



Perfect storm

Weak enforcement and poor regulation sustain illicit liquor among the poor

India has suffered multiple mass deaths due to consuming illicit liquor, across Tamil Nadu, Gujarat, Punjab, Uttar Pradesh, Bihar, Assam, and Maharashtra. The Malwani incident in 2015, which left over 100 people dead, prompted official promises of systemic reform that never fully materialised – neither there nor elsewhere. The Pune-Pimpri-Chinchwad tragedy unfolded last week with more than a dozen victims of working-class backgrounds in poor neighbourhoods. Preliminary investigation has revealed a better than ad hoc supply chain with industry-grade methanol – the toxin behind most hooch tragedies – brought from outside the State and mixed with ethanol to produce a highly potent country liquor. The demand for licensed alcohol faces high State taxes, encouraging low-income individuals to turn to illicit liquor. On the other hand, adding industrial methanol increases the batch volume at negligible input cost, dramatically improving margins, although some people under investigation have also said during official questioning that it is not in the interest of ‘regular’ vendors to poison their ‘customers’. Nonetheless, such operations are typically semi-visible local economies that get by on tolerance rather than secrecy, and so allegations of police and local authorities’ complicity must be investigated. Early enforcement following most deadly incidents only arrests retail vendors; investigations into upstream suppliers and alleged kingpins have frequently proved uneven or inconclusive.

Indeed, these tragedies recur due to a perfect storm of factors that are able to repeatedly come together. One major regulatory gap in efforts to track methanol downstream is how easily it is pilfered and diverted for illicit liquor. Most victims are daily-wage labourers, and scholars have argued that the physical toll of manual labour creates a demand for cheap relief that, together with economic precarity and addiction, outweighs the wariness of poisonous substances. Since the victims are often from marginalised communities, the sustained political will needed to implement reforms – including better methanol accounting and affordable alcohol alternatives, required to break the cycle – is often lacking. In a 2024 analysis, public health experts found that higher prices for legal liquor push the poorest consumers toward the illicit market, which accounts for an estimated 40% of alcohol consumption in India. Likewise, total bans as in Bihar and Gujarat could deflect the market to criminal syndicates, where quality control is optional and oversight is poor. Finally, legal reviews have concluded that while the big fish are rarely caught, even those arrested are rarely convicted. Without these improvements, regulatory loopholes and weak enforcement will sustain illicit liquor as a public health crisis.

Joy and pain

Health gains from NFHS-6 are significant, but unaddressed needs exist

When triumph and disaster arrive at the same time, it is important to celebrate, but also, to take stock, assess, and pivot to address the lacuna. The recently released National Family Health Survey (NFHS)-6 data offer such an opportunity. The data for 2023-24 revealed some remarkable gains for India, but also exposed some unguarded pathways that will become disastrous if not attended to. The greatest of the gains came in the sector of child health – stunting is down by 17%; severe wasting is down 32%; institutional deliveries are at over 90%; and full immunisation coverage for children aged 12-23 months rose to over 87%. Additionally, the figures show that India’s Total Fertility Rate (TFR) had stabilised at 2.0, below the replacement level of 2.1. Unequivocally, these are gains; ones that India has been working on for decades. It is an encouraging sign that the needle has finally moved, in these crucial sectors. These gains will have to be built upon, without any drop in service delivery, while remaining uncompromising on access or quality of services in the public sector. However, health managers need to heed the other side of the paradigm as well. NFHS-6 indicates a ‘dual public health burden’ – obesity (in three years, it had grown from 22.9% to 27.3% among men, while among women, from 24% to 30.7%) remains problematic while some level of malnutrition continues, besides the onslaught of lifestyle diseases. The survey also showed a decline in exclusive breastfeeding among children under six months, from 63.7% in NFHS-5 to 55.8% in NFHS-6. Breast feeding is essential to prevent infant malnutrition.

The NFHS, one of the largest cross-sectional household surveys in the world, could easily be considered the primary tool to define public policy, and evidence-based governance, besides tracking development indicators. The data it generates are crucial. Other India-level data from similar periods indicate similar trends; the SRS and the National Health Accounts Survey reveal the lack of focus or funds for lifestyle diseases, and metabolic disorders. The danger of letting this continue will be known sooner rather than later, as India progresses through a demographic transition to a greyer nation. At this stage, transformations are still possible. Setting up comprehensive screening programmes for NCDs, stressing on nation-wide behaviour change communication on diet and exercise, and ensuring higher taxes on sugared beverages and packaged foods are all techniques that will help reduce, and limit the burden, of NCDs. Bolstering health systems to tackle these NCDs, once they set in, at every level – village, town and city – is also crucial.

IMEC is caught between commerce and geopolitics

The ongoing war in Iran has shattered many myths and brought to light realities that expose the structural vulnerabilities of the existing world order. Iran, which was no match for the combined military might and technological superiority of Israel and the United States, has not only withstood the military onslaught but has also retaliated in ways that were neither expected nor planned for. Nearly three months into the conflict, although a fragile ceasefire is holding, there appears to be no immediate solution to end the war or achieve the politico-military objectives that Israel and the U.S. set at its outset. While Iran has suffered major losses to its leadership, infrastructure and military assets, the American military has also incurred unprecedented losses.

Lessons from the Iran conflict

A recent U.S. Congressional Research Service report has noted that 42 U.S. aircraft have been lost or damaged so far during “Operation Epic Fury” – the war with Iran – which includes fifth generation stealth fighters such as the F-35. Plus, the ability to intercept Iranian missiles and drones has been severely degraded as more than half the total inventory of Patriot, Tomahawk and Terminal High Altitude Area Defense (THAAD) missiles have been expended. With more than 240 American targets reportedly hit by Iran, the conflict has shattered the myth that military superiority alone will guarantee an outright victory. Several of the asymmetric tactics employed by Iran have caught the U.S. and Israel on the back foot.

Another reality check underscored by this war is the critical importance of global choke points and how their blockade can severely disrupt the global economy. Iran, by imposing a blockade on the Strait of Hormuz early in the conflict, has virtually brought the global economy to its knees. Nearly 20 million barrels of crude oil, accounting for about a third of global oil supplies, pass through this narrow sea passage every day. India is among the countries most affected, as it imports nearly 88% of its crude oil requirements, amounting to about 1.8 billion barrels annually. While the world grapples with the blockade and works to diversify its energy sources, one thing is clear: there is an urgent need to explore and develop alternative connectivity options beyond existing trade routes, particularly maritime routes. New routes and corridors must be developed that avoid the two ‘C’s – conflict zones and choke points.

However, this realisation is neither new nor have countries been idle in pursuing solutions. Transnational connectivity projects such as the International North-South Transport Corridor (INSTC) and the Belt and Road Initiative (BRI) were conceived precisely for this purpose. The INSTC was designed to bypass the Suez Canal



Rajeev Agarwal

Retired colonel, a Senior Research Consultant at CRF, Delhi, and the author of ‘Between Tehran and Tel Aviv – Gaza’s Story of Unending War’

choke point, while the overland component of the BRI across Asia and Europe seeks to reduce dependence on both the Malacca Strait and the Suez Canal. Another major connectivity project is the India-Middle East-Europe Economic Corridor (IMEC). Unlike the other initiatives, IMEC traverses parts of West Asia, a region that has been significantly affected by the current conflict.

The IMEC framework

What is IMEC? The IMEC is a transformative and ambitious connectivity initiative that was officially announced at the G-20 Summit in New Delhi in September 2023. It seeks to connect India with Europe across the Arabian Peninsula, bypassing the traditional choke point of the Suez Canal. The project envisions a multimodal economic corridor integrating railways, ports, highways, energy networks and digital infrastructure to enhance trade, investment and connectivity. Unlike conventional transport corridors, IMEC is conceived as a holistic and multidimensional infrastructure project encompassing sea routes, rail networks, pipelines, undersea high-speed data links, green hydrogen corridors and transnational energy transmission grids.

The proposed structure has three distinct sections. The eastern section links India with West Asia through searoutes to the United Arab Emirates (UAE). The central section consists of an overland route across West Asia, traversing the UAE, Saudi Arabia, Jordan and Israel, and culminating at the port of Haifa on Israel’s Mediterranean coast. The western leg of the corridor is sea-based, connecting Haifa to various European ports, beyond which the continent’s extensive transportation network takes over.

What has happened due to the war? Soon after IMEC was announced, the war in Gaza broke out on October 7, 2023, placing the project on the back burner. Major areas of the originally envisioned corridor, particularly those involving Israel and the port of Haifa, were directly affected by the conflict.

Soon after the Iran-Israel ‘12-Day War’ in June 2025, there was a concerted effort to move the project forward. However, the ongoing conflict involving Iran has once again thrown a spanner into its execution. Key ports in the UAE, particularly Jebel Ali and Fujairah, have been repeatedly targeted by Iran, while disruptions in the Strait of Hormuz have exposed the geographical vulnerabilities of these ports.

Another critical fault line exposed by the war is the deep faultlines and divergence in the positions adopted by Saudi Arabia and the UAE in the war. Both countries are key partners in IMEC, and any adversarial posture between them could prove to be a major setback for the corridor, whose success depends on smooth coordination and seamless connectivity across the region. The UAE’s April 2026 announcement that it was

opting out of the global oil grouping, the Organization of the Petroleum Exporting Countries (OPEC) and reports of its growing strategic coordination with Israel, including the deployment of Israeli defence systems such as the Iron Beam, risk widening differences between Riyadh and Abu Dhabi. Such developments are unlikely to augur well for either regional stability or the future of IMEC.

Navigating the challenges

The war in Iran has highlighted two important issues for both West Asia and IMEC. First, there is an urgent need for projects such as IMEC that can bypass conflict zones and choke points. However, for such initiatives to succeed, they must also navigate the region’s geopolitical complexities, including the rapidly evolving dynamics among key partners such as Saudi Arabia and the UAE.

To address the first challenge, IMEC must evolve into a broader and more flexible framework while keeping open the possibility of reverting to the originally envisioned alignment once the conflict subsides. To this end, the option of developing key ports in Oman – such as Salalah, Duqm and Muscat – as eastern entry points could be explored, as they are located well away from the conflict-prone Strait of Hormuz. Similarly, on the western end, until the port of Haifa becomes a secure transit hub, a western spur passing through Egypt and terminating at one of its major Mediterranean ports could offer a viable alternative. Egypt already possesses the logistics ecosystem required to support IMEC, including the Suez Canal Economic Zone, six operational ports and four industrial zones specialising in green hydrogen, liquefied natural gas, shipbuilding and other future-oriented sectors.

To address the second challenge, countries such as India, which enjoy close relations and the trust of both Saudi Arabia and the UAE, will have to navigate a delicate but critical diplomatic terrain. European countries such as Italy and France, which are positioning themselves as key champions of IMEC in Europe, will also need to play an active role. The growing recognition of IMEC’s strategic importance was evident during Prime Minister Narendra Modi’s visit to Europe in May 2026. While elevating their bilateral ties to a Special Strategic Partnership, India and Italy reaffirmed their commitment to cooperate on IMEC, recognising its transformative potential to reshape and promote global trade, connectivity and prosperity.

The bottom line is clear. The war in Iran has underscored the need for transnational connectivity projects such as IMEC that can bypass conflict zones and strategic choke points. However, for such initiatives to succeed, they must overcome the geopolitical complexities in West Asia.

The Iran conflict strengthens the case for the India-Middle East-Europe Economic Corridor (IMEC) while simultaneously complicating its execution

Orbital rivalry – the challenge of China’s space power

China’s expanding counter-space capabilities are a cause for concern. While no conflict has ever been fought in space, the incentive to influence activities on earth by controlling outer space remains a potential trigger for future confrontation. Beijing’s development of anti-satellite missiles and co-orbital systems blurs the line between routine space operations and counter-space activities.

The key question is how Beijing views its space ambitions and control of outer space, and what India can do to safeguard its vital interests in this domain.

Beijing’s space ambitions

While the Chinese space programme emphasises the peaceful use of space, evidence suggests that China is preparing for an orbital war.

In January 2007, it targeted its own satellite from earth. In October 2015, China tested an exo-atmospheric vehicle designed to strike a hostile satellite. In 2022, China used a robotic spacecraft to push a defunct satellite into the graveyard orbit. In 2024, it demonstrated an orbital dog-fight. There is a clear research and developmental push for fielding offensive capabilities in space.

China’s space ambitions operate at two levels. First, it seeks to remain competitive in the emerging space race, both technologically and numerically. China has around 1,900 satellites in orbit, compared to more than 8,000 American satellites, including the SpaceX satellites.

Second, it recognises the military and economic implications of the weaponisation of space. A single strike could disrupt communications, power grids, navigation systems, financial markets, and military command-and-control (C2) and intelligence, surveillance and reconnaissance (ISR) networks.

Accordingly, China aims to land on the moon by 2036, launch a nuclear-powered shuttle by 2040, and establish a solar power system by 2050. Chinese start-ups such as LandSpace, iSpace and OneSpace are challenging rivals such as SpaceX and Blue Origin. China is also exploring lunar and asteroid mining for energy



Harinder Singh

Former corps commander

and critical minerals. The growing demand for energy-efficient data centres is likely to further intensify the space race.

China is seeking to assert control over outer space in two distinct ways. First, by leveraging space-based assets to safeguard its military and economic systems. Second, by competing with its rivals – both numerically and technologically – to maintain space superiority. Its most immediate competition is with Starlink in low-earth orbit (LEO). China plans to deploy more than 36,000 LEO satellites by 2030. This rivalry could intensify if China were to become the first to establish a presence on the far side of the moon or demonstrate a particular interest in exploiting asteroid resources. Such developments could create an escalatory dynamic in an environment that lacks a comprehensive regulatory framework.

Consequently, China’s capabilities are evolving in three key areas. First, kinetic attack systems such as the DN-3 and SC-19 missiles, which can physically destroy satellites. Second, laser-based systems that can dazzle or blind satellites, disrupting navigation and communications. Third, co-orbital satellites, such as the SJ and TJS series, designed to interfere with or dislodge other satellites from orbit. Together, these capabilities could enable the People’s Liberation Army (PLA) to cripple Intelligence, Surveillance, and Reconnaissance (ISR), GPS and communication networks, shaping the battlespace during the first 24 to 48 hours of a conflict.

Implications for India

If a contingency arises in Taiwan, the PLA is likely to first blind ISR and communication networks before resorting to hard-kill attacks. This would give Beijing time to shape the narrative, whereas a hard kill could trigger immediate escalation.

The U.S. would then have to assess China’s military objectives, and, if an invasion proceeds, neutralise its counter-space capabilities. While both sides may lose assets, the U.S. would likely retain an advantage due to its greater redundancy and resilience. The Taiwan scenario applies to

India albeit on a lesser scale. India has around 60 operational satellites as against 400-plus Chinese military satellites alone, which implies lesser redundancy. Losing five to six satellites will hurt India more.

Hypothetically, China could strike at the CARTOSAT/RISAT series, which could lead to loss of tactical-level imagery for hours, if not days. Instead, if it only choose to lase as these satellites as they pass over the Line of Actual Control, it could lead to temporary blind spots. They could even deploy jammers to disable India’s NavIC system.

The key strategic takeaway is that while China can conduct peacetime harassment using lasers and jammers, or temporarily blind a few satellites during a border crisis, it cannot inflict crippling damage without destroying a large number of Indian satellites and risking severe Kessler Syndrome consequences. While Mission Shakti has strengthened India’s deterrence posture, its utility remains restricted. Moreover, a single successful test does not guarantee operational reliability, and India still lacks co-orbital capabilities to counter satellites such as the SJ and TJS series.

Safeguarding India’s interests

A few measures are pertinent. First, India must expand its space industry beyond the Indian Space Research Organisation to increase satellite production and launch capacity. Greater capacity translates into greater redundancy. Second, it should disaggregate large satellite programmes, such as GSAT, into smaller constellations, which are more resilient and survivable. Third, India must strengthen the protection of its ground space assets to mitigate the impact of hard-kill attacks. Fourth, it should enhance data-sharing arrangements with strategic partners so that, in the event of satellite losses, critical services can be restored through commercial or partner networks within hours.

Besides, India should also clearly define its red lines and the scope of a proportionate response to ensure that China fully understands the potential escalation ladder.

China’s counter-space rise demands stronger resilience and deterrence from India

LETTERS TO THE EDITOR

RCB’s win

Congratulations to Royal Challengers Bengaluru for securing back-to-back IPL titles. If winning the trophy in 2025 ended an 18-year wait, retaining it has erased RCB’s long-standing “underachiever” tag. It

reflects their transformation from a team reliant on individual brilliance to a disciplined unit that thrives under pressure. Virat Kohli’s match-winning performances in successive finals further cement his status as one of the IPL’s

all-time greats. With a balanced mix of experienced stars and emerging talent, RCB’s dominance could reshape the league’s competitive landscape. **R. Sivakumar,** Chennai

Website glitch

I would like to draw the attention of the Staff Selection Commission (SSC) to a server-side error on its website, namely the “Spring Framework Transaction Failed” error. As many aspirants are

unable to submit their applications due to this issue, I request the SSC to rectify the error at the earliest and extend the application deadline by at least five days. This would ensure that candidates, particularly those in remote

areas, are able to complete and submit their applications within the time slot.

Jayesh Vinod Jadhav, Nashik, Maharashtra

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

The FemTech industry's approach to PMOS

The global decision to rename Polycystic Ovary Syndrome (PCOS) as Polyendocrine Metabolic Ovarian Syndrome (PMOS) is a culmination of a decade-long collaboration between doctors, researchers, and patient groups. Led by Professor Helena Teede, Director of the Monash Centre for Health Research and Implementation in Melbourne, the rationale for the change was published in *The Lancet* last month. At the heart of the renaming was a growing recognition that the term PCOS could not capture the condition's complexity, and reduced it to a reproductive disorder centred on the ovaries. It is a long overdue acknowledgement of the condition's multisystem nature as PMOS manifests through a wide range of endocrine, metabolic, reproductive, psychological, and dermatological symptoms.

India's FemTech response
Yet, even as the formal medical renaming to PMOS is enforced, India's FemTech (female technology) industry had already begun treating PCOS as a multisystem condition. A paper published in 2024 by the authors of this article titled, "Platforming PCOS Treatment Online: FemTech Logics of Care," showed how FemTech platforms curated integrated care packages that brought together general practitioners, diabetologists, endocrinologists, gynaecologists, dermatologists, nutritionists, fitness trainers, and psychologists to treat PCOS.

Backed by venture capital funding, FemTech platforms conducted extensive market research to identify the gaps in conventional healthcare systems that stymied the long-term management of PCOS. Several platform founders were themselves women who had struggled to navigate gynaecological care that centred fertility and weight loss as the individual responsibility of



Taru Jain

Senior design researcher at CoRE Stack — a digital public good for climate change resilience in rural India



Preeti Mudliar

DFAT-CAIR-Maitri Fellow at the Australia India Institute, University of Melbourne researching digital public infrastructures

Discussions around PMOS rarely engage with broader environmental factors such as adulterated food, pollution, chronic stress, and toxins

patients. Their experiences shaped the emergence of platforms that framed PCOS as requiring coordinated and long-term care. Platforms also sought to improve doctor-patient interactions by training gynaecologists to avoid prejudiced language around marital status, fertility, and body weight. Since many aspects of PMOS management could be coordinated remotely, digital consultations also offered women greater privacy and flexibility in a culture that stigmatises unmarried women visiting gynaecologists unchaperoned.

PMOS often first appears through irregular menstrual cycles. The underlying hormonal and metabolic imbalances can remain poorly understood for years delaying treatment. In both families and clinical settings, it is viewed primarily through the lens of fertility and weight loss, generating shame and anxiety around marriage prospects and hostility within marriages itself.

FemTech platforms positioned themselves as offering an integrated and non-judgemental approach to PCOS care. They foregrounded its multifaceted nature, and as of 2025, India's FemTech market was estimated to be worth \$1.48 billion.

Limits of privatised care

However, reliance on FemTech platforms creates new vulnerabilities for long-term healthcare delivery. First, access to these platforms depends on the ability to afford uninterrupted internet connectivity and recurring subscription costs. As a result, these services cater disproportionately to urban, digitally savvy women. For most people, gynaecologists in conventional healthcare systems are usually the first point of contact when they start showing PMOS symptoms. Strengthening these systems is therefore essential to public health.

