," Xi said, referring to Trump's political movement. "We can help each

other succeed and advance the well-being of the whole world."

Xi's remarks were noteworthy, even though Beijing had issued strong warnings on Taiwan.

After their meeting, Xi took Trump on a tour of the Temple of Heaven, then hosted a state banquet for him. The Chinese leader used his evening toast to note that he and Trump had kept US-China relations "generally stable" in a turbulent world.

Standing stiff and unsmiling next to Jinping, Trump appeared unmoved by the former imperial temple in Beijing where emperors once prayed for good harvests. Asked by reporters how earlier talks with the Chinese leader had gone, a seemingly tired Trump replied: "Great. 'Great place. Incredible. China's beautiful,'" he added.

Trump had claimed before heading to China for the first time in nearly a decade that Xi would give him a "big fat hug". But that did not happen. Trump on Thursday announced that his Chinese counterpart Xi Jinping would be making a reciprocal visit to the White House on September 24.

"Thank you again, President Xi for this beautiful welcome, and tonight, it is my honour to extend an invitation to you, Madam Peng, to visit us at the White House this September 24 and we look forward to it, and I'd now like to raise your glass and say a toast to the rich and enduring ties between the American and Chinese people," Trump said in his speech during his meeting with Xi. — Agencies

Ex-Filipino drug war enforcer flees refuge in Senate

Manila, May 14: The chief enforcer of former Philippine president Rodrigo Duterte's deadly drug war has fled the Senate, where he had sought refuge to escape arrest over alleged crimes against humanity, the chamber's president said on Thursday.



Ronald Dela Rosa

A day earlier gunshots rang out in the Senate in Manila during a confrontation that erupted after Senator Ronald Dela Rosa had sheltered in the building to avoid an International Criminal Court warrant. Dela Rosa was the national police chief from 2015-2018 during the first two years of Duterte's anti-narcotics crackdown that killed thousands and now faces ICC charges.

The sergeant at arms has confirmed that Senator or Bato is no longer in the building, "Senate President Alan Peter Cayetano told a news conference, using Rosa's nickname.

Cayetano said he gave Dela Rosa a ride to the Senate on Monday, where the former police chief narrowly evaded arrest by government agents who chased him up the stairs. Dela Rosa vowed to fight efforts to arrest him and turn him over to the Netherlands-based ICC, as Cayetano forbade government agents from serving him an ICC arrest warrant. Duterte was arrested in March last year over an ICC case stemming from drug war killings and flown to the Netherlands. — AFP

All contact cases of hantavirus -ve

Paris, Bordeaux, May 14: France's health minister said on Thursday that 26 people in France identified as close contacts of hantavirus cases linked to the MV Nordvis cruise ship had tested negative for the illness. Dutch authorities said that all people who arrived in the Netherlands on evacuation flights from the ship this week have also tested negative. "Twenty-six people are in hospital isolation in France, including 22 identified close contacts of a Dutch woman on the MV Nordvis that was at the centre of an international alert for the disease typically transmitted by rodents. Passengers unaffected by an illness outbreak on a British cruise ship have been allowed off the ship in Bordeaux, while authorities confirmed the cause of the outbreak is norovirus, a stomach bug that spreads easily — Agencies

LIVE RICH FINANCIAL Chronicle VIJAYAWADA | FRIDAY | 15 MAY 2026

quick BITES

Table with 3 columns: INDICATORS, %, and values. Includes Sensex (75,398.72), Nifty 50 (23,689.60), S&P 500 (4,746.46), Dollar (95.78), Pound Sterling (129.50), Euro (112.20), Gold (162,205.19), Brent crude (105.56), IN 10-Yr bond yield (7.021), US 10-Yr T-bill yield (4.441).

Demand for EV batteries to hit 200 GWh by 2032

The electric vehicle (EV) battery demand in the country is projected to grow 10 times from 20 GWh in 2025 to 200 GWh by 2032, said Indian Energy Agency (IEA). Citing a study, IEA said the EV opportunity in India is not only limited to vehicle manufacturing; the largest strategic gains may lie in component localisation and supply chain development as India positions itself as a global manufacturing hub.



Rupee nits record low, nears 96 against dollar

RBI intervenes by selling dollars to contain excessive volatility in mkt

The Indian rupee touched a fresh all-time record low of 95.96 against the US dollar on Thursday before recovering partially after intervention by the central bank and reports of possible tax relief for foreign investors in India's bond market.

At the interbank foreign exchange market, the rupee opened at 95.73 per dollar and slipped to 95.96, breaching Wednesday's previous all-time low of 95.80. However, the domestic currency later rebounded to 95.58 amid reports that the Reserve Bank of India (RBI) had recommended lower taxes for foreign investors in the rupee bonds.

The government eventually settled at 95.58 per dollar, marking another historic closing low, weaker than the previous close of 95.70. Traders said the RBI intervened through state-run banks by selling dollars to contain excessive volatility in the currency market.

VOLATILITY REMAINS IT TOUCHES high of 95.58 following reports that RBI recommended tax cuts to government for foreign investors in bond market.

BRENT CRUDE price slips below \$106 per barrel. RUPEE OPENS at 95.73 against dollar, but falls to 95.96, eclipsing its previous record intra-day low of 95.8 hit on Wednesday.

DOMESTIC CURRENCY finally ends session at 95.76, another historic low closing compared to its previous low of 95.7. ELEVATED CRUDE prices, alongside bulk selling by FIs from domestic markets continues to add pressure on Indian currency.

DURING DAY some non-deliverable forward positions were being liquidated which took the dollar-rupee towards 95.9625 its lowest level ever.

The rupee rose to 95.58 as RBI also sold dollars at 95.96. Earlier during the day some Non-deliverable Forward positions were being liquidated which took the dollar-rupee towards 95.96, its lowest level ever, said Anil Kumar Bhansali, head treasury, Finrex Trading Advisors.

LACK OF any resolution in West Asia conflict continues to keep global investors on edge and maintain uncertainty across financial markets.

The dollar index, which measures the dollar against six major currencies, was trading marginally lower at 98.51. Meanwhile, Brent crude prices slipped below \$106 per barrel as investors tracked developments surrounding West Asia war.

The dollar index, which measures the dollar against six major currencies, was trading marginally lower at 98.51. Meanwhile, Brent crude prices slipped below \$106 per barrel as investors tracked developments surrounding West Asia war.

Sensex gains 790 points, IT stocks under pressure

Benchmark equity indices rebounded sharply on Thursday amid value buying, even as IT stocks remained under pressure due to concerns over the impact of AI-led disruption on the sector. The 30-share BSE Sensex surged 790 points, or 1.06 per cent, to close at 75,398.33. The Nifty 50 gained 277 points, or 1.18 per cent, to settle at 23,689.60.

Foreign portfolio investors were net buyers to the tune of ₹187.46 crore, while domestic institutional investors purchased equities worth ₹684.33 crore. Market participants said investor sentiment improved amid expectations that US President Donald Trump's ongoing visit to China could ease immediate concerns around rising crude oil prices, and geopolitical tensions involving Iran. Crude oil prices moderated during the session.

Despite AI headwinds currently leading to derating of top IT companies, brokerages have mixed views on AI impacts. IT stocks' decline continues amid AI models adoption fears. THE NEAR-TERM outlook remains cautious despite Indian markets witnessing a strong rebound in the past two sessions. SIDDHARTH KHEMKA, head - Research, MOFS

with futures trading in the range of \$103.88 to \$107.13 per barrel after both US and China echoed similar positions on the Strait of Hormuz and Iran's nuclear programme. Information technology stocks, however, remained out of favour as investors continued to reassess the sector's growth outlook amid rapid adoption of AI models. The BSE IT index slipped 1.84 per cent by losses in Infosys, TCS, HCLTech, and Tech

Govt caps duty-free gold imports at 100 kg

New Delhi, May 14: A government order increasing the import duty on precious metals, the government on Thursday imposed a limit of 100 kg of gold for import under the Advance Authorisation (AA) scheme, which allows jewellery exporters to import raw or input materials at zero duty. The government has tightened conditions for the issuance and monitoring of AA for import of gold. Earlier, there was no limit on gold imports under the scheme. In addition to any

inputs, packaging material, fuel, oil, and catalysts that are consumed or utilised in the process of production of export products, are also allowed, subject to the condition that they shall be issued, subject to a maximum permissible quantity of 100 kilograms. The DGFT said in a public notice. It added that in case of application for AA by a first-time applicant, a mandatory inspection of the applicant's manufacturing facility will be undertaken to verify the existence, capacity and

operational status. "Any subsequent AA for the import of gold, shall be considered for issuance only upon fulfillment of at least 50 per cent of the export obligation," it said, adding that the AA holder will have to submit a fortnightly performance report, which should be duly certified by an independent chartered accountant certifying gold imports and exports undertaken. The directorate's regional authority will submit a monthly report containing details regarding the issuance of AA. — PTI

US authorities moving to resolve charges against Adani

Washington, May 14: The US authorities are moving to resolve the fraud charges against Indian billionaire Gautam Adani, according to people familiar with the matter, and end a criminal case that's hung over Asia's richest person for more than a year. The Justice Department

may announce that they're dropping the charges as soon as this week, said the people who are not to be identified discussing a confidential matter. The securities and exchange commission (SEC) is also moving to settle a parallel civil fraud case it brought against Adani and others in November

2024, some of people said. Ending the cases would be a significant boon to the Adani group, one of India's most powerful companies, whose interests range from coal mining to renewable energy and airports. It also clears the decks for the conglomerate to return to international capital markets and

resume its aggressive expansion strategy. While the Justice Department could effectively move to drop the charges with the defendants out of the country, a resolution to SEC would likely involve a monetary penalty, some of the people said. — Bloomberg

[OUR TAKE]

A small big win for democracy

Congress high command bows to public pressure to pick VD Sathesan as Kerala CM

The choice of VD Sathesan as the new chief minister (CM) of Kerala is significant. It is, in some ways, a victory for a large cross-section of the electorate, which backed the Congress-led United Democratic Front (UDF) in the assembly election. The Congress high command wanted to impose AICC general secretary, KC Venugopal, who didn't contest the election but claimed to have a majority in the legislature party, on the high office. Public protests, allies' insistence, and cautious advice from senior party functionaries forced the Delhi leadership to rethink its stance. The delay, as the party seemed to be to find a way to install Venugopal as CM, drew public ridicule, but the unprecedented gesture of bowing to voters rather than leaders is a win for democracy.

Sathesan, 61, ticks many boxes. He will be the first Kerala CM born in the post-Independence era. He is the first from his family to join politics and contest elections. He rose from the grassroots, served for nearly a quarter century as a legislator (including five years as leader of the opposition in the state legislative assembly), and led the victorious UDF campaign. His public image as a voracious reader and author serves him well in a state that takes pride in its high literacy. Whether these are enough for him to steer the government through Kerala's political whirlpools is anybody's guess. Implementing the Indra Guarantees, promised by the UDF in its manifesto, will be a challenge in a state burdened by heavy public debt, huge welfare expenditures, and limited avenues to raise revenues. The CPI-led Left Democratic Front is nursing its wounds after the crushing defeat, and the BJP is eyeing an opening in Kerala — it won three seats, up from none, and finished second in six seats. Besides, the Congress in Kerala has always been a den of factions; the healthy competition for leadership after the verdict could turn into a vicious faction war if ambitions and egos are not accommodated.

This is also a moment of reflection for the Congress leadership. Kerala delivered a decisive verdict on May 4, and the UDF, after a decade in the opposition, won 102 of the 140 seats in the assembly. The Congress won 63 seats, equalling its highest tally ever in the state in 1960, and the pre-poll alliance hammered the Left Democratic Front even in the CP's northern Kerala strongholds. The mandate was as much for Sathesan, the Congress's face in the campaign, yet the leadership nearly made a mess of the win, rooting for a candidate who had not even contested the election, reminding people of events in Madhya Pradesh, Chhattisgarh, and Rajasthan following the 2018 elections, and Karnataka, after the 2023 election.

Oil casts a shadow on WPI inflation

The Wholesale Price Index (WPI) grew by 8.3% in April. This number was 2.3% in February and 3.9% in March. The sequential increase between March and April is 4.4 percentage points, the highest monthly increase ever recorded in the current series, which has data from April 2012. Almost all of the WPI increase is due to fuel prices. If we exclude the primary commodity sub-component of crude oil and natural gas, and the fuel sub-component of mineral oils, the WPI prints for February, March, and April would be 3.1%, 3.1%, and 4.2%, respectively.

The WPI trend is in sharp contrast to retail inflation, as measured by the Consumer Price Index (CPI). The latter has been flat in February, March, and April, with respective values of 3.2%, 3.4% and 3.5%. The reason for the divergent trajectories of CPI and WPI is simple: The government has prevented a pass-through of higher fuel prices to consumers by keeping retail fuel prices mostly unchanged and absorbing a fiscal hit. Because CPI is the guiding anchor for monetary policy, the artificially low number sends the wrong signal regarding growth-inflation dynamics.

Fuel prices are still deregulated on paper. In reality, this is no longer true. Is the government prepared to hold retail fuel prices as long as crude prices stay high? What prevents it from raising retail prices? Is it the hope that voluntary rationalisation of fuel consumption will ease demand and the fiscal burden?

The Centre has been upfront about assuring farmers that it will protect them from fertiliser price hikes, no matter what the global prices are. It should also declare its intent on fuel prices. Markets — equities, debt, and forex — need to be told this clearly. If a hike is coming, they need to know, and soon.

Ride out inflation with patience and prudence

As the energy crisis prolongs, the need for deeper reform in politically sensitive areas will become even more pressing

The stress on the Indian economy is beginning to show up in data. The wholesale price index (WPI) for April, at 8.3% over the last year, has seen a sharp jump over the March number, which stood at 3.88%. Fuel inflation, no surprises, is the sharpest, up almost 25%.

Also visible is the pressure on the government finances, as the consumer price index (CPI) for April was less than half this number at 3.48%, up marginally from March at 3.40%. While it might be incorrect to directly compare WPI and CPI data, the fact that the government has absorbed higher fuel prices till now is beginning to show up in the sharp increase in the gap between the two.

Oil companies are losing ₹1,000 crore a day, said petroleum and natural gas minister Hardeep Singh Puri earlier this month. It is only a matter of time before the higher fuel costs are passed on and begin to affect households. The silver lining is that food prices are still benign at 2.31% in the WPI and at

4.20% in the CPI. But these will get impacted due to the double shock of a weaker monsoon and the potential fertiliser shock.

The 2020s are becoming a brutal decade. Whereas the world has always been in some crisis or another, the scale, frequency, and brutality of events since 2020 are probably unprecedented. We're just not catching a break. The Indian economy entered the decade with a gym bod with its macro numbers in place, shoes on, and raring to breach the 8% GDP number. But a war did not start and that goes on longer than was estimated points to tougher days ahead for us as employees, borrowers, consumers, and investors.

The question everybody is asking is: What's the worst we are looking at? Things will get worse before they get better, the crisis prolongs. We should brace for pain ahead. Higher prices, lower growth, and higher borrowing costs.

In the near term, it will mean higher fuel prices because, at some point, the government will have to transfer the price rise to the public — this is already evident in the divergence between the WPI and CPI. Till now, the price at the pump has remained steady, but not for much longer.

The Prime Minister has already prepared the country for the coming price shock.

But a fuel price hike is not an isolated event; it has a ripple effect on the economy, raising overall prices. Costs of transportation go up and all these get built into the prices we pay at the point of sale. How bad is bad? At its worst, runaway inflation is a downward spiral. As prices rise, consumers begin to cut consumption or savings or both. It is unlikely that demand falls sharply, that is a signal for production cuts, which lead to wage cuts that further cause demand cuts, and so it goes.

It is unlikely that the story details in this manner for India. The Reserve Bank of India (RBI) has been an inflation-targeting central bank since 2016, with a target of 4% in a plus-minus band of 2.

What helps the country is that we entered this war with sub-target levels of inflation, giving RBI plenty of room to hold rate hikes till now. But going forward, expect the rate cut cycle to reverse and see both interest rates and costs of borrowing to go up. There are enough policy tools, both fiscal and monetary, to prevent a collapse. Remember that a few percentage points shaved on growth is not a recession or an economic collapse — beware the merchants of doom.

But the story for a middle-class household might not end with just a price rise, because along with the price rise comes the supply shock something that we are not used to



It is only a matter of time before the higher fuel costs are passed on and begin to affect households.

BLOOMBERG

anyone. Those who grew up in the 2000s will have no memory of shortages of any kind, unless it is an Apple phone, for which you might have lined up overnight. But basic goods shortages have disappeared from our memory. These might resurface in pockets, and we need to be prepared in terms of both prudence and patience.

This is a time to be sensible about our finances. Delay non-essential foreign travel. Repurpose old family jewellery for weddings. Switch to induction cookers from LPG. Find domestic locations for weddings and other occasions like reunions, birthdays, and other events.

Nothing changes for our investments, except ensuring that we have liquid funds available and we are

not depending on the equity markets for our near-term needs. The time for risky gambles is clearly over, whether it is in futures and options or in cryptocurrencies.

While we held up for the next few months, we must not lose focus on the fact that the Indian State performs the best with a gun to its head. As the crisis prolongs, the need for deeper reform in politically sensitive areas will become even more pressing. The optimist in me thinks that history could well look back at the 2020s as the big decade of shotgun reform.

Monika Halan is the best-selling author of the Let's Talk series of books on money. The views expressed are personal



Monika Halan

West Bengal and the politics of memory

The ongoing post-mortem of the Bengal election results has brought out two key factors that played a decisive role — Hindu consolidation and anti-incumbency. While these factors certainly swung the electoral outcome in favour of the BJP, a closer examination of their underlying dynamics reveals several significant insights.

First, the consolidation of Hindu voters behind the BJP did not emerge in a political vacuum; rather, it gradually evolved within a broader social-political context mediated by what can be called the "politics of memory". Politics of memory, as unleashed by the BJP, draws upon the historical memory of Partition-related violence and displacement in order to allude to the possibility of repeat similar events due to perceived demographic transformation and Muslim appeasement. The BJP's campaign that West Bengal is on the cusp of becoming West Bangladesh exemplifies this "politics of memory", creating a tendency to see the present through the prism of anxieties inherited from the past.

An important aspect often overlooked in analyses of contemporary Bengal is that the state is a product of India's messy and turbulent partition in 1947 and continues to grapple with its enduring trauma, as well as its more tangible consequences such as continuing inflow of distress migration. In an average Bengali family with past roots in East Pakistan (now Bangladesh), experiences of displacement and stories about Partition violence percolate from one generation to the next with organic seamlessness that the process of transmission often goes unnoticed. Therefore, since the birth of West Bengal there has always been a lurking possibility that such accumulated memories can be revived and reshaped through political interventions for the sake of negotiating identity and shaping political consciousness.

In recent years, what prepared the ground for such politics of memory was Mamata Banerjee's assertive Muslim outreach, through highly visible engagements with sections of the Muslim clergy and community leadership as well as participation in religious events — sometimes accompanied by symbolic gestures such as wearing a hijab. At the same time, as the BJP attempted to frame the Special Intensive Revision of the electoral rolls in the state as an initiative to identify undocumented Bangladeshi migrants and the TMC vehemently opposed it, apprehension about the TMC government's perceived apathy toward the issue of illegal migration from Bangladesh became more pronounced in the minds of people.

These concerns were further amplified by reports of violence against Hindus in Bangladesh following the collapse of Sheikh Hasina's government. More importantly, the perceived rise in anti-Hindu sentiment in Bangladesh, along with the BJP's high-visibility campaign against atrocities against Bangladesh's Hindus, appears to have had a major impact on the electoral behaviour of Hindu refugee communities from Bangladesh, particularly the numerically significant lower-caste Matua-

Namasudras, many of whom still have friends and relatives across the border. In keeping with the template of politics of memory, over the last few years, the BJP has been mobilising them not as a lower-caste group, but as a religiously persecuted group of Hindu refugees reawakening their collective memory of religious persecution in East Pakistan/Bangladesh and by amplifying the association between Hindu identity and a shared sense of victimhood, the politics of memory has presented a powerful stimulus to the development of ideological proclivities towards Hinduism among the Matua-Namasudra community.

Although there is clear evidence of Hindu consolidation, it would be overly simplistic to assume that all Hindu voters cast their ballots purely along religious lines, especially given the strong and visible anti-incumbency sentiment. The anti-incumbency against the TMC government was not merely a routine expression of Benaras-style discontent. Rather, it represented a rebellion-like rejection of an entrenched, autocratic mode of governance, best described by the Bengali term 'Dadgiri' — a system of everyday coercion and intimidation.

This system worked at cross purposes with the very idea of rule of law and with (dada) spread across the state in different forms.

It was simultaneously repressive and extractive in character. Repression operated to silence dissent and intimidate political opponents through threats, violence and fake cases. At the same time, financial extraction took place through mechanisms such as "money", control over contracts via "syndicates", and networks of extortion and bribery that facilitated various illegal and corrupt practices. Against this backdrop of repression, incidents such as the RK Kar rape-murder, Sanjeshkhal, the teachers' recruitment scams, and several corruption allegations cannot be viewed merely as isolated instances of administrative lapses or misconduct. Rather, they are similar patterns of apparent alignment between political environment in which the rule of law was undermined by collusion between the state authorities and extra-legal actors such as local strongmen.

In view of strong currents of anti-incumbency it would be misleading to assume a neat correlation between Hindu consolidation and religious polarisation. In all probability, individuals and groups under the spell of the politics of memory did vote primarily as Hindus. A similar pattern of apparent alignment between Hindu consolidation and religious polarisation could also be observed in areas dominated by Muslim local strongmen, such as Jahangir Khan in Falta or Shahjahan Sheikh in Sandeshkhali, but this does not hold uniformly across all contexts. It is also important to note that in Muslim-majority districts such as Malda and Murshidabad, Muslim votes got fragmented between the TMC and other non-BJP parties.

The Bengal poll results call for revisiting the established postulates about its politics and re-examination of several assumptions about electoral behaviour. While the wider story looks relatively straightforward, it has several plots and subplots that need careful unpacking.

Ayan Guha is a British Academy International Fellow, School of Global Studies, University of Sussex. He is the author of *The Curious Trajectory of Caste in West Bengal Politics: Chronicking Continuity and Change*.

The views expressed are personal



Ayan Guha

[XI JINPING] PRESIDENT, CHINA

A stable China-US relationship is a boom... Cooperation benefits both sides, while confrontation harms both. We should be partners, not rivals.



Walkability: Cornerstone of future-ready urbanism

Walking is the most universal form of mobility. It needs no fuel, fare, or digital access. It is about how many children reach school, how often, how complete last-mile journeys, and how neighbourhoods remain socially vibrant. Informal workers, street vendors, delivery personnel, and domestic workers rely on walking as the main mode of travel.

Yet in India's cities today, where nearly 90% of daily trips of under two kilometres are made on foot, walking is rarely safe. It usually means bracing against speeding traffic, loud honks, honking horns, hostile encroachments, pedestrian lighting, and the ever-present risk of injury. Pedestrian infrastructure is often absent, broken, or unusable. In many areas, pedestrians are forced onto narrow roads, competing with larger, faster vehicles. Crossings are unsafe or too far apart. The result is daily, grinding exclusion.

Walking has faded from both official planning conversations and the national urban agenda. Zevi Smart Cities, AMRUT, and national road standards emphasise vehicle movement over pedestrian needs. Pedestrian rights and infrastructure are rarely prioritised in national settings such as the Indian Road Congress (IRC) codes or the Model Building Bylaws, which tend to emphasise vehicle movement over safe, continuous footpaths. Guidelines such as the Urban Street Design Guidelines or the National Urban Transport Policy mention walkability, but their recommendations remain non-binding and are inconsistently enforced.

India's road safety crisis shows cities fail pedestrians. In cities such as Chennai, Gurugram, and Lucknow, recent municipal data shows that pedestrians account for more than a third of all road crash victims. Yet these statistics understate the true societal cost. When lives are cut short or permanently altered by injury, cities lose not only individuals but also the years of productivity, caregiving, and community participation they would have contributed. Converting fatalities into Disability-Adjusted Life Years (DALYs), each pedestrian death or serious injury means not only a family in mourning, but thousands of years of healthy life lost across communities, with real economic repercussions. But there are also important examples of progress. In Bengaluru, the introduction of continuous footpaths and raised crossings on select high-risk corridors has reduced pedestrian fatalities by nearly 30% within three years. Gurugram, through comprehensive complete street redevelopment, has seen select areas achieve the "Vision Zero" target, currently recording zero fatalities and serious injuries. These success stories show

targeted investments in walkability deliver real improvement, providing models that can be adapted and scaled elsewhere.

Women experience the city differently. For women, walkability is inseparable from agency. Poor lighting, inactive street edges, unsafe crossings, and the absence of pedestrian presence reduce mobility after dark. Research and urban safety audits expose the constant anxiety women face, forcing them to alter travel times, routes, and even job choices.

As sedentary habits rise with motorisation, walkable streets function as built-in public health infrastructure. Walkable streets strengthen neighbourhood economies. Pedestrian-friendly environments boost footfall for small businesses, support informal livelihoods, and enhance street-level commerce. Also, when short trips shift to walking, vehicles to feet, emissions fall and congestion eases. A 10-metre-wide tree lined, shaded footpath can lower perceived temperature by up to 3°C — meaningful relief in the heat-stressed summer.

Some cities have begun redesigning streets with continuous footpaths, raised crossings, traffic calming, and improved lighting. Car-free days, pedestrian plazas, and tactical urbanism experiments have shown how such can function as shared public spaces rather than traffic corridors. To make these gains permanent, it helps to distill what worked into clear templates any city can use. For instance, municipalities can adopt three proven design standards from these successes: first, ensuring all main streets have continuous, obstruction-free footpaths at least 1.8 metres wide; second, providing raised, clearly marked pedestrian crossings at frequent intervals; and third, introducing timed vehicle restrictions to create car-free hours or pedestrian-only zones in commercial areas. Translating these into standard policies makes walkability the rule, not the exception.

Restoring walkability needs continuous footpaths, safe crossings, traffic calming, accessibility, shade, lighting, and enforcement of design standards. Above all, it requires a shift in how we think about our streets. Do our streets serve movement, or do they serve life? That shift in thinking can help anchor the conversations and policies our cities need.

The future-ready Indian city will be defined by whether an elderly woman can cross her street with dignity, whether a child can walk to school without craving traffic, and whether a woman can move through her city after dark without fear. That city is a choice. We should make it.

Sarika Panda Bhattacharya is founder trustee, Raahgiri Foundation, and director, Nagarova. The views expressed are personal



Sarika Panda Bhattacharya

THE ASIAN AGE

15 MAY 2026

Satheesan is CM at last; but why delay by Cong?

After sitting on a decision for 11 long days to pick a leader of the Congress legislature party in Kerala as authorised by its members, the party high command has finally cast its vote with V.D. Satheesan, the Opposition leader in the outgoing House and a seasoned politician with a record of winning six elections back-to-back without a break.

The Congress-led United Democratic Front (UDF) unseated the Left Democratic Front (LDF) led by the CPI(M), which had in 2021 broken through the revolving door, with a massive win, bagging 102 of the 140 seats in the Assembly. The UDF was an emaciated lot after conceding defeats in two consecutive elections in 2021; and the Pinarayi Vijayan-led government looked formidable with its sterling record on the development and welfare fronts.

Mr Satheesan coined the term 'Team UDF' and galvanised his party and the constituents of the UDF injecting in them the confidence that they can take on the LDF. The massive victories in the Assembly by-elections and the 2024 Lok Sabha elections were reason enough for the UDF workers to lay their trust in the leadership of Mr Satheesan.

It was not just the UDF and its strategies that helped it coast to victory. The LDF government was happily contributing ammo to the reconstituted 'Team UDF'. The strategist in Mr Satheesan was smart to identify the fault lines in the LDF's political arguments — there were many — and hit them hard. The losses in the Lok Sabha poll and the erosion of the Hindu vote bank had led the CPI(M) and the LDF to try tactics that had never adopted before in Kerala. They decided to propitiate leaders of the NSS and the SNDP, organisations of the powerful Nair and Ezhava communities, in order to crawl back to their old strongholds.

The party high command has finally cast its lot with V.D. Satheesan, the Opposition leader in the outgoing House and a seasoned politician with a record of winning six elections back-to-back. They soft-pedalled on the hate-filled statements of the SNDP Yogam leader against the minority communities, especially Muslims. Mr Satheesan entered the scene flashing the secular card. In the end, the comrades found themselves losing the trust of the Muslims and were unable to get back their traditional vote bank.

Mr Satheesan will now find the going tough. The two senior leaders, AICC general secretary (organisation) K.C. Venugopal and veteran leader Ramesh Chennithala who lost out in the race, have already expressed their displeasure with the party leadership for ignoring their claims. The constitution of a cabinet that balances the various permutations and combinations will itself be a challenging task.

The promises the UDF has made to the voters, including the five guarantees, will cost a bomb; the state government that just about manages its finances will have to look for new avenues of revenue generation should it want to meet them all. The efforts by a section of the communal forces to appropriate Mr Satheesan have been conspicuous, and he will have to fight off such attempts to keep the state and its people united. Coming are the days when the leadership of Mr Satheesan will be put to test.

Resist lustre of gold, silver

The import of gold, silver and platinum is to be viewed as non-essential in the current geopolitical situation. The negative effects of the Iran war are cascading in terms of oil and gas prices and their irregular supply from the Middle East despite the cessation of direct hostilities. Projections of India's trade as well as current account deficits point in a negative direction.

One of the simpler ways to help tackle foreign exchange reserves and CAD-related pressures in the face of global volatility is to restrict the import of precious metals. This is not a measure easily taken considering the sentimental attachment of Indians to gold that has far more than just its financial value. They say you can put all the taxes you want on gold and still Indians would be a majority among those shopping for the metal.

The tax on imports has been raised from six per cent to 15 per cent but that could also incentivise smuggling which would be helping the country but has been fighting for decades without great success and despite recent drop in duties. It is a rule of thumb that for every ton of smuggled gold caught, 10 tons may have already landed in India.