Second, as start-ups, FemTech platforms are vulnerable to market

volatility. They are dependent on investor confidence. None of the platform founders who were interviewed had secured funding beyond the preliminary 'Series A round' and one of the platforms had to cease operations stranding patients. In the absence of regulatory safeguards, these issues weaken FemTech platforms' claim of being robust alternatives to conventional healthcare systems.

Third, while platforms attempt to improve gynaecologist-patient interactions, scaling such interventions is challenging without broader reforms in medical education and clinical training. The shortage of gynaecologists in India, particularly in rural regions, further intensifies this challenge.

The larger healthcare crisis

Therefore, while FemTech platforms address a real and underserved need, they equally reflect deeper infrastructural failures. The long-term solution to conditions such as PMOS requires investment in public healthcare infrastructure and medical education that move beyond a narrow, fertility-first framework. Doctor-patient interactions must become more inclusive and respectful to women. At the same time, it is important to recognise the strain under which gynaecologists work, particularly in public hospitals. Overcrowded conditions, high patient volumes, and inadequate infrastructure leave little room for privacy and counselling. While FemTech platforms may ease some pressures by coordinating care digitally, they cannot substitute public healthcare.

Moreover, discussions around PMOS rarely engage with broader environmental factors such as adulterated food, pollution, chronic stress, and toxins. If the shift from PCOS to PMOS is to be meaningful, it should encourage a deeper reconsideration of how chronic women's health conditions are understood, prevented, and cared for in India.

Vizag data centre is a major challenge

If India needs Google's hyperscale hub, it is not yet ready for the facility

STATE OF PLAY

Vasudevan Mukunth

The Google Cloud India AI Hub, for which the technology giant and Andhra Pradesh recently broke ground in Visakhapatnam, is a sign that India is finally moving from providing information technology services and coding to owning infrastructure. While the facility is part of a larger digital infrastructure push in Visakhapatnam, expected to involve investments running to ₹1.25 lakh crore, there are also numerous second-order gains in the offing. The facility could strengthen downstream demand for high-end computing hardware, augmenting India's efforts to build semiconductor capacity under Production Linked Incentive (PLI) schemes, even if manufacturing viability will still depend on broader ecosystem factors.

The project has been integrated into the America-India Connect initiative, as part of which multiple international subsea cables will land in Visakhapatnam, creating India's second major gateway on the eastern seaboard. As a result, Indian data will have a direct connection from the east coast to South Africa and the U.S. without first being backhauled to Cochin, that too on Google's high-capacity cables. Likewise, in the east, data from Visakhapatnam can reach the U.S. via Singapore and Australia, no longer restricted to the Chennai-Singapore connection and thereafter to the U.S. on third-party cables. As a result, India's dependence on geopolitical stability in the Red Sea — through which cables from Mumbai pass before reaching Europe — will re-



duce. Similarly, within India, the Hub's location could move high-value technological activity away from expensive metropolitan cities, potentially redistributing growth.

Infrastructure problem

The Hub is an integrated complex with computational infrastructure and high-capacity data connectivity, and large power requirements. Its expected power demand of 1 GW makes it a so-called hyperscale hub, with the ability to run powerful artificial intelligence (AI) models.

But that is also a gateway to consider the not-inconsiderable challenges the project poses. For example, the Hub could attract firms handling sensitive data, especially in sectors where legal or regulatory preferences favour keeping data in India. However, while Google will thus lower costs for Indian firms, it will increase dependence on a single foreign provider's proprietary stack. As a result, India could become a site for "sovereign AI" — as Google Cloud CEO Thomas Kurian said — only in name.

Second, even though AI GPU workloads are among the world's most power-guzzling uses of computing infrastructure, the Hub suggests AI is now an infrastructure problem: power, land, and water are the bottlenecks. The power demand may strain the local grid and result in knock-on

effects for local residents and industries. While Google has pledged 100% use of renewable energy, the Hub will still feature a fleet of backup diesel generators, which will affect local air quality and microclimate.

If Google aspires to maintain its global average power usage effectiveness of 1.1 in Visakhapatnam's humid weather, it may need evaporative cooling, which is water-intensive. The district is periodically vulnerable to water stress, especially in summer. It depends heavily on inter-basin water transfers to meet its needs. In fact, it has the lowest groundwater levels for domestic, agricultural or industrial use in the State, as per the Water Resources and Information Management System. Facilities worldwide similar to the Hub are known to consume over 2 million litres per day per 100 MW. At 1 GW, the indicated demand is an eye-watering 20 million litres per day.

Rights groups have alleged that the State government assigned the project to a category that allowed it to sidestep a full environmental impact assessment and public hearings — measures that have forced Google, et al. in other countries to redesign data centres to be more sustainable. India still struggles to harmonise State-level incentives. Andhra Pradesh offers aggressive tax holidays and power subsidies yet they have not come with environmental benchmarks or 'green' capacity targets. A Central single-window could standardise public hearings and resource accounting. If India does not codify these safeguards, its climb up the digital stack will come at the cost of its environmental and democratic foundations.

mukunth.v@thehindu.co.in

Remittances anchor the rupee, India's external balances

Despite doing the heavy lifting in tackling the pressure on the rupee, remittances are ignored in discussions due to overemphasis on FDI and FPI flows

DATA POINT

Puneet Bhasin

The Indian rupee has lost nearly 12% of its value against the U.S. dollar since May 2025. Several analysts have noted the consistent decline in net Foreign Direct Investment (FDI) and net Foreign Portfolio Investment (FPI) flows as a cause.

The ebbing of net FDI and FPI flows notably began much before the current energy crisis due to the war in West Asia. A declining trend in net FDI began in the second quarter (Q2) of 2021-2022. As of Q3 of 2025-26, net FDI was negative (Chart 1). The declining trend in net FPI, which is also at a negative, started in Q4 of 2023-24 (Chart 2).

It is commonly understood that a downward (depreciation) pressure is structurally inherent upon the rupee because of India's persistent Current Account (CA) deficit, which in turn stems from India's persistent trade deficit. Consequently, buoyant net positive FDI and FPI flows, recorded in the Financial Account (FA), are considered crucial to not only finance the CA Deficit (CAD), but to counteract the downward pressure on the rupee. However, there is an overemphasis on these two, at the cost of the other important flow for India, namely, remittances, recorded in the CA, which does the heavy lifting for both the financing of the CAD and in tackling the pressure on the rupee. Not accounting for remittances risks non-mitigation of a major external vulnerability: the ebbing of remittances flows that is also likely.

The CA primarily consists of three component flows: the trade deficit, the Net Primary Income (NPI) deficit and the Net Secondary Income (NSI) surplus (Chart 3). The NPI mainly reflects the net negative balance of investment income earned by Indian residents on foreign assets and paid on India's external liabilities held by fo-

reign counterparts. The NSI essentially accounts for its huge net positive remittance flows. India attracts the highest remittances (in \$) by a wide margin. In 2024, India saw \$138 billion in remittances.

They matter significantly for India's CAD and the rupee. Firstly, since mid-2013, remittances have on an average financed more than the entirety of India's trade deficit (Chart 4). As a result, the CAD financed by the FA flows of FDI and FPI is a residual of the two persistent deficits in the CA, leftover after the remittances have financed their bulk. If not for India's high net remittances, its CAD would be much larger and the financing demands on the FA also higher.

Secondly, net remittances, averaging about 3% of the Gross Domestic Product (GDP), are much higher than the net FDI and FPI flows. Thirdly, unlike, say FPI, remittances are not given to sudden halts, for they are largely driven by the income and savings decisions of the Indian diaspora and their respective familial needs back home. Fourthly, unlike FDI and FPI, remittances are transfers and not claims. Hence, they do not generate future liability outflows. Lastly, remittances have low transaction costs.

A lot rides on remittances now because the more the rupee slips, the more diaspora remitters are likely to wait till it bottoms out. Concomitantly, with the trade deficit likely to increase due to costlier energy imports, a wide gap can emerge in the remittances' ability to cover this deficit. This will in turn increase the CAD and its financing demands on the FA, at a time when net FDI and FPI flows are negative. Yet, despite their importance, analyses of remittances pale in comparison to those of FDI and FPI flows. It is perhaps because remittances are largely the result of small financial decisions by thousands of working-class Indians abroad, who do not animate globalised elites in the same way as talks of FDI and FPI do.

Merits of remittances

The data for the charts were sourced from the Reserve Bank of India's Database on Indian Economy. The author is with the Center for the Study of the Indian Economy (CSIE) at Azim Premji University in Bengaluru. With inputs from Anshuman Singh, also at CSIE

CHART 1: Quarterly net Foreign Direct Investment in \$ million (■) and as a % share of GDP (●)

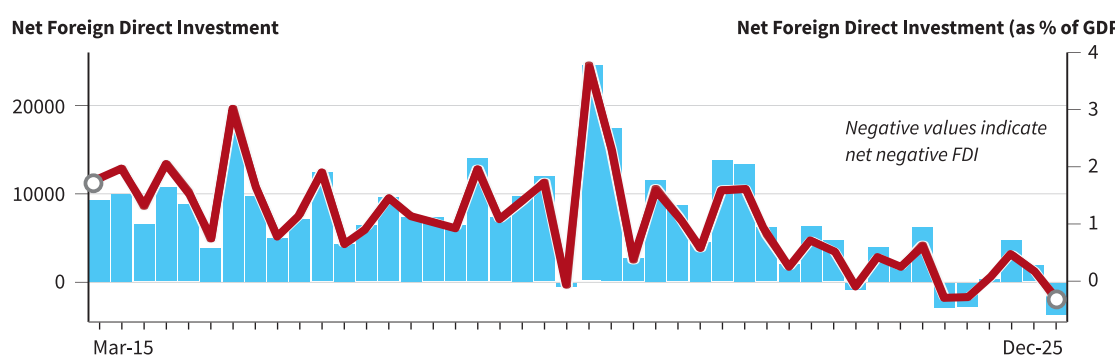


CHART 2: Quarterly net Foreign Portfolio Investment (as % of GDP). Negative values indicate net negative FPI

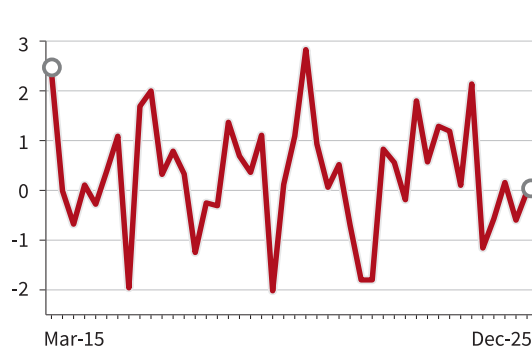


CHART 4: Quarterly net remittances as % of trade deficit. The two blue bars in June and September 2020 indicate trade surplus. All other quarters saw trade deficits

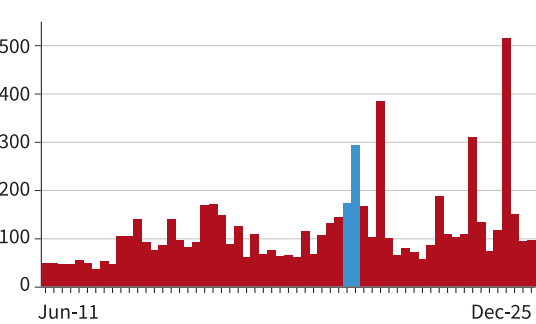
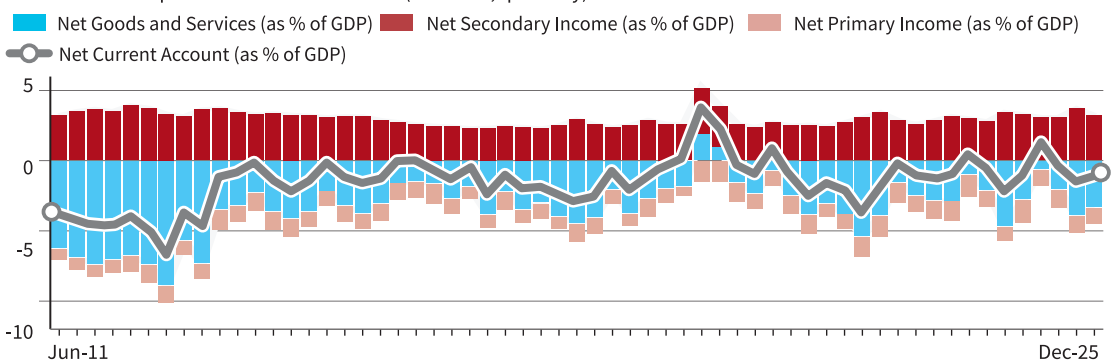


CHART 3: Decomposition of current account (% of GDP, quarterly)



FROM THE ARCHIVES

The *Hindu*

FIFTY YEARS AGO JUNE 2, 1976

Tethered balloons for TV coverage: study findings

New Delhi, June 1: Balloon can be used instead of a satellite to provide television coverage throughout India, according to a study by the Information, Planning and Analysis Group (IPAG) of the Electronics Commission.

The study says that 18 balloon-borne transmitters can do the job at one-fifth the investment cost for the conventional system involving a network of ground-based transmitters. The annual running cost is estimated to be half that of the terrestrial system.

Hung by means of special plastic tethers, the balloons will hover at about 3,300 metres from ground, each balloon beaming television programmes to a radius of upto 240 km.

Tethered Balloon Communication System (TBCS) has been suggested as a viable alternative to the Satellite Instructional Television Experiment (SITE), which will end in July with the withdrawal of the American satellite ATS-6.

The IPAG study says that SITE continuation with TBCS would require four balloons and cost Rs. 26 crores. The annual running cost would be Rs 6.5. crores.

The IPAG panel has been set up to study the development of tethered balloon technology in India and its possible civilian and military applications. Substantial infrastructure for balloon technology is said to be already available in India.

Tethered balloons are being developed at the Tata Institute of Fundamental Research (TIFR) in Bombay.

TIFR-designed and fabricated balloons have been flown upto 300 metres with 10-kg, payload and to 3,000 metres with 50kg, payload, according to IPAG.

A HUNDRED YEARS AGO JUNE 2, 1926

Reduced telephone rate

Simla, June 1: The Government of India in the Industries Department have sanctioned as experimental measure for one year with effect from 1st June 1926, that the telephone calls throughout India and Burma between hours of 8 p.m. and 8 a.m. will be charged at half the usual rates subject to the condition that the minimum charge for such a call at reduced rates will not be less than six annas.

Text & Context

THE HINDU

NEWS IN NUMBERS

Percentage increase in Gross GST collections in May

3.2 in per cent. Gross GST collections rose to over ₹1.94 lakh crore in May on higher supplies of goods and services, and collection from imports, government data showed. Gross GST collection was ₹1.88 lakh crore in May 2025. GST refunds grew 2.6% to ₹27,281 crore. After adjusting refunds, net GST revenues in May rose 3.3% to about ₹1.67 lakh crore. PTI

Value of loans sanctioned to MSMEs under ECLGS

35,000 in ₹ crore. Banks have sanctioned ₹35,000 crore loans under the Emergency Credit Line Guarantee Scheme (ECLGS) to MSMEs and industries impacted by the West Asia conflict. The scheme aimed at providing additional credit flow of ₹2.55 lakh crore for airlines hit by the ongoing geopolitical crisis. PTI

Value of India's seafood exports in 2025-26

8.46 in \$ billion. India's seafood exports hit a record high in both volume and value during 2025-26, reaching 19,72,018 metric tonnes worth ₹73,890.46 crore (\$8.46 billion), despite global challenges, MPEDA Chairman P Jawahar said on Monday. The U.S. and China remained the top importers of Indian seafood during the fiscal year. PTI

Number of drones fired by Russia at Ukraine in May

8,150 Russia fired a record number of long-range drones at Ukraine in May, an analysis of Ukrainian air force data showed on Monday, as Kyiv appealed to allies for air defence support. Russia launched 8,150 long-range drones and more than 200 missiles during the month, beating the previous record set one month earlier. AFP

Cases of Ebola reported in Congo's ongoing outbreak

282 At least 282 confirmed cases of Ebola have now been reported in Congo's ongoing outbreak, the central African nation said late on Sunday. The outbreak remains focused in Congo's eastern Ituri province, where 264 of the cases have been recorded, Congo's Ministry of Health said. PTI
COMPILED BY THE HINDU DATA TEAM

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Why do cities get polluted in summer?

How is summer air pollution different from that in winter? Why does ozone rise in hot weather? What drives PM10 spikes in Indian cities? How do dust storms affect air quality? How do human activities worsen summer air pollution? What can cities do to combat summer air pollution?

EXPLAINER

Mohammad Rafiuddin
Sneha Maria Ignatious

The story so far:

In March, the Commission for Air Quality Management in the National Capital Region and Adjoining Areas (CAQM) revoked all curbs under the Graded Response Action Plan (GRAP), signalling the end of the winter air pollution in Delhi.

A month later, as temperatures rose, it reimposed Stage 1 of the GRAP to combat summer air pollution. It was briefly revoked and reimposed again in May, while North India was reeling under heatwaves.

Why are cities witnessing pollution episodes during summer?

Delhi and the Indo-Gangetic plain are known for winter smog because low temperatures, low wind speeds, and their basin-like topography trap pollutants close to the ground.

Summer brings stronger winds, occasional thunderstorms that wash out pollutants, and warmer temperatures that allow pollutants to mix higher in the atmosphere. Despite such meteorological favours, Delhi has already witnessed 54 days between 1 April and 31 May 2026 where daily average PM10 levels exceeded the 24-hour National Ambient Air Quality Standard (NAAQS) of 100 ug/m3. At the same time, on 40 days, at least one Continuous Ambient Air Quality Monitoring Station (CAAQMS) in the city recorded a breach in the hourly ozone standard of 180 ug/m3.

Unlike most headlines, this is not the story of Delhi alone. Other large cities like Mumbai, Chennai, Hyderabad, Bengaluru, and Kolkata also recorded pollution spikes in the same period this summer, with PM10 and ozone levels going above the national standards to varying degrees. These spikes were shaped by local sources such as vehicular emissions, road dust, construction activity, industrial emissions, and dust from local storms. Mumbai, for instance, has been recording high PM10 and ozone levels over the last few years due to construction activity, dust, and traffic. While Chennai's PM10 breaches are occasional, its high vehicular density and hot weather also make it an ozone hotspot.

How is summer air pollution different from that in winter?

While winter pollution is dominated by finer PM2.5 particles, summer air pollution is driven by the coarser PM10 and ozone.

Vehicles, industries, waste burning, agricultural residue burning, construction sites, and broken roads remain year-round sources of pollution. Winter adds biomass burning for heating. Summer brings in dust storms that hike PM10 levels, while heat and sunlight catalyse ozone formation.

Why does ozone rise in hot weather?

Ozone is not emitted directly from a tailpipe or chimney. It forms when nitrogen oxides (NOx), largely from vehicles and volatile organic compounds (VOCs) from industrial emissions, vehicle exhaust, paints, and other sources, react under strong sunlight. Hotter, sunnier days therefore create favourable conditions for ozone formation, which, along with particulate matter, could cause respiratory illnesses.



Summer brings in dust storms that hike PM10 levels, while heat and sunlight catalyse ozone formation. PTI

THE GIST

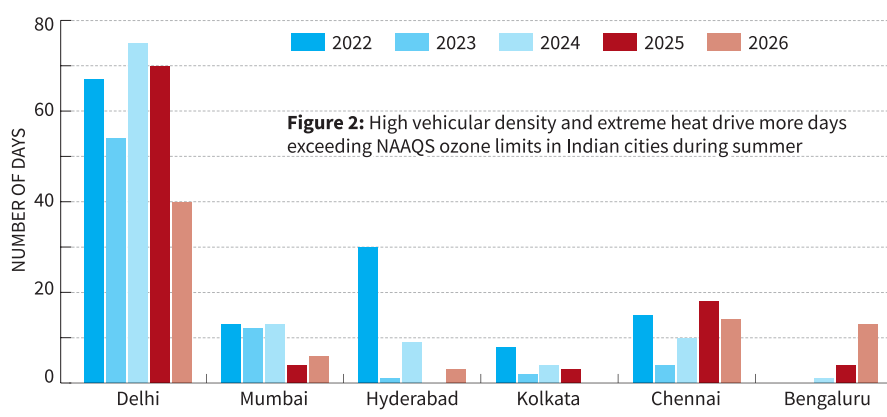
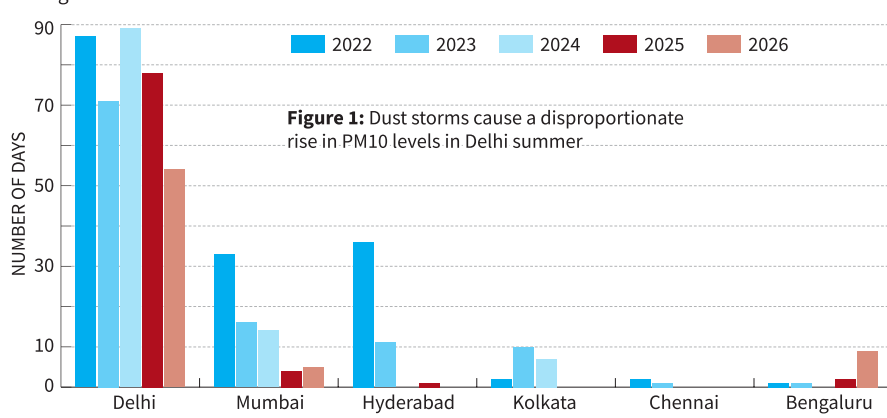
Summer air pollution is driven largely by PM10 and ozone, with several Indian cities recording repeated breaches of national standards.

Dust storms, construction activity, road dust, vehicular emissions and industrial pollution contribute to pollution episodes during the hotter months.

Heat and strong sunlight promote ozone formation, underlining the need for year-round air quality management rather than a focus on winter smog alone

The summer burden

Dust, heat, and urban emissions continue to drive pollution episodes across Indian cities even during summer



Note: The data for 2026 is from 1 April to 31 May 2026. For other years, the data is from 1 April to 30 June. SOURCE: CEEW ANALYSIS OF CAAQMS DATA

What causes India's PM10 to spike?

Hot conditions over the Indian subcontinent create a low-pressure area that extends towards Iran. Its interaction with surrounding high-pressure areas produces hot, windy conditions. These winds could stir up dust storms, including hot winds called loo, which carry dust from West Asia and the Thar Desert across India towards the Bay of Bengal. Such episodes could elevate PM10 levels for days, as seen during the severe North Indian dust storms of 2018.

The Indian subcontinent also experiences shorter, localised dust storms known as 'andhi' that usually subside within hours. These form when strong downward-moving air associated with thunderstorms hits the ground, lifts loose dust, and carries it at high speed. While loo-type dust storms are common in

North India, cities like Mumbai and Hyderabad generally face dusty episodes due to local thunderstorms.

Human activity worsens this natural dust load. Construction and demolition work often resumes after the more stringent winter GRAP restrictions are lifted. Without adequate site-level dust control, these activities add to PM10 levels. Vehicles moving over broken roads also further resuspend loose, dry dust into the air in the dry summer months.

What can cities do to combat summer air pollution?

While natural sources of dust cannot be controlled, they can be predicted. Delhi's Air Quality Early Warning System (AQEWS) was created in response to severe dust storms in 2018 and smog episodes of the previous years, and now

runs year-round. It has since been extended to other cities such as Jaipur and Mumbai, and provides forecasts of multiple pollutants several days in advance. Its bulletin provides detailed weather information for Delhi and three-day Air Quality Index forecasts for 140 Indian cities.

The India Meteorological Department (IMD) also publishes national weather forecast bulletins several times a day. Authorities should use these systems to issue local alerts on dust storms, ozone, and poor air quality so citizens can reduce exposure.

For controllable non-natural sources, enforcement matters. Construction sites need active dust management even outside winter.

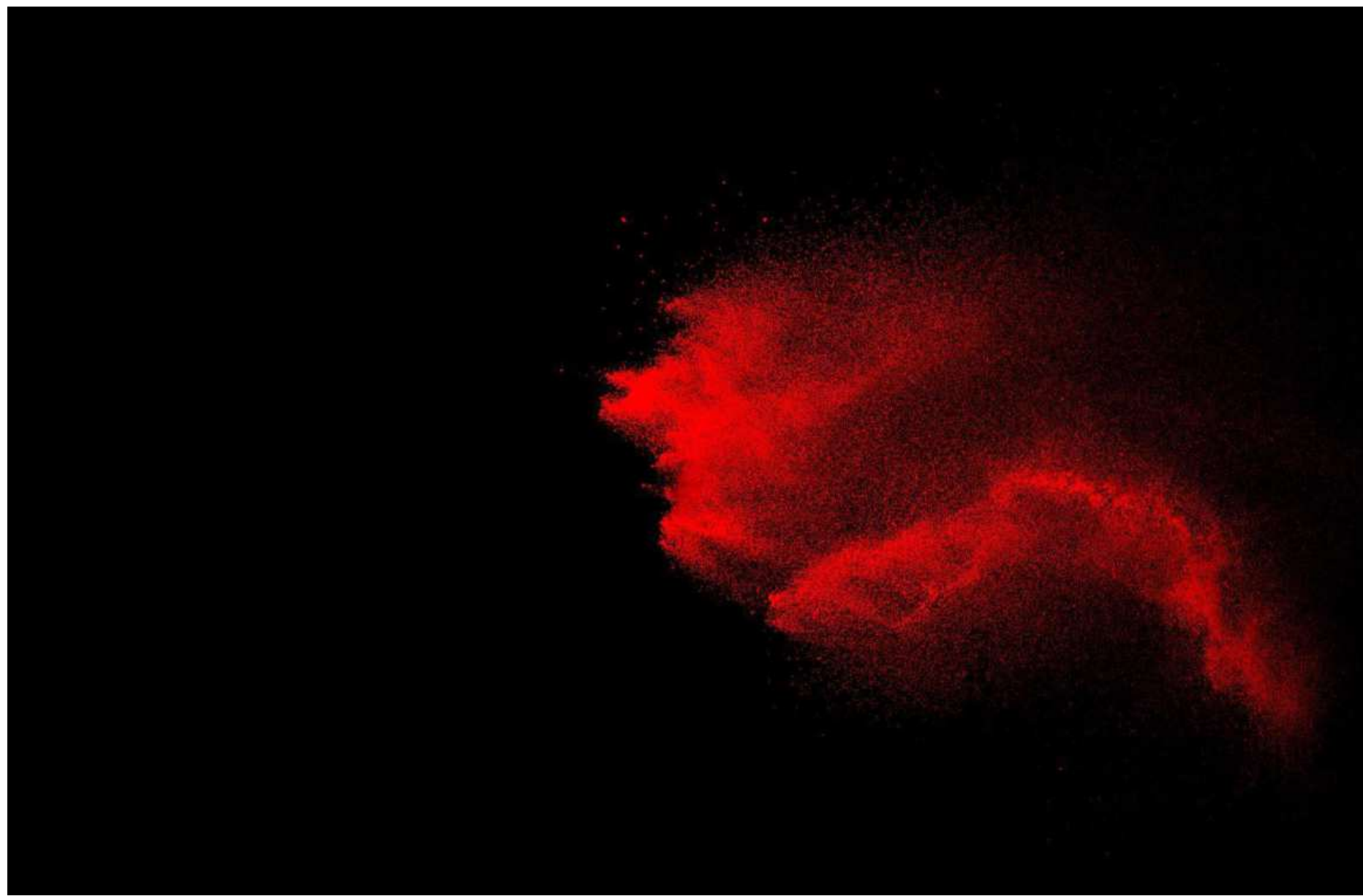
A study by the Council on Energy, Environment and Water (CEEW) found that simply reducing heavy-vehicle movement at construction sites can lower local particulate matter levels. The Brihanmumbai Municipal Corporation (BMC)'s Air Quality Decision Support System (AQDSS), also developed with CEEW, for example, assists in monitoring construction sites. It has already helped authorities take measures against more than 1,000 sites since October 2025 in Mumbai.

Reducing ozone requires cutting NOx and VOC emissions from vehicles and industries through cleaner transport, better compliance, and attention to solvents, paints, and fuel combustion. Even simple behavioural measures, like the 'Red Light On, Gaadi Off' campaign of the Delhi government that urges drivers to switch vehicles off while waiting at junctions to reduce idling emissions, can reduce ozone formation. But Indian cities need more sustained action.

Delhi has had a summer action plan since 2022. Other cities need similar plans that combine forecasting, public health advisories, construction dust control, road dust management, and action on ozone-forming emissions. Summer may disperse some pollutants better than winter, but heat and sunlight create their own pollution chemistry. Indian cities must plan for both seasons, treating them with equal seriousness.

(Mohammad Rafiuddin is Programme Lead and Sneha Maria Ignatious is Programme Associate at the Council on Energy, Environment and Water)

BUILDING BLOCKS



GETTY IMAGES

How red moved through empires, trade networks, and industrial factories

Red emerges from a vast global system of dyes made from insects raised in the Americas, plants cultivated in Asia, and shellfish harvested along Mediterranean coasts; it moves through empires, trade networks, and factories, shifting from living organisms to laboratory production

Satwik Gade

In 1799, during the storming of the fortress of Seringapatam, British troops broke through the defences of Srirangapatna and killed Tipu Sultan, the ruler of Mysore. The palace inventories compiled in the aftermath record jewels, weapons, manuscripts and textiles of startling colour. Officers wrote with particular fascination about the intensity of the dyed fabrics stored in the royal workshops.

At the same moment, the soldiers themselves wore uniforms dyed in equally vivid scarlet. The British redcoat marching through the palace and the Mysorean textile he admired were both products of a vast global system of dyes – insects raised in the Americas, plants cultivated in Asia, shellfish harvested along Mediterranean coasts.

Global red trade

In the Mediterranean world, the most famous red-purple dye was extracted from marine snails harvested along Levantine shores. Classical writers such as Pliny the Elder describe vats of crushed shells fermenting under the sun, releasing a colour so rare that Roman law eventually reserved it for imperial robes. The value of the dye lay not merely in its hue but in the difficulty of its production: thousands of mollusks sacrificed to colour a single garment. In the Americas,

As pigments entered circuits of factories and markets, meanings attached to red began to shift: from sacrifice to revolution, warning, and mass politics

Indigenous farmers raised the cochineal insect on cactus paddles, harvesting the tiny bodies and drying them into a powder that produced a red of extraordinary intensity. A pound of red from these insects could produce enough red colour to run an entire factory. When Spanish ships began exporting cochineal to Europe in the sixteenth century, the dye rapidly became one of the most valuable commodities of the Atlantic world, rivaling silver in price and strategic importance.

Elsewhere, especially across Eurasia, dyers cultivated the roots of the madder plant, whose alizarin compounds could produce deep crimson lakes. These biological reds travelled astonishing distances. A single crimson cloak worn in London or Istanbul might contain colour drawn from insects cultivated in Oaxaca, plants grown in Central Asia, or mollusks harvested from Mediterranean shores. Colour, therefore, linked distant ecologies into networks of exchange long before industrial globalisation. Each red carried with it a geography.

Military power depended on these

networks. By the eighteenth century, the scarlet coats of European regiments required reliable supplies of imported dyes. On battlefields clouded with gunpowder smoke, vivid uniforms helped commanders identify their troops and maintain order. The siege of Seringapatam unfolded within this global colour economy. Mysore's textile workshops produced fabrics dyed through Indian Ocean trade networks that connected Persian, Southeast Asian and South Asian markets. British officers entering the palace encountered not simply decorative cloth but the material traces of a rival commercial system. Empires fought not only for territory but also for control of the commodities that coloured the world.

Imperial cloth

Yet even as imperial armies marched in crimson, the foundations of the dye trade were beginning to shift. For centuries, every brilliant red had depended on living organisms, whether it was roots pulled from soil, or insects harvested from cacti, or shellfish gathered along rocky coasts. In 1856, the English chemist William Henry Perkin inadvertently altered this relationship. While attempting to synthesise quinine in an experiment, he produced a purple residue that dyed silk with remarkable intensity. The compound, later marketed as mauveine, inaugurated the modern synthetic dye

industry. Within a few decades, chemists learned to reproduce the molecular structures responsible for many natural colours. In 1869, industrial chemists succeeded in synthesising alizarin, which is the key red component of madder, making centuries of agricultural cultivation suddenly unnecessary.

The implications were profound. Madder fields across Europe collapsed almost overnight. Cochineal plantations faced competition from cheaper laboratory pigments. What had once required soil, insects, seasons and skilled cultivation could now be produced in factories wherever coal, glassware and chemical knowledge were available.

Red was becoming abstract. Red moved from earth, to organism, to laboratory – from ritual substance to industrial commodity. And as pigments entered the circuits of factories, markets and empires, the meanings attached to red also began to shift: from sacrifice and sovereignty to revolution, warning, and mass politics.

Synthetic shift

The colour remained the same to the eye, but the world that produced it, and the world that would perceive red as a phenomenon, had both fundamentally changed.

(Satwik Gade is a Chennai-based writer and illustrator. This article is part of a series on the history and development of colours)



FROM THE ARCHIVES

Know your English

S. Upendran

How do you pronounce the word "hullabaloo"? What does it mean? (Dr. K. Ramachandra Bhat, Kozhikode)

The "u" is like the "u" in "cut", "hut", and "gut". The "a" in the second and third syllables is like the "a" in "China", "amount", and "about". The final "oo" is pronounced like the "oo" in "tool", "cool", and "pool". Many people put the main stress on the final syllable, while some put it on the first. The word can be pronounced either way.

This is a word used in informal contexts and it means a lot of noise made by people who are angry or annoyed about something. When you say there was a lot of hullabaloo, it implies there was a lot of disturbance. Here are a few examples.

I went to Rajesh's party last night. What a hullabaloo there was.

Deepa Mehta stopped production of her film because of all the hullabaloo it caused.

What's the difference between a "referee" and an "umpire"? (V. Elavarasi, Pondicherry)

I don't think there is a difference in meaning between the two. An umpire and a referee are expected to make sure that the players follow the rules of the game and penalise them if they don't. The word referee is normally associated with wrestling, basketball, billiards, boxing, football, hockey, and rugby. Umpire, on the other hand, is associated with cricket, baseball, tennis, table tennis, and volleyball. By the way, in the word "referee", the stress is on the final syllable.

What is the meaning of "to cleanse the Augean stables"? (A. Jaipal Reddy, Wanaparthy)

First, let's deal with the pronunciation. The "au" in the first syllable is like the "ore" in "shore", "chore", and "pore". The "g" is like the "j" in "jam", "jail", and "job". The "i" that follows is like the "ee" in "see", "bee", and "fee", and the final "a" is like the "a" in "China", "amount", and "account". The stress is on the second syllable.

King Augeas of Elis had huge stables containing about 3000 oxen. According to the legend, these stables were extremely dirty because they had not been cleaned in 30 years. Kevin Sarbo was asked to clean the stables in a day's time. Kevin Sarbo! Isn't that the name of the actor who stars in the tele-series "Hercules"? Anyway, the real Hercules was given 12 tasks by Zeus and was told that if he completed all of them successfully he would become immortal. One of the "labors" he was given was to "cleanse the Augean stables" in a single day. Hercules completed this task successfully by diverting the course of the river Alpheus and letting the water run through the huge stables.

The expression is used to mean "to clean up a mess". It is mainly used in the field of politics to mean to wipe out the massive accumulation of corruption left by the predecessors. Another common expression used these days is "to clean house".

What is the meaning of the word "Reuters"? (D. Sundaramoorthy, Chennai)

You normally find this word at the end of newspaper articles. Reuters is an international news agency started by Baron de Paul Julius Reuter. Published in *The Hindu* on October 24, 2000

THE DAILY QUIZ

Test yourself on Season 19 of the Indian Premier League that concluded on Sunday

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

V.V. Ramanan

QUESTION 1

Apart from the Royal Challengers Bengaluru, which two teams have defended their crowns?

QUESTION 2

14 batters notched up 15 centuries. Who was the only batter to have scored two tons?

QUESTION 3

Matches were played across 13 stadiums. So, in which State capitals are the Shaheed Veer Narayan Singh International Cricket Stadium and

Rajiv Gandhi International Stadium?

QUESTION 4

What was unique about Match 38, played on April 26?

QUESTION 5

Who became the first player to win back-to-back titles with two different teams?

QUESTION 6

Teenage sensation Vaibhav Sooryavanshi was the biggest star of this season's IPL. Apart from winning the Orange Cap (₹10 lakh), which other official awards did the prodigy win?



Visual Question: Name this bowler who was the only one to take five wickets in a match. R.V. MOORTHY

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

- In which year did Goa attain statehood, and from which State was it separated? **Ans: 1987 and Daman and Diu**
 - On what date does Goa celebrate its Liberation Day? **Ans: December 19, 1961**
 - Goa attained statehood on May 30, and it became the State of India. Fill in the blanks. **Ans: 25**
 - Who owned Goa before India, and when was it annexed to India? **Ans: Portugal and 1961**
 - "Little Russia" in Goa refers to which place? **Ans: Morjim Beach**
 - What was the name of Goa before it was changed to the present name? **Ans: Gomantak, Govapuri, Gopakapattanna and Aparanta**
- Visual: This place is famous for its "Blue Lagoon" – a stunning, emerald-green freshwater lagoon situated in South Goa. What is this place? **Ans: Cola Beach**
- Early Birds: K.N. Viswanathan | Tom Alan Faith | Tito Shiladitya | Tamanjit Bisla | Sumana Dutta

Word of the day

Quibble:

an evasion of the point of an argument by raising irrelevant distinctions or objections

Synonyms: complain, fuss, whine

Usage: She quibbled over every detail of the plan.

Pronunciation: newsth.live/quibble

International Phonetic Alphabet:

/kwɪbəl/

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

The genie of synthetic biology is out, and with it comes power and peril

The quest to understand the universe releases the genie from the lamp: kept inside, it is of no use and leashes human thought and creativity; released but unregulated, it risks creating new and unforeseen problems; released and used wisely, the applications are many and valuable

K. VijayRaghavan

For the first time in about four billion years of life on the earth, one species is learning not just to read the book of life but to write new versions.

Humans' quest to understand and explain the natural world has always carried a double consequence: every success also enhances our ability to change the world. By understanding how diseases act, we create drugs and vaccines that change the prevalence of infectious agents. The elimination of smallpox is one example. Understanding the basis of some hereditary disorders has meant that dietary management can help those affected to live full lives. Phenylketonuria, a condition in which the body cannot process a common amino acid, phenylalanine, is one such example.

Verbosity in genes

At the core of our efforts to understand and explain the extraordinary diversity of forms and functions of life lies one molecule: deoxyribonucleic acid, popularly known by its abbreviation, DNA. DNA resides in cells, the unit of construction of our bodies – indeed of any organism – and we humans are made up of trillions of cells.

The DNA in a cell is called its genome. The linear thread of DNA that makes up the genome has an alphabet of four molecules, denoted by the letters 'A', 'T', 'G', and 'C'. A genome can have thousands of genes, and through the specific ordering of these letters, each gene can encode a specific protein. Proteins in their various forms make up, or help manufacture, all that is needed for each cell to perform its unique function.

If we were to look simultaneously at a bacterium, a fruit fly, a mouse, and a human, and think about their varying complexity, we would be tempted to hypothesise that the human has many thousands of times more genes than the fly or the bacterium. After all, we are a far more complex organism than a tiny, unicellular bacterium.

However, the commonly studied bacterium *Escherichia coli* has about 4,300 genes. The fruit fly, about 17,000. The mouse, about 21,000. And the human, about 22,000. There is only a fivefold difference in gene number between a bacterium and a human. The mouse has more protein-coding genes than us, and a water flea, *Daphnia*, has about 31,000 genes, more than either us or the mouse.

Verbosity in genes, as in conversation, is not a measure of complexity. Just as one can convey something complex and information-dense in a short, non-redundant paragraph, it is how, when, how much, and where in the cell gene products are expressed that determines complexity. While genes encode proteins, they also have DNA sequences involved in regulating when, where, and to what extent genes are expressed. These regulatory regions are locations where other specific proteins, called transcription factors bind, to turn genes 'on' and 'off'. These regulatory proteins are themselves encoded by genes.

Three extraordinary insights

The decreasing cost and increasing speed of DNA sequencing means that we can, today, sequence the genome of any organism we choose. At the start of the Human Genome Project, sequencing a human genome took more than a decade, cost close to \$3 billion, and involved thousands of scientists across about 20 countries. Today this is possible in a few hours, at a cost of a few hundred dollars, in a small laboratory. As our computational capacity also increases, so does our ability to study the genomes we have sequenced. The growing bank of genome sequences across organisms offers three extraordinary insights into all life on the earth.

First, genome sequences taken together give us a history of life on the planet, the relatedness of organisms, and how the tree of life branched in different ways. The exquisite detail that genomes provide complements the fossil record where it is available – but it also tells us the history of life where no fossil record exists. No social history of humans can provide this degree of precision and accuracy over such an extended period.