The appeal for austerity when the CAD is under pressure has a particular relevance. Even a 20 per cent decrease in imports of crude oil can help bridge the deficit and if people are pushed into discretionary buying or outright abstinence from gold for a while until crude oil prices cool to below the \$100 mark — which could take a year or more — they would be helping the nation get through a difficult period for the economy.

Gold constitutes the second-largest import after crude oil. In the last financial year, gold imports rose 24.1 per cent from the previous year to nearly \$72 billion and the crude oil bill for the year could be well upwards of \$157 bn, which was the figure for 2025 imports. A measure of discipline in imports of the two major items could help lessen the burden, also by way of a rupee which will perform better against the dollar if imports come down. It is a small sacrifice for people to resist the lustre of gold for a while.

THE ASIAN AGE

Kaushik Mitter

Editor

K. Srinivasan

Printer & Publisher

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Subhani



Efficiency, yes; strategic resilience is critical too



Sanjeev Ahluwalia

The "open economy" phase of globalisation — which started in the 1980s — was all about enhancing economic efficiency, ending friction losses from trade and investment barriers, dulling the economic pain from selective use of national sovereignty to create trade barriers, impose exchange controls and limits on foreign investment. The global consensus favoured adopting developed economy practices like market instruments over direct fiscal intervention by governments in the real economy.

This development model is now severely threatened by three unforeseen imperatives. First, the demands of climate action have induced renewed urgency to State action. Publicly funded incentives for decarbonisation, enhanced outlays for climate adaptation, research and development in digital technology, defence and space applications have become widely accepted, legitimate public policy concerns.

The United States is ploughing a lonely furrow by rejecting the science behind climate change. This has not appreciably altered the drift of global financing away from fossil fuels and towards low-carbon options. Over the decade ending in 2024, not only did global investment in energy increase from \$2 trillion per year to \$3 trillion, the share of investment in fossil fuels reduced from about two-thirds in 2015 to one-third by 2024, with a corresponding increase in the share of non-fossil fuels, mainly renewables. Consider that even West Asian economies who have the most to lose if oil loses its economic value — have not stepped off the pedal to diversify their economies away from their oil wealth. The ongoing debilitating war between the US, Israel and Iran has only served to bolster their

resolve for economic diversification, though their near-term investment objective is to make their petroleum supply routes resilient to enforced stoppages.

Second, best-practice economic principles for policy action by developing economies have mutated since the 1960s, when they were first espoused. The World Bank continues to develop country interest in efficient, "active" industrial policy is growing. This is unsurprising. The spectacular success of directed development in China offers a hard-to-ignore model of State-led development. This is despite top-down managed economic progress having downsides like creating structural political deficits, but higher capital power leans in favour of the State versus citizen autonomy. But this fear no longer creates significant misgivings. Presumably, a full stomach is better than the freedom to choose how to starve.

Third, the double whammy of expensive oil and decarbonisation outlays is likely to drive economies to do more with less, which is a positive for economic efficiency. One out of two twin pressures might be a heightened regime — catchily dubbed as variable geometry — where economies choose a set of trading and investment partners and negotiate preferential terms via conditional give or take — also now known as "deals". Mini-lateral groups can fix a specific problem common for all participating members — like balance

Designing explicit tax structures to incentivise 'resilience' and penalise 'carbon emissions' could attract new investment. At present, tax policy implicitly favours resilience and penalises emissions.

material intensity of Artificial Intelligence is a contemporary concern as is the associated re-valuation of labour. As the world increasingly depends on capital and machines, ICOR is likely to increase, at least till the investments start generating commercial returns by being applied to real-world use cases. And opinion is divided as to by when that might happen.

ICOR as a metric of efficiency works best if starting conditions are broadly similar across economies. Lower levels of institutional capacity initially and the poor quality of infrastructure assets could also dilute the signalling value of ICOR. Heavy start-up investment outlays can only be amortised over time. Think of investment in resilient infrastructure — as a proxy for value creation — becomes optimum only over time as more stations are added, interconnecting lines built and last-mile connectivity at interchange points are resolved, including transport security for women and the aged. Till this optimal point is reached, the ICOR would remain very high.

Third, the double whammy of expensive oil and decarbonisation outlays is likely to drive economies to do more with less, which is a positive for economic efficiency. One out of two twin pressures might be a heightened regime — catchily dubbed as variable geometry — where economies choose a set of trading and investment partners and negotiate preferential terms via conditional give or take — also now known as "deals". Mini-lateral groups can fix a specific problem common for all participating members — like balance

ing employment with technological regeneration. Bilateral arrangements within larger multilateral fora like the WTO can cater to members whose interests converge and who are willing to proceed at a faster pace than the general body of the WTO.

Access to freely-traded global oil resources is of particular interest to India, which imports about one-half of its natural gas consumption, two-thirds of the demand for LPG — a cooking fuel for price-sensitive households and four-fifths of crude. Access to rare earths and critical minerals is another choke point, which can delay decarbonisation by restricting supply or driving up the cost of access to these building blocks for batteries and semi-conductors. Reframing of multilateral rules, which retains the existing institutional power to ensure compliance but encourages variable composition and speed for green decisions, seems appropriate.

Supportive State policy in India will be crucial to embed principles of economic efficiency into the twin objectives of decarbonisation by 2070 and the bridging objective of resilience against energy supply shocks. Front-loading private enterprise in the institutional matrix for connecting the magic policy mix would be useful.

Designing explicit tax structures to incentivise "resilience" and penalise "carbon emissions" could attract new investment. At present, tax policy implicitly favours resilience and penalises carbon emissions. The cess on coal is significantly lower than the VAT charges on petroleum products — where governments on petroleum products, related to the volume of ensuring carbon emissions and energy. Embedding such policy choices explicitly aids a better understanding of the rationale for differential tax rates and avoids the hazard of the system being gamed for unintended benefits.

The writer is Distinguished Fellow, Chintan Research Foundation, and was earlier with the IAS and the World Bank

LETTERS GO BY BOARD RESULT

The recurring controversies surrounding Neet strengthen actor-politician C. Joseph Vijay's argument for admissions based substantially on Class 12 board examination marks rather than a single high-stakes test. A system hinging entirely on one examination has become vulnerable to leaks, coaching cartels and institutional distrust. The National Testing Agency has repeatedly failed to inspire public confidence despite deciding the futures of millions. After all, NTA is merely a registered society generating revenue through examination forms, not a constitutional or statutory body with deeper public accountability. India urgently needs transparent, decentralised and credible admission mechanisms.

Harsh Pawaria Rohtak

NO GRATITUDE

P.R. SREEJESH is not only a double Olympics medal winner but one of India's greatest goalkeepers. He was appointed as the Junior Men's Hockey Team coach 17 months ago. Now, despite ensuring five podium finishes in five tournaments for his team, his contract has not been extended and someone else has been appointed in his place by Hockey India. What is really baffling is that Hockey India which is headed by Dileep Tirkey, an Olympian and a player of great repute, could not handle this sensitive issue internally. Sreejesh's performance as coach is anything but bad, so his ouster raises more than a few eyebrows. We cannot become a sporting nation if we treat our former champions like this.

Bal Govind Noida, UP

WAR OF AIs

IT APPEARS that some AI models are now being used to hack systems and mine data for companies which deploy them. The latest AI model known as Claude Mythos, created by Anthropic, has triggered a worldwide scare. It is so potent that it can crash the banking and payments system of any country. Even the US treasury has flagged the risk associated with this model. Indian banks are also vulnerable as their financial system is vast and software driven, commonly known as legacy infrastructure. To fight this system, one has to create another powerful AI. Thus there will be an endless war of technology which will benefit only Big Tech.

D.B. Madan New Delhi

M.P. Nathanael

Are the Central armed police forces children of a lesser god?

Thunderous applause, Union home minister Amit Shah extolled the dedication and efficiency of CRPF personnel in maintaining law and order across the country without caring for their personal comforts in difficult areas. He was addressing CRPF personnel on the occasion of the force's 87th anniversary in February this year. Recounting their sacrifices, he noted that over 270 personnel were killed in the course of duty since its raising in July 1939. From just two battalions, it has grown to 248 battalions with a massive strength of 3,25,000 personnel, he noted, adding that it emphasised its efficiency, versatility, high operational efficiency and capability. Such encomiums are liberally showered not only on the CRPF but also other Central Armed Police Forces (CAPFs), including the Border Security Force, Indo-Tibetan Border Police, Central Industrial Security Force and the Sashastra Seema Bal. The Assam Rifles, the Centre's oldest armed police force, in manned by army officers for operational purposes though administratively under the Union home ministry. It is the CAPFs who were instrumental in exterminating the Maoists ones and for all. But sadly, the services rendered by these forces recede into oblivion when it comes to looking into their welfare. Nothing is more demoralising than depriving thousands of officers and other ranks of promotions. More so in the uniformed services, where the ranks on the shoulder straps or the

chevrons on the upper sleeves of uniforms matter the most. Officers who join the CAPFs as assistant commandants languish in the same rank for over 15 years while those in the defence services earn at least three ranks and IPS officers sport the rank of DIG within that period. Disheartened, the officers of the CAPFs have knocked on the doors of the high courts and the Supreme Court. Some favourable court decisions raised their hopes of better days ahead. After prolonged hearings for over a decade, the apex court ruled that the deputation of IPS officers to the CAPFs be "progressively reduced" within two years. This was in conformity with the Organised Group A Service (OGAS) status granted to the CAPFs way back in 1986. But instead of abiding by the court's decision, IPS officers continued to be placed there. While dismissing a review petition by the Centre in October last year, the apex court directed that cadre review of all CAPFs be carried out within six months.

To circumvent the ruling, the Centre brought in the Central Armed Police Forces (General Administration) Act 2026, under which the present quota of 50 per cent of posts of IG, 67 per cent of posts of additional DGP would continue to be held by IPS officers, leaving the rest for cadre officers. The Special DG and DG posts would be the exclusive preserve of the IPS cadre. Thankfully, the new law was silent on reserving posts for IPS officers in the rank of DIG, which was earlier fixed

at 20 per cent. It was hoped that cadre officers could now be promoted to DIG. But in violation of the apex court verdict, IPS officers of DIG rank and commandants were inducted into the CAPFs even after the new law came into force.

A wave of despondency set in among CAPF personnel as the bill was introduced and retired officers held protests in New Delhi and elsewhere. For their bravery, thousands of CAPF personnel have been awarded gallantry medals, including the Chakra series, except the Param Vir Chakra, and the President's Police Medal for gallantry, the Police Medal and even Sena Medal. BSF and CRPF personnel acquitted themselves well in bravely repulsing Pakistani soldiers. No IPS officer ever led them in the field.

For their leadership, thousands of CAPF personnel are competent to take up the leadership role at higher posts. The cadre officers are in no way less capable. They are in fact better suited for the leadership role in higher ranks for their better understanding of the nature of duties and ethos of the organisation, by way of commanding the men from the grassroots level as company commanders and then serving in different capacities on getting promoted to higher ranks. The kind of leadership that can be provided by CAPF officers by virtue of having been with them in all operations and living among them cannot ever be given by IPS officers parachuted into these forces at the top echelons.

IPS officers claim they can be channels of better coordination with the state police to carry out operations. Nothing could be further from the truth. If it was so, they should have been deputed to the Army and Assam Rifles which are engaged in counter-insurgency operations and even in the highly sensitive areas of Jammu and Kashmir and in the Northeast. CAPF battalions carry out operations under the command of battalion commanders in coordination with superintendents of police and there are instances galore where CAPF personnel have carried out operations independently and successfully. The deputation of CAPF personnel as SF (Operations) in states like Punjab and Jharkhand proved to be very successful. The number of gallantry medals awarded to CAPF personnel vis a vis IPS officers speaks volumes of the competence of the former. The present lot of IGs from the CAPFs, who constitute 50 per cent, are already coordinating admirably with the state police forces, leaving no room for any debate.

The over 10,000 CAPF personnel look to the Centre to ease their hardships, not add to them. A conference of senior CAPF officers, likely to be chaired by the Prime Minister, is reportedly being planned in view of concerns over the promotion prospects of cadre officers. This has raised hopes for better days ahead, as every CAPF officer aspires to lead the organisation one day.

The writer is a retired CRPF IGP

quick BITES

INDICATORS	%
Sensex	75,398.72 1.06
Nifty 50	23,689.60 1.18
S&P 500*	7,476.46 0.43
Dollar (₹)	95.78 0.08
Pound Sterling (₹)	129.50 0.10
Euro (₹)	112.20 0.15
Gold (10gm)*	162,205.19 0.01
Brent crude (\$/bbl)	105.56 -0.07
IN 10-Yr bond yield	7.021 -0.34
US 10-Yr T-bill yield	4.441 -0.038

* As of 8:30 PM IST

India bans sugar export to eance local supply

India has banned the export of sugar from September 30 this year with immediate effect, according to a government notification, a move which would help enhance domestic availability and contain prices. The notification issued by the directorate general of foreign trade (DGFT) said the order does not apply to sugar being exported to European Union and the United States under the tariff rate quota scheme.



Demand for EV batteries to hit 200 GWh by 2032

The electric vehicle (EV) battery demand in the country is projected to grow 10 times from 20 GWh in 2025 to 200 GWh by 2032, said Indian Energy Alliance (IESA). Citing a study, IESA said the EV opportunity in India is no longer limited to vehicle manufacturing, the largest strategic gains may lie in component localisation and supply chain development as India positions itself as a global manufacturing hub.

Akash Ambani appointed MD of Jio Platforms

Jio Platforms has appointed Akash Ambani as managing director of the company ahead of its initial public offering (IPO), according to a regulatory filing. Jio Platforms is expected to file draft papers for its IPO by end of May or in June. Ambani has been on the board of Jio Platforms' telecom arm, Jio Infocomm (RJIL) since October 2014. In June 2022, he was elevated to position of Chairman of RJIL.

IHG inks deal to develop 5 hotels near airports

Adani Airport Holdings Ltd (AAHL) has signed a deal with IHG Hotels & Resorts for developing five hotels across key airport-linked and high-growth urban destinations. The agreement will add close to 1,500 keys across multiple brands and locations, in line with IHG's growth plans for India, AAHL said. The pact also marks IHG's luxury lifestyle boutique brand, Kimpton Hotels & Restaurants' debut in domestic market.

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Rupee hits record low, nears 96 against dollar

RBI intervenes by selling dollars to contain excessive volatility in mkt

FALAKNAAZ SYED
MUMBAI, MAY 14

The Indian rupee touched a fresh intraday record low of 95.96 against the US dollar on Thursday before recovering partially after intervention by the central bank and reports of possible tax relief for foreign investors in India's bond market.

At the interbank foreign exchange market, the rupee opened at 95.73 per dollar and slipped to 95.96, breaching Wednesday's previous all-time low of 95.80. However, the domestic currency later rebounded to 95.58 before the Reserve Bank of India (RBI) had recommended lower taxes for foreign investors in government bonds.

The rupee eventually settled at 95.76 against the dollar, marking another historic closing low, weaker than the previous close of 95.70.

Traders said the RBI intervened through state-run banks by selling dollars to contain excessive volatility in the currency market.

"The rupee rose to 95.58 at RBI also sold dollars at 95.96. Earlier during the day some Non-deliverable Forward positions were being liquidated, which took the dollar-rupee towards 95.96, its lowest

VOLATILITY REMAINS

IT TOUCHES high of 95.58 following reports that RBI recommended tax cuts to government for foreign investors in bond market.

RUPEE OPENS AT 95.73 against dollar, but falls to 95.96, eclipsing its previous record intraday low of 95.80 hit on Wednesday.

level ever," said Anil Kumar Bhanisali, head treasury, Finrex Trading Advisors.

He added that inflation data further weighed on sentiment. "The market was expecting inflation in the vicinity of 4.4 per cent but when the data showed wholesale inflation rose to 8.3 per cent, the rupee fell from 95.58 to 95.76 almost immediately," Bhanisali said.

The dollar index, which measures the dollar against six major currencies, was trading marginally lower at 98.51.

Meanwhile, Brent crude prices slipped below \$106 per barrel as investors tracked developments surrounding talks between US President Donald Trump and Chinese President Xi Jinping, movements in US treasury yields and the ongoing conflict in West Asia.

Analysts said elevated crude oil prices and continued foreign fund outflows have intensified pressure on the rupee, which has emerged as Asia's worst-performing

DOMESTIC CURRENCY finally ends session at 95.76, another historic low closing compared to its previous low of 95.7.

ELEVATED CRUDE prices, alongside bulk selling by FII from domestic markets continues to add pressure on Indian currency.

DURING DAY some non-deliverable forward positions were being liquidated which took the dollar-rupee towards 95.9625 its lowest level ever.

— ANIL KUMAR BHANISALI, Head treasury, Finrex Trading Advisors

currency this year, depreciating over 6 per cent so far in 2026.

Foreign institutional investors have sold nearly 22 lakh crore worth of Indian equities in 2026 so far, higher than the ₹1.66 lakh crore withdrawn during the whole of 2025. Foreign investors sold equities worth ₹14,231 cr in May in 2026.

Market participants also pointed to persistent geopolitical uncertainty and a sharp rise in wholesale inflation key concerns for investors.

INDIA'S RUSSIAN CRUDE IMPORTS DECLINE 15%

SANGEETHA G.
CHENNAI, MAY 14

India's crude oil imports from Russia fell 15 per cent to Euro 4.5 billion in April as imports by Nayara's Vadinar refinery dipped 42 per cent.

India was the second largest buyer of Russian fossil fuels in April, importing a total of EUR 4.5 billion of Russian hydrocarbons. Of this, crude oil constituted 90 per cent of India's purchases, totalling EUR 4.5 bn, coal EUR 297 million and oil products EUR 209 million, said Centre for Research in Energy and Clean Air (CREA) data.

The imports of both crude oil and coal in April were lower than in March. In March, India imported EUR 5.8 billion of Russian hydrocarbons. Crude oil products constituted 82 per cent of India's purchases, totalling EUR 5.3 bn, coal EUR 337 mn and oil products EUR 1.1 bn.

India in April accounted for 19 per cent of Russian hydrocarbon exports after China (37 per cent).

Sensex gains 790 points, IT stocks under pressure

RAVI RANJAN PRASAD
MUMBAI, MAY 14

Benchmark equity indices rebounded sharply on Thursday amid value buying, even as IT stocks remained under pressure due to concerns over the impact of AI-led disruption on the sector.

The 30-share BSE Sensex surged 790 points, or 1.06 per cent, to close at 75,398. The Nifty 50 gained 277 points, or 1.18 per cent, to settle at 23,689.60.

Foreign portfolio investors were net buyers to the tune of ₹187.46 crore, while domestic institutional investors purchased equities worth ₹84.33 crore.

Market participants said investor sentiment improved amid expectations that US President Donald Trump's ongoing visit to China eases immediate concerns about rising crude oil prices, and geopolitical tensions between Iran and the US.

Crude oil prices moderated during the session, with futures trading in the range of \$103.80 to \$107.13 per barrel after the US and China echoed similar positions

● US President Trump's 3-day China visit likely to shield Indian market from worries on rising crude oil prices.

● FPIs, DII buy equities worth ₹187.46 cr, ₹84.33 cr respectively.

● IT stocks' decline continues amid AI models adoption fears.

● Despite AI headlines currently leading to derating of top IT companies, brokers have mixed views on AI impacts.

● THE NEAR-TERM outlook remains cautious despite Indian markets witnessing a strong rebound in the past two sessions.

— SIDDHARTHA KHEMKHA, Head-Research, MOFS

on the Strait of Hormuz and Iran's nuclear programme.

IT stocks, however, remained out of favour as investors continued to reassess the sector's growth outlook amid rapid adoption of AI models.

The BSE IT index fell 1.61 per cent led by losses in Infosys, TCS, HCLTech, and Tech Mahindra.

According to Kotak Institutional Equities, the AI opportunity for businesses remains significant as enterprises begin committing large investments toward AI-enabled operating models.

However, the brokerage noted that competition in the space is intense, with traditional IT firms, consulting companies, startups and AI model developers all vying for market share.

"Persistent foreign outflows, elevated crude oil prices and the Indian rupee rebound in West Asia record lows continue to pose key macro risks for the domestic market," said Siddhartha Khemka, head, research, Motilal Oswal Financial Services.

He added that the continuing conflict in West Asia was also keeping global investors on edge and maintaining uncertainty.

GOODS EXPORTS MAY STAY FLAT IN JUNE QTR: EXIM

SANGEETHA G.
CHENNAI, MAY 14

Export-Import Bank of India (EXIM Bank) has projected that India's merchandise exports to remain largely flat at \$111.9 billion during the first quarter of FY27, corresponding quarter of the previous financial year, according to data from the commerce ministry.

Merchandise exports in April 2026 rose marginally year-on-year to \$34.9 billion, up from \$34.8 billion in March.

Based on EXIM Bank's quarterly outlook, export growth is expected to remain subdued in May and June as well.

However, non-oil exports are projected at \$97.8 billion during the first quarter of FY27, registering a growth of 3.5 per cent year-on-year. Non-oil and non-gems and jewellery exports are estimated at \$80.1 billion, reflecting a growth of 2.9 per cent during the same period.

CISCO PLANS TO CUT 4,000 JOBS, SHIFT SPEND TOWARDS AI

San Jose, May 14: Cisco said it would cut nearly 4,000 jobs, as part of a restructuring aimed at shifting investment toward artificial intelligence (AI) and related growth areas, and raised its annual revenue forecast after a surge in hyperscaler orders.

"The companies that will win in the AI era will be those with focus, urgency, and the discipline to continuously shift investment toward the areas where demand and long-term value creation are strongest," said Cisco's chief executive officer Chuck Robbins.

Cisco said it was making employees' use of AI across the company, as it reduces roles in some areas. — Bloomberg

WPI inflation rises to 8.3% in April, fastest pace in 3.5 years

MADHUSUDAN SHAHO
NEW DELHI, MAY 14

India's wholesale inflation rose sharply to 8.3 per cent in April 2026 from 3.88 per cent in the previous month. It is the fastest pace in three-and-a-half years, as surging energy costs pushed up fuel and manufacturing prices across the economy, said commerce and industry ministry.

The wholesale price index was 0.85 per cent in April last year.

Positive rate of inflation in April 2026 is due to an increase in prices of mineral oils, crude petroleum and natural gas, basic metals, other manufacturing and non-food articles, the ministry said.

Vehicle sales to dealers rise 25.4% in April

MICHAEL GONSALVES
PUNE, MAY 14

The passenger vehicle (PV) dispatches to dealers in India rose 25.4 per cent year-on-year to 4.37 lakh units in April 2026, the society of Indian automobile manufacturers (SIAM) said on Thursday.

The first month of the new fiscal (FY27) began on a strong note by carrying forward the demand momentum after the GST rate cut in last year.

Siam noted that despite concerns of high commodity prices emanating from the West Asia war, the auto industry has been witnessing good demand.

Two-wheeler sales rose to 28.4 per cent to 18.72 lakh units compared to April last year.

Three-wheeler dispatches to dealers increased 32.3 per cent year-on-year to 65,889 units in the last month.

The total vehicles production stood at 29.22 lakh units during the month, Siam noted.

"Continuing with the momentum of second half of FY26, the first month of

DIGITAL ASSIST

Seattle, May 14: Artificial intelligence (AI) algorithms are coming to some of the most valuable real estate in retail: the Amazon.com search bar.

Queries typed into Amazon's website and mobile app will soon reply depending on the context, with product comparisons or suggestions generated by AI large language models, the online retailer said.

The new tool — called Alexa for Shopping — supplements Rufus, the shopping assistant bot that summarised product reviews and suggested purchases.

To invoke Rufus, users had to click an icon. The

Alexa for Shopping tool will be offered for free to users

Amazon adds AI for reviews

LOYAL BUYERS
THE NEW search experience will appear by default.

AMAZON HOPES that AI-powered answers will help keep shoppers from defecting to other sites or chatbots.

USERS of Echo-branded smart speakers with screens will be able to use full Amazon website.

Gemini, which have sought to make it easier for users to find and buy products, and some have teamed up with retailers.

"Customers do have a lot of choices for retail, and we face tons of competition if you make something that easy and

Govt caps duty-free gold imports at 100 kg

New Delhi, May 14: A day after significantly increasing the import duty on precious metals, the government on Thursday imposed a limit of 100 kg on gold imports under the Advance Authorisation (AA) scheme, which allows jewellery exporters to import raw or input materials at zero duty.

The government has tightened conditions for the issuance and monitoring of AA for import of gold. Earlier, there was no limit on gold imports under the scheme.

In addition to any inputs, packaging material, fuel, oil, and catalyst that are consumed or utilised in the process of production of export product, are also allowed.

"AA for import of gold shall be issued, subject to a maximum permissible quantity of 100 kilograms," the DGFT said in a public notice.

It added that in case of application for AA by a first-time applicant, a mandatory inspection of the applicant's manufacturing facility will be undertaken to verify the existence, capacity and operational status.

"Any subsequent AA for materials of gold, shall be considered for issuance only upon fulfilment of at least 50 per cent of the export obligation," it said, adding that the AA holder will have to submit a fortnightly performance report, which should be duly certified by an independent chartered accountant certifying gold imports and exports undertaken.

Further, the concerned regional authority of the directorate will submit a copy of the country, a resolution to the DGT containing details regarding the issuance of AA.

— PTT

US authorities moving to resolve fraud charges against Adani

Washington, May 14: US authorities have moved to resolve the fraud charges against Indian billionaire Gautam Adani, according to people familiar with the matter and end a criminal case that's hung over Asia's richest person for more than a year.

The Justice Department may announce that they're dropping the charges as soon as this week, said the people who asked not to be identified discussing a confidential matter.

The securities and exchange commission (SEC) is also moving to settle a parallel civil fraud case it brought against Adani and others in November 2024, some of people said.

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— Bloomberg

The Statesman

Incorporating and directly descended from
the Friends of India - founded 1818

Silent Austerity

India's economic messaging has undergone a subtle but unmistakable shift over the past week. For years, governments celebrated rising consumption as proof of national progress. Today, the language coming from New Delhi is increasingly about restraint, conservation and economic discipline. The change is no longer theoretical. Within days of urging citizens to avoid non-essential gold purchases, reduce fuel consumption and cut avoidable foreign travel, the Centre sharply raised import duties on gold and silver from 6 per cent to 15 per cent. The move is officially aimed at protecting foreign exchange reserves and reducing pressure on the rupee. But it marks something larger: the beginning of a quiet economic adjustment to an increasingly unstable world order. India's vulnerability is structural. The country remains heavily dependent on imported crude oil, edible oils, and precious metals. The Iran conflict has sharply increased fears of supply disruptions and higher shipping costs across West Asia. Simultaneously, the rupee has weakened, making every dollar-denominated import more expensive. A weak monsoon linked to El Niño conditions could further push up food prices later this year. The government appears to recognise that these pressures are no longer temporary disturbances. They are a part of the global economic environment India must learn to navigate. That explains why the Prime Minister's recent appeal sounded less like a political speech and more like a national preparedness advisory. Citizens were asked to conserve fuel, prefer domestic tourism, avoid unnecessary imports, and moderate consumption habits. Such messaging is unusual in a country where economic growth has long been tied to expanding middle-class aspirations. The gold duty hike now gives the rupee policy teeth. At the same time, New Delhi is moving cautiously. There has been no increase in petrol or diesel prices despite rising crude costs. Work-from-home remains advisory rather than mandatory. The government seems determined to avoid triggering either inflation panic or memories of past economic crises. Instead, it is adopting a phased approach - tightening foreign exchange leakages while buying time on politically sensitive decisions such as fuel prices. Recent comments from the RBI Governor suggesting that prolonged West Asia instability could eventually force petrol and diesel price increases underline the seriousness of the situation. The deeper concern lies not merely in inflation, but in household fragility. India's middle-class today is heavily leveraged through housing loans, vehicle EMIs and unsecured borrowing. A prolonged combination of high prices, elevated interest rates and slowing job growth could weaken the very consumer base that has sustained India's economic expansion for two decades. What India is witnessing may be the emergence of a new political economy - one in which resilience matters more than exuberance, conservation more than consumption, and economic nationalism gets tied to personal financial behaviour. The age of aspirational abundance is colliding with the realities of geopolitical insecurity. The government's message is becoming clear: India must prepare not for a brief shock, but for a prolonged era of economic uncertainty.

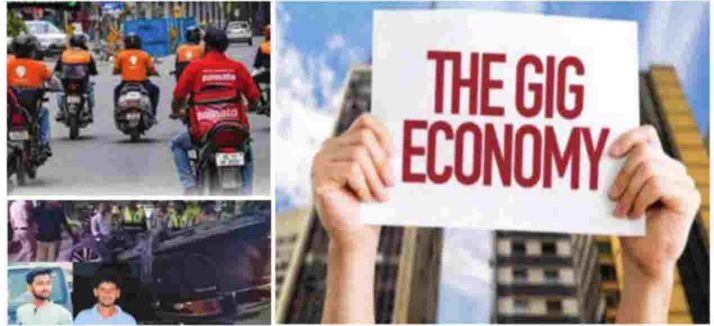
Not enough

For nearly two decades, Indian politics has steadily moved towards a welfare consensus. From cash transfers and subsidised food to free electricity and women-focused income schemes, political parties across ideological lines have embraced direct state support as the safest route to electoral security. What was once considered a distinctive political strategy has now become routine governance. Yet recent state elections suggest an important political transition is under way: welfare is no longer sufficient to guarantee public trust or electoral victory. This does not mean welfare politics has collapsed. On the contrary, welfare remains deeply embedded in India's political economy. Governments cannot easily withdraw benefits without risking public backlash, especially in a country where economic insecurity remains rampant and uncertainty increasingly appears to distinguish between short-term assistance and long-term progress. They may accept welfare as necessary support, while simultaneously demanding jobs, mobility, infrastructure, and economic opportunity. That distinction matters. India's welfare expansion coincided with a period of uneven employment growth. While headline economic numbers improved, large sections of the population continued to struggle with stagnant incomes, rising living costs and uncertain livelihoods. Welfare schemes helped cushion that pressure. But over time, support payments alone could not fully address deeper anxieties about the future. This explains why even strong welfare-driven governments have faced electoral setbacks. Voters are beginning to evaluate administrations not merely on what they distribute, but on whether they create conditions for upward mobility. A monthly transfer may help a household survive inflation, but it cannot substitute indefinitely for stable employment, functioning public services or expanding private investment. Women voters illustrate this shift most clearly. Across India, women have become central to modern electoral strategy because of rising turnout and growing political influence. Governments increasingly direct welfare schemes toward them, assuming that financial support will automatically translate into political loyalty. But evidence from several states suggests women voters are making more complex calculations. Concerns over education, alcoholism, rural employment, household debt, and prices often weigh as heavily as cash benefits. There is also a fiscal dimension that governments can no longer ignore. Many states are expanding welfare commitments while simultaneously facing mounting debt burdens. Revenue expenditure on subsidies, salaries and transfers increasingly competes with capital investment in roads, healthcare, schools, and industrial infrastructure. This creates a dangerous political temptation: prioritising immediately visible gains over slower but economically productive investments. The long-term risk is obvious. A state that continually expands consumption support without generating productive growth eventually weakens its own capacity to sustain welfare itself. India remains therefore entering a more demanding phase. Welfare remains politically essential, but it is now the minimum expectation rather than a transformative promise. Elections are increasingly shaped by a broader test of governance: credibility, economic opportunity, administrative delivery, and public confidence in the future. The era when welfare alone could decisively shape electoral outcomes may be fading. Voters are beginning to ask a harder question - not merely what governments can give them today, but what kind of future they can build tomorrow.

Delivery at any cost

This is a call for respect and humanity. The individuals who arrive at our doorsteps are not anonymous service providers; they are often educated young people striving to support their families. The next delivery is already on its way. If we fail to act through law, policy, and personal responsibility, the next tragedy may be on its way too.

India's gig economy is growing fast, but so is the risk of injury on the job. The gig workforce has grown from 77 million in 2020-21 to nearly 12 million in 2024-25, according to the Economic Survey 2025-26. It could reach 23.5 million by 2029-30, according to NITI Aayog and the Ministry of Labour and Employment, respectively. Women now account for around 28 per cent of this workforce, while nearly 40 per cent earn less than Rs 15,000 per month. The sector is expected to contribute about Rs 2.35 lakh crore to GDP by 2029-30. Behind the numbers lies a workforce compelled to operate in high-risk conditions without adequate safeguards, comprehensive insurance, or institutional accountability. On the night of April 7 in Hyderabad, two young engineering students, Shiva and Sandeep, completed a delivery and began their journey home. They had taken up night shifts to ease their families' financial burdens. Tragically, a drunk driver rammed into their motorcycle, killing them both. In February, 25-year-old Hem Shakar was killed in Delhi's Tilak Nagar at 3:30 a.m. when a speeding car struck his e-scooter from behind. For the customers who placed those orders, it may have been just another cancellation notification. They would never know that a delivery worker died trying to fulfill their order. Death may be rare, but injury is not. A 2023 survey by the University of Pennsylvania and PAIGAM found that most of the gig workers (99.3 per cent) report health issues ranging from back and leg pain to insomnia. Workers also live under the constant threat of algorithmic control: accounts can be deactivated or incentives cut with no explanation. The Code on Social Security, 2020, now being operationalised, recognises gig workers as a distinct class. It requires companies to



deposit 1-2 per cent of annual turnover, or up to 5 per cent of the amount payable to workers, into a government welfare fund meant to support life insurance, accident coverage, health and maternity benefits, old-age protection, and childcare facilities. However, the draft Social Security Code (Central Rules, 2025) stipulate that a gig worker must be engaged for at least 90 days to qualify for such benefits. In January, in Noida, 18-year-old Ankush was killed on his very first day of work. Life insurance and cashless emergency care must be guaranteed from day one, without waiting periods. In April, Telangana joined Rajasthan, Karnataka, Bihar, and Jharkhand in enacting dedicated gig worker legislation. Under the Telangana Platform-Based Gig Workers (Registration, Social Security and Welfare) Act, workers are entitled to accidental death benefits from the first day of work. The act also proposes a real-time digital verification system to prevent the diversion of welfare funds. Rajasthan, in 2023, pioneered the welfare board model and introduced a per-transaction surcharge to fund social security. Karnataka recognised the worker's "right to know" how algorithms determine fares and work allocation. Bihar embedded maternity and accident benefit entitlements in law and introduced the right to human review of algorithmic decisions. Jharkhand focused on building a mandatory state-wide registry integrated with e-Shram. For termination, Telangana law requires a seven-day written notice, while Karnataka law mandates a 14-day notice. The dangers that gig workers face are not

limited to the roads. In 2023, Mohammed Rizwan died in Hyderabad after jumping from a third floor to escape a customer's ferocious dog. Delivery workers also encounter poorly lit buildings, unsafe staircases, and malfunctioning elevators. Consumers must share responsibility. Platforms should require users to disclose hazardous conditions such as lack of lighting, absence of elevators or the presence of aggressive animals. Workers must have the right to refuse unsafe deliveries without penalty. Platforms designed can also reinforce safer behaviour. Every order placed between 10 p.m. and 5:00 a.m. could include a "Late Night Urgency Acknowledgement," prompting users to consider whether the delivery is essential. Mandatory night-time surcharges could help fund insurance and reflective safety gear. Global experience shows safer systems are both possible and practical. New York City has mandated a guaranteed hourly wage of \$22.13, ensuring that compensation is linked to time worked rather than the number of deliveries. Courts have upheld these reforms despite legal challenges from platforms. The EU's Platform Work Directive, to be enforced by December 2026, introduces a "legal presumption of employment." If a platform exerts significant control over a worker, they are automatically entitled to labour rights and social protections. The

Directive also focuses on algorithmic management, requiring human oversight over decisions such as account suspensions. Spain's "Riders Law" treats delivery workers as employees by default, unless the platform proves otherwise. In the U.K., following the Uber BV v Aslam ruling, gig workers have been classified as "workers" entitled to minimum wage, paid leave, and pension benefits based on the platform's level of control. Australia's "Closing Loopholes No. 2 Act 2024" allows its Fair Work Commission to set minimum pay, insurance, and work standards for employee-like gig workers. The International Labour Organization is now working on new standards for decent work in the platform economy, focusing on algorithmic transparency and basic social protection. India is beginning to recognise these needs. Some platforms have announced rest points and urged users to avoid non-essential orders during peak heat. Tamil Nadu has created free, air-conditioned rest lounges for gig workers in Chennai. These early steps must be scaled nationally. Ultimately, this is a call for respect and humanity. The individuals who arrive at our doorsteps are not anonymous service providers; they are often educated young people striving to support their families. A small gesture such as walking to the gate, offering a glass of water, or saying thank you, can ease the burden of long shifts. Shiva, Sandeep, Hem Shakar, Ankush, and Rizwan were young men whose dreams ended in the course of their work. The next delivery is already on its way. If we fail to act through law, policy, and personal responsibility, the next tragedy may be on its way too.



SRINIVAS MADHAV
The writer is a transparency and equality advocate, and co-founder SIABI Foundation

Việt Nam News

Controlling power, preventing corruption at the roots

Strong efforts to prevent and fight corruption, wastefulness and negative practices, driven by the principle of 'no forbidden zones, no exceptions', have delivered tangible results over the past two decades, strengthening public trust and tightening discipline. However as the country enters a new development phase, the focus is shifting from strict punishment alone to prevention at the roots, while also protecting officials who dare to think innovatively and act decisively for the common good. Twenty years of implementing the Resolution of the 3rd plenum of the 10th Party Central Committee have marked a clear transition in anti-corruption efforts, from awareness to action and from approach to enforcement methods, with measurable outcomes. In the early stages, authorities faced difficulties proving corrupt acts, identifying personal gain motives and recovering lost assets. Today, investigation, prosecution and trial processes have become more

systematic, coordinated and effective. Many major and particularly serious cases involving land, finance, banking, securities, healthcare and education have been handled strictly, reaffirming the principle of 'no forbidden zones, no exceptions'. A notable achievement has been stronger Party discipline and tighter control of power. For the first time, the Party issued five regulations on power control and anti-corruption measures covering personnel work, inspection, supervision and Party discipline: investigation, prosecution and judicial activities, lawmaking and management of public finance and assets. Rather than isolated measures, these regulations form an increasingly robust 'protective framework' aimed at preventing corruption early and from afar, contributing to political stability, socio-economic development and stronger public confidence. Approaches to handling violations have

also evolved. Instead of focusing solely on strict punishment, authorities now adopt a strict but more humane and persuasive approach. Clearer classification of violations, careful assessment of motives and encouragement for offenders to voluntarily remedy consequences have helped improve asset recovery and minimise losses to the State. Another important shift has been the strong spreading of anti-corruption efforts from the central level to localities. The establishment of provincial-level steering committees has addressed the previous imbalance of 'strong action at the top, weak implementation at grassroots levels', ensuring greater consistency throughout the political system. Practice has shown that where Party committees and leaders act decisively and set examples, more substantive progress is achieved. The policy of trying fugitives in absentia has also demonstrated a determination not to let offenders evade

justice while strengthening deterrence. Anti-wastefulness efforts have also been elevated to the same level of importance as anti-corruption work. The handling of 12 long-delayed and loss-making projects in the industry and trade sector is one clear example. Recently, the Politburo issued additional directives and conclusions aimed at resolving obstacles facing projects, particularly those related to land issues. Notably, the requirement to complete reviews and settlement of delayed projects by the second quarter of 2026, with clearly assigned responsibilities for each locality, reflects a stronger focus on removing bottlenecks and unlocking resources for the country's double-digit growth target. These achievements have made anti-corruption, wastefulness and misconduct prevention a major highlight in Party building and rectification efforts over the past 20 years. Yet in the new phase, the task goes beyond simply 'cleaning up' the system.

Letters To The Editor | editor@thestatesman.com

Shortages

Sir, After two and a quarter months of making an unnecessary display of economic strength, Prime Minister Narendra Modi has finally issued a seven-point appeal to the people of India to help combat "challenging global circumstances". He has urged citizens to prioritize working from home to conserve energy, utilize public transportation to reduce petrol and diesel consumption, and cut back on the use of cooking fuel. To prevent the depletion of foreign exchange reserves, he has asked them to refrain from purchasing gold throughout the year, increase their usage of indigenous products, and avoid international travel. These measures point toward potential shortages of energy, dollars, and fertilizers. The conflict involving Iran has, for the time being, altered the dynamics of the global energy market. This impact has been felt most acutely by those nations that lack their own domestic energy sources - and for whom the idea of

building strategic reserves during times of prosperity simply never crossed minds. Currently, crude oil remains available in the market; however, nations are being forced to pay a price that is 1.25 to 1.5 times higher than what they paid in February. Consequently, the pressure on foreign exchange reserves has intensified rapidly. Meanwhile, the accelerating pace at which foreign investors are withdrawing capital from India - coupled with a sharp depreciation in the value of the Rupee - has exacerbated the crisis. A decline in imports from West Asia has led to a shortage of chemicals essential for fertilizer production, thereby deepening apprehensions regarding a potential food crisis. In light of these circumstances, several nations have already implemented measures to conserve energy and dollars. In India, however, the conversation has only just begun - and only now that the crisis has reached a critical, overwhelming level. Even at this stage, the appeal remains directed solely at the citizenry; no call has yet been issued to awaken a sense of patriotism within the Indian corporations that are

currently generating billions of dollars in the United States. Yours, etc, Abhjit Roy, Jamshedpur, 12 May. Volatility Sir, Apropos "Breaking Binaries" (12 May 2026), the 2026 assembly verdicts in Tamil Nadu and West Bengal signal something more consequential than routine electoral churn. Tamil Nadu's post-1967 Dravidian duopoly has finally fractured, not because Dravidian politics has vanished but because younger voters no longer feel bound by inherited loyalties. The DMK's dynastic overreach and the AIADMK's post-Jayalitha disarray created an opening that other parties have now exploited. In West Bengal, the BJP's breakthrough similarly punctures a narrative of exceptional resistance to Hinduism, though history cautions that overhanging mandates rarely yield permanent settlements. These parallel ruptures suggest Indian politics may be entering another phase of



realignment akin to 1967, where stable binaries dissolve into fluid negotiation. Regional stalwarts face internal fragility, the Congress must reconsider its subordinate partnerships, and the BJP confronts the hard task of governing fragmented landscapes it has helped create. The deeper lesson is that electoral self-sustainability is an illusion; every dominant formation eventually provokes resistance through rigidity or excess. What emerges is not a new fixed order but a politics of volatility, where voters demonstrate a growing willingness to abandon arrangements that once appeared immutable. Yours, etc., K Chidanand Kumar, Bengaluru, 12 May.

Will India gain as UAE's ties with Pakistan cool?

SMRUTI S PATANAIK

The United Arab Emirates (UAE) recently deported Pakistani Shiite workers after they were removed from their jobs, citing security reasons as the war in West Asia continues. Following this, Ethad Airways abruptly terminated the jobs of 15 Pakistani employees. What was surprising was that the order asked the workers to leave within a mere 48 hours. This incident signals a growing divide in Pakistan's relations with the UAE, especially amid the ongoing conflict in the region and Pakistan's ties with Saudi Arabia, bringing a question to the fore: Will Pakistan change its position in the Saudi-UAE rivalry? The Gulf conflict will likely strain the relationships between many South Asian countries and those in the Gulf region. Given Pakistan's economic vulnerability, it is likely to be affected immediately. Two of the steps that the UAE has taken - first, the repatriation of Pakistani workers citing security reasons, and second, the demand to return the money that it had lent to Pakistan - will have an immediate economic and political impact. The UAE's demand to return \$3.5 billion, which is roughly 21 per cent of Pakistan's foreign exchange reserves, was described by the government as a 'routine financial transaction', as the rollover period of two months expired. Many people attribute the UAE's demand to pay off its debt as a reaction to Pakistan's stance on the war in West Asia. At the same time, Pakistan has

been requesting the UAE to reduce the interest rate, one of the highest, from 6.5 per cent to 3 per cent, which the UAE has not agreed to. Interestingly, while it requested Iran not to hit Saudi Arabia, with which it has recently signed a Mutual Defence Cooperation Agreement, there was no condemnation of Iran's missile strikes on the UAE in the past. However, the recent missile strike launched by Iran on the UAE has drawn condemnation from Pakistani Prime Minister Shehbaz Sharif, who termed this attack a violation of the ceasefire agreement that Iran reached with the United States. The UAE has been watching the growing relationship among Pakistan, Saudi Arabia and Turkey for quite some time. As the payment to the UAE worsened Pakistan's foreign exchange reserve, Saudi Arabia stepped in by providing \$3 billion in additional support. Riyadh has already extended a \$5 billion rollover arrangement to Pakistan for a longer period. This is to enable Islamabad to address the economic challenges posed by debt and other financial commitments, especially after Pakistan paid the UAE. The International Monetary Fund (IMF) had counted the 'Gulf deposits' as a key pillar of Pakistan's multimillion dollar bailout plan. The Gulf rivalry has come out in the open as the UAE announced it is leaving the Organisation of the Petroleum Exporting Countries (OPEC). Since the UAE's formation in 1971, Pakistan and the UAE have shared a very close security relationship. The first five air chiefs of the UAE

air force were from Pakistan. The UAE has always extended financial support to Pakistan during economic crises. In 2022, the UAE extended \$13.6 million to flood victims in Pakistan. It was unhappy over Pakistan's position on the Yemen conflict, when Pakistan was seen as closer to Iran, which was supporting the Houthis. In 2015, Pakistan declined to join the Saudi-led coalition force in which the UAE was participating. Interestingly, Saudi Arabia and the UAE fell out over the Southern Transitional Council in Yemen as they supported rival groups. The UAE also sees Pakistan's mediation effort in the Iran war as taking a clear position in this conflict that is closer to Riyadh. Islamabad and Cairo without securing the UAE's security interest. Moreover, Pakistan is equally unhappy regarding the UAE's closeness with India, Islamabad, however, does not take the same stance on India-Saudi Arabia relations. The UAE hosts the second largest Pakistani expatriate population in the Gulf after Saudi Arabia. Last year, 1.8 million Pakistanis working in the UAE remitted \$8.21 billion. Pakistan has been closely watching the UAE's growing ties with India. Pakistan projects the UAE's ties with it and its regional rival India as a zero-sum game. A downturn in its relationship is evident in how the UAE's economic relationship with India has evolved, with more than \$100 billion in trade and a pledge to double it by 2032. The two countries have strengthened close defence and strategic ties with high-level visits and military exercises.



During the visit of the UAE President, Sheikh Mohamed bin Zayed Al Nahyan, a Letter of Intent on the Strategic Defence Partnership was exchanged. They also signed a 10-year \$3 billion liquefied natural gas (LNG) agreement and a Comprehensive Economic Partnership Agreement (CEPA). Most importantly, the UAE is part of the India-Middle East-Europe Economic Corridor (IMEC), the much-vaunted corridor that links India to the Middle East. 4.3 million Indian migrant workers are working in the UAE and contributing 19.2 per cent of the total remittance that flows into India. As the situation in the Middle East evolves and the contest for the control of the Strait of Hormuz continues, the changing strategic reconfiguration in the region will have a direct impact on South Asia. The latter depends

on the Gulf for energy and as an employment destination for its nationals who send crucial remittances, shaping the economies of this region. The UAE is an important player in the South Asian region, especially in Pakistan, where both the government and private sectors have invested \$10 billion in telecommunications, banking, port, real estate and oil sectors. A lot is at stake for Pakistan as it gets pulled in all directions by its Gulf partners. As Pakistan diversifies its relationship with Gulf countries, the UAE will seek new partners in South Asia, and in this context, India's ties with the UAE will deepen further into mutually beneficial relations that New Delhi is seeking from the Gulf countries.

100 Years Ago



Front page of The Statesman dated 15 May 1926

OCCASIONAL NOTE

NOTHING further has come to hand of the Nationalist plot to overthrow the German Government reported on Thursday. The mail papers give the impression that of late the predominating interests in Germany have been domestic and commercial. The only controversial question of any importance outstanding was apparently the property claims of the late reigning houses. Now all at once there is fierce excitement. First Dr. Luther's Government falls from power over the question of the merchant flag, and now comes the news, which it is difficult to believe without corroboration, that a wide-spread conspiracy has been revealed to overthrow the Republic and replace the constitution by a Dictatorship after President Hindenburg has voluntarily resigned. The names of some of the proposed officers are published. They are not very formidable. The name of the Dictator is not given. That the Nationalists would gladly seize power need not be doubted. That they would go about it in this clumsy-way is almost incredible. The German people cannot be treated as cavalierly as some South European peoples have permitted themselves to be. Nor would the President be so easily disposed of. He is a man of stubborn loyalty, and is no more likely to fall to the Republic that trusts him than he was false to the army that trusted him.

News Items

CALM RESTORED

NEGOTIATIONS GOING ON WITH PILSUDSKI

WARSAW, MAY - The streets of Warsaw are now calm and orderly and communications and transport are normal. The Anti-Government coup began on Wednesday morning when the regiments quartered in the neighbourhood of Warsaw, becoming excited at the news of the attempted assassination of Marshal Pilsudski, marched on the capital, where they were joined by the garrison. Pilsudski assumed command of the combined forces and occupied the town after a brief engagement. The populace in the evening demonstrated in his honour. The Government took refuge in the President's Palace, whence negotiations with Pilsudski are being carried on. The latest development is that the Poznan Army Corps, which is pro-Government, is marching on Warsaw.—Reuter.

PILGRIMS TO MECCA

BAN ON USE OF PORT OF ACABA

SIMLA, MAY - A JOINT session of the Senate and Assembly, by 83 votes to 67 has adopted the Colour Bar Bill, which restricts the sphere of labour of natives and coloured population to certain skilled trades, after a most acrimonious debate. Voting was strictly on party lines.—Reuter.

PLAGUE INFECTION

PORTS OF SUEZ & MOULMEIN DECLARED

LONDON, MAY - The Board of Trade announces that His Majesty's Consul-General at Batavia reports that the Government of the Dutch Indies have declared the Port of Moulemein and the Port of Suez infected with plague.—Reuter.

RAIN IN COLOMBO

FORERUNNER OF THE MONSOON

(FROM OUR CORRESPONDENT) COLOMBO, MAY - HEAVY rain fell in Colombo to-day, over six inches being recorded in twelve hours. The south west gradient is slight but the conditions are monsoonish. More rain is expected and a stronger gradient. Many people believe the monsoon has burst. The authorities say the present conditions are merely the forerunner of the monsoon.

Social support not at cost of operational efficiency

DEBARSHI CHAKRABORTY

As the dust settles over West Bengal's electoral mandate, one reality stands reinforced - welfare-driven governance continues to enjoy public legitimacy. Schemes involving direct financial support have provided relief to households navigating inflation and uncertain employment. In a state with longstanding social and economic disparities, welfare is not simply political messaging; it is often an instrument of stability. Yet the larger question concerns its long-term economic design. This is not abstract. Bengal's 2025-26 Budget projected a gross state domestic product (GSDP) of approximately Rs. 20.31 lakh crore alongside a fiscal deficit of 3.5 per cent of GSDP. At the same time, recurring welfare commitments continued expanding steadily, with the Lakshmi Bhandar scheme alone estimated to account for over Rs. 26,000 crore in expenditure. While the constitutionality of 'freebies' as electoral promises, is presently under consideration before the Supreme Court of India, much of the discourse pertains to electoral ethics and fiscal discipline at most. But the deeper economic effect of persistent welfare-heavy governance often escapes the attention it deserves - the gradual increase in the hidden costs of economic participation itself. British economist Ronald Coase explained this idea remarkably,

Coase argued that economies thrive when the friction surrounding transactions remains low. Businesses invest more confidently when approvals and licenses are predictable, contracts are enforceable and reliable. Growth, in other words, depends not only on incentives, but on ease. This is where Bengal's challenge becomes more subtle. The concern arises when recurring expenditure begins outpacing institutional capacity and investment. Over time, this imbalance begins revealing itself indirectly. The state budget reflects this rigidity. Committed expenditure is projected at nearly 56 per cent of the state's revenue receipts, naturally reducing flexibility for infrastructure, administration, and capital-intensive growth measures. Bengal's share in national industrial and private investment conversations today stands markedly diminished. While several social indicators have improved, the state's ability to attract large-scale manufacturing and long-term private capital has remained comparatively restrained. The contrast becomes particularly visible when compared with states that spent the last decade prioritising industrial infrastructure, logistics integration and administrative responsiveness alongside welfare. A manufacturer attempting expansion, say, near Howrah may not complain about welfare schemes at all. Instead, he encounters fragmented land holdings, prolonged clearances, logistical inefficiencies and uncertain timelines. A start-up

may struggle less with taxation and more with procedural opacity. An infrastructure project may stall not because capital is unavailable, but because coordination across agencies becomes painfully slow. These are not dramatic crises. They are cumulative frictions. And cumulative frictions quietly alter investor behaviour. States such as Karnataka and Telangana did not emerge as investment destinations merely through subsidies or headline announcements. Their larger success lay in gradually building perception - fair or otherwise - that decisions would move faster, infrastructure would improve steadily and governments would remain relatively responsive to industrial needs. Investors more often than not value predictive stability as much, if not more, as incentives. This is where welfare-heavy models require calibration. When a growing share of public expenditure becomes locked into recurring commitments, governments naturally find themselves with less room for long-term productive investment. The irony is that this ultimately places pressure on the very social compact welfare intends to preserve. Sustainable redistribution depends upon a continuously expanding economic base. Employment generation, industrial growth and private investment are not separate from welfare; they are what make welfare durable. This is perhaps the lesson Bengal ought to confront with candour.



Economic stagnation did not arrive there dramatically. There was no single collapse. It emerged gradually - through normalised delay, hesitant infrastructure growth, informal gatekeeping around enterprise, suspicion towards technological advancement, and eventually, a broader perception that business in Bengal must first negotiate exhaustion before pursuing opportunity. Over time, what began as administrative friction hardened into economic reputation - and reputations, once formed, travel far faster than official assurances. Recalibration does not require abandoning welfare altogether. Nor does it require adopting a harsh market fundamentalism. The real deal lies in ensuring that social support does not crowd out institutional

efficiency, investment and economic self-sufficiency. Better targeting of subsidies, providing adequate state support for quicker dispute resolution, digitised governance and policy stability are not anti-welfare measures; they are what allow welfare systems to remain sustainable. The state's economic prosperity therefore depends on a simple balance: enterprise and trust ought to grow faster than friction. The easier it becomes to invest, build and conduct business with confidence, the stronger and more durable economic growth becomes. It can be reduced to a simple formula: Prosperity = Enterprise + Trust - Friction.

[The writer is an advocate before the Delhi High Court.]

Crossword | No. 293462

Crossword puzzle grid with 'Yesterday's Solution' and 'Across' clues.

Yesterday's Solution

CROSSWORD SOLUTIONS: Across 9. Cut some lessons, holding out for usual score (5,3,3,6) 10. Cancel, getting OK to be replaced by university show response (5) 11. Realistic photo capturing two bits of fabric (9) 12. Agitated Britten finally added a solo aria with no life at all (4,2,1,8) 15. Tenne women with exotic diets (5,6,6)

DOWN 1. Well, Communist should be allowed to live (6) 2. Insignificant stuff - I bottle it in test (10) 3. Desire to include grandma in agreement (6) 4. Descend to remove an old feature of organ (6) 5. Cave nothing to men at sea? Hurry up! (5,1,4,2) 6. Creator? Not now (6) 7. Persistence beginning to rankle in annoying character (4) 8. Line in what actress responds to indicates heroic figure (8) 13. Financial officer has some hesitation about one location of speech (10) 14. Weather device: article chaps set up before remote storms (10) 15. Redrafted one post about a source of stir (6) 17. Item to be kept secret? Mostly dull fool slipping up (8) 19. Hard to understand ordinary old man quite without attraction (6) 20. Elevated benefit in my song? (6) 21. Some stoner dude? (4) 23. Kind to support military's first exploit (4)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)



Editor's TAKE

NEET paper leak: Playing with students' futures

The anger among Gen Z aspirants is not just about a leaked paper; it is about a betrayal by institutions that promised fairness, merit and equal opportunity

The country's Gen Z is outraged. The NEET paper leak has once again shocked the nation. This is not the first time that an examination promising admission to medical colleges has been compromised. A similar incident occurred in 2024, and now again in 2026, which speaks volumes about the audacity of those involved in the leak. The government took the right decision to scrap NEET UG 2026, but that does not redeem the situation, as it has erased the hard work of millions of students who sacrificed everything for this examination.

It is merely damage control for a situation that should never have arisen in the first place. NEET is an important examination that carries the hopes and aspirations of the middle class and also provides the nation with the qualified pool of doctors it urgently needs. Parents spend lakhs on coaching and even relocate to help their children prepare for the exam. When a leak destroys those hopes, lives are shattered, leaving families in uncertainty and despair. The emotional trauma is enormous, with students burdened by the prospect of preparing all over again and potentially losing an entire year. Witnessing the same scandal repeat itself has deepened frustration and cynicism. The larger question is unavoidable: why does this keep happening? India has witnessed paper leaks in recruitment tests, state board examinations, police recruitment exams and now repeatedly in national-level entrance examinations. The problem is systemic.

Examination mafias have evolved into organised criminal networks with political links, local protectors and insiders within institutions. Using sophisticated digital techniques, they earn crores of rupees. Yet investigations often end with the arrest of minor intermediaries while the masterminds remain untouched. This culture of impunity is even more worrying. While governments routinely promise "zero tolerance", public confidence is steadily declining because accountability is rarely fixed. Merely making arrests is no solution; the entire ecosystem enabling such leaks must be dismantled. That means identifying officials who failed in supervision, exposing coaching-centre nexuses, tracking money trails and ensuring swift convictions of the real culprits. Unless the kingpins are punished, paper leaks will continue to reappear in new forms.

The outrage among Gen Z is therefore understandable. Today's students are digitally connected, politically aware and far less willing to quietly accept institutional incompetence. Social media has amplified their anger because many believe the system is rigged against sincere candidates. India cannot aspire to become a 'Vishwa Guru' and a global knowledge powerhouse while its examination system repeatedly collapses.

Competitive examinations are meant to be the great equaliser in a deeply unequal society. When they lose credibility, social trust itself begins to erode. India urgently needs a complete overhaul of examination security — stronger digital safeguards, encrypted paper distribution, tighter monitoring and a phased transition towards secure computer-based testing. More importantly, the government must instil confidence among young people that it is committed to protecting their interests.

Regional titans fall as BJP rises

The 2026 Assembly elections have triggered one of the most dramatic political realignments in recent Indian history, toppling powerful regional leaders and reshaping the balance of power across the country



KALYANI SHANKAR

In the recently concluded 2026 Assembly elections, three prominent chief ministers face unexpected defeats, a situation that many in the political arena recognise as a challenging part of the process. The chief ministers of West Bengal, Tamil Nadu, and Kerala lost their elections.

In the recent 2026 Assembly elections, three well-known chief ministers lost unexpectedly. This includes the chief ministers of West Bengal, Tamil Nadu, and Kerala. Winning and losing elections are common in politics. Still, recent results like the defeats of Arvind Kejriwal and Uddhav Thackeray — highlight significant political shifts that impact regional and national power dynamics, helping readers understand the broader implications.

The BJP's victories in West Bengal and Assam mark a major expansion, signalling a growing central influence that challenges regional parties and reshapes the overall power balance in Indian politics, which is crucial for understanding current trends. Changes can be tough for regional parties, which play an important role in our democracy. Recognising their supporters' feelings fosters empathy and understanding during this transition.

The political situation in Tamil Nadu is getting more intense as parties work behind the scenes. The Tamil Valour Katchi (TVK) has won 108 seats but needs 118 to secure a majority. They have the support of Congress, CPI, CPI(M), and VCK, suggesting that Vijay should lead the government. However, the TVK still lacks enough seats to govern on its own. After four days of meeting the government, Vijay was sworn in on Sunday. While some regional parties are declining, the rise of Vijay's TVK brings a new perspective to politics. Established parties like the DMK, TMC, and CPI(M) may face challenges ahead.

The Shiv Sena is struggling with internal divisions, and the Akali Dal is facing difficulties as well. Other parties, such as the NCP and JD(S), are losing influence, and the JD(U) seems to be in decline. Additionally, the BRS and BSP are facing their own challenges, which can be frustrating for their supporters.