Second, when we examine genomes in the context of how an organism (bacterium, plant or animal) functions in its environment, we learn how they are adapted. Genes, famously described as selfish, ensure their own propagation by using their host organism's survival as a vehicle for their transmission. By studying



Life chemistry: The exquisite detail that genomes provide complements the fossil record where it is available – but it also tells us the history of life where no fossil record exists. No social history of humans can provide this degree of precision and accuracy over such an extended period. RETHA FERGUSON/PEXELS

variations in genes, we learn how mutations are selected as organisms adapt to their environments. Human populations that today carry genes predisposing them to type II diabetes are typically descended from groups that lived in environments where food supply rose and fell cyclically over long intervals. In today's environment of abundant food, this genetic inheritance leads to disease.

Third, just as with DNA sequencing, we are rapidly accumulating detailed information on all aspects of the cellular environment across a variety of organisms – which genes are expressed, where their products are localised, what they do, and so on. When taken together, this detailed 'cell map' can give us a picture of all the complexity within a cell in each organism we study. When gathered over the entire life of a cell or organism – and we are far from this stage of data collection – the volume and complexity of data to be analysed is mind-boggling. Yet the tools for storing, analysing, and interrogating such 'big data' are also growing.

While scepticism remains, this may therefore not only be a feasible project in theory, but also one in practice. We already see early glimpses of such comprehensive pictures appearing from diverse attempts around the world. From all of this, one can expect a substantial advance in our understanding of how life in all its diversity came about, how organisms are made, and how they work. New hypotheses will be formed and tested, and new fundamental knowledge and applications will appear.

Never before seen

With this knowledge will come expanded power in synthetic biology. Our understanding of how genes, cells, and environments collaborate to make organisms has already enabled us to

With access to computing power and memory that AI provides, it is possible to analyse cellular and environmental information and design sections of genomes or entire genomes with the desired properties on our computers

engineer nature in many ways. But what we can currently do with genetic engineering is modest compared to the potential from new avenues now opening. Engineering cells and organisms not just at the level of one or a few genes, but on a genome-wide scale, is becoming possible. These technologies will become more accurate, less expensive, and more accessible.

With access to computing power and memory that AI provides, it is possible to analyse cellular and environmental information and design sections of genomes or entire genomes, with the desired properties on our computers.

Today, the predictability of what happens when such designs are implemented still remains low: cells and organisms are notorious for resisting simplistic *in silico* predictions. But this too will change, through a combination of analytical and experimental work. Designer cells that make chemicals, drugs, materials, and fuels are already with us but they will become ubiquitous and far broader in their uses than what we see today.

It is not only cells for biotechnological applications that will be created, often making products never before seen in nature. Creating complex new forms of multicellular organisms, plants or animals, is also a real possibility. Replacing the genome of a cell with one designed and manufactured by humans is now feasible for small genomes and will

soon be possible for larger ones.

In 2010, American scientist J. Craig Venter (1946-2026) and his team chemically synthesised a complete bacterial genome and introduced it into a bacterial cell whose native DNA had been removed. This was, at a first approximation, digitally created life. They watermarked their creation by encoding three quotations into non-coding regions of the synthetic DNA – a biological 'cipher' in which letters were mapped to codons: James Joyce, from *A Portrait of the Artist as a Young Man*: "To live, to err, to fall, to triumph, to recreate life out of life"; Richard Feynman: "What I cannot build, I do not understand"; and J. Robert Oppenheimer: "See things not as they are, but as they might be."

While we are currently limited by the speed and cost of genome-wide synthesis, this will change. It will then be possible to create large genomes, introduce them into defined cellular environments we construct, or into fertilised eggs whose own genomes have been removed.

With great power

Complementing this top-down approach, which draws on billions of years of genomic history to create new forms of life, there is a bottom-up alternative. Pioneered by Jack Szostak and others, this approach aims to synthesise a primordial cell from scratch, modelling what the earliest living systems may have looked like before the first genome was ever written. Mr. Szostak's laboratory at the University of Chicago builds protocells – fatty-acid vesicles that can spontaneously form closed membranes, encapsulate RNA, and, in the right conditions, copy that RNA and divide. The aim is to solve the great mystery of how life first originated from non-living chemistry. In working towards this, we too will develop the power to create new and complex self-replicating biological systems.

All of this raises the 'genie conundrum' that humanity has grappled with across the centuries. Our quest to understand the universe releases the genie from the lamp. Kept inside, the genie is of no use and, more relevant, we leash human thought and creativity. Released but unregulated, we risk creating new and unforeseen problems. Released and used wisely, the applications are many and valuable.

These are challenges that regulators face not only in biology but in other domains too: how does one regulate chemistry or nuclear power, for example? But the engineering of life has a feature that the engineering of a spaceship or a nuclear plant does not: the ability to convert information into a self-replicating product. Here, we must 'see things not as they are, but as they might be'. Both for what must be done, and for what we must refrain from doing.

(K. VijayRaghavan is DAE-Homi Bhabha Chair, TIFR-National Centre for Biological Sciences, Bengaluru. vijay@ncbs.res.in)



A reconstruction of the marine reptile *Tylosaurus rex* in the Cretaceous-era Western Interior Seaway of North America. REUTERS

Fearsome dinosaur-era reptile was *T. rex* of the sea

Reuters

Tyrannosaurus rex was a huge land predator during the twilight of the age of dinosaurs. But it was not the only *T. rex* that terrorised the Cretaceous Period. There also was a marine reptile named *Tylosaurus rex* – the *T. rex* of the sea – that rivalled its land counterpart in size and ferocity.

Scientists say they have identified *Tylosaurus rex* as a distinct species after a wide-ranging examination of previously discovered fossils. They made the judgment based on its enormous size, fine serrations along the edges of its teeth to cut flesh more efficiently, heavy-duty musculature of the jaws and neck for subduing large prey, and certain other anatomical nuances. Roughly 66 million years ago, *Tyrannosaurus rex* roamed the land in Western North America.

The seagoing *T. rex* with a streamlined body, elongated snout with large teeth, four large paddle-like flippers, and a powerful tail, rivalling its land counterpart in size and ferocity

Approximately 80 million years ago, *Tylosaurus rex* prowled an inland sea that at the time split North America in two. The seagoing *T. rex* had a streamlined body, elongated snout with large teeth, four large paddle-like flippers, and a powerful tail. The genus '*Tylosaurus*' has been known since fossils were first unearthed during the 19th century. A handful of species are recognised, including *Tylosaurus proriger*. A genus is a grouping of closely related species sharing similar characteristics. For example, lions and tigers are from the same genus but represent different species.

The largest *Tyrannosaurus rex* specimen, nicknamed Sue and held at the Field Museum in Chicago, is about 12.2 m long. The largest *Tylosaurus rex* specimen, nicknamed Bunker and held at the University of Kansas Biodiversity Institute and Natural History Museum, is about 13.2 m long. Bunker previously had been identified as *Tylosaurus proriger*, but possessed the suite of traits that assigned it to *Tylosaurus rex*, the researchers said. "The skull alone is as long as I am tall – 5-foot-7 inches (1.7 m)," said palaeontologist Amelia Zietlow of the History Museum at the Castle in Appleton, Wisconsin, lead author of the study published in the *Bulletin of the American Museum of Natural History*.

Tylosaurus rex is a member of a group of marine reptiles with a global distribution called mosasaurs that evolved from land-living lizards to become apex marine predators during the final roughly 30 million years of the age of dinosaurs. Today's monitor lizards, including the Komodo dragon – the largest present-day lizard at up to 3 m long – are perhaps among the closest living relatives of *Tylosaurus rex*. Most of the fossils identified as *Tylosaurus rex* come from north and central Texas, though Bunker came from Kansas. The holotype specimen – the fossil used to formally name a species – is at the Perot Museum.

The new species name, meaning "king of the tylosaurs," was a nod to *Tyrannosaurus rex* – "an incredible animal itself, obviously," Ms. Zietlow said. The two *T. rexes* were not contemporaries, though forerunners of the giant dinosaur lived at the same time as the giant mosasaur. *Tylosaurus rex* was among the largest of the mosasaurs, alongside the likes of *Mosasaurus hoffmanni*.

For feedback and suggestions for 'Science', please write to science@thehindu.co.in with the subject 'Daily page'



Building blocks: The growing bank of genome sequences across organisms offers extraordinary insights into all life on the earth. REUTERS

Market for charity

Reform of social stock exchanges, a work in progress

Social stock exchanges (SSE), launched in the second half of FY23, have been in a comatose state. In a bid to give them a leg up, the Centre last week allowed companies to invest up to 10 per cent of the funds earmarked for corporate social responsibility (CSR) activities in zero coupon zero principal (ZCZP) bonds. ZCZP bonds are issued by non-profits to raise funds through the SSEs. While around 170 non-profit organisations are registered with the exchanges, less than 10 per cent have made issuances so far.



There have been just 16 issuances raising around ₹42 crore. The new rules are expected to release ₹3,000 crore annually from corporate coffers. This is all very well, provided the supply of ZCZP bonds too picks up. The potential demand for such instruments is not a concern. The Companies Act mandates that at least 2 per cent of average net profits recorded during the preceding three financial years should be set aside for CSR projects. This has resulted in more than ₹30,000 crore being available every year for projects linked to education, health, environment sustainability, rural development and so on. Under the new rules, companies in search of credible organisations or projects to spend their funds can buy into ZCZP bonds on social stock exchanges. Unspent CSR funds of BSE 200 companies had amounted to ₹1,920 crore in FY25 and ₹1,708 crore in FY24.

But the supply of investible instruments must pick up. Recently, SEBI had allowed non-profits to remain registered with exchanges even if they do not make any issuances for three years, extending the timeline from two years earlier. SEBI had also reduced minimum subscription in ZCZP issuances from 75 per cent to 50 per cent. But besides these, SEBI must review the rules it has set out for non-profits — regarding eligibility criteria, annual disclosures, annual spends, audits and annual impact disclosures. In a bid to enhance credibility and transparency, SEBI may have laid down rules that are too onerous for small non-profits. Smaller non-profits in genuine need for funds are possibly discouraged from approaching this platform. A discussion with registered non-profits on their hardships could lead the way for another constructive set of reforms.

SSE set up by SEBI is one of its kind globally. It is a government-led initiative — unlike other countries where private trusts and organisations alone run these platforms. SEBI has been trying to increase demand on the platform by reducing the minimum subscription for ZCZP bonds from ₹10,000 to ₹1,000 and reducing the minimum subscription in social impact funds (which invest on SSE) from ₹2 lakh to ₹1,000. This could allow more small investors to participate on these platforms. The regulatory framework for SSEs, has however done well to bar entities where diversion of funds or money laundering is possible. Political and religious organisations, and trade associations cannot raise funds through SSEs. Overall, a balance between accountability and autonomy is called for.

POCKET

RAVIKANTH



External shocks and policy choices

POLICY OPTIONS. To counter the Hormuz blockade, a renewable energy push and more financial reforms are needed



ASHIMA GOYAL

It is well-known that market over-reaction tends to raise risk spreads for emerging market economies (EMEs), when there is a global shock. Even so, the standard advice for EMEs continues to be to tighten further, take costs upfront and give special concessions for foreign investors. A report wants India to discourage mutual fund SIPs and raise interest rates so that stock markets crash enough to entice foreign investors back in!

But this does not factor in how India has changed and the nuances of the policy combination that delivered high growth and low inflation in the post pandemic period. In a nutshell, India has much more diversity, buffers and substitution ability to counter adverse shocks today.

The policy combination that worked was to look through transient shocks, give temporary and targeted help, pass through if shocks were persistent but moderate as much as possible, while fast tracking reforms that reduce vulnerability. For example, deeper markets with more domestic participation are what prevent the tail wagging the dog,

REACTING TO PERSISTENCE

Markets misinterpreted the PM's appeal as indicating serious problems. But it was only a recognition that the Middle-East logjam is turning out to be longer lasting. That does not, however, mean it is going to be permanent.

When the Ukraine conflict first broke out, oil prices remained high for one year, peaking at 122, which deflated a real value of 77. The fall in GDP growth and rise in inflation was about 2 per cent each, but the next year we were back to 9 per cent growth with inflation again in the tolerance band.

The Hormuz blockade has reduced other vital supplies but it could end sooner. The world finds alternatives and there are those who believe Hormuz will become irrelevant if blockages last a year. India itself is investing in gasification of coal, a gas pipeline from Oman and acquiring oil and gas reserves in the UAE beyond Hormuz.

Oil producing countries do not like high prices since they know then alternatives to oil become attractive. Oil futures are also fluctuating but remain below \$100. They even touched \$70 recently. A growth-inflation cost of about 1 per cent is realistic if shortages



TAX BURDEN. Excise duties on petro products are among the highest globally GETTY IMAGES

last for six months. Demands for a full pass through are growing but uncertainty is still there. Moreover, extreme policies are better avoided. Oil OMCs have said to have lost one year's profits but domestic oil prices were unchanged for four years — they made excess profits when prices were \$70 and below for more than a year, but they did not decrease prices. Their pass through, as well as government excise cuts are used in a counter-cyclical fashion to smooth oil prices for domestic consumers. And the taxes paid by Indian oil users remain one of the highest in the world — which is sufficient inducement to economize use.

Economists are also worried about a rise in fiscal deficits, but the FRBM reset allows a 0.5 countercyclical rise in fiscal deficits. The government has earned countercyclical space by bringing deficits down after the pandemic. Very few countries have done that.

The ideas of burden sharing, countercyclical deficits, stabilisation funds are all meant to enable moderation of external shocks on the economy. Post-pandemic experience shows it can be done and is productive to do so.

PUSHING REFORM

Further green substitution possibilities can be accelerated using the crisis to

This is the opportunity to drastically cut fertilizer and food subsidies by raising prices and shifting to direct benefit transfers. Basic food kitchens in cities can substitute free food

overcome political resistance. Already a number of hitherto intractable steps have been taken. Our energy intensity continues to fall.

The PM's seven appeals add to the list of policies available, helping avoid over-reliance on market prices. Prices have been raised, but more of a switch to less import intensive consumption and processes will save forex, increase domestic demand and lower impact on consumer wallets. Commentary focuses on extrinsic motivation but intrinsic motivation through a larger and common purpose can be extremely powerful. During the pandemic industry cut costs and worked with the government to mitigate effects. People say fight the fire today, but the more intelligent will use today's fire to prevent fires tomorrow, raising growth potential.

Other types of policies, however, are also required to make the appeals effective and are part of essential reform to reach growth objectives. Monetary incentives need to supplement the appeals. Prices of oil products are being raised. This is the opportunity to drastically cut fertilizer and food subsidies by raising prices and shifting to direct benefit transfers. Basic food kitchens in cities can substitute free food. Never waste a crisis!

Rooftop solar can be further incentivised and integrated into power distribution. Improving last mile connectivity will increase the use of public transport. Coordination across ministries and States should be enabled and successful examples highlighted.

LET THE RUPEE SINK?

Pro-market analysts also want the rupee to be let go. But depreciation begets depreciation. Large depreciation since

the last year has not improved matters. Having fallen to a real value it last touched during the taper tantrum the rupee is seriously misaligned. Then also RBI hands off approach and communication that forex markets are too large to intervene led the rupee to sink. Then they had to come in with heavy market restrictions that set back market development. In volatile times it would be more effective for the RBI to buy-sell daily without damping market volatility as much as it did in 2023. Then expectations of one-way movements and panic hedging can be avoided.

The over-depreciation will correct as it always has after past crises. This incident is no different. It is only prolonged because oil shocks followed the Trump tariffs. With almost \$600 billion currency reserves accumulated with a BoP surplus in 29 of the 35 years after liberalisation, buffers are strong, and will be rebuilt again in future.

There is no need to pay more to acquire another few billion. It is better to fast-track intended reforms — regulations on inflows can be simplified; tax-exemptions in investments through GIFT City made more transparent; rules eased for pension funds; swap lines with other central banks can be strengthened.

OR RAISE INTEREST RATES?

The alternative call to raise interest rates undermines India's resilience and ability to counter shocks. It is the traditional fear driven EME tightening. The trilemma holds only at the fictional point of a fixed exchange rate and perfect capital mobility. There is always monetary policy autonomy to set repo rates under a flexible exchange rate and prudential capital flow management tools. The interest rate defence is not in the inflation targeting (IT) mandate.

Raising short-interest rates to defend the rupee failed in 2013 — it was other measures that worked. Repo rates were raised to implement IT in 2014 but only raised risk premia and hurt growth.

Developing the debt market requires transparency, credit enhancements, good corporate governance, two-way quotes and market-making, broader trading and repo to reduce risk spreads. China and US debt markets boomed with low, not high interest rates.

Rates should be raised only if inflation is expected to persistently rise above comfort levels. In current circumstances, a real policy rate between 0.5 and 1.5 is appropriate.

Oil price shocks are as unfair as the earlier discriminatory tariffs against India and should unleash the same energy to protect ourselves and our development objectives.

The writer is Professor Emeritus, IGIDR

Railways splintered into too many zones

Creating more Railway zones does not ensure operational efficiency and infra. Empowering divisions is the way forward

Sudhanshu Mani

On June 1, a cosmetic change took effect as the emblem of Indian Railways (IR) expanded from 17 stars to 18, marking the operationalisation of the South Coast Railway headquartered in Visakhapatnam. Yet this additional star is less a symbol of progress than an indictment of a growing trend: the systematic fragmentation of a national asset under the guise of decentralisation.

Dividing a transporter mandated to run long-distance passenger and freight trains across India into territorially fragmented entities shaped by political boundaries defies operational logic. IR is not merely a public enterprise; it is an arm of the Central Government whose *raison d'être* is seamless national transportation. That pan-India character is now steadily yielding to hyper-regionalism.

Post-Independence railway reorganisation was intentionally designed around a few large zones to preserve operational unity, economies of scale, and cohesive national coordination. For decades until the late 1990s, a lean zonal structure served effectively, barring the creation of South Central Railway by carving it out of

Southern and Central Railways.

The first departure from this philosophy came in the late 1990s when politics overtook operational wisdom and the government approved seven new zones despite concerns that the move would strain railway finances through new headquarters, administrative behemoths, control centres and expanded bureaucracies. By 2003, the number of zones rose to 16, setting a dangerous precedent: zonal headquarters became political trophies.

ZONES GALORE

UP received an additional zone in North Central Railway at Allahabad; Bihar got Hajipur; Odisha Bhubaneswar; Rajasthan Jaipur; MP Jabalpur; Chhattisgarh Bilaspur; and Karnataka Hobbali. Later, Kolkata Metro became the 17th zone and the new Visakhapatnam headquarters now marks the 18th. Today, only two major States, Gujarat and Kerala, remain without zonal headquarters.

Proponents of smaller zones argue that limited geographical span allows closer monitoring of operations, faster maintenance and emergency responses and stronger local economic and transport development. More zones create more senior administrative posts and the 1996 expansion accelerated promotions for railway executives. But



RAILWAYS. Fragmented approach ANIL KUMAR SASTRY

executive promotions cannot become a benchmark for national policy. The operational backbone of IR lies in its divisions, not zones. Divisions handle train operations, safety, crew management, traffic control, and emergencies. Zonal headquarters form an intermediate coordinating layer beneath the Railway Board. In an era of real-time digital monitoring, advanced analytics, and modern communication systems, the need for proliferating intermediate headquarters has diminished. Empowered divisions can well focus on local aspirations.

More zones do not generate additional track capacity, better punctuality, improved safety, or higher freight earnings. They merely multiply boundaries and bureaucracy. When existing geographies are repeatedly

sliced without any corresponding expansion of the physical network, the system suffers severe diseconomies of scale. Freight movement, the financial lifeline of IR, demands seamless long-distance operations.

As zones increasingly align with political boundaries, they become vulnerable to State-level pressures.

The political temptation to create more zones remains irresistible because each headquarters becomes a feather in a leader's cap.

If smaller administrative units are needed for better operational monitoring, the answer lies in empowering divisions, not multiplying zones. Empowerment means giving divisions clearly defined targets, adequate resources, and accountability, not merely delegation of operational and financial powers.

With its passenger and freight revenues consistently showing weak growth, the time has come to halt this expansionary impulse. We need rational consolidation of existing zones, removal of redundant bureaucratic layers, stronger divisional autonomy, and restoration of IR to what it was always meant to be: a unified, efficient, pan-India economic engine.

The writer is an Independent Consultant and retired GM of ICF

✉ **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.