Mamata Banerjee's loss to BJP's Suvendu Adhikari in the 2026 election marks a pivotal moment in West Bengal politics, ending her 2011 victory and raising questions about her political future and regional leadership dynamics, both of which are vital for understanding the current political landscape. What comes next for Mamata Banerjee? She will likely continue her p'stents and work hard to mobilise the TMC, retaining a vital part of the INDIA coalition. Still, many supporters and



THE BJP'S VICTORIES IN WEST BENGAL AND ASSAM MARK A MAJOR EXPANSION, SIGNALLING A GROWING CENTRAL INFLUENCE THAT CHALLENGES REGIONAL PARTIES AND RESHAPES THE OVERALL POWER BALANCE IN INDIAN POLITICS, WHICH IS CRUCIAL FOR UNDERSTANDING CURRENT TRENDS

The writer is a popular columnist
@dailypioneer
@kalyanishankar
The Pioneer

analysts are concerned about her political future amid the BJP's growing influence in West Bengal, which could reshape regional leadership dynamics. There was a strong rumour that DMK and AIADMK would come together to form a government, as Vijay was struggling to get the majority.

On the same night, AIADMK General Secretary EV Palaniswamy, unaware of these developments, began discussions with Udhayanidhi. Political manoeuvring in Tamil Nadu began on May 4, after actor Vijay's party, TVK, won 108 seats, just 10 short of a majority. Reports revealed that AIADMK leaders S. P. Velumani and C. V. Sivanmugam aimed to rally 23 of the party's 47 MLAs to align with TVK while circumventing the anti-defection law.

India's political landscape has undergone a significant change, as a communist party currently governs no state for the first time since 1977. Kerala's loss of left control marks this shift, following a story where figures like Jyoti Basu nearly became prime minister. The Left's 34 years in power in West Bengal and its recent defeats in Tripura and Kerala highlight its decline, prompting reflections on its acts and on how the BJP.

Marking the first time since 1977 that the state is ruled by a communist government, following Kerala's shift from Left control. From Jyoti Basu's near-prime ministerial bid to the Left Front's historical influence and its presence in Bengal, the decline of this powerful ideological force prompts reflection

on its achievements, failures, and on how the BJP outmanoeuvred it. The CPI(M) will need to regroup and energise to maintain relevance in the public sphere. The Congress party has not yet named its new chief minister, but many are watching K.C. Venugopal, a close aide to Rahul Gandhi, as a potential candidate.

Established parties like TMC, DMK, and the Left must introspect on their recent electoral failures. If they do not correct their mistakes, the BJP will solidify its position in Bengal, and both DMK and AIADMK may lose their voter base. The sooner they do this, the better for their parties.

Meanwhile, Vijay must focus on giving good administration. Some states, such as Tamil Nadu, West Bengal, and Kerala, are undergoing significant change. The new chief ministers must lead effectively,

inspiring confidence in their ability to adapt and guide the states through transition. Vijay is relatively unknown in the political arena, and his greatest challenge will be managing the government. He faces the risk that his allies could blackmail him at any time. Additionally, he must fulfil his campaign promises.

In contrast, the BJP is in a stronger position, having won West Bengal and retained control of Assam.

On the whole, the opposition has to sit down and chalk out a future. In contrast, the BJP is in a stronger position, having won West Bengal and retained control of Assam.



Madan Lall Manchanda: A bridge between cultures and eras

MADHU BHATT TAILANG

2ND OPINION

The world of literature remembers Madan Lall Manchanda not merely as a writer, but as a rare visionary who used his pen to weave a tapestry of communal harmony. On the occasion of his 102nd birth anniversary on May 15, we celebrate a life dedicated to the 'Ganga-Jamuni Tehzeeb' — the syncretic culture of India — nurtured through nine decades of profound experience. His scholarship was unique in its ability to transcend linguistic barriers: through prestigious dailies like *The Pioneer*, *The Hindustan Times* and *The Hindu*, he introduced the nuances of Urdu literature to a global English-speaking audience. From the mystical contributions of Amir Khusrō to the intricate layers of Mirza Ghalib's poetry, his essays served as a vital link between traditional heritage and modern sensibilities.

His seminal work, *Glimpses of Modern Urdu Literature*, remains a definitive resource offering an analytical history of Urdu drama and the evolution of the Ghazal, reflecting his belief that languages are never walls of separation but bridges of connection.

Manchanda's creative prowess reached its zenith in *Reality Delights*, a collection of stories exploring the extraordinary hidden within the mundane. He famously noted that truth is often more wonderful than fiction, a philosophy that so deeply impressed the former President of India, APJ Abdul Kalam, that he agreed to release the book only after a meticulous reading. Captivated by the depth of the prose, Dr Kalam's query to the author — "How do you manage to write so beautifully?" — remains a tribute of the highest order. This sensitivity is equally evident in stories like *A Conscience Keeper*, which captures the loneliness of the elderly, and *Caste Crossed*, which confronts social prejudices. Whether emphasising the purity of faith over ritual or

documenting his vast experiences in *Precious Memories*, his writing remained a mirror to the human soul.

In his later essays, such as *Saving the Mahatma and Need for Communal Harmony*, Manchanda underlined the timeless relevance of Gandhian values and the innate humanity that transcends religious boundaries. His global concerns were equally sharp: in *Spectre of Nuclear Holocaust*, he echoed the warnings of poets like Sahir Ludhianvi against the perils of war. Even after crossing the age of ninety, and having been honoured with the Delhi Urdu Academy

Award in 2010, he continued to offer a positive vision for a changing world. In an era legacy stands as a lighthouse, ensuring that the fragrance of literature, love and shared humanity continues to inspire future generations.

The writer is a Professor



Couples during a mass marriage ceremony organised under the 'Kanya Vivah Sahayata Yojana', in Kanpur. PHOTO: PTI

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NEET EXAMINATION LEAK EXPOSES DEEP FLAWS IN SYSTEM

The recent developments in the NEET paper leak investigation, in which the CBI reportedly traced the "guess paper" operation to Kerala and arrested five accused persons, have once again exposed serious weaknesses in the country's examination system. NEET is among India's most important entrance examinations, and any compromise in its fairness severely affects the confidence of lakhs of students aspiring for a medical career.

The repeated occurrence of such scandals highlights deep flaws that can no longer be ignored. Students spend years preparing with dedication, discipline and honesty, hoping to secure admission purely on merit. When paper leaks and organised malpractice influence examinations, deserving candidates feel betrayed and

demoralised. The fear that unfair means may overpower genuine hard work is damaging not only for students but also for society's faith in educational institutions. While the CBI's action is a welcome step, arrests alone cannot provide a permanent solution. Authorities must uncover the entire network involved and identify the loopholes that enabled confidential material to be leaked. Stronger cybersecurity systems, encrypted paper distribution, stricter monitoring and swift punishment for offenders are urgently required.

A fair and transparent examination system is essential for preserving trust in India's education structure. Protecting the future of honest students must remain a national priority. RUKMA SHARMA | JALANDHAR

Please send your letter to the info@dailypioneer.com. In not more than 250 words. We appreciate your feedback.

Manipur demands immediate peace

The continuing violence in Manipur reflects the failure of both the state and Union governments to effectively exercise their constitutional responsibilities in restoring peace and order. A day after three church leaders were shot dead in Kangpokpi district, another civilian was killed in Noney district in what appeared to be a retaliatory attack. These repeated incidents highlight a serious collapse of governance and law enforcement in the state. Three persons belonging to one community were killed on Wednesday morning, while a civilian from another community was killed later in the evening, reportedly in retaliation. The Union government appears to be a mute spectator despite the ongoing bloodshed. How long will the Centre remain silent while innocent lives continue to be lost?

Manipur remains trapped in violence, with even the Supreme Court observing a collapse of law and order. Restoring peace is the government's responsibility. The ethnic conflict between the Meitei and Kuki communities, which erupted in May 2023, has already claimed at least 260 lives and displaced thousands. Both the state and Union governments must act decisively to restore normalcy and rebuild trust among communities. BHAGWAN THADANI | MUMBAI

Criminalisation in politics

The latest report released by the Association for Democratic Reforms on newly elected MLAs facing criminal charges has once again highlighted the alarming extent of criminalisation in politics. The findings raise serious concerns about governance, accountability and the credibility of democratic institutions. According to the report, the ruling TVK leads the list, with 41 MLAs facing criminal cases, including 19 with serious charges. The DMK follows with 37 legislators facing cases, 14 of them serious, while the AIADMK has 33 MLAs with criminal charges, including 14 grave cases. The fact that all major political parties figure prominently in the report shows that criminalisation has become a widespread political problem rather than an isolated issue.

When lawmakers themselves face serious allegations, public confidence in democracy weakens. Citizens expect elected representatives to uphold the law, not stand accused of violating it.

Political parties must stop fielding tainted candidates merely because of their influence or financial strength. Electoral reforms, speedy trials and greater public awareness are urgently needed to restore faith in politics and democratic governance. AP THIRUVADI | CHENNAI

Balancing economy and citizens

Appropos the news report, 'Gov raises import duty on gold to conserve forex' (May 14), India's decision to sharply raise customs duty on gold and silver reflects the seriousness of the economic challenges arising from the prolonged West Asia conflict. The increase in the prices of petrol, diesel and domestic LPG cylinders now appears to be the next step in the government's list of measures. With oil prices and import bills rising sharply, conserving foreign exchange has become essential. In this context, the government's decision appears justified. However, such measures will inevitably burden ordinary citizens, especially middle-class families and small jewelers. In India, gold is not merely a luxury commodity; it is also closely linked to savings, weddings and tradition. A steep rise in import duties may also encourage smuggling and illegal trade, against which policymakers must remain vigilant.

The government must ensure that such austerity measures remain balanced and temporary. Simultaneously, efforts to reduce dependence on imported oil through renewable energy, ethanol blending and public transport reforms should be intensified. Citizens too must cooperate responsibly during this period of global uncertainty. SANJAY CHOPRA | MOHALI



Environmental and economic damages due to Iran war

The US-Israel-Iran conflict has evolved into a major geopolitical and economic crisis, disrupting global energy supplies, raising fears of nuclear escalation and causing severe environmental damage. The closure of the Strait of Hormuz and rising oil prices may also significantly impact economies such as India



B K SINGH

Trump claimed to have obliterated all Iranian nuclear facilities in Operation Midnight Hammer, using US B-2 bombers and Israeli missiles during the 12-day war in June 2025. Yet, his forces, along with the Israelis, launched Operation Epic Fury on 28 February 2026, bombarding Iranian nuclear enrichment sites, missile manufacturing facilities, hundreds of naval ships and IRGC installations. Trump again claimed to have destroyed Iranian naval and air power, as well as missile launchers, during the 39-day long war and unilaterally declared a ceasefire. Since then, negotiations between the US and Iran have made no headway. Trump has been demanding that Iran surrender 450 kg of enriched uranium and suspend programmes aimed at developing nuclear weapons. The Strait of Hormuz, which remained open for international trade until 28 February, has now been closed by Iran to exercise leverage in negotiations. Trump also ordered a naval blockade in the Gulf of Oman to prevent cargo ships from transiting to and from Iranian ports in the Persian Gulf, with a view to embargoing oil movement and blocking revenue that funds the war. This has not proved effective, as Chinese ships have defied the blockade. The Iranian regime is fighting for survival and does not wish to surrender its only leverage - the closure of Hormuz.

The bombardment of Iranian energy infrastructure, oil refineries, oil stocks and ships transporting oil in Iran, Kuwait, Bahrain, Saudi Arabia, Israel and the UAE has caused environmental damage at both regional and global levels. The black rain that followed in Tehran during the recent conflict contains atmospheric pollutants. The environment is choked with pollutants released from the burning of heavy fuel - a low-quality fuel used in oil refining - including methylene chloride, benzene and acetone. Benzene, notably, is known to cause cancer. Missiles and drones generate chemically laden debris, which falls on agricultural land surrounding military and oil infrastructure sites. Combined with fires on the ground, these chemicals remain in the soil and considerably reduce agricultural productivity. Around 5,000 MT of explosives are believed to have been dumped in the region, polluting air, water and soil. The environmental impact of the war has far-reaching consequences, affecting human health, livelihoods and even contributing to catastrophes caused by rising seas.

During the 39 days, Iran struck all 13 US bases in GCC countries, as well as Israeli defence and civilian infrastructure, oil refineries and residential areas near Dimona, close to the nuclear research centre. Dimona is believed to produce plutonium for Israel's undeclared nuclear weapons programme. It hosts the IRR-2 heavy water reactor, which operates outside IAEA safeguards. The Strait of Hormuz, through which 20 million barrels of oil and gas per day once flowed for global consumption, has been choked by the Iranian IRGC, and now only a trickle passes through, triggering one of the biggest global energy crises.

Theodore Postol, a professor of nuclear physics at the Massachusetts Institute of Technology and a former Pentagon adviser, stated before Western media - based on engineering data and battlefield evidence - that Iran already possesses the material needed to move quickly towards developing a bomb. Iran's stockpile of 450 kg of 60 per cent enriched uranium hexafluoride could potentially produce 11 atomic bombs. Prof. Postol further added that experience suggests Iran would not make the first use of a nuclear bomb. However, if the US or Israel were to use nuclear weapons against Iran, a response would be inevitable. From its existing stockpile of 60 per cent enriched uranium hexafluoride, Iran has the capability to further enrich it to 90 per cent within less than two weeks.



Despite continuous bombardment of its nuclear sites at Isfahan and Natanz, Iran's capability has not been completely obliterated. Nearly 100 centrifuges required for further enrichment to weapons-grade material could reportedly be brought into operation quickly, enabling the preparation of 11 atomic bombs. These centrifuges can be installed inside tunnels and concealed locations. Three atomic bombs could destroy an area of 25 square kilometres, such as Tel Aviv, while 11 would theoretically be sufficient to eradicate Israel entirely.

Even if Iran has not assembled a complete nuclear bomb, a delay of two weeks in response would make little difference in strategic terms. Even lower-grade nuclear weapons could unleash urban firestorms, radiation exposure and radioactive rainfall, leading to massive casualties in cities such as Tel Aviv.

Iran's technological base has not been undermined despite decades of sanctions and international isolation. Iran's targeting of Israeli and American bases with ballistic missiles is considered a game changer. Prof. Postol says ballistic missiles travel at hypersonic speeds of up to Mach 5 or more, leaving detection systems with only seconds to react. Israeli claims that they intercept 90 per cent of missiles and drones are also disputed.

This asymmetric warfare has created economic imbalances between Iran and the far more powerful US. Iranian drones costing ten to twenty thousand dollars are intercepted using missile defence systems operated by the US and Israel, with each interceptor missile costing several million dollars. Attacks on US allies in GCC countries, disrupting supply chains and energy infrastructure, amount to attacks on the economic lifelines of adversaries. Iran does not seek to overpower the US and Israel militarily, but rather to demoralise them psychologically and inflict damage on their military and economy. Democracies such as the US and Israel often struggle to sustain prolonged wars, as approval ratings for leaders in such countries can decline sharply. Six months from now, Trump's Republican Party faces the US midterm congressional elections, and he is keen to exit the war early. As the stronger side, failure to secure a decisive victory would place the US at a disadvantage. The side that endures longer gains the advantage. Henry Kissinger once observed, "The guerrilla wins if he does not lose. The conventional army loses if it does not win."

It is high time that Trump distances himself from

N Netanyahu and halts the supply of weapons and air defence systems. Annual inflation in the US has sharply increased from 2.4 per cent in February to 3.3 per cent in early May. Global oil production has declined by 10 per cent, while petrochemical production has fallen by 7 per cent. Helium and fertiliser production have also suffered setbacks. Unless normalcy is restored, prices will remain elevated, and the midterm elections could prove disastrous for Trump.

The shockwaves will also be felt in the Indian economy. Despite strong growth in automobiles, cement, credit and consumer demand during March, April and May, real growth is projected to decline by 1.2 per cent. If the average oil price for the year remains around \$85 per barrel, compared with last year's average of \$70 per barrel, India will have to pay an additional \$40 billion for energy imports - roughly 1 per cent of GDP. If prices average around \$100 per barrel, the economic headwinds could amount to 2 per cent of GDP. Hopefully, such a situation does not arise. Cuts in excise duty on petrol and diesel, continuing losses at oil marketing companies, and subsidies on LPG and fertilisers may further impact GDP by 1.2 per cent. If oil prices remain elevated, fuel and LPG prices may have to increase. A rise of Rs 10 per litre could reduce GDP growth by 0.4 per cent annually.

We must therefore respond to the Prime Minister's appeal, in which he urged citizens to reduce gold purchases for the next year. In a follow-up measure, the Central Government increased duty on gold and silver from 6 per cent to 15 per cent to suppress demand. This would help reduce dollar outflow and stabilise the weakening rupee. The use of public transport and working from home were followed diligently during COVID; these habits should again be encouraged to address the current situation. Such measures also reduce the carbon footprint amid worsening environmental degradation. The Prime Minister has also advised reducing foreign travel which could provide a boost to the domestic tourism sector. His appeal to reduce dependency on foreign goods and move towards swadeshi products should be followed. Finally, reducing the use of chemical fertilisers could make Indian agriculture more resilient.

Fuel conservation must begin with the Government



SUBHASH CHANDRA AGRAWAL

Prime Minister Narendra Modi's appeal to citizens to save fuel in the national interest is both timely and necessary. At a time when rising global crude prices, environmental degradation and growing urban congestion are placing enormous pressure on India's economy, energy conservation cannot remain merely a matter of public responsibility. The government itself must lead by example through serious structural reforms and policy changes that reduce unnecessary fuel consumption and discourage the culture of excessive automobile dependence.

One of the first steps should be a complete ban on extravagant political roadshows and large election rallies that involve thousands of vehicles, helicopters, diesel generators and massive logistical arrangements. Political parties often preach austerity to citizens while practising excess themselves. Such events not only consume enormous quantities of fuel but also create traffic chaos and environmental pollution. Public messaging on fuel conservation will carry credibility only when political leadership demonstrates restraint.

Similarly, the government should review the size of official convoys accompanying ministers and senior bureaucrats. Security considerations are important, but there is ample scope to reduce unnecessary layers of vehicles without compromising safety. Long convoys of SUVs and luxury cars moving through crowded cities send the wrong message in a country where ordinary citizens are repeatedly urged to conserve fuel and reduce consumption.

Government expenditure on luxury vehicles must also be curtailed. All central and state government departments, along with public sector undertakings, should be required to purchase only economy-range vehicles, except for constitutional authorities such as the President, Vice-President, Prime Minister and visiting foreign dignitaries. Over the years, several state governments have faced criticism for purchasing expensive luxury cars even during periods of economic distress. Such decisions create public anger because they reflect misplaced priorities. Public money should be directed towards healthcare, education, public transport and infrastructure rather than official extravagance.

India must also rethink its broader transport culture. The obsession with private cars has reached unsustainable levels in major cities. Roads are congested, parking spaces are shrinking and pollution levels continue to rise. Instead of encouraging ever-growing car ownership, policy should focus on efficient, affordable and eco-friendly public and shared transport systems. One practical solution could be the promotion of modern, air-conditioned auto-rickshaws powered by electricity or CNG. Such vehicles occupy less road space, require less parking, consume less energy and are more environmentally sustainable. If designed properly with safety and comfort in mind, they could become a preferred mode of transport even for sections of the middle class.

Government departments should adopt public and shared transport alternatives instead of increasing the fleets of cars. India must expand its rail networks, electric buses and integrated urban transport systems rather than encouraging private automobile growth. At the same time, luxury vehicles should attract higher taxes and stricter loan norms, as such consumption often reflects status rather than necessity.

The government should further reconsider policies that indirectly encourage the expansion of large private vehicles. Former Union Environment Minister Jairam Ramesh once accurately described SUVs as "Socially Unfit Vehicles" because they consume excessive fuel and occupy disproportionate road space. Large cars worsen congestion while offering little public benefit. India requires a fresh automobile policy that prioritises compact, energy-efficient and environmentally responsible vehicles over oversized luxury models.

Another critical issue is diesel usage in private cars. Diesel has historically been subsidised because it powers public transport, goods carriers and essential logistics. Allowing luxury private vehicles to benefit from lower-priced diesel distorts the purpose of the subsidy. Diesel engines in private cars should therefore be gradually phased out while investments are directed towards electric mobility, CNG infrastructure and cleaner technologies. At the same time, environmental regulation should become more practical and scientific. Blanket scrapping policies that force owners to abandon diesel cars after ten years and petrol cars after fifteen years often unfairly burden middle-class families and poorer citizens who use their vehicles sparingly. Vehicle fitness should instead be determined through rigorous pollution and safety testing rather than arbitrary age limits. Authorised workshops should conduct computerised fitness checks after a fixed number of years, and only vehicles failing those tests should be scrapped.

Pollution-control systems also need major reform. Automobile workshops should be mandated to install pollution-testing facilities so that every vehicle leaving a service centre is certified for emissions compliance. Presently, vehicle owners are forced to repeatedly visit separate pollution-testing centres, causing inconvenience and unnecessary fuel consumption. A more integrated system would improve efficiency and compliance. The automobile industry itself requires greater regulation in the interest of consumers. Excessive variants of the same car model confuse buyers and artificially inflate prices. Standardisation of components such as tyres, batteries and spare parts across manufacturers could significantly reduce costs through economies of scale. Car manufacturers currently enjoy enormous profit margins on spare parts because of limited competition and lack of standardisation. The government's anti-profiteering mechanisms should ensure that consumers are not exploited through unreasonable pricing.

India must ultimately redefine what progress means in the transport sector. Development cannot simply be measured by rising sales of expensive cars or expanding highways crowded with private vehicles. A truly modern transportation system is one that prioritises efficiency, sustainability, affordability and public welfare. Fuel conservation is not merely about reducing imports or saving money; it is also about environmental responsibility, urban livability and economic discipline. Citizens certainly have a role to play, but meaningful change will come only when governments, policymakers and industries demonstrate the same commitment they expect from the public.



AMITABH RANJAN

Since time immemorial, civilisations have invariably been perceived through the names associated with them. The nomenclature 'India' is a term shaped by geography rather than culture, given by outsiders. However, 'Bharat' is a timeless name through which this civilisation has addressed itself for ages. In a completely decolonized civilisation, Bharat deserves unequivocal primacy over India.

The mighty river Sindhu and the Vedic culture are like conjoined twins, so much so that even the Rig Veda refers to Sapta-Sindhu, the land of seven rivers spread across the north-western subcontinent. In Vedic hymns, Sindhu is synonymous with both the Indus and its wider cultural landscape.

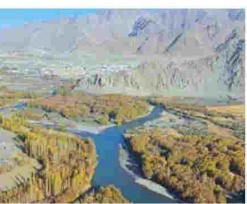
With the eastward expansion of the Achaemenid Persians, Sindhu became Hindu, depicting the lower Indus basin as an extension of their empire. The Greeks pronounced it Indos and its inhabitants as Indoi - the people of the Indus. Eventually, Indos evolved into 'India' in English, while Hindustan came to be used in medieval times.

Bharat, that is India: Reclaiming a civilisational identity

name emerging from the soul of the civilisation itself. Over time, colonial cartography stretched this frontier term to cover the subcontinent, and post-colonial diplomacy understandably retained it for continuity in treaties, maps and global recognition. However, the etymology is unambiguous - 'India' is what others called the land of Sindhu, not what its inhabitants called themselves.

Bharat, however, is not rooted in a foreign ecosystem but in our own polity, history and geography. The Vishnu Purana describes this land, "lying to the north of the ocean and to the south of the snowy mountains", as Bharat, where dwell the descendants of King Bharat. This Bharatvarsha is perceived as a living entity within Jambudvipa and not a colonial landscape depicted on a map by Mercator. Ancient texts remember Bharat as a dutiful and righteous king whose name became synonymous with the land - Bharatvarsha - its inhabitants, Bharatayats, and the Mahabharata, the tale of Bharat's descendants.

The framers of our Constitution were aware of this duality, as Article 1 opens with the carefully chiselled phrase, "India, that is Bharat, shall be a Union of States." Our Constituent Assembly explicitly chose to retain both names - one carrying international familiarity, the other civilisational continuity - as two faces of the same coin. The question now is not whether to delete 'India', but whether and how to accord rightful recognition to 'Bharat'. This relates to the larger question of decolo-



nization. Recently, when Prime Minister Modi spoke about complete decolonization by 2035, what exactly did he mean? We became independent in 1947 itself, so why speak of decolonization now? In essence, it concerns the larger issue of mental and cultural colonisation, which Macaulay initiated in 1835 through his 'Minute on Indian Education', seeking to create "a class of persons Indian in blood and colour, but English in tastes, in opinions, in morals, and in intellect". This policy systematically imposed Western education as the benchmark of higher knowledge, eroded our time-tested vernacular education systems, and sought to produce 'clerks' who would further the cause of the British Raj.

Decolonisation, in this sense, is not about nostalgia. It is about reclaiming intellectual space and cultural self-respect. When a civilisation continues to identify itself through the terminology of its colonizers, it risks living with diminished self-esteem. This is evident even in the comparisons we commonly make. Kalidasa, widely regarded as the greatest of ancient Indian poets, lived sometime during the 4th-5th century CE, whereas Shakespeare lived in the 16th-17th century England. Yet we still refer to Kalidasa as 'the Shakespeare of India'. This remains a stark example of the mental and cultural colonialism with which we continue to live.

Following the English system of vowels, we insert 'a' into our original words such as 'Kalidasa', 'Bharata' and 'Kerala' and pronounce them accordingly, distorting Sanskrit and Hindi pronunciations. So much so that we write 'Yoga' and 'Yogi' and pronounce it in the same fashion. The greatest irony is that I am writing this piece in English only to make it more noticeable.

If we take the Prime Minister's 2035 horizon for eradicating colonial mentality seriously, then nomenclature is not a peripheral issue but part of the mindset that must be revisited. Article 1 already acknowledges both names. However, a logical next step may be to amend the Constitution to place Bharat first, making it "Bharat, that is India, shall be a Union of States", and to echo this primacy wherever citizens identify themselves.

Such an amendment would allow the Preamble to begin with "We, the people of Bharat...". It would affirm that this Union of States is fundamentally a civilisational community with its own lineage of thought, its own categories of dignity and, above all, its own ancient name. Perhaps the time has come for both a constitutional and cultural shift to cast off a borrowed identity so that we may proudly live as "We, the people of Bharat" - Bharat, that is India.

The writer is former Head of Forest Force, Karnataka, and teaches Economics at the Karnataka Forest Academy.

The writer is a Delhi-based RTI consultant.

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@TheDailyPioneer
The Pioneer

The writer is an alumnus of NESU, Washington DC, and IIT (ISM) Dhanbad, and is associated with the Indian Institute of Public Administration (IIPA), New Delhi, as Registrar.

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INTERNATIONAL EDITORIALS



Opinion

Xi has Trump right where he wants him

While the U.S. president chases quick wins and flashy optics, China's leader plays a generational game for global dominance.

Julian Gewirtz

When President Trump imposed 145 percent tariffs on China a year ago, Chinese state media urged the public to revisit a nearly 90-year-old essay by Mao Zedong. The Beijing Daily declared that the text was essential to understanding China's responses to the "chaotic" attacks of the United States and why China will ultimately achieve a "final victory" against its geopolitical rival.

This required reading was Mao's "On Protracted War," a 1938 tract laying out his strategy for defeating the Japanese forces that had invaded China. At its core, it is a meditation on how China can come from behind in a life-or-death contest against a stronger adversary.

President Xi Jinping has praised the strategic foresight, discipline and patience espoused by Mao in the essay, which has emerged as a guiding framework for how China aims to face the United States. He has pointed specifically to Mao's description of a dynamic, long-term struggle unfolding in three phases: A weaker China initially plays dogged defense, followed by a period of stalemate between equally matched forces, eventually culminating in a powerful, victorious Chinese counteroffensive.

China's leaders are through with playing defense and have shifted into Phase 2 of Mao's theory.

The country is far stronger than it once was, in manufacturing, technology, military power and diplomatic influence. Despite a slowing economy and persistent tensions with the United States and its allies, it has become more resilient in the face of pressure from Washington. Mr. Xi easily outplayed Mr. Trump in last year's trade confrontation, hitting back against U.S. tariffs with Chinese export controls on the critical minerals required for modern technologies, which forced Mr. Trump to step back.

Mr. Xi will provide a lavish welcome for Mr. Trump in Beijing on Thursday, but the Chinese leader almost certainly views the visit — and the broader current state of the relationship — not as a time for accommodation and lasting reconciliation, but as a temporary lull in a longer test of wills.

Mr. Xi's main goal in this new period of strategic stalemate is buying time to increase China's strength relative to that of the United States, while seeking to extract concessions from Mr. Trump when he can, including limiting U.S. tariffs and export controls, and halting Washington's arms sales to Taiwan.

Major concessions during Mr. Trump's visit seem unlikely. Nonetheless, the U.S. president arrives with a weakened hand. The costly war with Iran, which forced Mr. Trump to delay his Beijing trip for several weeks and has battered his approval ratings at home, will no doubt make him eager to spin the visit as a win, giving Mr. Xi leverage.

In these ways, Mr. Xi has the American president right where he wants him.

The enduring resonance of "On Protracted War" in China today reflects Mao's dictum of "making the past serve the present." Decades-old historical and ideological references remain central to how the Communist Party legitimates its political, economic and strategic goals and mobilizes the country to achieve them.

Mr. Xi appears to see the competition with the United States through the same prism of long-term struggle that Mao developed to guide Chinese strategy almost a century ago. He and other top officials have invoked the essay as a guide for responding to economic and strategic challenges. Prominent Chinese academics who channel party views repeatedly refer to the tract in framing the rivalry with America, and spectacular commemorations in Beijing last September to mark the 80th anniversary of the end of World War II included copious references to Mao's text.

Mr. Trump, by contrast, is focused on optics and quick wins. He wants China to commit to purchasing more American products and to strike new commercial deals with U.S. companies, and has gushed about the grand pageantry prepared for him by China during his last visit, in 2017. Yet he seems, at best, uninterested in the topics that matter most to the security of the United States and its allies, such as China's pressure on Taiwan, its aggressive territorial

China's president believes the U.S.-led international order is coming to an end.

claims in the South China Sea and cyberattacks on American targets that the United States attributes to China-based actors. The United States has powerful leverage it can use against China, from access to advanced semiconductors to the dollar's global dominance, but Mr. Trump today appears less inclined to wield it.

Mr. Trump's shortsightedness plays directly into Mr. Xi's larger aims. The Chinese leader believes the U.S.-led international order is coming to an end and that what follows is up for grabs. For the first time, he may now see a path toward achieving key goals such as disrupting U.S. alliances in Asia, and weakening American support for Taiwan as well as Washington's ability to impede China's rise through technology export restrictions and economic sanctions.

Having moved past playing defense and into a stalemate, Mr. Xi is now steadily working toward the day when China is strong enough to mount a counteroffensive to attain those goals. In March, the government approved a new five-year plan to ramp up China's already considerable industrial, technological and military capabilities.

China is strengthening ties with Russia and across Southeast Asia,

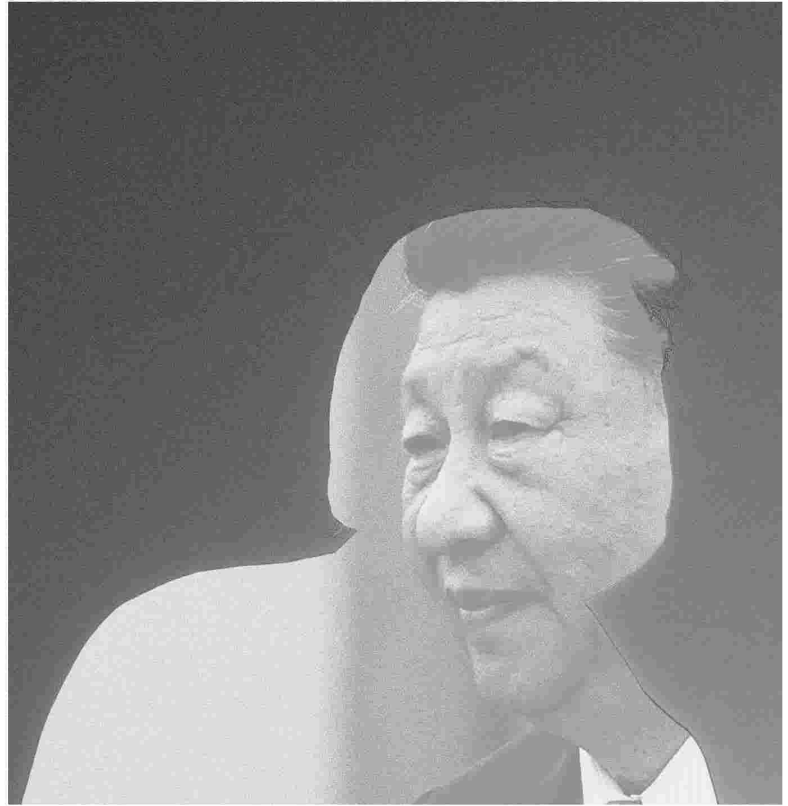


ILLUSTRATION BY THE NEW YORK TIMES; PHOTOGRAPHS BY KENT NISHIMURA AND POOL, VIA GETTY IMAGES

Latin America and the global south, relationships that can help Beijing counterbalance the United States, while taking advantage of Mr. Trump's alienation of U.S. allies. In recent months, Mr. Xi has hosted the leaders of Canada, the United Kingdom and Germany in Beijing, timing their visits ahead of Mr. Trump's to underscore U.S. isolation. And countries around the world are turning to China, with its dominant position in green technology, to increase their energy security amid the Iran war's disruptions.

By contrast, Mr. Trump's war of choice with Iran is wasting money and matériel that would be better marshaled for long-term competition with

China, and his administration is undermining other sources of American strength with actions such as gutting U.S. funding for science and technology.

China faces significant domestic challenges — an aging population, high household debt levels and weak consumer spending. Yet its leaders seem to believe that it is the United States — not China — that is weaker than it appears. As Chen Yixin, China's minister of state security, wrote in December: America's "democracy is mutating, its economy decaying and its society fracturing at an accelerated pace." Globally, he added, U.S. "credibility is rapidly going bankrupt, its

hegemony is crumbling, and its myth is collapsing."

Americans may dismiss such rhetoric as propaganda. But they must reckon with the prospect that many countries agree that China is winning. Mr. Xi is bringing Mr. Trump to Beijing for a visit intended to confirm that to the world.

JULIAN GEWIRTZ, a China historian at Columbia University, served in senior China policy roles in the Biden administration's National Security Council and State Department. He is the author of several books on China, most recently "Never Turn Back: China and the Forbidden History of the 1980s."

This is why you're drowning in busywork

The A.I. revolution involves a massive transfer of labor — not from worker to machine, but from worker to worker to you.

Carl Benedikt Frey

My wife and I recently found a rat in our garden. Normally I would have called an exterminator, but instead, I turned to ChatGPT, which suggested that I set up a cage trap baited with meat. I did and felt a small surge of satisfaction — the satisfaction of handling something yourself, without paying a professional and without waiting for one to show up. (It didn't work; the rat ignored the trap.)

The lived experience of an Oxford academic does not usually generalize well, but I know I'm not the only one who has recently become my own exterminator, repairman or accountant. Roughly one in four Americans used artificial intelligence to help file their taxes. A study of 1.1 million ChatGPT conversations found that nearly three-quarters of messages were not work related. People turned to ChatGPT most frequently for practical guidance — on health, household repairs, financial decisions and other matters a professional might once have weighed in on or handled.

We have been told that A.I. will take people's jobs. What no one mentions is that many of those jobs are landing on us. The A.I. revolution involves a massive transfer of labor — not from worker to machine, but from worker to consumer. The ability to do everything ourselves may be satisfying, but it can gradually overload us with busywork without our noticing. Tasks that we used to delegate will still be done. They will simply move out of the work force and into the household as new forms of invisible, unpaid labor.

The movement toward self-service is



ANGIE WANG

one of the most powerful and least appreciated forces in the history of work. Consider the washing machine. In many 19th-century cities, laundering was a major urban service occupation, and one of the hardest. The work meant hauling water, chopping fuel, boiling linens in lye, scrubbing each garment by hand against a washboard, wringing, drying, starching and ironing with heavy flat irons heated on a stove. It consumed the better part of a week. Laundresses worked every-

where: Even families who did their own cooking and sewing paid someone else to wash their clothes. In the 1880s, when Black laundresses in Atlanta organized a strike, linen piled up and the city ground to a halt.

The washing machine, together with the infrastructure that made it possible — running water, electricity, synthetic detergents — gradually ended this world. But it did not end the work. Customers bought machines and did the laundering themselves. The laun-

dress was displaced by her former clients.

The historian Ruth Schwartz Cowan documented a further irony. The housewife ended up doing more household work, more frequently, at higher standards — unpaid. Men stopped wearing detachable collars and cuffs, which meant entire shirts had to be laundered. Children's clothes were changed daily rather than weekly. The laundress lost her job. The housewife gained a chore.

That pattern has been repeating ever since. Self-checkout makes scanning and bagging the shopper's job. The internet gives travelers direct access to the flight schedules and hotel reviews that agents once controlled. Online brokerages put a trading terminal in every pocket. And the smartphone replaced the bank teller with you.

We're used to being our own check-out assistants, travel agents and tellers. Handling these tasks ourselves often makes our lives more efficient. But A.I. is now extending the chore economy into territory that once required years of training, such as law and medicine. As of January, more than 40 million people worldwide were using ChatGPT daily for health questions — from symptoms to decoding bills and fighting insurers.

There are tangible benefits. One man said his family used Claude to cut a hospital bill from \$195,000 to under \$33,000 by identifying duplicative charges and coding errors. A chatbot replaced the bank teller with you. We're used to being our own check-out assistants, travel agents and tellers. Handling these tasks ourselves often makes our lives more efficient. But A.I. is now extending the chore economy into territory that once required years of training, such as law and medicine. As of January, more than 40 million people worldwide were using ChatGPT daily for health questions — from symptoms to decoding bills and fighting insurers.

However, self-service does not automatically reproduce a professional's judgment. The billing specialist notices the code the patient didn't think to question. The accountant points out the deduction the taxpayer didn't know existed. The tool answers what you ask, whereas the expert tells you what to ask. That is the A.I. trade-off: greater access, but thinner expertise.

Second, no single act of self-service feels like a major burden. We notice the accountant's fee we didn't pay. We rarely notice the evening we spent doing her job. There is a name for this: opportunity cost neglect — the well-documented tendency to overlook the value of what we give up when the cost is time rather than money.

As more consumers turn to A.I., professionals may become harder to find; it is hard to find a staffed check-out lane or a bank branch with a teller.

When the work shifts to the consumer, it disappears from the labor statistics. A company can replace an employee with a machine or hand the task to the customer; in both cases, a paid job has disappeared. If you do the work at home, no one is measuring your hours. That's why the digital revolution improves labor productivity — and boosts corporate profits — but leaves people feeling overburdened. The laundress disappeared from the statistics long before she disappeared from memory. Many more trades and professions are on the verge of the same shift. The A.I. revolution may not have taken your job yet. But it has already put you to work.

CARL BENEDIKT FREY is an economist at the University of Oxford and the author of the book "How Progress Ends: Technology, Innovation and the Fate of Nations."

A new viral outbreak. The same mistakes all over again.

Zeynep Tufekci
Contributing Writer

There's no question that another pandemic will strike, but no one knows when or which virus will be the cause. What we can determine with pretty good clarity is how ready we'll be, how well we're constructing obstacles to slow the path of emerging threats and how fast we're learning lessons from painful experience.

As the final remaining passengers disembarked from the MV Hondius cruise ship, on which at least nine people who were confirmed to have been infected with the hantavirus traveled, the answers are becoming increasingly clear: We're still leaving a lot to chance, crossing our fingers and hoping for the best.

Consider the history of the Andes strain of the hantavirus. According to a paper in *The New England Journal of Medicine*, in 2018, a hantavirus outbreak with this strain — the same strain linked to the Hondius cruise — began in Epuyén, Argentina. It started after one infected person attended a birthday party with about 100 guests. He had a fever and was feeling tired, and he left after about an hour and a half. Five people who were in the room — but not necessarily all even sitting right next to him — became sick later.

One of those five partygoers most likely went on to infect six more people, including his spouse, and died 16 days after he became ill. During his wake, 10 more people became infected, from the spouse. It was about then that the public health authorities, realizing how dangerous the situation was, started enforcing strict quarantine measures. That seems to be how it finally died out.

Yet in recent days, the World Health Organization has reassured the public that the hantavirus can be transmitted only through "close and prolonged contact" and that, as a result, it is unlikely to spread widely among the population at large. "The one thing with this one is that it's much harder to catch," President Trump said on Monday, echoing W.H.O. and U.S. public health officials. "It seems like it is not easy to spread."

We know fairly little about the Andes strain of the hantavirus, with an estimated 3,000 human cases over three decades. How could that assertion

about it not being easy to spread be true given what we know about the 2018 superspreading event?

I reached out to Gustavo Palacios, the senior author of the study about the Epuyén outbreak. He seemed as baffled by these pronouncements as I was. He told me that the paper he and his fellow researchers wrote used the phrase prolonged or close contact but he explained that, as they had written in their article, they didn't mean solely physical or bodily contact. He told me that they believed that the virus spread via respiratory secretions. Looking at the same study, an airborne transmission expert, Linsey Marr, told CBC/Radio Canada that "it's strongly suggestive that airborne transmission is happening."

Dr. Palacios also said that he and his co-authors had calculated the median reproduction number of the Andes virus to be 2.1 — meaning that one sick

person infected about two other people. That's more than enough for sustained human transmission. That reproduction number is not much lower than the initial strain of SARS-CoV-2, the virus that causes Covid-19, as calculated in February about a month of 2020.

After the hantavirus emerged on a cruise ship, why are health officials so sanguine about the risk of another pandemic?

By the way, so I'm not feeling great about the reassurances from health officials that this will not become a pandemic. How do they know? Dr. Palacios was also worried about the differences between the previous Andes strain outbreak setting and the current one. Containing an outbreak in a tiny isolated rural village in Patagonia, Argentina, during the dry season is a different prospect than containing one on a cruise ship with ocean humidity and with people traveling onward in planes.

At the same time, authorities keep insisting that only symptomatic people can spread the virus. In Dr. Palacios's study, the transmission events that the researchers could trace had indeed occurred while people were displaying symptoms. But he's also said that 48 hours before the onset of symptoms should be considered a high-risk period as well. He told me that people's viral

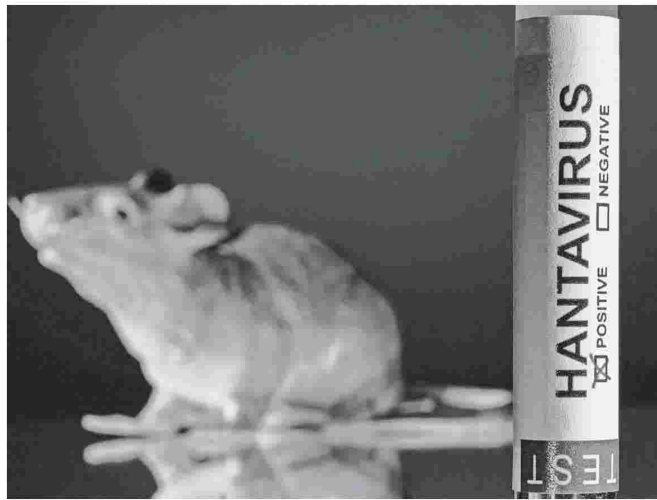


PHOTO: JACQUES FRANCESCHI — GETTY IMAGES

loads rise before symptoms break out, so it's reasonable to assume there is some risk earlier. Besides, with a single study done after the fact, he and his team hadn't been able to pinpoint every exact moment that a person passed the virus to another — many unknowns remained from that outbreak.

The last twist was that his paper shows that the incubation period (the time between virus exposure and symptoms) can be as long as 40 days. Some people get sick more than a month after being exposed, which is an unusually long stretch of time. That's a big deal because it makes managing the outbreak much more challenging.

On April 23, a Dutch cruise passenger took a flight from St. Helena to South Africa while ill, collapsed at the airport after arrival and died soon after. While W.H.O. officials have claimed the risk of spread during the flight or on the ship was low, that incident was just

19 days ago — if incubation can be as long as 40 days, there are 21 days before we'll know if all her contacts are in the clear. As of Monday, South Africa's health minister said that the authorities had identified 97 possible contacts in the country exposed to the hantavirus and that 90 of them had been reached and advised that they were being monitored. Based on South Africa's guidelines, this meant asking people to perform daily temperature and symptom checks and to contact authorities immediately if they get sick. It's unclear if everyone on the plane has been reached, and we can only hope this is sufficient.

Photographs of crew members while still on the ship show many of them hanging around together in a hallway while waiting to be interviewed by health authorities, covering their mouths and noses with only flimsy masks. In photos that have circulated,

one person who had just left the ship can be seen on a bus, still clad in protective gear, but having removed their mask, seen dangling over one ear.

After the Covid pandemic, after the 2002 SARS epidemic, after the Epuyén hantavirus outbreak, we really have learned too little. One key lesson from both SARS and Covid was how much superspreading can play a role. Early on, many infected people spread the virus to few people, which generated comforting statistics on average. But when the circumstances aligned, it turned out that a single person could infect a large number of people all at once, setting off transmission chains that were difficult to control.

We still don't fully understand why some people superspread and others do not. But if it can happen once, as it did in Epuyén, it can happen again. During a press conference last week, a W.H.O. official addressed people who

had disembarked, asking them to present themselves to health care authorities if they were developing symptoms. W.H.O. officials also kept defining transmission as happening through close prolonged contact — intimate partners, household members. Encouragingly over the weekend, the W.H.O. published new technical documents to clarify its definition of the type of contact that could cause the spread of hantavirus. It now includes "close proximity exposure" as well as "exposure in enclosed or shared spaces."

But even these definitions still suffer from a lack of learning from the Covid experience, such as limiting exposure to being within about six feet for a cumulative period of more than 15 minutes. We know from the study of airborne transmission that that guidance may be too rigid and fail to capture the full risk profile of the virus. The Epuyén outbreak doesn't seem to fit that framework. Still, I would say this is better than nothing, and much better than how slow things were in 2020 and onward. But these guideline changes were done too quickly.

How are people who may have been exposed supposed to protect themselves if they are not told of the modes of transmission and the stakes accurately and loudly, including when the definitions evolve? Public health officials, from the W.H.O. to U.S. officials, would be more helpful if they stopped constantly reassuring people about the likelihood of future events they can't accurately calculate — like the odds of a pandemic occurring or how long this outbreak could last — and just told us more details about the things that matter: mode of transmission, lengthy period of incubation and the inevitable uncertainty of something for which there is little actual knowledge.

If we're lucky, this hantavirus outbreak will peter out, or resemble the 2002 SARS outbreak: It dies out with the help of safety measures and because the virus doesn't adapt fast enough. If we are unlucky? It should be unthinkable, but here we are. And this time Health Secretary Robert F. Kennedy Jr. will be in charge of the U.S. response.

ZEYNEP TUFEKCI is a professor at Princeton University and the author of "Twitter and Tear Gas: The Power and Fragility of Networked Protest."

There's danger in what China lacks

STEPHENS, FROM PAGE 1
management. And corruption tends to become endemic whenever the lines between business and government become hopelessly blurred.

The United States periodically suffers from some of this, not least under the current administration. China's problems are orders of magnitude worse.

As of last year, state-owned or "mixed-ownership" enterprises account for about 60 percent of China's largest companies. The bursting of China's real-estate bubble — creating the eerie phenomenon of "ghost cities" — has depleted the savings of millions of ordinary Chinese and helped cause a municipal financing crisis. And China's corporate sector is increasingly being "zombified" as companies become dependent on cheap credit to cover their losses: "Business debt has doubled since 2019, while revenues

are only 30 percent higher," reports Fortune.

This economic house of cards rests, if you'll forgive the mixed metaphor, on a foundation of sand: an aging and declining work force, net emigration, widespread youth unemployment, plummeting foreign direct investment, an arbitrary rule of law that terrifies business leaders, repeated purges of the military that project far more paranoia than confidence and a truculent foreign policy that does little more than alarm and alienate China's neighbors.

Great powers should have a combination of hard and soft power — the power to compel and the power to attract, in Joseph Nye's famous formulation. What today's China has is brittle power: power with too much hardness and not enough capacity to bend or adapt. Sooner or later, it is destined to shatter.

That, however, is what makes today's China so scary. Rising nations, which is what China was under Deng Xiaoping and Jiang Zemin, have the luxury of being able to bide their time. Declining nations don't. It tends to make them more inclined to gamble with their future. It's why Putin invaded Ukraine after he realized the country was moving inexorably into the West's orbit. It's also why Xi will be powerfully tempted to seize Taiwan by invasion or blockade despite the enormous risks it poses not only to the world's economy but also to his own.

What would a wise American policy look like in the face of this kind of challenge? In a sentence, it would be dovish on the terms of trade and hawkish on the defense of our allies.

That's roughly the opposite of what the administration's rhetoric and policies have been thus far: a constantly threatened trade war along with decidedly mixed signals on whether the U.S. will continue to supply Taiwan with arms or come to its defense in the event of a conflict. If Trump uses his summit to barter away a pledged \$11 billion arms sale to the island in exchange for a variety of diplomatic or economic promises from Beijing — whether the subject is the Strait of Hormuz or the supply of rare earths — you'll know the summit has been a fiasco.

Certain readers will be tempted to remark that, when it comes to repression or corruption, Trump is every bit the match of Xi. If that were true, this column couldn't be published. What is true, as Bill Clinton put it in his first Inaugural Address, is that "there is nothing wrong with America that cannot be cured by what is right with America" — which goes for this administration. Nothing similar can be said about China's Communist Party. That is what makes it dangerous to us now and an even greater danger to itself later.

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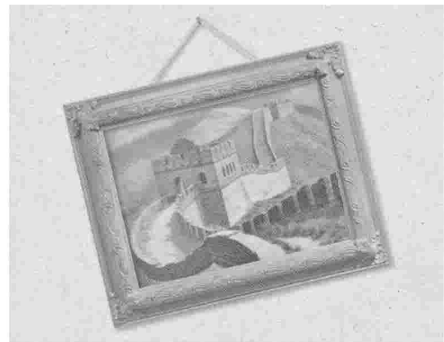


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FROM READERS

Why Fewer Americans Are Having Children

Re "Why are more and more people passing up parenthood?," by Anna Louise Sussman (Opinion guest essay, May 12): Looking back at the Depression in the 1930s, world war in the 1940s, mutual assured destruction in the 1950s and social upheaval in the 1960s, I struggle to see today's uncertainties as uniquely grim. Perhaps they seem so because young people today are less tolerant of uncertainty and more apt to avoid it

when possible. If that is the mind-set, they are not wrong about parenthood. Life will offer them few prospects that come with less certainty. MICHAEL SMITH, GEORGETOWN, KY.

The hand-wringing over America's declining birthrate mistakes a public health triumph for a demographic crisis. The inverse relationship between wealth and fertility is one of the most ironclad findings in demography. As nations prosper, birthrates fall. The United States arrived late to this reality because we have long been too prudish about contraception to achieve what other wealthy nations accomplished long ago.

The numbers are striking. Teenage pregnancies have dropped 85 percent since 1989. Among 18-to-19-year-olds, 70 percent. Meanwhile, pregnancies among women over 35 have been rising. Women are choosing when, not whether, to have children.

The Guttmacher Institute documents the mechanism: the widespread adoption of long-acting reversible contraceptives, accelerated by the Affordable Care Act. Women are now having the children they actually want. The natalists should stand down and allow the rest of us to celebrate. STEPHEN REICHARD, PORTLAND, ORE. The writer served as the chief operating officer for Planned Parenthood Columbia Willamette from 2008 to 2012.

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EDITORIALS

Could Chicago's City Council delay — or even imperil — the 1901 Project just to please a union?

A City Council committee's approval earlier this week of a property tax subsidy requested by the developers of the multibillion-dollar 1901 Project on Chicago's West Side tees up the matter for full council approval next week.

Or does it?

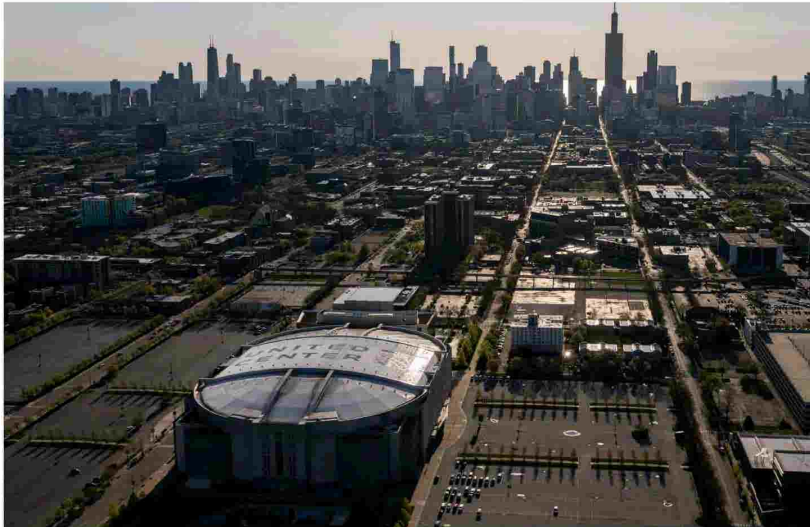
Even as they advanced the plan, aldermen on the Economic Development Committee pressed representatives of the development team for answers to their worries about the diversity of construction subcontractors and opportunities for West Side residents to work on the project's \$500 million first phase. Those issues likely won't be difficult to put to bed.

But there's another lingering matter that has the potential to delay council approval well past next week. That's the demand from United Here Local 1, the union that represents concessions workers at the United Center, that the developers require operators of future restaurants at the site to employ workers repped by the same local.

The Wirtz and Reinsdorf families, co-owners of the United Center and 1901 developers, have already signed on to United Here's representation of workers at the 6,000-seat music venue and new hotel, the focal points of Phase 1. But restaurants outside the concert hall and the hotel, which could include operators from the neighborhood as well as glitzy steakhouses and such, are a different matter. The developers understandably don't want to limit the pool of potential operators by forcing them to negotiate with the union.

The restaurant industry by and large isn't unionized. United Here has been trying to change that. It has had some success organizing Chicago eateries. There's a list with more than 50 union restaurants in Chicago, some of them household names like Gibson's and Harry Caray's, all represented by United Here.

In other words, the union doesn't need the City Council to put its institutional thumb on the scale. There's nothing stopping



United Center and the Chicago skyline on April 26, 2023. **BRIAN CASSELLA/CHICAGO TRIBUNE**

United Here from attempting to organize whichever restaurants end up being part of 1901 once they're established.

In the meantime, a stalemate between the developers and the union at City Hall has the potential to hold up the project.

We've already seen the council shoot itself in the foot by carrying water for unions trying to organize private-sector workplaces whose owners prefer otherwise. We've noted before how one of the largest multifamily projects on the drawing boards in Chicago — Omni Group's plan for 2,450 units in three high-rises at 700 W. Chicago Ave. — fell by the wayside when the Canadian developer wouldn't agree to a union's demand to help the organize other existing Onni-

owned buildings in Chicago.

Onni now has leased an empty industrial building on the Chicago Avenue property to Universal for an elaborate haunted house called Universal Horror Unleashed. In the face of what all agree is a housing crisis, Onni's residential plan will have to wait at least a decade for a more rational City Council.

In the bigger picture, here's what else is for rent. Aldermen have effectively leased their authority to unions, which now routinely wield the council's fealty to exert maximum leverage on Chicago businesses. Unions pay the rent every four years by contributing to aldermanic reelection campaigns.

In the case of the 1901 Project, here's a development that council members and Mayor Brandon

Johnson have celebrated as by far the largest private investment in Chicago's West Side since ... well, since the Wirtzes and Reinsdorfs built the United Center more than three decades ago.

Given Johnson's status as Chicago's most noteworthy West Sider, the location has much to do, we're sure, with his support for a \$55 million property tax break over the next 12 years that the developers say they need to finance the first phase.

This page has very mixed feelings about that subsidy, but is not similarly ambivalent about Chicago's desperate need to get the wheels of development turning again. Clearly, the council has no major issues with granting the tax break and can justify its action

by pointing to the estimated \$46 million in additional property taxes the site will generate over the coming dozen years even after the subsidy. So there's no excuse not to finalize this deal promptly regardless of whether that induces a hissy fit from United Here and the Chicago Federation of Labor. The mayor, who has pointed repeatedly to 1901 as evidence of what he says is a thriving Chicago on his watch, ought to call on the council to do just that.

This practice of giving organized labor veto power over consequential private-sector developments in Chicago must stop. The 1901 Project — high-profile and centered in an economically deprived part of the city — is the ideal place to make a stand.

Pause on tipped wage increase should turn into full-blown W for Chicago restaurants

Of all Brandon Johnson's quests to interfere with the health of Chicago's small businesses, his campaign to abolish the so-called "tipped minimum wage" surely is his most quixotic. Given that it benefits almost no one.

That hourly rate is less than the state's minimum wage, for sure, but state law already requires employers to make up the difference if tips do not do the job. And, as any experienced waiter knows, the vast majority of servers in Chicago make more, some far more, than the minimum wage once tips are taken into account.

An overwhelming percentage of the fiscally savvy would far rather keep the current system, with its higher dollars-per-hour potential, than lose their job thanks to

a restaurant going under, or lose hours as a ballooning wage bill forces eateries with low margins, which is most eateries, to cut back. And our great Chicago servers certainly don't want their favorite customers to get the message that they should no longer tip at the current 15 to 20% levels. That's a losing proposition for servers and restaurants.

Some have made the case that servers deserve both the higher wage and full-on tips on top (along with Donald Trump's new tax breaks), but while we love our servers, we've not heard anyone argue logically why they should gain all this when the kitchen employees, or an employee in fast food, or many other American workers, do not. Even many

of those who support Johnson on other issues are scratching their head over this one. After all, if a restaurant wants to keep a valued workforce of servers, it is free to pay whatever it takes.

We've written all this many times, of course, but we're popping back up to laud the so-called compromise at City Hall, as brokered by Ald. Walter "Red" Burnett, 27th, and the Committee on Workforce Development, that appears to have the votes in the full council to go around the mayor and pause the stepped increase in the tipped minimum wage at 76% of Chicago's minimum wage for a substantial two-year period for larger restaurants and bars and a hefty four years for mom-and-pop oper-

ations (those with between three and 21 employees).

We don't love that last part, as we think all for-profit restaurants in the city of Chicago should be on the same level playing field and we certainly don't hail a situation where an expanding local eatery might decide not to expand past 21 employees due to this deal, but then no compromise is ideal.

What we do love is that even the two-year freeze on the tipped minimum wage extends past the end of the current mayoral term, something we are sure was not lost on restaurant whisperer Sam Toia of the Illinois Restaurant Association and his beleaguered community. By then, we will potentially be looking at a very different mayor and city council,

and it's hard to imagine any mayor not named Brandon Johnson taking up this ridiculous fight and going after scores of this city's most prized assets. And by that we include hospitality workers.

Seen that way, the prospect of this issue quietly dying in the future is more of a W than a draw for the hard-pressed restaurant industry and its servers, and an L for the out-of-state One Fair Wage activist group, which got outplayed in a city it never tried to understand — and, of course, for the mayor.

The hospitality industry converges on Chicago this weekend for the National Restaurant Show. Let's hope some creative new chef owners are emboldened to set up shop here.

ON THIS DAY 36 YEARS AGO A ROCKY TRANSITION IN ROMANIA

Before the violent revolution that overthrew and executed Romanian dictator Nicolae Ceausescu and his wife, a consort in power, the U.S. State Department was usually quick to confess its inability to wrest sense or meaning from the pair's paranoid policies.

In those days, officials responsible for tracking and understanding developments in Eastern Europe just shook their heads when it came to Romania, muttering of madness. Came the December revolution, and they're still shaking their heads in bewilderment.

Oh, there have been some changes. The Ceausescus are dead and more people are running things. Although just what they're running and to what end is a matter of considerable puzzlement. Taken against the progress toward democracy and economic reforms in much of the rest of Eastern Europe, the clouded political turmoil in Romania is unsettling at best.