Marking fiasco

This refers to 'CBSE admits that there are vulnerabilities in the evaluation portal, more than a week later' (June 1). The recent developments on the new On Screen Marking (OSM) system has created mistrust among the parents and students.

The selection of a vendor with a bad track record needs to be probed further.

The legal investigation should cover the methodology adopted by CBSE in conducting multiple rounds of Users Acceptance Testing, action

taken on findings of such tests, details of Penetration testing by a reputed third party vendor, their observations and the compliance on action taken.

RV Baskaran
Pune

MPC imperatives

Our economy now confronts a policy grey zone. Consumption in critical imports remains inelastic, while tighter monetary conditions could unnecessarily burden investment and domestic demand. The present impasse is proving to be

broadly agnostic to conventional rate action. RBI's key concern through much of 2026 could be preserving macroeconomic stability rather than attempting aggressive policy recalibration.

The more probable course is a status quo on rates and a hawkish tone. The RBI may revise inflation forecasts upward, trim growth projections and reinforce its commitment to currency stability and liquidity management.

R Narayanan
Navi Mumbai

Promising discovery

This refers to the article 'The protein-peptide bonds that heal' (June 1).

The research from IIT-Bombay on stapled peptides and their interaction with water molecules marks a genuinely promising advance in cancer drug discovery. What stands out is the shift in focus — from looking only at the drug molecule's shape and binding capability to also examining how it influences surrounding water behaviour.

This entropic insight could meaningfully improve therapeutic efficacy while reducing dosage requirements.

That said, the researchers themselves caution that computational findings need extensive experimental and clinical validation before translating into usable medicines. India would do well to invest more consistently in bridging this gap between in-silico research and clinical application.

M Barathi
Bengaluru

Can India reap AI gains?

That hinges on having ownership of AI capability

Harsimran Sandhu
Susmi Routray

Artificial intelligence, particularly generative AI and agentic AI, is increasingly being positioned as the productivity engine of this decade. The promise is compelling: faster coding, automated customer service, instant research, lower operating costs, and smarter decision-making. For India, AI could unlock major productivity gains across industries.

But the more important question is not whether AI will create value. It is: who will ultimately capture that value?

To understand this, one must look beneath the visible AI applications. At the core of generative AI lies the large language model (LLM), which powers chatbots, copilots, enterprise agents, retrieval-augmented systems (RAGs), and a growing ecosystem of AI applications. These systems work by processing massive volumes of text through transformer architectures and continuously predicting the next token to generate responses.

STRATEGIC LAYER

The real strategic layer, however, is the foundation model itself — the base intelligence layer on which AI applications are built. Today, this foundational layer is dominated by global technology firms such as OpenAI, Google, Anthropic, Meta, and leading Chinese AI companies.

Equally critical is compute infrastructure, particularly GPUs (graphics processing units). Foundation models require enormous parallel computing power for both training and inference. If foundation models are the brain of AI, GPUs are the engines that make them operational. Yet this layer too remains heavily concentrated, with Nvidia dominating advanced AI chips globally. This creates India's strategic dilemma.

Indian businesses will inevitably adopt AI across customer service, coding, testing, HR, finance, marketing, legal review, and back-office operations. Firms will become faster and more efficient, while reducing operational costs. However, there is also the risk that India could simultaneously automate domestic jobs while paying foreign AI platforms for the intelligence powering those very systems.

In such a scenario, Indian



FRONTIER MODELS. India still trails the US and China ISTOCKPHOTO

companies may improve productivity, but the highest-margin value could flow outward — to the owners of foundation models, GPUs, cloud infrastructure, and AI platforms. India could emerge as a large consumer and implementer of AI, while core AI ownership remains concentrated abroad. This would create a new form of digital dependency.

India has begun responding to this challenge. Initiatives such as Sarvam.ai, Bharat Gen, and Gnani.ai represent important early steps towards sovereign AI capability. Yet these efforts alone may not be sufficient. India still trails the US and China in frontier foundation models, access to advanced GPUs, deep AI research ecosystems, cloud infrastructure, and large-scale private capital. However, India can build meaningful strengths in Indian-language AI, voice AI, and enterprise applications serving public-sector and domestic use cases. Catching up at the frontier level, though, will require sustained investment and long-term strategic commitment.

Therefore, the debate is no longer “AI or no AI.” The real question is whether India will remain merely a user of AI, or become an owner of AI capability.

India needs affordable AI compute, sovereign foundation models, high-quality domestic datasets, AI-ready public infrastructure, strong governance frameworks, and large-scale workforce reskilling. Indian IT firms must also evolve beyond manpower-based billing models towards AI-led, IP-led, and outcome-based platforms.

AI can undoubtedly become India's productivity engine. But without domestic control over models, compute, data, and platforms, it may ultimately become a productivity engine for someone else.

Sandhu is Professor of Finance, and Routray is Professor of Information Technology Management, IIMT Ghaziabad



RAJESH AGRAWAL

The commercial ties between India and Oman echo across centuries, a shared history carried on the sails of ancient dhows and sustained through generations of cultural exchange. The India-Oman Comprehensive Economic Partnership Agreement (CEPA) will further strengthen this civilizational bond. At a moment when global trade is navigating geopolitical rivalries, supply-chain disruptions and growing protectionism, the agreement reflects India's determination to deepen economic integration with trusted partners. Following the landmark pact with the UAE in 2022, the CEPA firmly anchors India's growing economic engagement with the Gulf.

Bilateral trade has steadily expanded, reaching \$11.18 billion in FY 2025-26, while services trade stood at \$863 million in 2024. Economic ties have diversified beyond traditional commodities to include engineering goods, pharmaceuticals, and IT services. Yet significant untapped potential remains. By covering trade in goods and services, investment, professional mobility, and regulatory cooperation, the CEPA creates a comprehensive framework for a more resilient, synchronised and broad-based economic partnership.

A GATEWAY FOR EXPORT GROWTH

The CEPA provides duty-free market access for Indian exports across 98.08 per cent of Oman's tariff lines. Prior to the agreement, only around 15 per cent of India's exports entered Oman duty-free under the Most Favoured Nation regime, while the remainder faced duties of up to 5 per cent. Under the CEPA, 99.38 per cent of India's current export volumes now enjoy duty-free entry.

For Indian exporters, the gains are significant. Demand will be driven by Oman's investments in infrastructure, logistics, and industrial diversification under Oman's Vision 2040. Engineering goods exports, valued at \$875.83 million in FY 2024-25, are projected to rise to between \$1.3 billion and \$1.6 billion by 2030.

The textile and apparel sector will also gain a significant edge over regional competitors through zero-duty access, helping revitalise labour-intensive clusters such as Tirupur, Surat, Ludhiana, and Coimbatore, while generating employment.

Opportunities are far reaching and diverse. Oman's import-dependent pharmaceutical market presents strong prospects for Indian firms. Faster regulatory approvals, recognition of

India, Oman 'energise' new economic corridor

ROBUST PACT. The CEPA creates a framework for a more resilient, synchronised and broad-based economic partnership



REUTERS

quality certifications, and duty-free access for key products will reduce compliance costs and improve market penetration. Agricultural and food-processing exports, including rice, processed foods, spices, and confectionery, will benefit too.

OPENING MARKETS

Consistent with India's recent trade agreements, the CEPA follows a balanced and calibrated approach. While India is opening markets to strengthen competitiveness and integrate into global value chains, it continues to protect sensitive sectors. Key agricultural products such as dairy and cereals, along with industries including rubber, textiles and footwear, remain safeguarded. This approach combines external market access with protection against domestic vulnerabilities.

India has committed to liberalising over 77 per cent of its tariff lines, covering nearly 95 per cent of imports from Oman. This grants a competitive advantage to Oman's core exports, particularly industrial inputs such as methanol and anhydrous ammonia. Oman secures preferential market access across a broad range of metals and alloys, allowing our countries to capitalise lower production costs.

With provisions allowing up to 100 per cent foreign direct investment in several areas, Indian firms will gain greater opportunities to expand their presence in Oman

For sectors where India maintains defensive interests, Oman has been granted access through Tariff Rate Quotas.

This mechanism allows preferential exports of products such as dates, marble, and selected downstream petrochemicals within specified volume limits. This carefully crafted integration strengthens competitiveness while supporting vulnerable sectors during transition.

TRADE, TALENT AND TRUST

CEPA offers Indian service providers binding commitments across sectors where India enjoys clear strengths, including IT, professional services and construction. With provisions allowing up to 100 per cent foreign direct investment in several areas, Indian firms will gain greater opportunities to expand their presence in Oman.

The agreement is also a breakthrough for talent. By raising the Intra-Corporate Transferee ceiling to 50 per cent, Indian firms now have the flexibility to seamlessly deploy specialised staff and deepen their entrenched market presence. Furthermore, for the first time in any FTA, Oman has established a dedicated mobility regime for independent professionals.

As global demographic shifts create factory labour shortages and modern manufacturing increasingly partners with AI and robotics, this provision sets a powerful global precedent for Indian talent.

The CEPA also includes a dedicated healthcare annex that facilitates the integration of traditional systems such as Ayurveda into mainstream healthcare while streamlining licensing procedures

for medical professionals. To top it off, a mandated Social Security Agreement negotiation will prospectively protect the Indian diaspora from the burden of dual contributions.

REGIONAL VALUE CHAINS

The India-Oman CEPA goes beyond tariffs by addressing non-tariff barriers through regulatory cooperation, harmonised standards and conformity assessment procedures. It reflects the high standards increasingly associated with India's modern trade agreements and addresses many of the behind-the-border obstacles that impede commerce. India is laying the foundations for a more integrated regional trade architecture. Collectively, India's FTA partners now account for nearly 67 per cent of global GDP and around 75 per cent of global imports in goods and services. Oman occupies a unique geographic position at the crossroads of the Gulf, East Africa, and the wider Indian Ocean region. Omani logistics and industrial hubs such as Sohar, Duqm and Salalah can integrate value chains that combine Indian manufacturing expertise and talent with the wider Middle East and Africa. The result is a partnership built for regional connectivity and growth.

Trade agreements succeed when they create confidence, for businesses to invest, for workers to acquire new skills and for economies to build enduring partnerships. CEPA achieves precisely that. Transforming a centuries-old relationship into a strategic economic partnership designed for the realities of the twenty-first century.

The writer is Union Commerce Secretary. Views are personal

thehindubusinessline.

TWENTY YEARS AGO TODAY.

June 2, 2006

Bear hug squeezes Sensex of 327 pts

Major stock indices slid over three per cent on Thursday as foreign funds sold and domestic funds bought modestly. While the key BSE-30 Sensex fell 327.19 points or 3.15 per cent to 10,071.42 points from the previous close, The NSE's S&P CNX Nifty index closed at 2,962.25, down 108.8 points or 3.54 per cent.

Tata Power in pact with Siemens, Doosan for mega projects

Tata Power Company (TPC) has tied up with two international players to bid for ultra mega power projects (over 3,500 MW) of the Government of India. TPC has signed agreements with German-based Siemens Power Generation and Korea-based Doosan Heavy Industries & Construction Co.

Steel companies hike prices again

Steel companies have hiked prices again in line with the upward trend in the international iron ore, steel and zinc prices. Tata Steel, JSW Steel, Essar Steel and Ispat have increased prices by around ₹500-1,000 per tonne. Tata Steel increased prices of its hot-rolled coils by ₹500-1,000 per tonne, a company spokesperson said. Prices of steel sold directly to end-users by companies are often revised in their annual contracts.

Hedge funds on a stock buying spree

Jan-Patrick Barnert

Hedge funds purchased US equities at the fastest pace in six months last week, as the S&P 500 Index extended its historic winning streak, according to Goldman Sachs Group Inc.'s prime brokerage desk.

Trading flows were driven by long buys and short covering in a combination of index and exchange-traded fund products, the Goldman traders said in a client note. Short positions in US-listed ETFs dropped for a second week as they declined 0.6 per cent.

Sustained investor enthusiasm around artificial intelligence infrastructure spending and a stronger-than-expected earnings season have powered a relentless rally in US stocks. The S&P 500 has posted nine weeks of consecutive gains, the

longest such streak since 2023. The tech-dominated Nasdaq 100 Index, meanwhile, is up more than 20 per cent this year.

NOTABLE SHIFT

The latest hedge fund positioning data marks a notable shift from the more defensive posture that the Goldman desk noted two-thirds of the way through May.

The traders reported then that the funds had taken profit on chip stocks and added macro shorts amid rising bond yields and above-consensus inflation prints.

Financial stocks were the clearest beneficiary of last week's rotation, attracting the largest net buying in almost six months, the Goldman traders said. Long purchases outpaced short sales by roughly 6.5 to one, led by payment stocks and, to a lesser extent, banks. This was partially offset by



S&P 500. On a winning streak GETTY IMAGES

selling in consumer finance and capital markets. Even with the latest inflows to financials, allocations to the sector remain deeply depressed, the Goldman team noted. “Gross and net allocations in financials as a percentage of total US Prime book are still essentially at their

respective 5-year lows in the 1st percentiles,” the desk wrote.

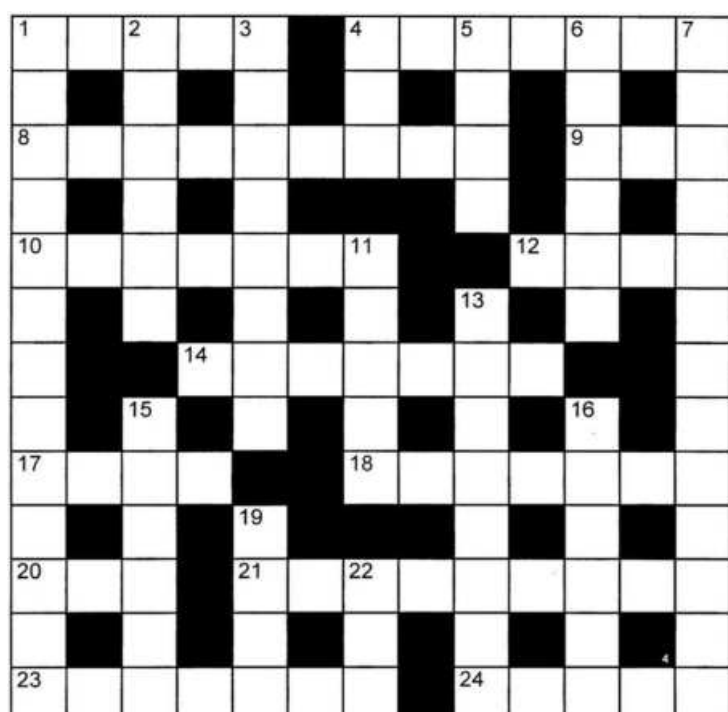
The push into financials contrasted sharply with continued pressure on industrials, which were net sold for seven of the last eight weeks. Short exposure in the sector has reached the 90th percentile on a one-year basis, with most of the selling since February driven by short sales rather than long liquidation, the Goldman desk noted.

SHORT COVERING

The traders said there was little clear net directional activity in single stocks last week, with long sales roughly offset by short covers.

Leverage metrics reflected renewed risk appetite. US long/short net leverage rose to 55.3 per cent, climbing to the 89th percentile on a one-year basis. The US Fundamental long/short ratio increased by 1.4 per cent, and is now in the 99th percentile. BLOOMBERG

BL TWO-WAY CROSSWORD 2692



EASY

ACROSS

- Got on (5)
- Splits (7)
- Answer to a reply (9)
- In addition (3)
- Stirred (7)
- 'Half' a house (4)
- Hurt (7)
- Endure (4)
- Rotary engine (7)
- Day before
- festival (3)
- Constellation; girl rescued by Perseus (9)
- Colonised (7)
- Not taut (5)

DOWN

- Inability to remember (13)
- Throw out (6)
- Going with the current (8)
- Non-exploding shell (3)
- True; extreme (4)
- Marked with points (6)
- Guess (4,2,3,4)
- Uncertainty (5)
- Sleeping-chambers (8)
- View (6)
- Picture-house (6)
- Be unsuccessful (4)
- Acted (3)

NOT SO EASY

ACROSS

- What it cost to get to Dutch capital and how one got on there (5)
- Splits I'd discovered amid low haunts (7)
- Once more to enlist will upset communist reply to a reply (9)
- No end of an implement in addition (3)
- Worked up by curious deceit involving ten (7)
- So detached as to provide one with some accommodation? (4)
- James the First, in being hardened, inflicted hurt (7)
- The ultimate way to get through to the end (4)
- It turns mechanically in brute potential (7)
- 'So curses all _____'s daughters, of what complexion soever' (Merry Wives) (3)
- Some stars mythologically rescued from Roman dead (9)
- Paid the account for having founded the colony (7)
- Coal dross is not firmly drawn out (5)

DOWN

- It makes one remember the opposite (13)
- In France I am taken in by rector with no gold to turn down (6)
- Being powerless, yet moving (8)
- No good turn enheartening the Divine (3)
- True, it's exactly that (4)
- Little eyes are, one is told, forming a sort of line (6)
- Being among the night-wounded, but it's only guesswork (4,2,3,4)
- Not to be sure, but to be confused after the party (5)
- Sober Mod providing overnight accommodation (8)
- A way of viewing the street with pace changing (6)
- It makes a nice change with Mother, going to the pictures (6)
- Don't pass if it's confusing with a driver under instruction (4)
- Performed either way up (3)

SOLUTION: BL TWO-WAY CROSSWORD 2691

ACROSS 2. Climb 5. Obey 7. Omit 8. Needless 9. Anchored 11. Well 12. Schizophrenic 15. Aces 17. Shocking 19. Cultural 21. Bait 22. Clap 23. Elder

DOWN 1. Demonic 2. Cut 3. Inner 4. Breadth 5. Owl 6. Easel 10. Hails 11. Wreck 13. Observe 14. Inn-sign 16. Cruel 18. Oiled 20. Tap 21. Bar

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HEALTH

Codeine crisis: In dry Bihar, why cough syrup addiction is rising

Himanshu Harsh
Patna, June 1

AS MANY as 7,500 bottles of codeine-based cough syrup were seized in Patna last week by the Directorate of Revenue Intelligence (DRI).

As Bihar approaches a decade of alcohol prohibition, codeine cough syrups have surged as a cheap substitute, with seizures and addiction cases rising, especially among youngsters and in rural areas.

What is codeine?

Codeine is a naturally occurring opioid derived from morphine, a compound found in the opium poppy. Used primarily as a cough suppressant, it is found in various medicines, particularly cough syrups, where it works by suppressing the brain's cough centre.

It is commonly prescribed for upper respiratory infections or chronic conditions like bronchitis, which cause persistent dry coughs. It is not the first-line treatment for common cold.

In therapeutic doses, codeine helps manage severe, persistent coughs that don't respond to common treatments like antihistamines. The recommended dosage for adults is typically from 10-20 mg every 4-6 hours, up to a maximum of 120 mg daily. Children under the age of 12 are generally advised to avoid it.

Even within the prescribed limits, codeine can cause side effects including drowsiness, constipation, nausea, and dizziness. Misuse can lead to respiratory depression — where breathing becomes dangerously slow — as well as tolerance, addiction, and withdrawal symptoms such as anxiety, sweating, and irritability.

Codeine can also be intoxicating, especially when combined with depressants like alcohol. Overuse can damage the

liver, kidneys, and mental health, leading to psychiatric disorders. Hospitals in Bihar are reporting more young people suffering these long-term effects.

Why codeine?

Codeine syrups are attractive as an alcohol substitute due to their affordability and powerful sedative effects. Their easy availability has contributed to this.

Despite stringent laws and penalties, including life sentences for alcohol-related offences, the black market for codeine syrup thrives. Recent raids by the Anti-Narcotics Task Force uncovered large illicit stocks, including syrup worth crores of rupees stored in Patna godowns, often controlled by interstate trafficking networks.

In response to the rising misuse, Bihar tightened the regulation of codeine syrups by designating them as "intoxicants" under the Bihar Prohibition and Excise Act in 2016. This restricts sale and possession without a permit, with penalties including fines, confiscation of goods, and imprisonment.

Despite these measures, enforcement remains difficult. Authorities are considering stricter measures, including a total ban on codeine syrups, mandatory e-prescriptions, and more rigorous pharmacy audits. However, experts argue that addressing the root causes of substance abuse like unemployment, poverty, and lack of education could go a long way toward mitigating the issue in the long term.