Troubled by opposition complaints of intimidation and a lack of access to the media, the Bush administration has called its ambassador home for consultations. That embarrassed the National Salvation Front's interim government, which is dominated by former Communist leaders who took power after the overthrow of the Ceausescus.

Leaders of the pre-World War II National Peasant and National Liberal parties, as well as of about 40 other groups, contend that the National Salvation Front is a cover group for old-line Communists who want to continue a Stalinist regime. Ion Iliescu, the provisional president and leader of the front, is considered ahead in a new presidential race. One of the principal problems, as candid Romanians freely acknowledge, is that almost no one has any real familiarity with or understanding of the workings of democracy, let alone its meaning.

Tribune editorial board,
May 14, 1990

EDITORIAL CARTOON



BILL BRAMHALL/NEW YORK DAILY NEWS

OPINION

Bears-related megaprojects bill is worse than Richard M. Daley's parking meter deal

By Jackson Potter
SPECIAL TO THE TRIBUNE

Find two Chicagoans, and you'll find three different opinions. But one thing that unites the whole city is our anger over the terrible parking meter deal then-Mayor Richard M. Daley inked back in 2008.

After a 40-5 decision by the City Council, Daley turned over tens of thousands of parking spots to hungry investors with a 75-year lease. The city got a one-time payment of a little more than \$1 billion, while the consortium, Chicago Parking Meters LLC, has already seen \$2 billion in profit from Chicagoans, after less than 20 years into the deal. Payboxes went up in all 77 community areas, requiring that we pay for parking or get ticketed while boosting corporate profits instead of investment in city budgets.

With 57 years left to go, Chicagoans have already paid more than double what the city received in return.

Instead of learning from that lesson, Gov. JB Pritzker is pushing to repeat it. Imagine taking the rotten parking meter deal statewide.

What's been presented to all of us as a last-ditch effort to keep the McCaskeys, majority owners of the Bears, from moving the team across the state line is actually a tax rewrite that would include any major development in the state over \$100 million. That includes rail lines in Granite City, new warehouses built by Jeff Bezos' Amazon, a stadium for the Red Stars or another team, and any new corporate headquarters, whether in Chicago or a suburb.

Chicagoans have felt the impact of the parking meter deal firsthand. There's not a driver I know who hasn't encountered an orange envelope hanging from their car that contains a parking ticket. Despite the sale of city assets to investors — or maybe because of it — we've seen anemic city budgets unable to keep up with the needs our communities face.

The revenue from the deal goes to the investors behind Chicago Parking Meters LLC instead of being reinvested in our neighborhoods.

At the same time, we've spent the past two decades fighting another boondoggle: keeping our tax dollars from being segre-



A parking meter sign outside the Nederlander Theatre on West Randolph Street in the Loop on Jan. 20. EILEEN T. MESLAR/CHICAGO TRIBUNE

Proponents say the megaprojects bill would incentivize development, but what it would do is rob schools and services of revenue and shift the responsibility of paying for local public institutions from big corporations to everyday homeowners.

gated into tax increment financing district funds that subsidize our city's own mega-developers instead of going into schools, parks and libraries where they belong.

The megaprojects bill is the parking meter deal and TIF on steroids.

If you or I upgrade our curb appeal, create an addition or build a mother-in-law suite to our homes, the county assesses the new value, and we get hit with a higher tax bill the next year. But if you or I have the benefit of

building a stadium or an Amazon warehouse, the megaprojects bill would let us skip any tax increase for the next generation, up to 40 years.

Proponents say it would incentivize development, but what it would do is rob schools and services of revenue and shift the responsibility of paying for local public institutions from big corporations to everyday homeowners.

We can create good jobs, invest in community and fund the schools our students deserve.

In the latest Chicago Teachers Union contract, we won \$10 million of investment in solar installations, this school year alone, that will improve the health of surrounding communities, create good trades jobs and improve schools for the students who attend them. That can be a model for how larger development moves forward in our state, not an outlier.

Right now, the governor's budget is pushing districts such as Naperville, Evanston, Cicero/Berwyn and Chicago into deficits that will result in devastating cuts to the special education and other services students rely on. But it doesn't have to be that way. In 2017, the General Assembly passed an evidence-based funding formula that requires adequate funding by spring of this coming school year.

If the governor was in compliance with Illinois' own education funding requirements, Chicago's school district would be facing a \$1 billion surplus, not a deficit. The scarcity our districts are facing isn't a given; it's a policy choice. And it's made worse by new proposals giving away even more to developers at the expense of students and property owners.

If the parking meter deal taught us anything, it's that the megaprojects bill as written is a road we don't want to go down. Investing in our students, however, the way some Springfield legislators are asking us to invest in the McCaskey family, is the best decision we could possibly make.

Jackson Potter is vice president of the Chicago Teachers Union.

At college graduation, let everyone speak their minds

By Jonathan Zimmerman
SPECIAL TO THE TRIBUNE

You know who you are. When someone you like is censored, you get up in arms. But when the other side is muzzled, you sit on your hands.

It's the oldest trick in the hypocrite's playbook: free speech for me but not for thee. And we've seen a stark display of it this spring, in the battles over graduation speeches on college campuses.

Rutgers University recently canceled a scheduled speech by Egyptian American tech entrepreneur Rami Elghandour after critics complained about his social media posts, which accused Israel of apartheid and genocide. A dean told him that "a few students felt that my social posts opposed their beliefs," Elghandour reported.

So what? As Elghandour correctly argued, the point of college is to "be exposed to people who might have a different perspective than you." Our job isn't to keep everyone happy by confirming their assumptions. It's to challenge those assumptions, which is why we need to guarantee free speech for all.

But Elghandour is only willing to take this free speech thing so far. In an interview after his speech was canceled, he said anyone who fought in the Israeli military — or who was part of Prime Minister Benjamin Netanyahu's government — should be barred from speaking at commencements.

"If you take someone who served in this Israeli military and actually murdered people or made the decision to murder people, that's very different, right?" Elghandour said. "If you brought Netanyahu to be the speaker, I would have a huge problem. He's a wanted war criminal."

Never mind that Israelis across the political spectrum denounced the warrant issued



Then-Northwestern University President Morton Schapiro waves before commencement at Ryan Field in Evanston in 2015. ANTONIO PEREZ/CHICAGO TRIBUNE

for Netanyahu's arrest in 2024 by the International Criminal Court. We don't need to hear from them, or from anyone who agrees with them. They shouldn't speak at all.

I am outraged that Rutgers disinvited Elghandour, who produced an Oscar-nominated film about a 6-year-old Palestinian girl who was killed by the Israeli military in Gaza. It features audio from her call for help to paramedics before she died. Everyone should hear that.

But they should also hear arguments in favor of Israel's assault on Gaza and its efforts to elim-

inate Hamas, which attacked Israel on Oct. 7, 2023. But Elghandour doesn't want that kind of challenge.

Neither do many students at Georgetown University's law school, who condemned the school for inviting former Northwestern University President Morton Schapiro to address its graduation. Over 200 students signed a petition demanding that Georgetown disinvite Schapiro because of his support of Israel and his denunciation of allegedly antisemitic protesters and professors on our campuses.

Schapiro "holds controversial, Zionist, and harmful opinions," the petition declared. Read: No pro-Israel speakers need apply. And anything that counters our beliefs will harm us. Smiley faces only, please.

That's exactly the rationale that Rutgers used to cancel Elghandour's speech, of course. The university's decision "honors the celebratory spirit of the event to ensure that no graduate feels forced to choose between their personal convictions and a convocation ceremony," a Rutgers spokesperson said.

And it's the same argument that New York University invoked when it declared that graduation speakers this spring would deliver their remarks by prerecorded video, not live. Last year, a speaker departed from his remarks — which the university had preapproved — and condemned genocide by Israel, which left some listeners "feeling disappointed or disrespected," a dean told one of the speakers.

Since when is everyone supposed to feel good? When your ideas are challenged, your feelings get hurt. That's the price of a free university. And if you don't want to pay it, you're in the wrong place.

After the student protests against him, Schapiro withdrew from giving his speech at Georgetown. He said he didn't want demonstrators "to distract from the day's festivities."

But he also released his planned address, which stressed the fundamental value of — yes — free and open discussion across our differences. "We are all aware that disrespect and distrust have increasingly plagued this country and the world," Schapiro wrote. "Dialogue seems to have become a lost art, and a curse of moral certainty has infected many of our minds."

He's right. Every censor believes they have a monopoly on truth. But democracy is premised on the idea that nobody does. And that's why we need to let everybody speak their minds.

Elghandour was denied that freedom, but he also said he would deny it to others. And if that's your impulse, too, stop talking about your commitment to free speech. Either you believe in it for everyone, or you don't believe in it at all.

Jonathan Zimmerman teaches history and education at the University of Pennsylvania. He serves on the advisory board of the Albert LePage Center for History in the Public Interest.

OPINION

If citizenship can be taken away, was it ever real?

By **Daisy Hernández**
SPECIAL TO THE TRIBUNE

I grew up in a home of immigrants from Colombia, Cuba and Peru, and ours was a mixed-status family. Some family members became naturalized citizens thanks to legislation for refugees. Others, such as my mother, were sponsored by spouses. Some, like me, were born here.

We thought — and media confirmed — that once it was acquired, citizenship was for life. But that's no longer the case. The Department of Justice recently announced that it would be in court to strip a dozen naturalized Americans of their citizenship, and The New York Times reported that the Justice Department is directing regular prosecutors to target as many as 384 naturalized Americans. For comparison, since 2017, the Justice Department has moved to denaturalize at least 120 people. This means that the citizenship status of 26 million naturalized Americans in this country is no longer guaranteed.

Americans are generally only in danger of losing their citizenship if they are found guilty of committing fraud on their naturalization applications, but in January, President Donald Trump told reporters that his administration was considering another factor: their countries of origin. This already seemed to be the case during his first presidency. The journalist Seth Freed Wessler found that people from Yemen, Somalia and Iran make up only about 1% of the foreign-born population in the United States, but they were about 10% of the citizens the Trump administration tried to denaturalize in 2017 and 2018. Trump has also identified the predominantly white countries from which he would like the United States to welcome immigrants: Norway, Sweden and Denmark.

During his first administration, Trump created the Denaturalization Section as part of the Justice Department. In 2020, while we hunkered down at home in fear of COVID-19, multiple federal agen-



A woman wears an American flag hat at Wrigley Field before a naturalization ceremony on Aug. 7, 2025, in Chicago. **STACEY WESCOTT/CHICAGO TRIBUNE**

cies busied themselves sending the new unit the names of more than 500 people who could be investigated for citizenship fraud. Most infamously, Trump's administration tried to strip a grandmother of her citizenship. Norma Borgoño had been naturalized for more than a decade and had been living in the country since 1989. Trump wanted to denaturalize her because she had been convicted of a white-collar crime years after becoming a citizen. The Justice Department eventually dropped the case, but the point was clear: No one was safe from scrutiny.

If citizenship can be taken away, was it ever real?

I spent years researching the history of citizenship and my family's journey in this country, and I've come to appreciate that many of us think of citizenship as a straightforward legal status

along the lines of "you either are a citizen or you're not." But citizenship has never functioned in such a simple way.

In fact, citizenship has been changed many times over since the founding of the country. In 1790, Congress passed a federal law so that only free white immigrants could naturalize as citizens. The Civil War led to the recognition of Black Americans as citizens, but that status did not stop discrimination in voting, housing, education or healthcare until the Civil Rights Movement. In the early 1900s, American women could lose their citizenship if they married Asian men who were not eligible to naturalize as citizens — a part of the government's many attempts to maintain the United States as a white Christian nation. In the 1930s, Mexican American citizens were deported from the

United States as part of a program that led to the expulsion of about 1 million Mexicans.

More than 50 years later, in 1986, President Ronald Reagan signed legislation granting 3 million immigrants, mostly Mexican, a pathway to citizenship.

With the Trump administration, we are not facing a new story about citizenship; we are facing a return to this country's history of it, and it's not just the work of one political party. Joe Biden could have shut down the Justice Department's Denaturalization Section when he took the White House but didn't. He simply renamed it the "Enforcement Unit." He accepted the premise that the United States government should continue stripping people of their citizenship.

In the coming weeks and months, we will need to take to social media and the streets to

remind prosecutors for the Justice Department, as well as the judges who will hear these cases, that they do not have to obey orders motivated by racial bias rather than facts. Because these are civil proceedings and targeted Americans will not have assigned lawyers, we will need to spend our money and time on legal organizations that will step up to defend these Americans.

And wherever we find ourselves — at work, family gatherings or Little League games — we need to remind each other that the Americans being targeted are more than citizens. They are our neighbors.

Daisy Hernández is the author of "Citizenship: Notes on an American Myth" and an associate professor in the English department at Northwestern University.

Voice of the People

Tax credit for affordable housing

Illinois faces a severe affordable housing shortage that affects communities statewide. Nearly 300,000 affordable rental units are missing for the state's lowest-income residents, while rising rents and home prices continue to strain working families, employers and local economies.

As Gov. JB Pritzker and the General Assembly debate major housing proposals, lawmakers should strengthen a proven tool that has quietly delivered results for more than two decades: the Illinois Affordable Housing Tax Credit.

The program is set to expire later this year. Without legislative action, Illinois risks losing a critical financing tool at the very moment affordable housing development faces unprecedented challenges.

Construction costs have surged dramatically since 2019, while financing has become more difficult and unpredictable.

At the same time, the program's current 5% annual growth rate is no longer enough to keep pace with rising costs and growing demand.

The Illinois Affordable Housing Tax Credit provides a 50% tax credit on donations of cash, land or buildings made to nonprofit housing developers.

These contributions help close financing gaps that often determine whether projects move forward or stall.

The program's impact can be seen across Illinois. In Chicago, Reclaiming Chicago has transformed vacant lots into homes for working families. In Rock Island, the program has helped nearly 500 workers become homeowners. In Deerfield, land donations supported housing for workers who serve the community but otherwise could not afford to live there.

Overall, the program has leveraged more than \$10 million in private donations and supported tens of thousands of affordable homes statewide.

Illinois cannot afford to lose tools that work. Extending the Illinois Affordable Housing Tax Credit is essential. Lawmakers



People stand near the railing on the third floor of the Illinois State Capitol last week. **EILEEN T. MESLAR/CHICAGO TRIBUNE**

should also expand the program's capacity so it can support more developments in more communities.

By renewing and strengthening this bipartisan program before it expires, Illinois can scale a proven solution to meet the housing challenges facing the state today.

— Allison Clements, executive director, Illinois Housing Council

Preserve home-delivered meals

The Illinois flat funding toward home-delivered meals is projected to affect hundreds of thousands of older adults while further straining our healthcare system. Without increased investment today, Illinois will pay more tomorrow.

We recognize that this is a challenging budget year.

Lawmakers are balancing many competing priorities. But the needs of older adults are growing rapidly, and the cost of inaction will only increase over time. At the same time, reductions in federal Supplemental Nutrition Assistance Program benefits are expected to increase food insecurity among older adults, placing even more pressure on already strained systems.

The result is predictable and concerning: fewer meals delivered, longer waitlists, and more older adults at risk of malnutrition, isolation and increased healthcare costs.

Research from Brown University shows that home-delivered

meals are a smart investment: Even a modest increase, serving just 1% more older adults in Illinois, could generate significant annual Medicaid savings. Other research from The American Journal of Managed Care determined that providing meals to high-risk patients after hospital discharge can significantly reduce readmissions, yielding a return of nearly \$4 for every \$1 spent.

The older adult population is expected to be the fastest growing demographic in the state over the next decade. If you think this issue is prevalent today, the issue will only become exacerbated over time.

These are not abstract numbers. They represent real opportunities to reduce healthcare costs while improving the quality of life for older adults.

As Illinois lawmakers finalize the state budget, it's clear that maintaining current funding levels for services supporting older adults is not enough. In fact, in today's economic climate, flat funding is effectively a cut, and older adults across our state will feel the consequences.

Investing in home-delivered meals is not about expanding government; it is about making smart, strategic choices that save money in the long run while protecting some of our most vulnerable residents. It is about ensuring that older adults can continue to live with dignity in the

communities they helped build.

Illinois can, and must, do better. — Diane Slezak, president, Illinois Association of Area Agencies on Aging, and president and CEO, AgeOptions

Is Mayor Johnson just stalling?

That government analyzed and awarded bids for major buildings and aircraft in shorter times.

I've been employed in a local government — in law enforcement and procurement capacities.

That government analyzed and awarded bids for major buildings and aircraft in shorter times.

It seems that Chicago's mayor is using his office to delay indefinitely instituting something that he does not want, ignoring the wisdom of law enforcement professionals and the wishes of the people of Chicago.

— Elliott Fredland, Chicago

Giving Paul Vallas a platform

I must take issue with Lara Taylor's letter ("Vallas' AI op-ed a terrible take," May 11) criticizing Paul Vallas' take on the use of artificial intelligence in classrooms. Expressing her opinion about AI in classrooms is Taylor's right, of course. What I object to is her closing sentence: "I cannot fathom why the Tribune opinion team keeps giving him a platform over and over again."

Well, perhaps because he has decades of experience in public education and big city governance and came within a few thousand votes of being elected mayor of Chicago in 2023. That, and he's a thoughtful and decent man. — John Knoerle, Shorewood, Wisconsin

Layoffs in response to AI use

In response to reporting on Coinbase cutting 14% of its global workforce while pivoting toward artificial intelligence, a deeper imbalance is becoming clear. I work in information technology, and I see the human cost of this shift every day. In Mary Shelley's

"Frankenstein," the tragedy isn't the creation — it is the creator's abandonment.

Today, tech companies embrace AI's efficiencies while shedding the very workers who built the foundations of these systems. This is not innovation; it is displacement without responsibility.

This year, tens of thousands have lost jobs even as AI investment accelerates. When corporations prioritize self-enrichment over absolute justice, they ignore the dignity of labor. This is not a technological inevitability — it is an unjust transfer of wealth.

We urgently need a framework for equitable distribution of AI's benefits, ensuring progress serves human welfare rather than just a few shareholders.

When economic gains are concentrated and social costs ignored, instability follows. We are not witnessing a "machine threat," but the consequences of institutional neglect. If progress continues without moral accountability, the damage will not be theoretical. The real risk of AI is not what it creates, but the socioeconomic ruin of the people it leaves behind.

— Ahmed Khan, Kokomo, Indiana

Amateur philosophers' views

I have to respond to Larry Geraghty's letter regarding Gov. JB Pritzker and abortions ("Obsessed with abortion," May 11). Does he believe that life begins at conception? I was taught that the Bible says life begins at first breath.

Not only that — Numbers 5:1-32 addresses the unborn, as does Exodus 21:22-25. It seems like the pseudo-Christian/amateur philosophers want to hold the rest of us to vague, amorphous explanations of when life begins.

How many of these guys, who revere life, volunteer to work with abandoned children — especially those with profound disabilities — in the foster care system?

To me, it's these amateur philosophers, who are so sure about what the Bible says, who are obsessed with abortion.

— Robyn Michaels, Chicago

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OPINION

Antisemitism Right and Left



UNRULY REPUBLIC
By Barton Swain

An "antisemitism problem" exists on both the left and the right, according to the latest political cliché. Like most clichés, this one contains truth, but its expression sounds like an excuse to keep quiet and do nothing. Jew-hatred thrives in some precincts more than others, and for reasons nobody fully understands it does so more among the credentialed and allegedly better-educated Americans than it does among the rest. What makes antisemitism in the 2020s so menacing isn't its ugliness or brutality but its subtlety and intellectual appeal, its expression by glib journalists and kaffiyeh-wearing postgraduates using big terms they don't understand: "Zionism," "genocide," "occupation."

The zeal with which a sizable part of the Democratic primary-voting electorate fixates on the Jewish state—a sliver of a country on the other side of the world—defies explanation. Even granting some of the cockamamie claims about Israeli actions in Gaza and the West Bank, lots of countries around the world commit ill deeds. Why the obsession with Israel but not Myanmar or Sudan? Why such expressive pity for the Palestinians but none for the Uyghurs?

That Democratic candidates so readily go along with it also astonishes. When Scott Wiener, a California state senator running to replace Rep. Nancy Pelosi, balked at saying Israel

had committed genocide, the audience before him jeered. Mr. Wiener, a Jew raised in New Jersey, later posted a video of himself explaining his hesitancy and avowing that, yes, Israel had committed genocide.

In Michigan, Abdul El-Sayed leads in the Democratic primary for a U.S. Senate seat and campaigns with Hasan Piker, an online influencer. Mr. Piker openly praises the Oct. 7, 2023, Hamas attacks on Israel and says it "doesn't matter" that Hamas terrorists raped their victims. Yet state Sen. Mallory McMorrow, Mr. El-Sayed's competitor for the nomination, can't raise herself to call Mr. Piker an antisemite. "I don't think that he is. I think he gets dangerously close," she told Jewish Insider. Then the obligatory excuse-making: "I think there is justifiable anger at the ongoing war."

Count U.S. Rep. Josh Gottheimer of New Jersey among the few elected Democrats willing to acknowledge the existence of an antisemitic menace on the left. His Democratic colleagues express disgust with Mr. Piker, Mr. Gottheimer writes in the New York Times, "yet they'll say nothing about it in public." Mr. Gottheimer picked the right audience: A day later the Times published a preposterous op-ed by Nicholas Kristof in which he reports as credible several obvious lies, among them the allegation that Israeli prison guards train dogs to rape Palestinian inmates—a claim suggesting Mr. Kristof knows as much about dogs as he does about international affairs. Ordinarily you could forgive

the reluctance to find fault with political allies and ideological co-belligerents, but tactical silence becomes morally noxious at a time when synagogues require armed guards and Jews rightly fear to walk the streets of big cities. Often lately I have thought of a sentence in Patrick Leigh Fermor's "A Time of Gifts," his account of traversing Europe on foot in the early 1930s. He recalls conversations at a Bavarian inn that "reflected

To speak plainly about Jew-hatred in one's own party is hard. It's also a duty.

opinions which ran from the total conviction of party members to the total opposition of their opponents and victims; with the difference that the first were loud and voluble while the second remained either silent or non-committal until they were alone with a single interlocutor."

That so many in America's Democratic classes claim to fear the onset of "fascism" but consistently ignore or euphemize historical fascism's vilest component is one of the saddest ironies of our age. Despite what a distressing number of credentialed Americans appear to think, antisemitism doesn't burst onto the scene ex nihilo with pogroms and Nuremberg Laws. It begins with specious theories and disingenuous arguments advanced by people who believe themselves incapable of bigotry. Which is another reason

the claim that antisemitism exists on both sides of the ideological divide, though true, misleads. Many Republican officeholders and conservative writers and pundits have inveighed against Candace Owens for her idiotic pronouncements about Jews and against Tucker Carlson for his about "Israel." Sen. Ted Cruz regularly censures Mr. Carlson for his dark conjectures and, indeed, appeared on his podcast for that purpose. By sickening contrast, Nadia Spiegelman, an editor at the Times, and Jia Tolentino, a writer for the New Yorker, giggled their way through an interview with Mr. Piker.

Acknowledge, though, that Democratic politicians and liberal scribblers have more to lose than their conservative counterparts do by speaking candidly about Jew-hatred in their own ranks. If Mitch McConnell or Ben Shapiro deprecates the views of right-wing anti-Israel podcasters, as both have, some costs may accrue, but his career and reputation will remain intact.

Liberals, and especially Democratic politicians, can have no such expectation. So firmly has aversion to Israel and "Zionists" ensconced itself in places of prestige—elite universities, top newsrooms and publishing houses, cultural institutions—that any Democrat bold enough to talk plainly about it can expect to lose friends, influence and maybe a primary election. But better, for the sake of conscience and country, to speak loudly and volubly than to remain silent or noncommittal.

AOC Could Turn Back the Blue Wave

By Karl Rove

Why shouldn't Democrats be confident of a big midterm sweep in November? Part of it is the latest battle in America's redistricting wars. The Virginia Supreme Court ruled last week that Democrats violated state law in ramming through their plan to turn the commonwealth's congressional delegation from a 6-5 Democratic majority to 10-1. This leaves the GOP with a clear advantage from this cycle's gerrymandering shenanigans that might help Republicans avoid losing the House.

In the Senate, Democrats not only would have to carry North Carolina's competitive open seat. They'd also need to net at least three other GOP seats by some combination of defeating Republican incumbents in Alaska, Maine, Nebraska, Ohio and Texas and swiping Iowa's open GOP seat, while holding their own open seats in Michigan and New Hampshire and defending a Democratic incumbent in Georgia. That will be tough. Limelight-seeking Democrats are making the task tougher by defining the party in voters' minds as out of touch with much of America.

Near the top of the list is Rep. Alexandria Ocasio-Cortez, who is clearly eyeing a 2028 presidential bid. She has star appeal but real drawbacks. In a recent "It's Open

With Ilana Glazer" podcast, she revealed just how far she is from the mainstream.

AOC blamed opposition to open borders on a "deep racism" and the "impulse . . . to feel like there is another class of people that is below you." She said, "I don't think I'll say anything about it in public." Mr. Gottheimer picked the right audience: A day later the Times published a preposterous op-ed by Nicholas Kristof in which he reports as credible several obvious lies, among them the allegation that Israeli prison guards train dogs to rape Palestinian inmates—a claim suggesting Mr. Kristof knows as much about dogs as he does about international affairs. Ordinarily you could forgive

Bumptious radicals like her are the GOP's best hope in a tough midterm election.

She believes no one can earn a billion dollars legally. "You can get market power, you can break rules," she says. "But you can't earn that." Tell that to the tech, finance, and entertainment gazillionaires who fund Democratic campaigns, starting with George Soros, Tom Steyer, and Illinois Gov. J.B. Pritzker. At what point should anyone's earnings become illegal? Wherever you set the line, it sets a dangerous precedent.

Ms. Ocasio-Cortez also waxed paranoid, asking "who do you think is next" after immigration officers have "rounded up every person in the country." She asserted that the government wants

"to scan your face and put it in a system" if "you want to protest."

As for Republican voters, "they're not red, they're oppressed," she says. In the tradition of Barack Obama ("They get bitter, they cling to guns or religion or antipathy toward people who aren't like them.") and Hillary Clinton ("basket of deplorables"), Ms. Ocasio-Cortez suggests people in rural America and other red regions make easy marks for right-wing overlords.

If she doesn't seek the presidency in 2028, perhaps she'll challenge New York's senior senator, Minority Leader Chuck Schumer. Regardless, she will be a national presence this year. She will work hard to be heard with appearances across the country.

AOC isn't the only Democrat whose utterances unsettle mainstream voters. The Democratic lineup this year is rife with kooks. Maine's Democratic Senate hopeful Graham Platner has called a local police chief "trash" for refusing to kneel during a Black Lives Matter protest and described himself as "a communist."

Mr. Platner asked online why "black people don't tip" and advised sexual-assault victims to "take some responsibility for themselves and not get so f— up they wind up having sex with someone they don't mean to." He also opined that "an armed work-

ing class is a requirement for economic justice."

For 18 years, he displayed a Nazi-style Death's Head tattoo on his chest. Mr. Platner claimed that he didn't know it was offensive until it became a campaign controversy. Then he blamed the U.S. military's culture for his decision to be tattooed with a "Totenkopf."

Mr. Platner claims he's changed and shrugs off his past comments: "I made dumb jokes and picked fights." He's trying to tone it down for November. But candidates have a way of showing who they really are.

AOC and Mr. Platner aren't the party's only problems. Many other candidates and Democratic leaders are hurling alienating left-wing comments—including New York Mayor Zohran Mamdani, and Sens. Elizabeth Warren and Bernie Sanders, and plenty of Democratic candidates for House and Senate.

Collectively, their words can shape how the public views the party. The effect could be powerful on swing voters. That crucial part of the electorate could draw a simple, politically lethal conclusion: Too many Democrats are too radical for America.

Mr. Rove was senior adviser and deputy chief of staff for President George W. Bush and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

BOOKSHELF | By Laura Vanderkam

The Benefits Of Boundaries

Inside the Box

By David Epstein
Riverhead, 304 pages, \$32

The periodic table supposedly came to Dmitri Mendeleev in a dream. Freed from the limits of the conscious world during a nap in early 1869, the Russian chemist entered a fantastical space where the elements danced around him until they assembled into the tidy arrangement that we know today. It is a great story. But as David Epstein writes in "Inside the Box," it "completely misses the true secret to Mendeleev's success."

The reality is that Mendeleev had a contract to produce a chemistry textbook. He was in a hurry to meet a deadline and had to organize the material in a way that would fit strict requirements. These limits led to his breakthrough. "He didn't need to think outside the box," Mr. Epstein writes, "so much as he heeded the right box in which to work."

"In the abstract," Mr. Epstein writes, "we often overvalue limitless freedom and choice." One survey he cites found that most people believe that "total freedom" spurs creativity. But from art to entrepreneurship, he argues, constraints can unleash rather than stifle great work: "In seeking more freedom we frequently hamper our best efforts, because what we really need are helpful boundaries."

Mr. Epstein, a journalist and the author of "Range: Why Generalists Triumph in a Specialized World" (2019), shares stories of people who either could have used more constraints or who used them wisely. The engineers who worked for General Magic, a company from the 1990s that had almost unlimited funding and some of the world's top tech talent, overrode their early iPhone-like product with features and thus couldn't produce something people would use. Without constraints, Mr. Epstein writes, "we have a deep-seated compulsion always to add."

Johann Sebastian Bach composed some of his best works by heaving to a self-imposed fugal format. (I would add that, as a church musician, Bach also benefited from the weekly deadline of Sunday.) Isabel Allende, a novelist, always begins writing new books on Jan. 8 to force her brain into creative mode. Keith Jarrett improvised his celebrated 1975 live album, "The Köln Concert," on a defective piano. The constraints of a limited instrument forced him to come up with new approaches to playing that wouldn't otherwise have been necessary.

Some of the more interesting sections of this briskly written book examine the psychological reasons why constraints can lead to creative breakthroughs. "Because the brain is naturally inclined to avoid effortful thinking and to rely instead on familiar patterns," Mr. Epstein writes, "complete freedom tends to lead to unoriginal ideas, simply repeating what is known. Constraints push the brain beyond its default tendencies, forcing it to engage in deeper problem-solving." Tell people to write a poem and they'll mostly write garbage. But give them a form to follow and they'll likely produce something more interesting. Mr. Epstein considers how a theory of constraints might make it possible for us to get more work done. Since attention is finite, for instance, many of us would benefit from the artificial constraint of leaving our phones in the other room and checking email less frequently. He also recommends limiting a given day's to-do list. Mr. Epstein used to make long lists that compelled multitasking and induced anxiety. Now, he writes, "at the top of each list is one single thing that, if accomplished, will mean it was a good day." This forced prioritizing means that he chooses something worth doing, does it and moves forward.

Bach composed best by heaving to a strict format. From art to business, constraints can unleash rather than stifle creativity.

"Inside the Box" has many fascinating stories but occasionally stretches the theme a little thin. One chapter, for instance, explores how enforceable, objective contract rules make female entrepreneurs in Zambia more likely to partner with men, who otherwise tend to take advantage of them. But while rules against theft and fraud might technically be constraints, they aren't quite the same thing as the creative constraints celebrated elsewhere in the book. It is hard to picture many people arguing against rules prohibiting fraud in the same way they might object to limits on their freedom for the sake of creativity.

Mr. Epstein says only lip service to the idea that constraints aren't always beneficial. "It goes without saying," he writes, "that constraints can be harmful—too little time, too little money, too little autonomy." Elsewhere he notes that "it would be ludicrous to suggest that all constraints are creatively generative." But he quickly moves on to discuss bloated, overfunded companies without much consideration of the great businesses that never got started because someone lacked access to capital and connections.

Mr. Epstein writes at length about how Virginia Woolf used creative constraints to develop her modernist novels. But he doesn't pursue her idea that "a woman must have money and a room of her own if she is to write fiction." There are many novels that don't exist because the would-be author didn't have a babysitter. When Mr. Epstein laments the "excessive autonomy I constructed for myself," it is hard not to cringe thinking of the many people in this world whose lives truly would be better with fewer constraints.

Still, Mr. Epstein is correct when he writes that smart limits can be helpful in a world where "freedom and choice have proliferated." When everything is an option, nothing is. Rather than try to learn about the world through the entirety of the internet, one might choose, say, to read five newspaper articles in the morning. "When exploration is too free," Mr. Epstein writes, "it becomes difficult to learn anything at all." Boxing ourselves in may be the ultimate way to think outside the box.

Ms. Vanderkam's books include "Big Time: A Simple Path to Time Abundance" and "Tranquility by Tuesday: 9 Ways to Calm the Chaos and Make Time for What Matters."

The Lai Family, Cursed by Communism

By Jillian Kay Melchior

First there was the thwarted assassination plot against Hong Kong publisher Jimmy Lai in 2009. Then someone left a hatchet and knife on the family's doorstep in 2013. Two years later, when Mr. Lai's youngest daughter, Claire, was a teenager, masked assailants fire-bombed their home. Her parents made sure she knew how to use a fire extinguisher, which was very heavy. She knew her dad was "extremely protective," she says. "He wasn't scared, so we weren't, either."

Claire and her family feel a mix of hope and fear this week as President Trump heads to China. Hong Kong's national-security law forbids dissent, and in February a court sentenced Mr. Lai, the city's best known dissident, to 20 years in prison. Mr. Trump says he'll raise Mr. Lai's plight with Xi Jinping.

"I'm so incredibly grateful that President Trump has taken such a strong interest," says Sebastian Lai, Claire's elder brother. "The dream is to see him with my father on Air Force One." He adds that "there aren't that many more opportunities for my father to be freed, given his health."

Reflections from the children of Hong Kong's imprisoned dissident publisher.

Mr. Lai, 78, has diabetes, heart problems, debilitating back pain, and chronic infections that suggest a failing immune system, his daughter says.

In 2020 Hong Kong authorities also arrested two of Mr. Lai's other sons and released them on bail. They remain in Hong Kong, and for a

time authorities forced them to check in regularly with the police. The government seeks to seize some \$16 million in Mr. Lai's assets. For advocating for their father's release, Claire and Seb risk arrest if they ever return home.

The Communist Party has tormented the Lais for generations. In mainland China, Mr. Lai's wealthy father lost everything when the party came to power. He unsuccessfully attempted suicide, then fled to Hong Kong, leaving his family behind, according to Mark Clifford's biography of Jimmy Lai. Mr. Lai's mother was forced to wear a dunce cap and kneel on broken glass and "was periodically sent to what Lai called a labor camp," Mr. Clifford writes.

Jimmy Lai was 12 when he escaped to Hong Kong, and "the rest is history," he told me in 2019. He's a self-made man, but he credited Hong Kong for giving him the op-

portunity. He had a British passport but was agast at any suggestion that he could leave as political trouble was impending. "That's just not moral integrity," he said in 2019. "It's impossible. . . . If I do that, my kids, my grandkids would despise me. My wife will despise me."

Claire and Seb said this week they're proud of their father, and I imagine he is equally proud of them. When Mr. Lai speaks of faith, you feel to Hong Kong being invited to partake in a noble mission, not lectured at, and Claire shares his gentle sincerity on the topic. Seb mirrors his father's courage and clarity as he condemns what the Communists have done in Hong Kong. They carry a profound legacy. I hope Mr. Trump can ensure it isn't yet an inheritance.

Ms. Melchior is a London-based member of the Journal editorial board.

OPINION

REVIEW & OUTLOOK

The Truth About Hamas

Reading "Silenced No More," the new report by the Civil Commission on October 7th Crimes by Hamas Against Women and Children, we were transported back to Oct. 27, 2023, and a screening of the raw footage of Hamas's atrocities. The mouths of journalists were agape, but time dulls horrific reality.

The new report is a catalogue, for memory's sake, of Hamas depravity. Testimony from site after site attests to rape and assault. Screams and pleas. Gunshots to the face and genitals. Mutilation. Burning. Bodies naked, legs spread. Grotesque scenes staged. All forming an evidentiary record, the result of more than 10,000 photos and video segments and more than 430 interviews, testimonies and meetings with survivors, witnesses and experts.

"I saw them raping her," says Raz Cohen, who escaped the Nova Music Festival where 396 people were slaughtered. "Then they murdered her. And then they raped her again."

Eden Wessely, who came to Nova to rescue a friend, found and filmed a naked, burned body. "Her dress was pulled up, and she wasn't wearing underwear, not because it burned, because there was no trace. . . . Her legs were spread. Her genitals were exposed." A review by forensic pathologists confirmed these details.

Yoni Saadon recounts another horror: "She fell to the ground, shot in the head, and I pulled her body over me and smeared her blood on me so it would look as if I was dead too. . . . I will never forget her face. Every night I wake to it and apologize to her, saying 'I'm sorry.'" Later he saw "a beautiful woman with the face of an angel and 8 or 10 fighters beating and raping her." The last one shot her in the head. Each example here is of a civilian non-combatant.

A male says he was gang-raped at the Nova site, providing medical records and a detailed account: "They laughed, they were really pleased, as if I was their sex doll." The Hamas invaders had been given operational materials including Arabic-to-Hebrew phrase lists such as "take off your pants/take your clothes off," "lie down" and "spread your legs." The planned sexual degradation speaks to years of Palestinian propaganda that treats Jews as sub-human.

Sexual abuse continued for hostages, who are on video being groped and humiliated during abductions. In one video, a female hostage begs for her life while the narrator says, "This is one of the Jewish dogs."

Former hostage Ilana Gritzewsky says, "one terrorist started touching me; he put his hand under my shirt and started sliding it down my leg. That's when I fainted." On waking, she was "surrounded by Hamas people, my shirt up here, my pants down here." After being freed, she learned they had broken her pelvis.

Romi Gonen tells of 16 days of assault. Arbel Yehud says she was assaulted throughout her 482 days as a hostage. Two former hostages, minors who are family members, "reported that they were forced to perform 'sexual acts on one another.'"

We regret having to relate such details, but it is crucial to remember when the understandable human impulse is to forget such horrors. All the more so because the sexual violence by Hamas has been aggressively denied by an anti-Semitic global left that wants us to forget. Everywhere denial serves the same purpose: to distort Israel's defensive war as if it were wanton violence. Such deniers prefer anything to reminding the world why Israel has no choice but to fight for its life.

Documenting its rape, torture and mutilation on Oct. 7 and after.

Pennsylvania's New Education Hope

Too many of Pennsylvania's public schools are failing students, but private options can be a lifeline—if families can afford it. Democratic Gov. Josh Shapiro has worked against school choice, but the good news this week is that hundreds of Keystone State children will get that lifeline.

The Yass Prize, founded by Susquehanna co-founder Jeff Yass and his wife Janine, announced Wednesday that it will fund scholarships for 500 Philadelphia children to attend private school. The need is pressing because the city plans to close 17 district schools in 2027 thanks to declining enrollment. The 4,000 or so students whose schools are closing are eligible for the scholarships, worth \$8,000 a year through high school graduation. Scholarships are awarded first-come, first served.

Students can take the scholarships to some 16 private schools near Philadelphia that the Yass Prize organization has recognized as innovative and promising. That includes Liguori Academy, a high school that offers building trades training, and St. Francis de Sales, a Catholic elementary school.

A new school can be life-changing. Only a third of Philadelphia students were proficient in English, and a quarter in math, on state tests last year. That's the horrifying return on school district spending of about \$32,000 per student, according to the Commonwealth Foundation. District-staffing surged while enrollment

dropped 12% from 2016 to 2025.

Parents have few other options to escape, though many try. That's the takeaway from a new Commonwealth Foundation report on the state's two modest programs that offer tax credits to businesses and individuals who donate to scholarship organizations. More than 100,000 mostly lower-income children used the tax-credit scholarships in 2023-24, the most recent year with data available. But funding caps leave tens of thousands of students on waiting lists, says the report.

The average scholarship in 2023 wasn't even \$3,000. Gov. Shapiro and state House Democrats have blocked legislation to create new tuition vouchers worth much more. Lawmakers have increased funding for the existing programs, but Gov. Shapiro's 2026-27 budget request asks for that money to be allocated to public-school supplemental activities rather than private-school tuition.

The generosity of private donors helps students escape failure factories, and Gov. Shapiro can encourage more of it by expanding choice programs. At the very least he can help by opting in to the new federal tax-credit program, which takes no state money.

New York Gov. Kathy Hochul said she intends to take advantage of the federal money. Does Mr. Shapiro want to see Pennsylvanian donor money go out of state?

Private donors help Philly students, even as Shapiro turns hostile to choice scholarships.

Colorado Joins the Tax Increase Line

Colorado voters in recent years have twice rejected attempts by their Democratic Legislature to erode the state constitutional limits on taxes and spending. But Democratic lawmakers haven't given up on ignoring the voters.

Democratic lawmakers on Tuesday gave final approval to place on November's ballot a measure that would gut the state's spending limit. Colorado's 1992 Taxpayer Bill of Rights (aka TABOR) limits annual spending growth to the rate of population growth plus inflation. If tax revenue exceeds this cap, as often happens when the economy is strong, the surplus is returned to taxpayers. Refunds have averaged about \$700 to \$800 per household in recent years.

The cap imposes spending discipline on lawmakers and prevents boom-bust revenue cycles—that is, when years of strong economic growth and tax collections give way to downturns and deficits. Government unions pushed to undermine the spending and tax limits with ballot measures in 2019 and 2023. Both failed.

But unions are back for a third try. The Democratic measure would lift the spending cap by effectively removing education spending. This would raise the limit by \$4.6 billion this year and allow the state to keep up to \$37.5 billion more in tax revenue over the next decade. Say goodbye to your annual refund, Coloradans.

Democrats say the measure would raise money for education without raising taxes. Huh? Eliminating taxpayers' refund is an effective tax increase. Plus, the measure would embolden Democrats to raise taxes since they wouldn't have to return the resulting revenue that exceeds the cap to taxpayers. They could keep and spend it.

The measure amounts to an income transfer from taxpayers to politicians and their government union allies. The extra spending cash

wouldn't be strictly earmarked for education, but the teachers' union would benefit since the measure would require some of it to fund teacher raises and to hire more teachers.

If voters approve the measure, the only remaining check on the tax-and-spending ratchet in Colorado would be a TABOR requirement that voters approve tax increases. But Democrats have weakened this restraint by disguising tax hikes as "fees." They dubbed an eight-cent a gallon increase in the gas tax a "road usage fee."

Taxpayers sought to place a measure on the November ballot that would limit the Legislature's ability to creatively redefine tax hikes as fees, but the referendum was blocked this spring by the state's Democratic Supreme Court. All seven Justices were appointed by Democratic Governors.

Progressive are also seeking to qualify a measure for the November ballot that would replace the state's 4.4% flat tax with a graduated income tax with a top rate of 8.4% on income over \$1 million. Colorado, which ranks 33rd in the Tax Foundation's state tax competitiveness rankings, could soon join the race to the fiscal bottom with California, New York and Illinois.

The left in Colorado hopes to take advantage of expected high Democratic turnout in the November election. One after another in recent years, states dominated by Democrats and public unions have moved to raise taxes again and again: California, New York, Massachusetts, Rhode Island, Maine, Washington, and now Colorado. For government unions that run these state capitals, it's never enough.

LETTERS TO THE EDITOR

Is It Time to Abandon Ship on the Jones Act?

Your editorial "Trump Halts the Blockade of U.S. Ports" (May 6) almost got me excited about the potential of scrapping the 1920 Jones Act—a "rustied-out hulk of a law"—and developing "a maritime policy rooted in 21st-century realities," to quote the Cato Institute's Colin Grabow.

The law's goal of promoting national self-sufficiency in shipbuilding has been met with fleet shrinkage. It maintains a protectionist framework that harms businesses and consumers.

Regarding national security, the Defense Department relies heavily on global supply chains, buying weapons and components from foreign suppliers. Why not ships?

The temporary waiver is helping U.S. oil supply by allowing foreign vessels to deliver crude oil to domestic refineries. Under the Jones Act, it can be cheaper to ship crude oil from the Gulf Coast on a foreign flagged carrier, refine it in Europe and then ship the finished product to the U.S. East Coast. Talk about inefficiency. Think of what a total repeal would do for the price of oil and other commodities. If a law needs to be temporarily suspended every time there's a global crisis or major storm, perhaps the law is the problem.

I had the pleasure of working with the late Sen. John McCain, a staunch opponent of the Jones Act, on his quest for repeal. He couldn't overcome the opposition, including the powerful maritime unions, and called himself the patron saint of lost causes. That's why I almost got excited about permanent repeal—the deck is stacked against us. But please

run the editorial again in future editions; hurricane season is nearing.
CHARLE DREYNA
McLean, Va.

Your editorial is right that America faces real energy and supply-chain pressures as a result of the conflict in the Strait of Hormuz. But waiving the Jones Act is the wrong response.

Washington warns of China's maritime dominance, yet the administration has opened domestic shipping routes to Chinese competition.

The U.S. Trade Representative's office last year concluded that China's unfair practices in shipbuilding and maritime logistics threaten American interests. Reuters reported that China's share of global shipbuilding has risen from about 5% in 2000 to 50% today, while the U.S. share has fallen below 1%.

The Jones Act was designed to preserve a domestic maritime industrial base and a pool of American mariners available during war or national emergencies. Even many critics of the law concede that maritime capacity is tied to national security.

Supporters of the waiver argue it could reduce costs for fuel and other commodities. But the price effects are likely limited and temporary.

The law allows for specific voyage-based waivers when Jones Act vessels aren't available, but broad waivers that weaken domestic shipping while China expands its maritime dominance move the country in the wrong direction.

GARRETT RICE
President, Master Boat Builders
Coden, Ala.

Two Sides of the Medication Abortion Debate

Regarding Sierra McClain's op-ed "Mifepristone as a Tool of Coercion" (May 5): While claims of men allegedly using mifepristone to terminate pregnancies without women's consent are horrific, they represent a tiny fraction of the medication's use.

Over a million women in the U.S. accessed abortion care last year, and medication abortion accounts for about 65% of total abortions. It is safe and effective. To suggest that we should remove mail access for millions of women because of a few allegedly criminal acts is a disproportionate response that resembles collective punishment more than sound healthcare regulation.

CAROLYN KENNEDY
Boston

I agree with Ms. McClain that we should demand "a return to basic medical standards" for this prescription. Planned Parenthood staff told me abortion drugs were "the easy

way" to end my pregnancy. It would be like a heavy right, they told me. Boy, were they wrong.

I was alone when I had my abortion. The pain was beyond anything I'd ever experienced. I bled profusely, shook violently, sweated and suffered nausea and diarrhea.

Then came the worst part: I passed the amniotic sac. Planned Parenthood didn't warn me that I would see my recognizable baby or have to flush the tiny body down the toilet.

I've undergone years of counseling to work through the pain. I still suffer from nightmares and post-traumatic stress disorder.

No woman should have to go through that. She should be empowered with options and informed about the truth of abortion drugs. At minimum, the FDA must restore and enforce the safety standards for mifepristone.

ELIZABETH GILLETTE
Salem, Ore.

The Sunshine State Leads on School Choice

In her column "The Red-Blue Economic Divide" (Potomac Watch, May 8), Kimberley A. Strassel reports that "Texas last year implemented the largest school-choice program in the nation, joining a sweeping universal-choice movement." While the new Texas scholarship program holds the title for the largest initial investment (serving about 96,000 students in its inaugural year), the Lone Star State still has a long way to go to catch up with Florida's scholarship programs (serving about 540,000 students).

Kudos to Texas for earning Rookie of the Year accolades, but Florida remains the School Choice Most Valuable Player. This is a big reason many people think the GBOAT (Greatest Bush Of All Time) isn't one of those ex-presidents from Texas, but is instead the former Florida governor and school-choice champion— Jeb!

WILLIAM MATTOX
James Madison Institute
Tallahassee, Fla.

At Goodwill, Ex-Offenders Get a Second Chance at Life

Thank you for Andy Kessler's column on the great contribution Goodwill Industries is making in helping people get their lives in order after prison ("All the Good From Goodwill," Inside View, May 11). The U.S. needs more workers, but ex-offenders have a difficult time getting jobs. While many Americans are interested in social justice, we're often not serious about giving fair shots to people who have paid their debt to society and are eager to work. What's the economic case for second-chance hiring? What's the ethical case? Goodwill is answering questions like these as well as any re-entry program in the country.

MITCH PEARLSTEIN
Eden Prairie, Minn.

Pepper ... And Salt

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"That shark has the ego of a megalodon."

OPINION

Taiwan Is the Key to AI Dominance

By Alexander Benard
And David Feith

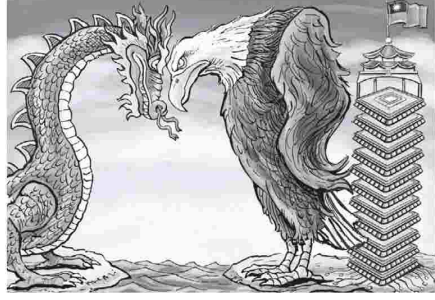
As President Trump prepares for his summit with Xi Jinping, Taiwan is often described as one more negotiable item in a crowded U.S.-China agenda that also includes tariffs, rare earths, Iran,entanyl and export controls. That is a mistake. Taiwan isn't merely another file in the U.S.-China relationship. It has grown beyond even its traditional role as a lonely outpost for democracy and a vital test of American strategic credibility. Thanks to tech and market developments so recent that they were largely invisible during Mr. Trump's first term, the island is now also the factory floor for U.S. leadership in artificial intelligence.

Mr. Trump has rightly put AI dominance at the center of his national strategy. AI will shape economic growth, military advantage, medical innovation, intelligence collection and geopolitical influence. But America can't win the AI race if it treats Taiwan as a bargaining chip. For the foreseeable future, Taiwan's autonomy is a prerequisite for U.S. AI dominance.

The island is much more than a bargaining chip. It's the center of the world's most important tech stack.

AI doesn't live in the cloud; it lives in fabs, packaging plants, memory stacks, substrate lines, testing facilities and server factories. AI has a geographic map. Its most important point, other than America itself, is Taiwan. Taiwan's importance to U.S. and allied economic strength may be without historical precedent: a relatively small island that anchors the world's most important technology stack. Yet neither markets nor policymakers seem to appreciate the risk fully.

Taiwan Semiconductor Manufacturing Co., or TSMC, fabricates roughly 90% of the world's most advanced semiconductor chips. Even



that striking number vastly understates the U.S. and allied dependency. It can leave the impression that Taiwan's role is mainly a chip-fabrication problem—and that a few advanced chip-making fabs on TSMC's new campus in Arizona can solve it. They can't.

Advanced AI systems require leading-edge logic chips but also advanced packaging, high-bandwidth-memory integration, chip-on-wafer bonding, substrate integration, testing, module assembly and server-level integration. Packaging technologies such as CoWoS (chip on wafer on substrate) are what combine advanced chips and high-bandwidth memory into the processors that train and run frontier AI models at scale. Packaging is no longer the back end of the semiconductor business but a front line.

This is why the current debate about "onshoring" can be dangerously misleading. TSMC's investment in Phoenix is a major achievement. So are new semiconductor investments elsewhere in America and in places like Japan. They will make the U.S. and its allies more resilient. This sort of building should be accelerated.

But facilities like the one in Phoenix are a down payment, not a solution. This point was underscored in October, when Nvidia and TSMC celebrated the first Nvidia Blackwell wa-

fer produced at TSMC's Phoenix fab. It was a milestone. But before U.S.-made Blackwell wafers can become usable AI systems, they still must journey back across the Pacific for CoWoS advanced packaging and high-bandwidth-memory integration that can be done only in Taiwan.

The packaging firm Amkor's planned Arizona campus is a welcome step to complement TSMC's Phoenix fabs and bring more of the AI-chip manufacturing chain onto U.S. soil. But it also proves the continued importance of Taiwan. Production isn't expected until 2028, and one packaging firm in Phoenix is a major achievement. Taiwan's overwhelming lead in CoWoS capacity, high-bandwidth-memory integration, substrates, testing specialists and yield engineering.

The Trump administration appears to recognize this reality, and has moved aggressively to integrate Taiwanese industry further into the American AI ecosystem. Through a combination of trade pressure, investment agreements and industrial policy, it has accelerated unprecedented Taiwanese commitments to build advanced semiconductor and AI infrastructure on U.S. soil.

Still, Arizona can't become Taiwan overnight—or even over a decade. Taiwan's advantage isn't merely one company or one factory. It is the cluster: foundries, packaging houses, sub-

strate suppliers, materials firms, equipment engineers, testing specialists, design-service providers and process experts operating in close proximity. That density shortens iteration cycles, improves yields, accelerates ramp-up and compounds tacit knowledge. Decades of operational learning can't be bought instantly, even with generous subsidies and political urgency.

True AI-hardware independence would require far more than fabs: comparable leading-edge manufacturing in the U.S. and allied countries, scaled advanced-packaging capacity, high-bandwidth-memory integration, advanced substrates, domestic or allied materials supply, testing and assembly ecosystems, equivalent yields and genuine design portability across foundries. That is a long-term project—urgent, necessary and measured potentially in decades.

Mr. Xi understands that control over Taiwan would give Beijing both a military advantage and a chokehold on the physical infrastructure of the AI age. China wouldn't need to operate every plant flawlessly to throw the global AI ecosystem into crisis. The mere prospect of coercive control, disruption or selective access would upend the balance of technological power.

That is the backdrop of any Taiwan talk that comes up at the Trump-Xi summit. America can reproduce fabs as well as the packaging, bonding, testing, integration and supplier ecosystems around them, Taiwan's autonomy will remain indispensable to U.S. interests.

A country determined to win the defining technological race of the century can't allow its chief rival to control the industrial base on which that race depends.

Mr. Benard is a senior managing director at Cerberus and an adjunct fellow at the Hudson Institute. Mr. Feith is a senior fellow at Hudson. He served on the State Department policy-planning staff and as deputy assistant secretary of state for East Asia (2017-21) and White House senior director for technology and national security (2025).

The Real Story of the OpenAI Case

By Judith Chevalier
And Sarath Sanga

Closing arguments in Elon Musk's lawsuit against Sam Altman are scheduled for Thursday. Mr. Musk argues that OpenAI breached its founding contract as a nonprofit when it restructured itself as a for-profit enterprise. The real story is the way the attorneys general of Delaware and California allowed it to do so. They approved a transfer of billions of dollars in charitable assets—accumulated under public tax privilege, for public benefit—to private shareholders, with no public accounting of the value and only a perfunctory record of the terms.

OpenAI was founded as a nonprofit in 2015. To attract capital, it created a for-profit subsidiary in 2019; Microsoft and others lined up to invest. To preserve the nonprofit's charitable mission, returns to those investors were capped, and profits above the cap would flow back to the charity. In 2025, however, the cap was removed. The result is the largest transfer of charitable assets to private hands in American history.

At the time of restructuring, the for-profit subsidiary was already the world's most valuable private company, worth more than \$500 billion. It's fast approaching a trillion-dollar valuation. Microsoft's stake is 27%; the nonprofit's is—for now—26%.

State attorneys general ignored taxpayer interests and waded through its conversion to a for-profit.

When a nonprofit "converts" to a for-profit, states ordinarily require the attorney general to make sure the charitable assets are carefully accounted for and paid for by their new owners. Standard practice requires an independent appraisal, public hearings with standing for affected parties, and an independent successor foundation that receives full value for the converted assets.

The OpenAI restructuring had none of that. Neither attorney general held public hearings or published a valuation. Instead, they approved it with a six-page memo and a hope for the best.

The real loser, as ever, is the taxpayer. When OpenAI organized as a 501(c)(3), it accepted the familiar terms applying to nonprofits: The organization wouldn't pay tax on its surplus, and donors would deduct their contributions from their own taxable income. The underlying premise of the deal was that the assets accumulated under those terms must remain devoted to the charitable purpose for which the privilege was granted. In OpenAI's case, that purpose was, by its own charter, ensuring that artificial general intelligence "benefits all of humanity."

It's a lovely sentiment. Meanwhile, 10 years of tax-free compounding have turned hundreds of millions in deductible donations into private equity worth hundreds of billions. Taxpayers don't even know how much they've lost.

OpenAI's president testified that the foundation "remains a nonprofit." In name only. The nonprofit and the for-profit are controlled by the same people—seven of the nonprofit's eight directors are voting members of the for-profit's board.

Nonprofit conversions are nothing new. Between 1991 and 2003, Blue Cross Blue Shield plans across the country attempted similar conversions. Some went well. Some were disastrous. California's became a success, but only after the original deal was reversed. In 1993 Blue Cross of California transferred nearly all its assets into a for-profit subsidiary—the same move OpenAI made. The regulator initially approved a deal that valued the assets at less than 1% of their actual worth.

It took more than three years of public pressure, multiple hearings, a dogged legislator and a regulator willing to reverse his predecessor to force a do-over. The public eventually got back more than \$3 billion—a record at the time. The public stakes in the OpenAI case are hundreds of times as large.

The next "nonprofit" AI company is being structured right now. Whether the public has any meaningful claim on what comes out of it shouldn't depend on which billionaire wins in court. State attorneys general are supposed to ensure that charitable assets are used for charitable purposes. In OpenAI's case, they didn't.

Ms. Chevalier is a professor of finance and economics at the Yale School of Management. Mr. Sanga is a professor at Yale Law School.

You Can Teach an Old Drug New Tricks

By Christopher Snyder
And Sarrin Chethik

Heart disease has killed more Americans than any other condition for decades, claiming nearly a million lives a year. One of the most important advances against it came not from a new drug but a repurposed 19th-century painkiller. Aspirin was introduced in 1899 for fevers and aches, and it quickly became one of the world's most widely used drugs. In the 1950s, a California physician, Lawrence Craven, observed that aspirin increased bleeding in his patients. He hypothesized that the drug might reduce blood clotting and thus prevent heart attacks.

Twenty years later, researchers began properly testing aspirin for this use and confirmed its effectiveness. Today, one aspirin a day reduces the risk of a second heart attack by an average of 20% for millions of Americans each year.

Aspirin's second act is a powerful example of generic drug repurposing—the discovery of new uses for long-approved, off-patent medicines. It also reveals the hurdles that prevent promising ideas from reaching patients. Without Craven to push the idea forward, aspirin's cardiovascular benefits might have gone unnoticed. Even after the insight emerged, it took years to secure the funding for clinical trials to establish aspirin's effectiveness against heart attacks.

America's system of pharmaceutical regulation treats generic-drug repurposing as serendipity rather than strategy. Once a drug's patents expire, its profit margins are too small to justify the investments required for additional private research. Even when research reveals a potential new use, adoption often remains slow. This means we relegate ourselves to relying on the goodwill of physicians like Craven and piecemeal grant funding to uncover new uses and facilitate their adoption.

In 2016 metformin, long used to treat diabetes, showed promise for treating multiple sclerosis. A decade later, follow-up research remains slow and incomplete. The cholesterol drug fenofibrate is another example. In 2007, it showed encouraging evidence for slowing a common form of vision loss associated with diabetes. The results were strong enough to affect clinical practice in Australia and the

Aspirin prevents heart attacks, and good policy could give other generic drugs a second life.

U.K. Yet no one has completed the additional studies that U.S. regulators require. As a result, fenofibrate remains largely unused for that purpose in America.

There are scores of other examples, and new research by University of Chicago economist Eric Budish and coauthors suggests that a lack of stronger market incentives has left hundreds of opportunities for generic drug repurposing on the shelf.

Better policies could unlock those opportunities. The Trump administration has taken important initial steps by releasing a report that includes drug repurposing in its strategy to treat chronic diseases and save costs. The Food and Drug Administration this week began soliciting input on ways to advance drug repurposing.

The next step is to back this vision with policy changes. The first step is more public funding, structured to maximize its power to encourage generic drug repurposing. Unlike traditional grants, which pay upfront for research regardless of whether it succeeds, so-called pull funding rewards results. This is similar to how the patent system encourages the development of new drugs—companies in-

vest knowing they will earn returns only if their drug works and is adopted. For generic repurposing, pull funding rewards researchers only when a generic drug proves it delivers benefits for a new use and is adopted for that use. That motivates researchers to work on the most promising candidates, invest in large trials capable of changing medical practice, and drive clinical adoption.