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ECONOMICS

'Cheap' global money flow into India drying up



HARISH DAMODARAN

THE RESERVE Bank of India's annual report for 2025-26 has expressed concern over "elevated" sovereign bond yields and possible "reversal" of monetary easing (read interest rate hikes) by global central banks, in response to the West Asia crisis-induced inflationary pressures.

That concern has also been articulated by the government's chief economic advisor V Anantha Nageswaran. In a recent opinion piece for *The Indian Express*, he has pointed to the "end of the era of quantitative easing and near-zero interest rates", while calling it "perhaps the single most consequential development in global capital markets" in recent times.

To understand what is being said, one must look at yields on 10-year government bonds. A government bond is basically a debt instrument issued by a sovereign authority to borrow money for a specific, predetermined period. In return, the issuer promises to pay a fixed annual interest over the life of the bond and also return the original borrowed amount on its maturity date.

Government bonds are considered to be the safest or close to "risk-free" assets, as their payments are backed by the sovereign's power to tax or even print money. Government bond yields, in turn, serve as a benchmark for setting interest rates across other fixed-income securities — by establishing the "minimum" return investors would expect for their money over a comparable period.

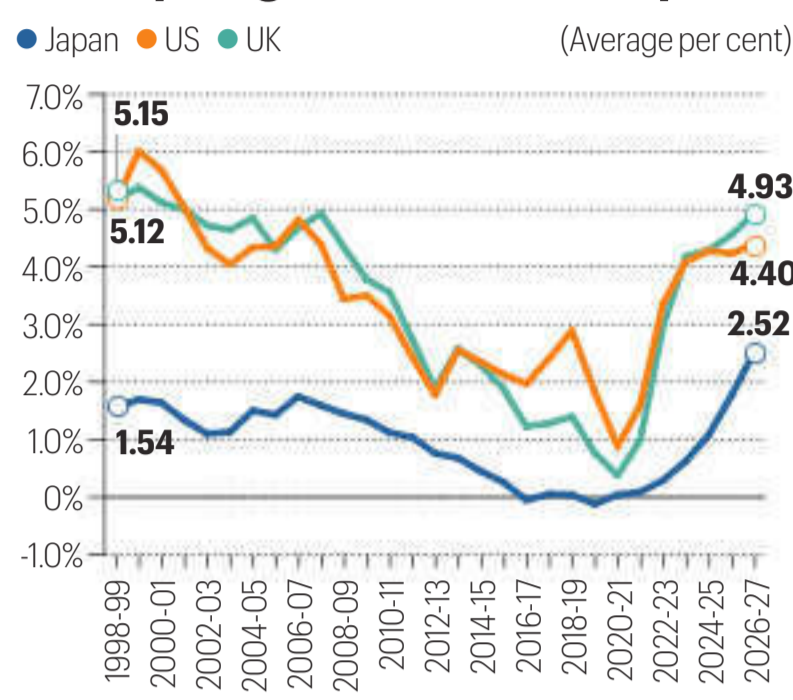
How yields have moved

Chart 1 shows the yields or effective annual interest on 10-year government bonds of three major economies — the United States, the United Kingdom, and Japan — since 1998-99.

In 1999-2000 (April-March fiscal year), these averaged over 6% for the US, 5.4% for the UK and 1.7% for Japan. The yields remained relatively high for Japan till 2006-07, averaging 1.75% and almost 2% in April 2006.

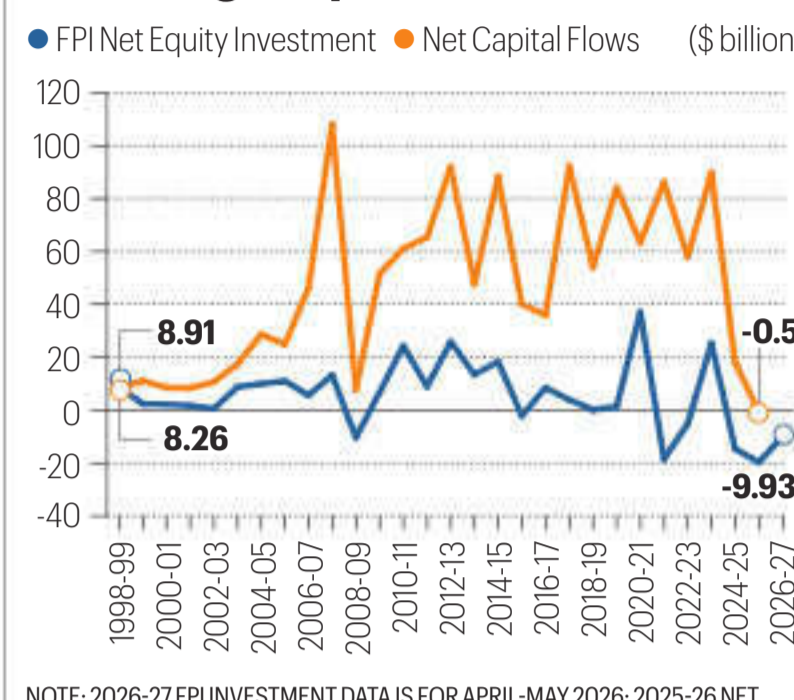
From those highs, bond yields steadily

1. 10-year government bond yields



NOTE: 2026-27 DATA IS THE AVERAGE YIELD FOR APRIL-MAY 2026. SOURCE: FEDERAL RESERVE BANK OF ST. LOUIS.

2. Foreign capital flows to India



NOTE: 2026-27 FPI INVESTMENT DATA IS FOR APRIL-MAY 2026; 2025-26 NET CAPITAL FLOWS ARE FOR APRIL-DECEMBER 2025. SOURCE: NATIONAL SECURITIES DEPOSITORY LTD AND RESERVE BANK OF INDIA.

declined over the next decade and more, plunging to an average of 0.9% for the US, 0.4% for UK and practically zero for Japan in the COVID-19 pandemic year of 2020-21. Average yields were actually negative in 2016-17 and 2019-20 for Japan. In other words, investors were willing to pay the Japanese government for keeping their money, rather than expect any return from lending to it.

Negative yields are possible in scenarios of deflation (falling prices of goods and services) or the issuing country's currency appreciating (like the Japanese yen was prone to). The investor will make money if the inflation rate is even more negative or converts the same Japanese yen into more of his own currency (say, dollar). Negative yields are also common in times of extreme economic uncertainty, when investors choose safety over returns; a minus 1% bond yield would be less of a loss than a double-digit fall in stock market values.

But cut to the present, where 10-year bond yields averaged 1.8% for Japan, 4.2% for US and 4.6% for UK in 2025-26. They have gone up further in the current fiscal to 2.5%, 4.4% and 4.9%, with highs of 2.8%, 4.7% and 5.2% respectively scaled on May 18-20.

Why the situation changed

There are two broad explanations. The first has to do with the return of in-

'Risk-free' assets

Government bonds are considered to be the safest or close to "risk-free" assets, as their payments are backed by the sovereign's power to tax or even print money.

Their yields, in turn, serve as a benchmark for setting interest rates across other fixed-income securities.

flation, with supply chain disruptions from the pandemic (2020 and 2021), followed by Russia's invasion of Ukraine (2022), US President Donald Trump's unilateral tariff actions (2025) and, now, the unresolved US-Israel versus Iran conflict.

This is reflected in year-on-year consumer price inflation for Japan moving from negative territory to positive in September 2021, reaching 4.3% in January 2023 and hovering at 2-4% thereafter till December 2025. Even the latest 1.4% rate for April 2026 is high by its standards for most of the 1990s, 2000s, and 2010s.

It's worse for the UK, which registered 9-11% annual inflation from April 2022 to March 2023, and the April 2026 rate at 2.8%. The 3.8% inflation rate in April for the US was the highest since May 2023.

The current inflation levels — and the prospect of their rising further on the back of the higher fuel, fertiliser, and food prices from the West Asia supply shock — have made the ultra-low interest rates and bond yields prevailing till around 2020-21 unsustainable.

The second is the end of the so-called quantitative easing policies of central banks such as the US Federal Reserve to boost economic activity. They resorted to this measure of creating new money for purchasing government bonds and other long-term assets (like mortgage-backed securities) from commercial banks, es-

India was a beneficiary of ultra-low interest rates and quantitative easing by major global central banks. That era is over now

pecially post the 2008 global financial crisis and the pandemic. The objective was to flood the financial system with liquidity, lower long-term rates, and encourage banks to lend more to businesses and consumers.

That regime was also difficult to sustain, given the potential inflationary consequences from the supply of the newly created money increasing faster than the physical production of goods and services. Also, by making government debt cheaper than the interest rates that the markets would otherwise have demanded, it encouraged more borrowing. In the process, governments tended to take on too much debt relative to their capacity to pay back.

The effects of both — high inflation and public debts — are being seen today in the form of elevated sovereign bond yields.

Why this matters for India

When global money was cheap, India was a beneficiary of capital flooding emerging markets in search of higher yields.

Net capital flows into India surged from \$8.3 billion in 1998-99 to a record \$107.9 billion in 2007-08. It collapsed to \$7.8 billion in the 2008-09 financial crisis year, but averaged \$67.3 billion annually between 2009-10 and 2023-24. The tide turned in 2024-25, with net inflows of just \$18 billion. The first nine months of 2025-26 saw net capital outflows of \$580 million.

The trend is even clearer for inflows from foreign portfolio investors (FPI) into Indian equity markets. From 1998-99 to 2020-21, there were only two years of net negative inflows: 2008-09 and 2015-16. Since 2020-21, five out of the six years have witnessed FPIs pulling out more than putting in money (Chart 2).

Currently, 10-year government bond yields in India are at about 7%. With US 10-year Treasury note yields at 4.5%, the differential of 2.5 percentage points has significantly narrowed from the historical decade average of 4-plus percentage points. The yield gap is even less if one factors in rupee depreciation and the greater "safe-haven" value from holding US Treasuries.

Foreign capital may still return to India. But it would probably require India offering a more compelling "pull" story (higher GDP and earnings growth prospects) than a "push" from cheap global money that is now history.

ENVIRONMENT

Gir lion deaths not alarming but flag need for multiple populations



EXPERT EXPLAINS

YADVENDRADEV V JHALA

SENIOR SCIENTIST, INDIAN NATIONAL SCIENCE ACADEMY, TIFR - NATIONAL CENTRE FOR BIOLOGICAL SCIENCES, BENGALURU

IN GUJARAT'S Gir region, eight lions, including cubs, have died due to a suspected Babesiosis infection caused by the *Babesia* parasite, the state's Forest and Environment Minister Arjun Modhwadia said Friday. The state Forest Department has isolated lions residing within a 10-km radius of affected areas in Gir Somnath and Amreli districts as a preventive measure, while lions suspected to be affected were being treated, Modhwadia added.

Yadvendra Dev V Jhala, who is one of India's foremost wildlife scientists with experience in research on lions and tigers,

spoke to Nikhil Ghanekar about how this infection is transmitted and how it impacts lions.

How does Babesiosis get transmitted to lions? What are the symptoms and when does it cause fatality in lions?

Babesia (the parasite) is endemic and prevalent in low levels in livestock, wild ungulates (refers to large mammals with hooves), and even in lions, without causing mortality and without causing symptoms in most cases. Babesiosis is a tick-borne parasitic infection that lions and other wildlife can get from the bite of ticks infected with the *Babesia* parasite.

In nature, there is a host-parasite equilibrium, so that both co-exist, and this rarely needs an intervention. Domestic livestock along with wild ungulates such as chital, nilgai act as asymptomatic reservoirs of *Babesia*. Under nutritional, physiological stress or with other infections, it (Babesiosis) can cause mortality.

Babesia acts much like malaria. It is a protozoan, like Plasmodium, and it infects and ruptures red blood cells. The symptoms include lethargy, anaemia, enlarged spleen, and high fever. In conditions of

Protected areas

- The only exclusive space for Asiatic lions is a 250 sq km national park in Gir.
- In contrast, there are 58 tiger reserves within India, each having a human-free space of 800-1,000 sq km.

stress, co-infections, or genetic predisposition, the infection can cause organ failures and mortality.

What is the emergency response in case of suspected Babesia-linked deaths? Do they need intervention?

Natural processes are best left unmanaged in wild populations. As mentioned, wild animals are also reservoirs of several pathogens including *Babesia*. In nature, disease and hosts reach an equilibrium so that both coexist and rarely do need intervention.

There is no need to treat wildlife, and there is no emergency in addressing a few deaths when we have a population of about 1,000 lions. In the case of lions, it would be always nice to spread the risk of epidemics like rabies, canine distemper that can cause catastrophic mortality. This can be done by having multiple un-connected populations (which would act as safety-net populations).

When have such episodes occurred in the past and which has been the most serious one, in terms of mortality?

The epidemic in the lions of Serengeti (Africa) in the mid-1990s is a vivid example of mass mortality wherein almost one-

third of the lion population died within three months. Asiatic lions cannot sustain such an epidemic, and an event like that would risk extinction.

Asiatic lions are also genetically compromised due to a severe historical bottleneck (low genetic diversity) and therefore can easily succumb to disease outbreaks. This is all the more reason to establish several safety-net populations.

Is this a wake-up call to translocate lions to another territory outside Gujarat to safeguard conservation?

The only exclusive space for Asiatic lions is a 250 sq km national park in Gir. In all other parts of its range in Saurashtra including the Gir protected area, they share space with people and livestock and live off human subsidies.

In contrast, tigers occur in 11 countries and have 58 tiger reserves within India, each having a human-free space of 800-1,000 sq km. Conservation biology principles dictate that multiple populations have a much lower risk of extinction compared to any single population. Asiatic lions should be re-established as multiple populations across their historic range.

GLOBAL

The overlooked conflict: Civil war and humanitarian disaster in South Sudan

Yashee
New Delhi, June 1

AMONG THE United Nations Peacekeepers to be honoured with the Dag Hammarskjöld Medal this year, given to those who lost their lives on UN peacekeeping missions, is Indian national Naib Subedar Sujit Kumar Pradhan, killed in South Sudan last year.

India is the second-largest troops contributor to United Nations Mission in South Sudan (UNMISS), with 4,268 personnel as of March 31. Only Nepal has sent more.

South Sudan is the youngest country in the world, created only 15 years ago. The nation's short history is marked with such conflict that today, more than half its population faces acute food shortage. The latest round of fighting has been raging since March last year, in which hundreds are estimated dead while thousands have been displaced, though exact figures are hard to come by.

The humanitarian organisation Médecins Sans Frontières (MSF), also called Doctors Without Borders, has been operating in South Sudan almost since the country's inception. Its Head of Mission, Yashovardhan, told *The Indian Express*, "I was in South Sudan in 2014, in Unity State, when the civil war first broke out in December 2013. Hundreds of thousands of people were displaced and put up in the UN peacekeeping mission compound. This time, I went to Jonglei. After 12 years and in two regions, the situation is the same. People live under the sun with the bare minimum, surviving on wild leaves, berries, and fish. In fact, the UN runs one of its largest food programmes in South Sudan, a country of 12 million people [around the population of Chennai]. People mainly rely on food drops to survive."

Born of a violent struggle

South Sudan was created after a long struggle for independence from the Republic of Sudan, itself created in 1956 after British and Egyptian colonial rule ended. The



UN staff assist refugees at the Doro camp in South Sudan. WIKIMEDIA COMMONS

southern region of this nation felt sidelined and unfairly treated, leading to the birth of South Sudan in 2011.

Two leaders of the independence struggle, the Sudan People's Liberation Movement, were Salva Kiir, the current

President of South Sudan, and Riek Machar, who served as his Vice President when the country gained independence. Kiir accused Machar of plotting to overthrow him, and the leadership tussle between them flared up into a civil war in 2013, fuelled by local-level tensions and grievances.

Kiir belongs to the Dinka community, while Machar is from the Nuer group. Their supporters rallied behind them, and the two sides fought brutally.

The latest escalation

After five years of fighting, a peace agreement, 'Revitalised Agreement on the Resolution of the Conflict in the Republic of South Sudan', was signed in 2018. Machar came back as Vice President.

However, many clauses of the agreement, including holding an election, disarming various groups, and punishing those responsible for grave crimes during the war, were never implemented. Tensions between Machar and Kiir continued

to simmer.

Then in March 2025, the White Army, a militia that supports Machar, had a skirmish with the Army. Within weeks, Machar was placed under house arrest and over the next few months, charged with various crimes, including murder and treason. Fighting has been raging ever since.

Both sides have attacked civilians, and destroyed homes, schools, and civic and medical infrastructure.

Yashovardhan said there have been targeted attacks on medical facilities. "One of our facilities, in Lankien, was bombed. Our medical stores were looted and burnt. The air conditioners were torn down. Essentially, it was left in a shape where it could not be restarted. This was the only facility providing secondary care to 250,000 in Lankien and Jonglei states."

Humanitarian crisis

A UN report from April says, "Hunger is pushing 56 per cent of South Sudan's population into high levels of acute food inse-

curity between April and July 2026... Through July this year, 700,000 children are projected to face severe acute malnutrition, the deadliest form."

The UN mission

UNMISS was set up on July 8, 2011, under Security Council Resolution 1996.

According to the mission's website, "UNMISS' most recent mandate, under Resolution 2820 (2026), requires the mission to protect civilians, create the conditions conducive to the safe, timely and unimpeded delivery of humanitarian assistance, use targeted good offices to support the peace process and prevent escalation of political violence, and monitor and report on human rights and international humanitarian law violations and abuses."

This was the mission Naib Subedar Sujit Kumar Pradhan was deployed with. Another Indian, Lance Havildar Harbhajan Singh, who died last year serving in Congo, is also being honoured with the Dag Hammarskjöld Medal.

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IN 1932

BECAUSE THE TRUTH INVOLVES US ALL

To list, or not to list Tata Sons, that is our question



ISHAAT HUSSAIN AND R GOPALAKRISHNAN

WITH APOLOGIES to the Bard, as retired directors, we “suffer the slings of outrageous fortune” and so, “take arms against a sea of confusions and misapprehensions.” We emerge from our retirement shelter to participate in the debate on whether Tata Sons should or should not be listed. We are not concerned in this article with other Tata issues.

The case for listing Tata Sons is made around three issues. First, that an IPO will deliver more transparency; second, that it will provide an exit for certain shareholders; third, that Tata Sons is too important to remain private.

Tata Sons has behaved like a listed company even though it was not bound to do so. Its accounts are published on its website, it is regulated by MCA and RBI, and its board composition is in line with SEBI’s listed company regulations. Its historical record demonstrates that it discharges obligations — moral and financial — in a manner that exceeds the behaviour of many listed com-

panies. What further transparency is sought to be achieved?

Examples are given of investment companies like Berkshire Hathaway. Over a century and a half, Tata Sons has played a unique role in Indian industrialisation, somewhat like an early VC/PE firm. In recent decades, some global VC/PE firms have indeed listed, but nobody compelled them to do so. Sequoia and Sutter Hill promoted the now \$5 trillion Nvidia, but neither is listed nor has been under pressure to list. Blackstone, Carlyle and TPG, on the other hand, are indeed listed, but not because the Fed compelled them! It is better to let the board of Tata Sons decide — after all, there is a holding company discount to be considered — rather than follow a journalistic or bureaucratic dream of an imagined transparency.

Transparency is a relative virtue, not an absolute one. It is sobering to reflect that many corporate scams globally and in India occur among “transparent” public companies.

An IPO has multiple dimensions. Equity buyers invest for a return that meets their expectations. Tata Sons shareholders have earned handsome returns over decades — the numbers are in the public domain. If the return from the Tata Sons investment exceeds other business interests of the shareholder, then it is even more impressive. Tata Sons and Shapoorji Pallonji both started business around the same time in the 1860s, but their growth and re-

turns till now have been vastly different.

Exit may also be sought by a shareholder for its own liquidity. In the specific case of Shapoorji Pallonji (SP), a suitable exit modality surely merits a reasoned dialogue; after all, a few shareholders, albeit minuscule compared to SP, have, over the years, obtained reallocation or exit.

Precedents exist. SP itself is an unlisted holding company with perhaps three listed subsidiaries. The votaries of Tata Sons doing an IPO should realise that the consequence of their proposed action will be that a successful private company (Tata Sons) does an IPO to provide an exit to another private company (SP). That seems bizarre. SP itself can do an IPO to raise funds if its board deems it necessary, leaving its investment in Tata Sons to continue to earn great returns.

Of course, a nation can determine which institutions are nationally important. For example, the media is crucial in a thriving democracy and carries great public interest. However, media-owning firms are not mandated to be public. Media owners may argue that editorial freedom is more important than corporate regulation. Are editors credibly free from owner influence?