Public institutions are well-positioned to deploy pull funding. Medicare, Medicaid and other public insurers save money when low-cost drugs replace expensive treatments or prevent disease. To motivate research, the insurers could promise a portion of the realized savings to the researchers who drove the discovery. Research agencies like the National Institutes of Health could dedicate some pull funding to repurposing research.

Regulatory reform would also help. The FDA could modernize the process to ensure drug labels include all evidence-backed uses, which are

Inspired by Sports Movies

By Mike Kerrigan

Every generation looks on the next and laments that it has lost something good. It's a perk of aging. I recently noticed a loss that surprised me: Classic sports movies don't motivate my children as they do me.

While jumping rope in my garage, a multidecade effort to lose my freshman 15, I blasted "Eye of the Tiger," rock band Survivor's unforgettable theme song from the 1982 film "Rocky III."

Suddenly my son Finn, a high school junior, appeared from the house to tell me the '80s wanted his music back. It never occurred to me the heart-pounding reminder not to grow complacent wouldn't hit him, as his generation puts it, in the feels.

After a lacrosse game, my youngest son, Jack, said he wanted more playing time. Grabbing my iPhone, I made the freshman watch a memorable scene from the great coming-of-age wrestling movie "Vision Quest" (1985), right at the dinner table.

Protagonist Loudon Swain, a high-school senior, can't fathom why Elmo, an older and impecunious cook at the hotel where they're both employed, is missing work to watch him wrestle.

"It's six lousy minutes on the mat, if that," Swain insists. "It ain't the six minutes," Elmo replies. "It's what happens in that six minutes." My eyes watered at the apt metaphor for life and making the most of what you're given; Jack said

something admittedly funny about six minutes he'd never get back.

Before her job interview, I sent my 21-year-old daughter, Hope, a link to the 2004 movie "Miracle," specifically to hockey coach Herb Brooks's speech to the 1980 U.S. men's Olympic team moments before they take the ice to face the vaunted Soviets. I heard nothing back. If she got goose-bumps at Brooks's command, "Now go out there and take it," the way I do, it was due to the local Colorado weather.

One show of indifference was chance, two was coincidence, but this last dismissal made me see the problem. Now I realize it's always been this way with all of my children. On restaurant outings I have pulled up a scene from the cinematic gem "Hoosiers" and gotten choked up while my kids prayed I wouldn't still be blubbering when the waiter came.

G.K. Chesterton nailed it when he said "the great Gaels of Ireland are the men that God made mad, for all their wars are merry, and all their songs are sad."

Perhaps these sentimental tears will run dry in the next generation. Or perhaps they haven't lived enough yet. Another perk of aging is, one hopes, seeing your kids have kids. Then they'll have their own complaints and look to me for support. I'll be in another room, crying through "Rudy" (1993) for the millionth time.

Mr. Kerrigan is an attorney in Charlotte, N.C.

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The FT View



FINANCIAL TIMES

"Without fear and without favour"

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A battle for the soul of Labour

Challenge to Starmer is a perilous moment for the UK and its standing

Westminster wore two faces yesterday. One was the reassuring tradition and regal pageantry of the state opening of parliament, as King Charles articulated the government's programme for the next year. The other a House of Commons abuzz with speculation that the prime minister will not be in place to see any of it enacted. Two years after Sir Keir Starmer's Labour came to power promising to avoid the repeated leadership changes and "psychodramas" of the Conservative era, Labour has plunged into its own psychodrama.

The recent past may have lowered the bar for changing leaders in the minds of many voters and MPs. But it is also clear that the prime minister's authority has ebbed away. If, as expected, a leadership contest is triggered by health secretary

Wes Streeting as early as today, then for the sake of the country and the economy, it needs to settle the issue in an orderly way that avoids further turbulence for the rest of this parliament.

After Labour's calamitous results in last week's elections to English councils and the Scottish and Welsh parliaments, many Labour MPs have concluded that Starmer cannot win the next general election. Though a decent and well-intentioned figure, he has been unable in office to display the political smarts of an instinctive politician.

It is true that the Tory inheritance was a heavy burden and the strained public finances a constraint on satisfying voters without undermining the country's fiscal position. None of Starmer's missteps – from his U-turn on welfare reform to the appointment of Peter Mandelson, a Jeffrey Epstein associate, as UK ambassador to Washington – was sufficient in itself to cost his job. But cumulatively they have left Starmer unable to marshal Labour's majority

and exercise the decisive government the UK needs.

Britain now finds itself in a moment of great peril. The gilt markets fear a more leftwing Labour leader could jettison the fiscal discipline of Starmer and his chancellor Rachel Reeves. Many foreign observers are bewildered by the image of a country that appears ungovernable.

It is not yet certain that Starmer will be ousted – he has said he would fight to keep his job – though his prospects look bleak. But the government must regain voter confidence and confront the challenge of Nigel Farage's far-right Reform party, which swept the local elections in England and is now the main opposition in many parts of the country. Good political instincts are not sufficient; a leader can only be credible if they have a coherent plan for the economy that can win market and business confidence.

Starmer's looming challenger Streeting has shown political nous as health secretary and, as someone from Labour's Blairite wing, would offer

The preferable path would be a one-shot process that settles the civil war in the party, but it should not be a drawn-out leadership contest

some reassurance to companies and investors. Challengers from the left will now be assembling the backing to enter the race. Whether we end up with a better prime minister is far from certain.

The preferable path would be a one-shot process that settles the civil war in the Labour Party, but it should not be a drawn-out process. Andy Burnham, the Greater Manchester mayor, appears to have wide support on the Labour left but the party cannot wait forever for him. A deadline should be set for Burnham to find a route back into parliament if he wants to run for prime minister.

The business community, whose support is vital if Labour is to achieve the overwhelming priority of rekindling growth, will be looking first for stability but also a commitment to fiscal responsibility and the unleashing of animal spirits in the economy. A Starmer rebrand before the last election was "Country first, party second". As Labour heads into its own convulsions, it would do well to remember this principle.

Opinion Politics

Trump confronts China's great wall of confidence



David Finkelstein

As Donald Trump and Xi Jinping meet in Beijing this week they will seek to put a positive public face on a contentious relationship. A single meeting between the two strong-willed leaders, each of whom believes his country has leverage over the other, will not solve the many intractable issues that divide the two countries. This summit is about competition management.

Some argue that the fact that the meeting is taking place at all is a positive outcome, given it has already been postponed once because of the Iran war. We can anticipate announcements of a few trade deals and perhaps the establishment of a "Board of Trade" to manage the flow of non-sensitive goods. Perhaps the leaders will also set up a new working group on AI or fresh initiatives to

ing that China's national strength, mostly its economic might, is now such that it does not have to accommodate the US without extracting its own concessions.

The widely held view in Beijing is that China is the only country that successfully faced down the Trump administration in recent trade wars initiated by Washington. Beijing hit back at the US tit-for-tat until a temporary though fragile truce was called. In Beijing's telling, Washington had to confront the fact that China had the will and the leverage to successfully push back. The US, the Chinese argument goes, must now take China's interests seriously. (Of course, the Trump administration sees it the other way around.)

Second, Chinese foreign policy specialists assess that their long-awaited multi-polar world is finally beginning to unfold – an international system in which power is diffused, US influence is diminished and China's clout is increasing. Indeed, foreign minister Wang Yi used the concept of multipolarity to anchor his speech at the 2025 Munich Security Conference.

This trend towards multi-polarity, they assert, has long been evident but is, in their view, being catalysed by the US government's own policies – from rising roughshod over some of its key allies and partners to the waning influence of US soft power due to foreign aid cuts, while Beijing continues to court the global south.

Furthermore, Chinese analysts argue that recent US military actions in the Caribbean, Venezuela and especially Iran help Beijing make the case that America is going for global instability. Chinese propaganda directed at third countries asserts that the Iran war is stressing the US military and the country's defence industrial base, even as Chinese observers express awe at US operational capabilities.

To be clear, Beijing's confidence in its own rising stature in the international system may turn out to be as aspirational as its view of an America fading into the sunset is wishful thinking.

But either way, in addition to enjoying ingratiating hospitality, Trump is going to encounter Chinese resolve on a range of issues of vital importance to US citizens and to many others around the world. Even though expectations for dazzling deliverables are low, there is a good deal at stake. If nothing else, the visit will probably set the tone for US-China relations for the remainder of Trump's time in office.

If the result of this meeting, and future ones, is that the strategic competition between the two countries is better managed, that will be a win.

The writer is a distinguished research fellow at CNA, an independent research institute

Letters

Europe's courts must apply product liability rules consistently

Regarding your report on US business concerns related to the revised EU Product Liability Directive (Report, May 8), you quote Kristen Kaufman, senior vice-president at the US Council for International Business, suggesting that defendants in product liability cases will soon be presumed guilty, an astonishing break with centuries of European legal tradition that requires those claiming injury to prove their case.

However, I wish to clarify the misconception that the PLD will mainly affect US businesses. In fact, the revised PLD will have a significant

negative impact on the operations and costs (such as through higher insurance premiums) of all companies operating in the EU.

Implemented against a backdrop of rising, unregulated third-party litigation funding and increasing US-style mass litigation, the revised PLD poses a major threat to all innovators bringing new products to Europe, an area where Europe rightly believes its future growth and employment lies.

The main beneficiaries of the PLD will be hedge funds, often based outside the EU, that invest in product liability cases for profit – not European

innovators, workers or consumers.

These developments run counter to the EU's priorities of simplification and deregulation, and promoting innovation – strategic policy objectives that are critical if the EU is to get its faltering economy back on track.

The negative impact of the revised PLD is being exacerbated by inconsistent implementation, and in some cases gold plating, by member states.

The European Commission should pause the PLD implementation phase, allowing time for a proper impact assessment. Given that some basic

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Critical thinking, the key to success in an AI world

In her opinion piece "Humans still matter more than AI in finance" (Opinion, FT Weekend, May 9), Gillian Tett attempts to equate critical thinking with "human brainpower".

This, in my view, is misconceived. We humans are already unable to match AI as regards brainpower.

Having said that, if brainpower is the engine, critical thinking may be said to be the skilled driver of our intellectual endeavours: a powerful engine can be used to take the vehicle in the wrong direction if its driver is not skilled.

We see this, for instance, in the so-called hallucinations of AI, whose raw brainpower can sometimes be used to construct elaborate justifications for incorrect beliefs.

Critical thinking skills, which thankfully can be learnt, will thus continue to serve as a predictor of success in this brave new world.

In the words of Jean Piaget, the great 20th-century Swiss psychologist, describing the goal of education: "Men



and women who are creative, inventive and discoverers, who can be critical and verify, and not accept, everything they are offered."

John Gaffney
Newmarket, County Cork, Ireland

UK government has the numbers to introduce PR

Martin Wolf writes that we need to protect Britain against the tyranny of the minority (Opinion, May 11). In truth, multi-party politics demands proportional representation regardless of the good or bad intentions of those involved, simply to reflect the wishes of the electorate more fairly. As the article mentions, the current parliament and Labour's massive majority is a grotesque result of the votes cast in 2024. But therein lies the opportunity to bring about electoral reform.

Typically parties rail against "first past the post" until they are the beneficiaries. On this occasion, Labour, haemorrhaging votes to left and right, faces annihilation at the next general election and therefore has a unique confluence of self-interest and ability to bring about change. Let us hope it seizes the moment and, even in this alone, creates a legacy of which it can be proud.

John Murray
Mayfield, East Sussex, UK

First world war parallels

Janan Ganesh's op-ed (May 7) refers to Alec Ryrie's argument on second world war parallels but surely the Iran war is more reflective of the first world war?

Then the sparks were a disaffected minority (for Serbia read Israel), underlying jealousy of military capacity (for Dreadnoughts read atoms), reluctance of third parties to accept the roles of engagement (US then, Europe now) and a failure of international bodies to unravel the resultant sense of injustice in the aftermath (League of Nations then, UN today).

Peter Jones
North Kilworth, Leicestershire, UK

Correction

● Malaysia's AirAsia planes recently flew loaded with two flights' worth of fuel to Vietnam in order to allow them to return to Kuala Lumpur without refuelling. The airline did not fly fuel tankers to Vietnam as wrongly stated in an article on May 13.

OUTLOOK
LONDON

The indelible appeal of tattoos



by Srinidhi Balakrishnan

The monotonous buzzing of the tattoo gun stops and Olivia, 25, jumps off a plush table to reveal a black ant the size of an egg drawn on her thigh. She beams as she turns around and nods, "it's very me".

It's flash day at the Rye Lane tattoo parlour in south London, when tattoo studios and artists offer pre-drawn designs at friendly prices. Olivia and her boyfriend Sam, who plans on getting a star design tattoo, are among several dozen customers who have turned up at this Peckham parlour to take advantage of the deal. The '90s hip hop drifting through the speakers is frequently pierced by the bell of the door as more and more customers arrive.

For those who aren't sure what to get, inspiration abounds. The studio is covered floor-to-ceiling with laminated designs ranging from Japanese *irezumi* dragons to voluptuous pin-up girls and a drunk Bart Simpson.

Tattoos are more popular than ever in the UK. What was once regarded as the preserve of soldiers, sailors and convicts is now a conventional form of self-expression. As of July 2024, 28 per cent of Britons surveyed by YouGov said they had at least one tattoo.

This should be a boom time for the sector. In the UK, research firm *ftisWorld* says annual revenue has grown from £411m to £738m in the past five years. The aftermath of Covid-19 saw a surge in demand –

something some artists attribute to spare cash saved from lockdown furlough schemes. There are stories of artists who made more money in the first year of this period than those who had been working for the previous 30.

But the growing popularity of tattoos has also led to a rapid expansion in the number of providers. "Everyone and their mother is a tattoo artist now," mutters one of Rye Lane's tattooists. With easy access to equipment and video tutorials online, a new generation of practitioners emerged from lockdown, bypassing traditional training routes. In 2014, there were just over 1,600 tattoo studios in the UK. Now, there are more than 3,400.

Matt Lodder, senior lecturer in art history at the University of Essex and author of *Tattoos: The Untold History of a Modern Art*, says that this has changed the economics of the sector. "The supply and demand curve is a bit out of whack right now... There [are] too many tattooers and not enough customers," he tells me. "The only conversation artists are having at the minute is 'Are you busy enough? You get enough walk-ins?'"

Industry stalwarts and newcomers alike are also having to reckon with higher compliance costs. Last year, new ink safety reforms were brought in, raising the price of ink and administrative overheads.

And while social media platforms provide tattooists with the opportunity for more exposure, it

comes with the added pressure of adapting to online trends. In recent years, minimalist, fine-line designs have grown in popularity, a style visually distinct from the bold black of American traditional or shaded black-and-grey that some older artists specialise in. "As tattooing has gotten bigger, I've seen fewer people that are heavily tattooed," says Lodder.

"There's a divergence between people that want one or two small tattoos and those that are interested in tattooing, in the subculture."

That decorated skin is now firmly in the mainstream is exemplified by its acceptance in the workplace – institutions such as the Metropolitan Police began easing restrictions on visible tattoos in 2018. Even the corporate sector has come to terms with the fashions of their younger recruits. Anindita Anjan, who works in consulting in London and has three tattoos on her arms, says "I did briefly think about whether my tattoos would be an issue... But I've never found it to be an issue or felt judged."

Olivia is not concerned as she shows me the tattoos – once referred to as "job killers" – on her hands. "I work in animal rescue... it's a field where self-expression is encouraged."

The popularity of what was once countercultural invites the question of whether tattoos are still rebellious. Sam doesn't think so, but Olivia knows at least one person who disagrees. "My dad," she says, "hates them."

srinidhi.balakrishnan@ft.com

Opinion

The luxury industry's many contradictions

BUSINESS

Robert
Armstrong

When the world is worried about fuelling up the car or losing a job to AI, sympathy for the troubles of the luxury industry is going to be in short supply. Fair enough. But even those who consider its products trivial should recognise that the industry is not. Luxury is an area where Europe, which badly needs industrial champions, is champion. The biggest four players alone – LVMH, Richemont, Hermès and Kering – generated more than \$130bn in sales last year and employ some 320,000 people. So it matters that industry growth, well north of 20 per cent three or four years ago, is now roughly zero.

The easy explanation is cyclical. Post-pandemic, pent-up savings and demand were released, leading to unprece-

dent growth that was never going to last. For the past few years, we have had the (champagne) hangover – but hangovers end. And things are not so bad. The very strongest brands (Hermès, say) and most resilient categories (jewellery) are still growing in real terms.

Easy, but wrong. The pandemic bubble and its aftermath revealed an industry marked by internal contradiction – strategic tensions that ensured an identity crisis would come sooner or later. Unresolved, they will prevent a return to sustained growth.

The first tension is the notion that luxury's key growth market could be a communist country. China's combination of state control and free enterprise has brought wealth to a slice of the country's population. But it was never designed to support consumption, especially elite consumption – that was an unwanted side-effect. And the politics of a small class of people splurging on foreign-made baubles, in a country whose real ideology is nationalism, is always going to be a problem, as Chinese luxury buyers turn to local brands. Luxury sales in China are not as bad as they were a year ago, but the industry is

going to need a new growth story. Next contradiction: the idea that price both is, and is not, the same as value. There was a point, in 2021 and 2022, where someone, somewhere, would pay almost any price for certain luxury items. Most of the industry responded by charging prices that maximised quarterly revenue. This is the right strategy in a commodity industry,

Exclusivity is not just a matter of selling some items almost no one can afford

where the market determines value. In luxury, with its 70 per cent gross margins and unique Veblen goods, price is part of the narrative, not the point where demand meets supply. Price establishes value and maintains it over the long run.

Stability and fairness are part of that story, so luxury companies cannot afford to confuse value with the price someone will pay. They face a multi-

year process of slowly, delicately rebuilding their price architecture (outright cuts being even more destructive than excessive increases).

Many in the industry frame this widely recognised problem in terms of losing the "aspirational" – rich but not super-rich – customer. To an extent, this is true. Bain, the consultancy, estimates that the industry lost more than a tenth of its customers – 50mm of them – from 2022 to 2024 as the industry focussed on the very wealthiest. At the same time, however, it's a mistake to think the demand elasticity at the top of the pyramid is infinite. The elite dislike being duped as much as anyone, and those relationships need repairing too.

This leads us to the final and most important tension: the very idea of aspirational luxury. Call it "mass exclusivity" and the contradiction becomes obvious. Many of the big groups want to live on both sides of the line, without managing the balance with sufficient care. Exclusivity is not just a matter of selling some items almost no one can afford. It is taking care of when and how those objects are seen, and what they are sold next to. Nor does aspiration

mean paying an exorbitant price for a trivial item from a great brand. That is the way of the \$850 T-shirt, which is neither successfully aspirational nor convincingly exclusive.

Resolving these contradictions will require hard thinking about the structure of the industry. Are big, publicly traded conglomerates the right home for the *haute* brands? The recent resurgence of privately held Chanel suggests that they might not be. How many stores is too many? Recent closures suggest many companies have decided the number is a lot lower than the number we have. Is there such a thing as too much social media exposure? A product an "influencer" can rent or borrow and pose next to on Instagram is leaking magic, fast. Most importantly, perhaps, the industry needs to think of the aspirational customer not as a side hustle but a valuable segment with its own needs. Companies such as Tapestry and Ralph Lauren are showing the way.

The luxury industry is ancient, it will survive; to thrive, it will have to make hard choices.

robert.armstrong@ft.com

Badenoch is underpriced to become PM

POLITICS

Janan
Ganesh

You can get 15/2 on the Conservatives to win the most seats in parliament at the next UK general election. The exact same odds are quoted on England to lift the World Cup this summer. England are a good squad with an almost great coach. The Tories are a shell of a political movement that voters skirt as though it were made of uranium. And still a bet on the party, not the team, should tempt a punter.

What justifies such a reckless use of cash? In part, the underlying polling data. According to YouGov, the Tories are the most trusted of the parties on the economy, which also beats immigration as the most important issue for voters. Conservative leader Kemi Badenoch is preferred to Reform's Nigel Farage as prime minister. At this stage of a parliament, these secondary questions can be better predictors of the eventual result than voting-intention data. Granted, the most popular answers are still None and Don't Know, but a party so recently jeered from office should not even be competitive.

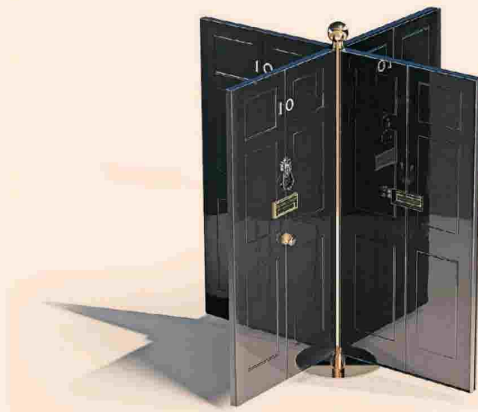
Another reason to think the Tories are underpriced is that Labour will fall even

further. If Sir Keir Starmer goes, Britain faces three years with an unelected prime minister, enacting ideas to the left of the government's 2024 mandate, with unions and electoral reject Ed Milliband setting the course. It would take a Dante to put into words how hated these people are going to be.

The problem has never been Starmer – it's Labour. The movement exists to spend public money, of which there is all too little. It will still be blaming "austerity" when the bailiffs and receivers are banging on the door. If Badenoch cannot peel moderate, tax-fatigued voters from Labour, she should not be in politics.

It is much harder to see how she can beat Farage. But he has one liability that is somehow both obvious and under-discussed. It is the next election takes place in the summer of 2029, he will be 65. This would make him the oldest incoming prime minister since Winston Churchill's return to power in 1951. Even if Farage shows no signs of age-related decline before the election, we can be sure that he is about as good a politician as he ever will be (which is very good indeed). All the headroom for improvement belongs to Badenoch, who is still in her forties. She is already better than she was more commanding in parliament, less chronically online in her preoccupations and idiom. She was not fanned to survive 2025 as Conservative leader. In the end, there wasn't the least challenge to her.

If Reform had other people of stature, Farage's frailties would matter less. As it



is, he is the single point of failure for an entire movement.

Age is not discussed enough in British public life. I have taken to asking people outside the politico-media cocoon to guess how old Starmer is. Their answer – absolutely without fail – is early fifties. In fact, he turns 64 in September. What, besides huge admiration for his skinkaregimen, should we take from this? Perhaps that age is the unspoken factor in his poor performance. It would explain the mystery of how a man so hopeless at his current job once thrived as director of public prosecutions. Many 60-somethings are as sharp as they were in their forties. He might be one of those who go the other way.

Badenoch's great friend is time. For

If she cannot peel moderate, tax-fatigued voters from Labour, she should not be in politics

three years, Farage has to sustain a movement that trades on freshness and novelty. For three years, he has to hope that an external event – a war, a crash – does not make voters risk averse. To understand the absolute seon that is three years in politics, remember that Starmer was a national punchline in 2021 and the uncontested power in the land in 2024.

There is one more thing in Badenoch's favour. It is hard to discuss without crossing into Hegelian humbug about the "spirit of the age". But it is clear enough that Britain is nearing a 1979 moment: an acceptance that long-deferred reform of the state is due. Britain cannot borrow much more (gilt markets flinched this week). It cannot tax more without smothering incentives and getting on the wrong side of new public utilities. As in the 1970s, aspects of the status quo are at least understood to be untenable – the "closed shop" then, the pension triple-lock now – even if too sensitive to touch for the time being. The historic role of this Labour

government, like James Callaghan's, is to test statism to destruction. Its successor would then have permission to take a new course.

None of this ordains that Badenoch is another Margaret Thatcher. In 2024, she failed to insist that she even wanted to be prime minister. ("I am very well aware of how life could change for the worse.") As well as this reflects on her, the UK cannot undergo serious change with a dilettante in Downing Street. If not her, though?

Farage is too much the crowd-pleaser to trim the welfare state. Labour wouldn't elect as leader someone as reform-minded as Wes Streeting, or long obey him if it did. Voters might conclude that, to quote a line from the Thatcherite past, there is no alternative. To finish off the status quo, Britain just needs a defining crisis, such as the IMF intervention of 1976. How hard the government is working to provide it.

janan.ganesh@ft.com

COMPANIES

Brooke
Masters

When I was in college, some of my peers chose their courses at least in part because of the grading structure. Those confident they would keep up liked classes with midterm tests, regular papers and even weekly quizzes; procrastinators preferred a high-stakes final exam.

Now American corporate executives are on the verge of being offered a similar choice. The Securities and Exchange Commission has proposed scrapping mandatory quarterly reporting. Instead, public companies would only be required to file earnings reports with the watchdog twice a year.

SEC chair Paul Atkins said the "increased regulatory flexibility" is part

of a broader programme aimed at reshaping the rules for listed companies and encouraging more initial public offerings. He is trying to reverse a decades-long slide in the ranks of public companies that some blame on increased reporting requirements.

Yet this particular proposal's appearance as the leading edge of Atkins' "make IPOs great again" agenda has at least as much to do with the chair's boss as his regulatory instincts. US President Donald Trump has hated quarterly reporting for years and called for it to be eliminated last September.

Indeed Atkins's fellow commissioner Hester Peirce asked for investor feedback on whether it would make more sense to slim down the quarterly forms rather than making them optional.

When it comes to corporate reporting, I believe that it is generally a bad idea to give investors less information, and that is almost certainly what would happen here. Some companies will forgo quarterly updates entirely. Others may opt for shorter earnings releases that use "adjusted" profit and revenue numbers to emphasise management's

view while skipping SEC-required updates on potential risks.

Scrapping standardised quarterly filings would make year-on-year and company-to-company comparisons more difficult. Six-month gaps could also lead to greater share price volatility when information finally does come out. Furthermore, extending the period when managers have information that the rest of the market lacks could

US executives should look beyond convenience to the benefits of regular interactions with investors

well inspire more improper trading. Advocates of semi-annual reporting argue that it will free management to focus on long-term growth, cut compliance costs and send a message. The SEC has also substantially tightened disclosure rules in the 36 years since quarterly filing was first adopted, reducing its relative importance. Companies now have

to reveal a long list of "material events" within four business days, and if they share non-public financial information with analysts or investors, they must also tell the market.

There may be cases where it makes sense to scrap quarterly reporting. A small biotech company whose main drug is still in the testing phase is not going to have a lot to tell investors until the results come back or the Food and Drug Administration weighs in. Does it really need to file a full report on its non-existent earnings?

That said, most US companies should think twice about taking the SEC up on its offer. The financial savings, for most companies, from semi-annual filing are relatively modest – an average of \$198,000 a year, the SEC estimates. Managers may resent the time they spend on earnings preparation and delivery, but quarterly interactions with investors help build market awareness – and confidence.

When Israel allowed smaller companies to drop quarterly earnings in 2017, groups that did so were hit on average with a 2 per cent share price fall when

they made the announcement, while those that kept quarterly reporting saw shares rise 2.5 per cent. Dropping down to semi-annual reporting "is a signal that you have no controls over corporate governance", says author Keren Bar-Hava of Hebrew University.

In the UK, a CFA Institute study found that companies that report four times a year attracted increased analyst coverage and, not surprisingly, those analysts' estimates were more accurate. Just as it would be foolhardy to pick courses solely to indulge a penchant for sleeping in, US corporate executives should look beyond their own convenience. Harvard law professor Jesse Fried suggests that companies that want to stop filing quarterly be forced to put the move to a shareholder vote, but that is not part of the SEC proposal.

One can only hope that US chief executives take a lesson from their British counterparts. When the UK allowed companies to drop quarterly reporting in 2014, fewer than 10 per cent of them did.

brooke.masters@ft.com

Labour's wishful thinking problem

ECONOMICS

Chris
Giles

The UK Labour Party has an important choice to make about its leader. But the question of who resides in the most consequential one in the days ahead. MPs must also decide whether they accept that they live in a world of economic trade-offs or prefer to bask in wishful thinking.

Britain has been in this position many times recently and has come to regret choosing the latter. Whether it was the population plumping for Brexit, Boris Johnson's government going for a highly damaging version of it or Liz Truss blowing the public finances in the hope of a Thatcherite growth revival, siren calls have been too tempting to resist.

Changing the leadership might be the solution if Labour MPs think their problems lie with Sir Keir Starmer. But it makes no sense if they think that the current leadership is imposing economic constraints that would disappear along with the prime minister. The UK's budgetary situation is simple to describe. The government is set to borrow roughly 4 per cent of national income in 2026. This is unsustainable at current levels of growth and borrowing costs, resulting in ever-increasing levels of debt.

The better news is that the public finances are improving. Tax increases have lowered borrowing and, if this continues, the public finances will become broadly sustainable in a couple of years. In what should be something of a celebration, IMF data last month showed

Pursuing sustainable public finances and low inflation is itself a growth project

that the UK is on course this year to have a smaller deficit than the G7 average for the first time since 2003.

In the 2030s, however, an ageing population will shift the public finances back into unsustainable territory unless the tax burden continues to rise or the government cuts entitlements to pensions and benefits or public services. These constraints exist whoever is in power. A new government could choose to raise public investment backed by higher taxes if it believed this would improve dynamism. But it should be wary of relying upon calculations that suggest public investment will transform growth and pay for itself over a period as short as the decade suggested by Labour MP Louise Haigh.

This is partly because the flow of new investment is always small compared with the stock of publicly owned assets, however high the returns, and partly because many large government projects take a very long time before they produce any significant benefits. HS2, for example, is set to produce exceptionally low economic returns until it opens in the late 2030s, decades after it was announced in 2009.

Other ideas similarly promise more than they deliver. The Labour group of MPs on the centre and right of the party makes a welcome call for the economy to shift towards productive activities and away from those that block and extract. But its flagship policy of increasing capital gains tax to lower national insurance would significantly raise the burden of a small and distortive tax that tends to lower growth.

One thing we know is that pursuing sustainable public finances and low inflation is itself a growth project. With private investment almost five times the size of public investment, restoring fiscal and monetary credibility lowers borrowing costs for the private sector. Political stability enhances the attractiveness of the UK in a volatile world.

It should be no surprise that Europe's growth success stories in recent years are the former basket cases – Greece, Spain, Portugal and Ireland – which publicly failed up to their problems and largely fixed them with the rest of the EU's help.

Labour MPs have the power to change their leadership. That is their prerogative. They also have licence to indulge in economic wishful thinking. In British politics, the latter is sometimes successful. The former never works.

chris.giles@ft.com