Internationally, there are not many cases of companies being mandated to become public. Boards take such decisions. The exceptions are some banks that use a lot of public money. This criterion is not applicable to Tata Sons since it does not access public funds and can therefore remain an unlisted

entity under the extant RBI regulations.

In closing, we make a brief case for Tata Sons to stay private and continue to voluntarily behave largely like a listed company. Enterprise and philanthropy are uniquely intertwined in the case of Tata. The 2 per cent CSR funds spent by operational Tata companies — 28 listed and several unlisted companies — match or exceed the expenditure by the Tata Trusts. This makes Tata distinctive among global corporations.

During 2001-2003, the authors participated in discussions with Ratan Tata, Noshir Soonawala and other company leaders about an IPO. Of what, Tata Sons, TCS, or both? After interminable debates, the collective wisdom was that only TCS should do an IPO, and that event occurred in 2004. The directors of Tata Sons, which then included Pallonji Mistry, were concerned that changing the status of Tata Sons could materially change its unique approach to enterprise and philanthropy, apart from suffering a holding company discount.

Tata is not just a company. It is a community. It has one million employees and a living employee alumni of four million. These five million people and their families are a community that is bigger than Belgium and Austria together.

Compelling such an institution to do an IPO requires careful reconsideration. An IPO should be the decision of the company board.

The writers are former directors of Tata Sons and, together, served Tata for 55 years

Compelling such an institution to do an IPO requires careful reconsideration. An IPO should be the decision of the company board

Bengal post-poll violence is disservice to mandate

NEARLY A month after the BJP’s electoral triumph in West Bengal, two contrasting stories are emerging from the state. Neither is a new conversation in the saga that has, for decades, seen the subversion of institutional mechanisms by a political culture which has inhibited the state from realising the potential of its demography and geography. The Suwendu Adhikari government’s cabinet expansion on Monday is part of the first story. The priority given to sub-regional representation and the induction of figures like Kalita Maji — the MLA from Aushgram, till recently a domestic worker — indicate that aspiration and opportunity hold a prominent place in the new government’s scheme of things. But the second story speaks of more entrenched sordid tendencies: The attack on TMC MP Abhishek Banerjee speaks of an unfortunate culture of violence and an almost systemic lack of respect for civic democracy.

On Saturday, Banerjee was heckled, and projectiles were allegedly thrown at him by a crowd in Sonarpur in the South 24 Parganas district. He was visiting the family of a party colleague allegedly killed in post-poll violence last month. A day later, another TMC MP, Kalyan Banerjee, was also attacked. Even as it denies allegations of orchestrating these attacks, it is incumbent on the government to send out a stronger message. There may be anger among some sections of the people against the party that held office in West Bengal for the last 15 years. That political disaffection has found its expression in high voter turnout in the polls and the ouster of Mamata Banerjee. But vendetta and violence have no place in a democracy. The prosecution must follow through on the five arrests in the Abhishek Banerjee case. The Suwendu Adhikari government must underline the rule of law.

In 2011, when the TMC was first voted to office in West Bengal after 34 years of Left rule, it counted among its ministers and supporters academics, cultural personalities and several other people who believed that the new government would change the state’s economic and political fortunes. Unfortunately, the structures that had sustained political violence during the Left rule became stronger over the next 15 years, and the party and the “syndicate” became a rent-seeking extension of the government. The mandate last month was a message for bringing governance back to centre stage. The new government has work to do. It must stanch all acts of violence against Opposition leaders — and be seen to do so. It should not go down the route of its predecessors.

Health survey calls for a nutrition rethink

FOR CLOSE to two decades, a pattern has been evident in the health profile of Indians. The government’s interventions have succeeded, to some extent, in reducing the toll of several communicable diseases. However, lifestyle-related diseases impair the quality of life of a large section of the population. The National Family Health Survey VI, released late last week, flags the alarming proportions taken by diabetes in the country — one in six Indians reported high sugar levels. The challenges posed by the disease are complicated by the increasing obesity rate. Close to 30 per cent of Indians are obese according to the Survey. The two conditions combine to create a vicious metabolic cycle, increasing the risk of hypertension, cardiovascular diseases, kidney and pancreatic disorders, even cancers.

Many developing countries have experienced a similar epidemiological shift as incomes rose, urbanisation accelerated, and lifestyles changed. But India’s problem is complicated by the fact that the older challenge of malnutrition has not been completely addressed. The Survey shows that the country is undergoing a double-disease burden. Government initiatives have led to substantial improvement in child nutrition. However, more than 31 per cent of children are still underweight. NFHS VI reveals that more than 80 per cent of infants, between six and 23 months, do not receive an adequate diet. At the same time, childhood obesity is a growing trend in the country.

Several Asian economies adopted a sequential approach — addressing undernutrition first, and then managing metabolic diseases. In India, however, a combination of government policies and people’s choices has led to a prioritisation of calorie intake at the cost of nutritional diversity. Diets have shifted towards refined carbohydrates and processed foods. At the same time, children in marginalised communities lack access to diverse diets. The Comprehensive Nutritional Survey, released last year, showed that 35 per cent of children have adult-level triglycerides that predispose them to metabolic and cardiovascular diseases. Government nutrition programmes have tried to provide a corrective. However, these have focused excessively on supply-side interventions without adequately appreciating how the family, especially mothers, influences children’s food intake. In the coming months, the NFHS data will become more granular. That should push the government towards fine-tuning policies and programmes to reduce India’s disease burden.

RCB is Kohli, and much more

ROYAL CHALLENGERS Bengaluru’s (RCB) second consecutive Indian Premier League is proof that the franchise, with one of the biggest fan bases and arguably the most recognisable cricketers in its ranks, has finally found a way to unlock tangible on-field success in the form of silverware. After breaking the jinx last year, RCB played like the favourites this season. They played with extra confidence, secure in the belief that they had a strong and balanced unit, and were not just reliant on their talisman, Virat Kohli.

In a season highlighted by the precocious ability of 15-year-old Vaibhav Sooryavanshi, it was significant that the two teams battling in the final played the more traditional way. RCB and Gujarat Titans (GT) had several players who are just as effective, if not more, in other formats of the game. Kohli has retired from Test cricket, but is arguably the greatest batter in the 50-over format. His teammate Devdutt Padikkal is easy on the eye. The GT opening pair of Shubman Gill and Sai Sudharsan won’t look out of place in Test whites. The importance of a strong bowling attack also came to the fore. The usefulness of early wickets had never been greater, especially as 200 often became the bare minimum score batting first. And while a teenager caught the imagination of the cricket world, 37-year-old Kohli continued to hold his own in this most frenetic of formats.

Chennai Super Kings and Mumbai Indians have created legacies. RCB led from the front this season, topped the group stage, before making the final at the first opportunity and then dominated the title clash. It has the chance to build on its successes.

Vinesh Phogat and the cost of speaking up



POOJA PILLAI

IT WAS not failure that soured what could have been a triumphant return to the mat for Vinesh Phogat. The wrestler’s bid for a slot in the Asian Games ended with her defeat by Meenakshi Goyat in the semi-finals of the trials on May 30. But that is the sort of reversal an athlete can accept. What is to be made of the Wrestling Federation of India putting every possible obstacle in Phogat’s path to prevent her return to a sport in which she has proved herself over and over?

The history of Phogat’s clash with the WFI is well-documented: She accused Brij Bhushan Sharan Singh, the former president of the body — who still wields power, not least because of his political clout as a (now former) BJP MP — of sexual harassment and stalking.

Since then, the full weight of the body’s rules has been deployed against her. Most recently, the WFI issued a show-cause notice against her, citing disciplinary breaches and effectively barring her from competing till June 26. It was only when the Supreme Court cleared her path that Phogat could participate in the Asian Games trials.

The episode raises a larger question about what happens when women report sexual harassment and abuse, particularly when the accused are powerful and institutionally entrenched. What is the cost of speaking up?

For all the progress made in encouraging women to report sexual violence and harassment, we don’t talk enough about what happens after the crime has been reported. That is when the real test of any system begins. A recent case in the UK illustrates why. Three teenage boys who sexually assaulted two teenage girls and then uploaded the videos of the assaults were given rehabilitation orders and required to pay just £20 in court costs. One of the victims said the outcome was like “a rock straight in my face.”

The remark captures a form of injury that legal systems often fail to acknowledge. The assault itself causes profound harm. But when institutions don’t respond in a way that reflects the seriousness of the crime, there is a second wound. Survivors are repeatedly told that justice depends on them coming forward. But when the consequences are trivial compared with the

damage inflicted, the promise of accountability can begin to look hollow — like in 2015, when Brock Turner, a Stanford University student and competitive swimmer, was accused of sexual assault: He was sentenced to six months in prison, with the judge stating that a longer sentence would have a “severe impact” on Turner’s life and career. The instruments through which such failures play out can even include the shock/trauma responses of the survivors, as happened in 2017, when the Delhi High Court acquitted filmmaker Mahmood Farooqui of rape, saying, “...a feeble ‘no’ may mean a ‘yes’.”

This is not an argument for maximum punishment in every case. But if survivors feel dismissed rather than heard, then the system has failed in a way that goes beyond any individual judgment.

The issue, ultimately, is one of trust — and hope. People report sexual violence in the hope that institutions will act fairly. They cooperate with investigations hoping that their testimony matters, and they endure scrutiny, delays and public exposure because they hope accountability is possible. When that hope is repeatedly frustrated, the consequences go beyond individual cases. There is a chilling effect on others who may find themselves forced to weigh the need for justice against what the pursuit of justice will actually cost them.

That is why Gisèle Pelicot’s courage resonates. In 2024, she became a global symbol because of how she confronted the horrific crimes committed against her. Having been drugged by her husband and repeatedly raped by dozens of men over a period of years, she refused anonymity. She rejected the assumption that shame is the victim’s burden to carry, putting it squarely on the perpetrators.

But here’s the difficult truth: Courage from survivors cannot substitute for institutional accountability. We must certainly welcome the fact that more sexual violence and harassment is being reported today than in the past. But the measure of a society’s response to sexual violence is not simply whether survivors are encouraged to speak — it is whether institutions prove worthy of the trust that speaking requires and of the hope that it embodies.

The writer is senior assistant editor, The Indian Express. pooja.pillai@expressindia.com

New algorithms, same old exploitation of gig workers



AVDRESH KUMAR

FOOD AND grocery delivery platforms claim they are no longer pushing workers to complete deliveries within 10 minutes. Yet the larger question remains unresolved: Can delivery workers truly escape the pressure of time-bound labour in a fiercely competitive platform economy? Whether in product deliveries, ride-hailing services, or customer support systems, digital platforms continue to operate on the logic of speed and constant availability.

This logic is not entirely new. Karl Marx, in his theory of surplus value, and David Harvey in *The Limits to Capital* (1982) and *The Condition of Postmodernity* (1989), explained how capitalism seeks to reduce the time required for the circulation of commodities and capital. Technological advancements have intensified this tendency by enabling faster production, delivery, and labour extraction. The platform economy is an example of this. However, can workers’ dignity, identity, social security, and welfare survive within these digitally controlled workplaces?

During my recent fieldwork in Delhi, I interacted extensively with delivery workers employed by food and grocery applications. One phrase repeatedly surfaced: “*Jitna zyada kaam karoge utna kamaoge*” — the more you work, the more you earn. This resembles the old capitalist promise that hard work guarantees better earnings, a belief that continues to dominate India’s labour market. However, the condition of gig workers reveals a different story. Many delivery agents reported working more than 84 hours a week simply to break what they colloquially call the “incentive tala” (lock) — a threshold that must be crossed before higher incentives become available. Even after such exhausting schedules, most workers in Delhi earn only between Rs 25,000 and Rs 30,000 a month. They must manage fuel expenses, vehicle EMI and maintenance, rent, and family responsibilities from this. Rising fuel prices have deepened their vulnerability, making workers increasingly dependent on uncertain state interventions and inconsistent platform policies.

Equally troubling is the growing role of technology and artificial intelligence in regulating labour. Gig work is often presented as technologically neutral, but workers frequently suspect that human managers continue to intervene through algorithmic systems. They have little clarity regarding how incentives are altered, how performance metrics are determined, or why penalties suddenly appear. Dynamic targets and changing incentive structures continuously pressure workers to do more to earn more.

Although the government has recently proposed reforms through the four labour codes and introduced welfare-related recommendations for gig workers, awareness remains limited. One significant proposal was the introduction of formal job-offer letters to provide legitimacy to gig workers. Yet most delivery workers remain unaware of these developments.

Historically, systems such as Taylorism and Fordism justified labour exploitation in the name of efficiency and precision. Today, app-based algorithms appear to reproduce similar forms of control through digital surveillance and psychological manipulation. The challenge is clear: Can workers be protected from these new forms of exploitation within the expanding platform economy?

The writer is assistant professor, Lal Bahadur Shastri Institute of Management, Delhi

Many delivery agents reported working more than 84 hours a week simply to break what they colloquially call the ‘incentive tala’ (lock) — a threshold that must be crossed before higher incentives become available

40 YEARS AGO

June 2, 1986



‘Bluestar week’, 250 held

TERRORISTS KILLED one person and injured three while authorities rounded up about 250 militants in connection with “Bluestar week”. Police, meanwhile, arrested two wanted terrorists and solved several cases of murder and robbery. An official spokesman said some terrorists, armed with swords and knives, struck early at a village in Ludhiana district, killing one person and seriously injuring three others.

Rebels may lose party status

THE BREAKAWAY group of 27 Akali legislators may lose its status as a separate

political party in the Punjab Assembly. The rebels, including the former Chief Minister, Parkash Singh Badal, face the prospect of being at the mercy of the Chief Minister, Surjit Singh Barnala. They will either have to toe the party line by obeying the party whip or face disqualification as legislators.

Two die in Belgium stir

TWO PERSONS were killed, and many were injured in police firing as the agitation by the Samyukta Maharashtra Seema Samiti against compulsory teaching of Kannada in the district took a violent turn. The police opened fire to quell a 2,000-strong mob from Uchagaon, Hindalaga

and Sulage villages, dominated by the Marathi population, which set fire to a sericulture office, a Kannada school and a forest checkpoint around 3 pm.

The Sri Lanka question

THE EXTERNAL Affairs Minister, P Shiv Shankar, ruled out military intervention by India in resolving the ethnic problem in Sri Lanka. Addressing a news conference here, Shiv Shankar said it was not possible for India to take any unilateral decision on the Sri Lanka problem in view of its diverse ramifications. Answering a spate of questions on the issue, he said India was trying all methods to see that the problem is peacefully resolved.



India needs more schools, medical colleges, entrepreneurship in education



MANISH SABHARWAL

SCOTT ANDERSON'S excellent book *King of Kings* documents the Shah of Iran's curt reaction to food shortage warnings in 1778 as "There are no shortages, only hoarding by greedy businessmen." The technocratic reply that "hoarding depended on shortages" angered the emperor, who then ordered people to "stop complaining and work harder". This royal delusion — the Shah was unemployed within 12 months — echoes the regulatory cholesterol holding back a massive entrepreneurial response to India's voracious demand for education. While tactical responses are necessary before 21 lakh-plus students retake the NEET-UG exam on June 21, the only lasting solution is to expand supply through deregulation that empowers education technocrats, such as principals and deans, to set up institutions.

India's inability to create mass prosperity arises from the low productivity of our employers and youth. Reforms over the past decade have focused on employer productivity; we must now tackle outdated regulations choking the expansion of schools, colleges, and universities. The Radhakrishnan Commission of 1948 and the Kothari Committee of 1968 responded to educator John Gardner's challenge to design education systems that are equal and excellent. But India's youth population today is larger than America's total population. We are no longer a poor, new, and hesitant republic, and our education policy should stop behaving like one. This entails ending five false binaries.

Quantity vs Quality: India has run a randomised control trial in education regulation. The Medical Council of India was bribed to keep medical capacity down, while the All India Council for Technical Education was bribed to expand engineering capacity. This means we have 16 lakh engineering seats every year, but only 1.3 lakh MBBS seats. Capitation fees have largely disappeared in engineering but ex-

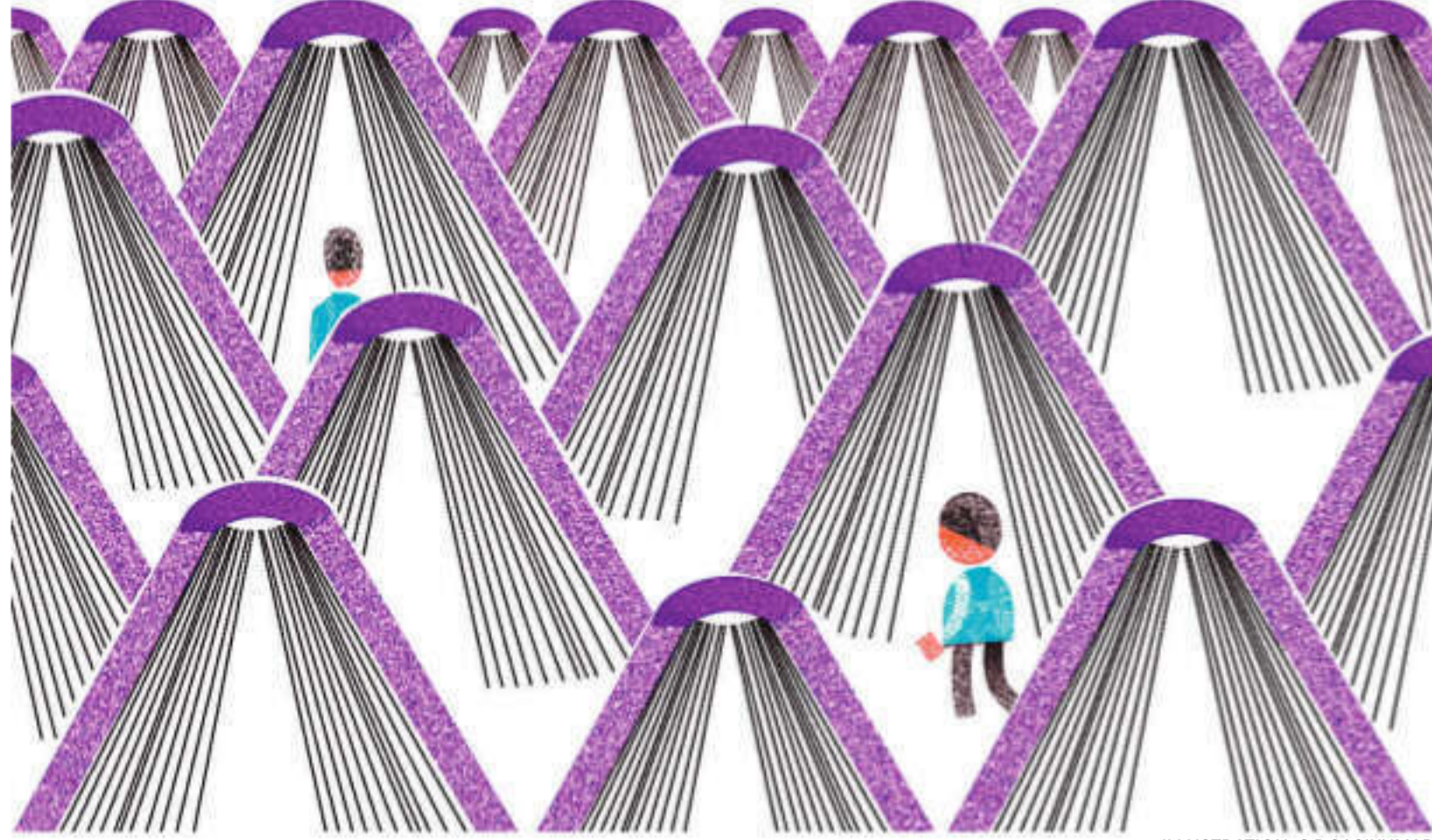


ILLUSTRATION: C.R. SASIKUMAR

ploded in medicine. Unlike Athena, who sprang fully formed from the head of Zeus in Greek mythology, educational institutions are not born adults. Over time, the goofy engineering colleges set up in the 1980s in Andhra Pradesh, Karnataka, and Tamil Nadu have improved, providing the supply chain for India's software industry. Nearly 30 per cent of engineering seats now lie vacant. Weak colleges are closing, and good colleges are raising faculty salaries.

Public vs Private: The debates over public vs private, or foreign vs domestic, institutions are juvenile. We should only care about good vs bad schools. But India's education regulations are obsessed with hardware over software, legal structures over learning, and input metrics over outcomes. This creates adverse selection among education entrepreneurs because success requires lying at birth (not unlike legislators' election-spending affidavits) and lifelong regulatory "management" skills (creating a gap between how the law is written, interpreted, practised, and enforced).

Repair vs Prepare: Few disagree with Mark Twain's quip that education is not the filling of a bucket but the lighting of a fire. But ad-

Coaching factories, exam leaks, nursery-school interviews and unemployability mean an Indian child's most important decisions are choosing their parents and pin code wisely

school is no school at all. **Excellence vs Inclusion:** India's inequality of opportunity means our most valued institutions inhabit two extremes — either the IITs and IIMs, with narrow entry gates (99 per cent fail) and wide-open exits that require elimination rather than selection entry exams, or the chartered accountant qualification with wide entry gates and narrow exits (99 per cent fail). But weak competition for most schools means their wide-open entry and exit gates lead to poor learning outcomes, weak signalling value and rotten employability. The solution is clear: More education entrepreneurship through deregulation. Removing the state government NOC requirement for Central Board recognition — state registration is already mandatory under the Right to Education Act. Deleting the RTE clause that prescribes jail for schools that conduct admission evaluations — should we select IIT or IIM students by lottery? Allowing all companies, not just Section 8 ones, to open schools and colleges so that education technocrats can become entrepreneurs by legally raising external capital. Scrapping minimum land requirements that confuse building schools with school buildings ensures that most education entrepreneurs are politicians, crooks, and landowners. Regulations that reward legal shenanigans or regulatory "management" handicap talent without capital and capital without talent.

My job in a people supply chain company involved hiring someone every five minutes for 25 years. But only hiring 5 per cent of applicants converted me to Amartya Sen's idea of development as freedom. An uneducated Indian is not a free Indian. Coaching factories, exam leaks, nursery-school interviews and unemployability mean an Indian child's most important decisions are choosing their parents and pin code wisely. The solution is not licensing but supply. Competition will drive innovation in teaching, fees, productivity, multilingual instruction, gifted students, teacher training and employability. India doesn't need fewer cooks in the kitchen; it needs more cooks, more recipes and fewer bureaucrats guarding empty plates.

The writer is co-founder of Teamlease Services and co-author of *Made in India*

Delhi Gymkhana takeover is not about ending elitism



YASHOVARDHAN AZAD

THE PROPOSED takeover or closure of the Delhi Gymkhana Club has triggered familiar slogans — elitism versus egalitarianism, colonial hangover versus decolonisation, privilege versus social justice. Few institutions in India offer such an inviting target: Sprawling green lawns in the heart of Lutyens' Delhi, old-world architecture, diplomats and retired officials in blazers, and a membership long accused of exclusivity. It is, therefore, politically convenient to portray action against the club as a moral correction, favouring the common citizen.

But beneath the rhetoric, it is important to examine plain facts. The selective demolition of an old institution has very little to do with social justice. If the issue is genuinely privilege, misuse of public land, or elite culture, then the logic must be applied consistently across the capital's many protected islands of influence.

The first argument advanced in favour of public security and defence requirements appears unconvincing. The club has remained there through some of India's most turbulent decades — the Punjab insurgency, Kashmir militancy, the Parliament attack, and multiple terror alerts in the national capital. Every Prime Minister except Chandra Shekhar functioned from the same PM house. The current Prime Minister, too, has occupied the adjoining complex for 12 years without the club suddenly becoming an intolerable security threat. With the PM shifting to the new complex, the urgency for reclaiming the land raises legitimate questions. If the intention is to absorb the Gymkhana with the present PM's house, into yet another government complex in already overcrowded Lutyens' Delhi, it would be deeply unfortunate. Lutyens suffers from vanishing open spaces and the steady erosion of urban space. The idea of suddenly locating a defence establishment there too, appears odd.

The second argument targets "elite culture". But who exactly is elite in modern India? Is it only a retired civil servant surviving on pension and occasional club lunches? Or, is it also the powerful politician occupying sprawling Lutyens' bungalows at nominal rents, with layers of security and influence? One rarely hears similar outrage over the vast government estates, dotted with official clubs like the Ashoka Hotel, state bhavans, Western Court, institutions that function as exclusive enclaves in their own right.

If club culture itself is objectionable, then let the government announce a transparent national policy on all such institutions — government clubs, defence clubs, officers' clubs, constitutional clubs, press clubs, and numerous state-run establishments occupying prime urban land. Selectivity weakens the moral argument.

Certainly, mismanagement at the Gymkhana cannot be ignored. Property tax liabilities reportedly climbed to nearly Rs 49 crore but the matter is in court. Questions were raised over finances, administration, and membership rules. But these issues were already under the purview of a government-nominated management committee for the past five years. If mismanagement persisted, then what corrective action was taken?

The language of "decolonising Lutyens" is perhaps the most emotionally charged part of the debate. Yet reducing every historic structure to colonial baggage displays intellectual despair. Lutyens' Delhi is among the few surviving examples of thoughtful urban planning in the country — tree-lined avenues, balanced density, architectural symmetry, and public aesthetics rarely replicated in our modern construction. Gymkhana is not simply a refuge of privilege. It is one of the few remaining social spaces where retired soldiers, diplomats, bureaucrats, academics, CEOs, journalists, and politicians interact outside the rigid formality of offices. Such spaces matter to the cultural life of a capital. Investment and global engagement depend not only on infrastructure but also on the vibrancy and confidence of urban life.

Finally comes the argument of rich versus poor. Every society contains inequality, but populist symbolism rarely solves it. If this 27-acre land were genuinely being converted into low-cost housing, slum rehabilitation, public green space, or for public welfare purposes, few would object. But not if the outcome is merely another fortified government complex. Institutions should be reformed, transparency should be enforced and access can be broadened. But destroying civic legacy, riding on a catchy slogan, is rarely wise. Nations mature not by erasing remnants of their past, but by learning how to adapt heritage to contemporary purpose and without reducing governance to symbolic conquest.

The writer is former IPS officer who has served as Central Information Commissioner, secretary, Security Cabinet Secretariat and special director, Intelligence Bureau

LETTERS TO THE EDITOR

RBI's Catch-22

THE RBI finds itself in a Catch-22 situation ('Amid rising inflation, RBI cannot neglect growth', *IE*, June 1). Amid supply constraints in crude oil and other petroleum products, and with the much-anticipated US-Iran peace deal remaining in limbo, it would be naive to expect a hike in the repo rate when the MPC meets this week. While the central bank can ill afford to be complacent about its fast-depleting forex reserves, largely intended to prevent any sharp fall in the external value of the Indian rupee vis-à-vis the US dollar, it may also face the double whammy of a steep rise in both wholesale and retail inflation.

S K Gupta, via email

THE RESERVE Bank faces a delicate balancing act between curbing inflation and sustaining economic momentum ('Amid rising inflation, RBI cannot neglect growth', *IE*, June 1). With global oil prices and monsoon uncertainties driving costs upward, a hasty rate hike could stifle investment and weaken the recovery. Prudence demands a calibrated approach that protects both price stability and growth. India's challenge lies in managing external shocks while nurturing domestic resilience. The RBI must ensure adequate liquidity for productive sectors and maintain confidence in the rupee without discouraging capital inflows.

K Chidanand Kumar, Bengaluru

Digital sovereignty

CONTROL OVER data, computing capacity and digital networks increasingly shapes economic competitiveness, national security and technological innovation ("The cloud is the new frontier of digital sovereignty", *IE*, June 1). Today, governments, corporations and citizens depend on cloud services for communication, commerce and governance. India's aspiration to become a leading digital power requires sustained investment in data centres, semiconductor ecosystems, cybersecurity and skilled manpower.

Harsh Pawaria, Rohtak



PETER KYLE

STRONG PARTNERSHIPS are more important than ever. The global economy is being buffeted by shocks on all sides and businesses are being forced to grapple with ever greater complexity and volatility. At times like this, it is hard to overstate the value of providing certainty, stability, and long-term opportunity with trusted trading partners.

These are the values embedded in the relationship between India and the UK. Less than a year ago, Prime Ministers Narendra Modi and Keir Starmer set a new course for our relationship — the UK-India Vision 2035, which set the direction for the next 10 years.

This plan covers everything from growth and jobs to education, technology, climate, and defence. Throughout every aspect is woven the same clear message — we are both better for working together. I have the privilege of delivering part of that vision alongside my friend and counterpart, Minister Piyush Goyal. It is our responsibility to work closely, both with business and with each other, to help turbo-charge our trading relationship and unlock new opportunities — driving growth and creating jobs.

In many respects, our relationship is already delivering on this ambition. In 2025, trade between the UK and India was £48bn — almost double in current prices what it was in 2019. And I am confident that we will only see this trend continue when we bring the Comprehensive Economic and Trade Agreement, or CETA, into force.

In today's world, growth will be driven not just by the movement of goods, but by ideas, data, and technology. This is where the UK-India partnership is especially powerful

Our deal is a genuine game changer. It will be the most expansive deal that India has ever brought in and the most economically significant deal the UK has done since leaving the European Union — and could increase India's and the UK's GDP by an estimated £5.1 billion and £4.8 billion respectively. This deal means real opportunities for real businesses. Some 99 per cent of UK and 90 per cent of Indian tariffs will be slashed, saving exporters and importers alike hundreds of millions of pounds.

New processes will make trade quicker, cheaper, and easier, including improving the use of digital contracts. Services companies will benefit from locked-in access and new business mobility commitments that will enable specialists from both nations to seamlessly deliver their expertise in everything from financial services, education and information technology to yoga. And in today's world, growth will be driven not just by the movement of goods, but by ideas, data, and technology. This is where the UK-India partnership is especially powerful. Our countries are leaders in digital innovation and our businesses are already collaborating to solve problems that matter: Improving healthcare outcomes, strengthening financial inclusion, and accelerating the transition to net zero.

As a former technology minister, I have seen first-hand how innovation can transform businesses and econ-

In volatile world, UK-India ties can be a game changer

omies alike. The next phase of UK-India cooperation will be defined by exactly this spirit: Harnessing emerging technologies to unlock new markets, support high-quality jobs, and build industries of the future. When I speak to businesses across the UK, I hear time and again how excited they are to strengthen their relationship with India — one of the fastest-growing major economies globally, a powerhouse of talent, technology and entrepreneurship.

And when I last visited India with Prime Minister Starmer, I heard from scores of businesses in Mumbai what they see in the UK — the number one country in Europe for attracting venture capital, the fastest cumulative economic growth amongst European G7 economies over 2026 and 2027, and the home to global hubs in finance, services, innovation, research, and international investment. So, as I visit India today, to further progress our trading relationship and prepare for the entry into force of the CETA, I am reminded of a simple but powerful truth: When the UK and India work together, we both benefit — and so does the wider global economy.

As I said to begin, in a world of volatility, certainty is a valuable currency. The UK-India relationship provides that certainty — anchored as two democracies, strengthened by economic complementarity, and driven by a common ambition for growth.

The writer is UK Business and Trade Secretary



SAPTARSHI BASAK

WHAT DOES one make of a TV show originally adapted from comics and conceived as satire that has since been outpaced by the very reality it sought to lampoon?

The Boys, whose finale premiered just a few days ago, is about superheroes who belong to the multi-billion-dollar superhero and pharmaceutical conglomerate Vought, going rogue while presenting themselves as champions of the innocent, as a small band of ordinary humans mounts a resistance. Where it goes further than other TV shows grappling with the Trump era is in how its satire has served

Satire to prophecy, Homelander to Trump

more like prophecy than commentary.

Creator Eric Kripke has acknowledged that *Homelander*, the show's most dangerous villain, was "always a Trump analogue". The comparison becomes less subtle with scenes like Homelander being cheered after using his laser eyes to blow a man's head open in public ("I could stand in the middle of Fifth Avenue and shoot somebody, and I wouldn't lose any voters"). Yet if the US president's actions over the past two months are any indication, one might be forgiven for suspecting that Trump is secretly taking cues from the show, rather than the other way around.

Much of the parallel in Season 5 centres on Homelander's self-proclaimed ascent to godhood — achieved after he is injected with a compound that renders him almost im-

mortal — because the American people, in his telling, deserve "a God who doesn't die." Trump stops short of claiming immortality, of course, but his repeated assertions about personal destiny and a quasi-divine sense of mission carry the same instinct.

Things would probably be less unsettling if the timeline did not keep aligning so precisely, like when Trump posted an AI-generated image of himself resembling Jesus Christ. An episode revealing a giant golden statue of Homelander aired the same day that "Don Colossus" — a 22-foot, 3.1-ton

If 'The Boys' has been so prophetic about Trump, what are we to make of Homelander's defeat?

bronze effigy of Trump, covered in gold leaf — was erected in Florida.

So what, right?

Satire works by exaggeration, by taking what exists and stretching it past the point of comfort, into absurdity. The point of satire is that this is where we are headed, if we are not careful. *The Boys* stuck to that in its first three seasons. By the fifth, it stopped holding up a satirical mirror. It is just a mirror.

Which makes the ending complicated. If the show has been so prophetic about Trump, what are we to make of Homelander's defeat, of the rare spectacle of the good guys, more or less, winning?

The problem is not so much about who loses as what wins. *The Boys* makes no secret that while Homelander and other heroes and villains die, Vought survives, with

its technology and institutional memory intact. The deterministic logic of capital is so resilient that even someone as powerful as Homelander cannot break it. Defeating him does not change the system that created and moulded him. Satirise whoever you want, the show argues, there is no satirising that reality.

Focusing on Homelander may be exactly the mistake the show warns against. So when Trump exits the stage, by whatever means, the machine that built him will still be running, looking for the next iteration, one that is more disciplined, having learned from its predecessor's mistakes. The next Homelander, then, is already in the making.

The writer is deputy copy editor, The Indian Express. saptarshi.basak@expressindia.com



OPINION

The
Hindustan Times
ESTABLISHED IN 1924

OUR TAKE

Invisible, illegal buildings

There is no will to investigate the many illegal compromises made at the cost of people's lives

Delhi is experiencing déjà vu after the shocking building collapse in Saidulajab on Saturday, which claimed six lives. The tedious perfunctory reactions of political blame games, inquiries, suspensions, belated inspections, and the promises of action are all too familiar.

Building collapses, along with fires, cause more deaths than any other disaster in Delhi. Staying invisible to regulators in broad daylight, hundreds of unauthorised colonies and urban villages — home to nearly half of the city's residents — are dotted with structures that flout rules. The Saidulajab building, a four-storey structure with two additional floors under construction atop the existing ones, housed offices and co-working spaces. It was conspicuous to everyone except the municipal officials. Only now have they revealed that the building had no approved plans and no further construction was allowed because the neighbourhood was on agricultural land, violating zoning norms. Who is responsible for the deaths of students dining at the nearby eatery? Is it the building owner or municipal officials, who have made even fatal illegalities acceptable? Or the legislators, who keep regularising construction violations in the name of amnesty? It is convenient to penalise a mid-level staffer. This is exactly how the MCD evaded accountability for the 2010 Lalita Park disaster that killed 70 people — by imposing a fine of ₹21,000 on a junior engineer. There is no will to investigate the fountainhead of illegal compromises made at the cost of people's lives.

The state's failure to provide affordable public housing created an illegal market for cheap but structurally unsafe residential and commercial buildings. Unplanned areas are estimated to account for over 60% of Delhi. A special law passed by Parliament provides protection for construction completed by June 2014 in 1,799 unauthorised colonies. No fresh construction was permitted here after this deadline but it continues unabated. Regularisation drives, acknowledging the citizen's right to housing, can't override structural safety in a city like Delhi that sits in seismic zone IV. Civic bodies conduct annual inspections during the pre-monsoon months to identify dangerous buildings in the city. Only a visibly tilted or cracked building is inspected from the inside. Unsurprisingly, many structures that eventually collapse are not included in the list they compile.

Delhi can only be safe asserting zero tolerance for any violations. Achieving this will require the expertise of structural engineers and planners, the participation of residents, and, above all, sustained administrative and political will.

In Punjab polls, huge stakes for Opposition

The poll bugle was sounded in Punjab last week with the results of the local body polls. The Aam Aadmi Party, stung by the defection of seven Rajiya Sabha members and a plethora of corruption charges, must be smiling. It won the largest chunk of local body seats, leaving the Congress a distant second. It is a boost for the beleaguered party and its embattled chief minister Bhagwant Mann, who has courted controversy regularly. It is a sign that the party machinery on the ground is alive and kicking, and Mann's welfare agenda is popular. In a volatile state where the 2021 farm law protests fundamentally reshaped politics, the local body polls are a virtual semi-final for the assembly elections just months away. The AAP, which stormed to power in a landslide in 2022, starts from pole position. But it should not celebrate just yet. After all, in 2021, the Congress swept the local body elections, only to be booted out of power months later in the assembly polls.

Uttar Pradesh might be the most valuable prize in the 2022 poll cycle but Punjab is also of immense importance — especially to the Opposition. It is not only the largest state ruled by the Opposition in northern India, it is also the only province where the AAP is in power. More than the 2025 Delhi elections, it is Punjab which will be a do-or-die moment for the AAP. For the Shiromani Akali Dal, embroiled in religious controversy and still damaged from its initial support of the farm laws, the elections are also an existential battle. The party might be tempted to tie up with the Bharatiya Janata Party after its dismal showing in both the local body polls and the parliamentary elections. And for the Congress, which committed political *hara-kiri* before the 2022 polls, it is an opportunity to expand its foothold in north India, a region the BJP currently dominates.

India needs a new economic strategy

The IMF admits that post-1991 liberal economics has failed. It is time that India built depth in its industrial base

The tide of US-led globalisation was spreading outward in 1991. Now, it is shrinking inward. It may have made sense in 1991 to use trade as the strategy for economic growth rather than industrial development; not in 2026. In 1991, India switched from the difficult route of building its own high-value adding manufacturing industries to the easier route of imports. Most Indian businesses took this route and became assemblers and marketers of foreign goods. China, however, continued to build its domestic industries. It was accused of not playing by global trade rules and even stealing foreign technology.

It is important to keep in mind that India and China had comparable technological strengths in manufacturing in the 1980s. Now, India imports from Chinese manufacturers to meet the needs of its consumers and provide machines and electronic hardware for its industries.

India also finds itself squeezed in the geopolitical competition between the US and China. The statistics are revealing. India's exports to the US were \$3 billion in 1991 and imports from that country were \$2 billion. India's exports to the US increased to \$86 billion by 2025, and imports to \$46 billion — a

surplus of \$40 billion in India's favour. Contrast this with India-China trade. It was minuscule in 1991 — less than \$0.5 billion. In 2025, India exported \$14 billion to China, but it imported \$114 billion (almost entirely manufactured goods, including high-tech equipment) — \$100-billion trade deficit with China.

India's external trade-to-GDP ratio is 45% (approximately) today; China's trade-GDP ratio is 37%. Overall, India's trade is much less than China's because the Chinese economy is five times larger. India's economy has grown 15 times since 1991, China's 46 times. Per capita incomes matter more to citizens than GDP numbers. Per capita incomes in China have grown 38 times since 1991; in India, only eight times. Climbing up statistical rankings of GDP holds little meaning for the hundreds of millions of Indians, including farmers, workers, and small entrepreneurs, who want to earn higher incomes and live more dignified and secure lives. Moreover, if their incomes do not increase, overall consumption will not increase, and the Indian market will not be attractive for investors. Movements of social and political unrest will continue to grow.

China's domestic economy has become the engine of its growth. China followed an aggressive industrial strategy from the 1980s to build its own industrial capabilities. It took good advantage of the rising tide of international globalism. By the mid-2000s, international trade accounted for 60% of China's GDP, most of which was the export of a wide range of man-

ufactured goods. It has declined to 37% since then. Since 1991, India has become much more trade-integrated and much richer, but China scaled up far faster — in export intensity, manufacturing depth, total GDP, and income per person. China has achieved its objective of substantially increasing the incomes of its billion-plus citizens. And China is also able to dictate terms to the US.

Many Indian economists, in and outside the government, admit the Indian economy must be reformed boldly. Most of them, whether supporters or opponents of the present government, say India has not implemented the 1991 reform agenda boldly enough. They want more trade; less industrial policy (the latter is "a return to protectionism", they say); more freedom for foreign capital without conditions; and joining global supply chains more vigorously (even though global supply chains are collapsing). Some have suggested that India can skip the hard work of building domestic industry and grow on the back of a service-led economy.

An export-led strategy will not work for India. It helped the Asian tigers (Japan, Korea, and Taiwan), and China because they implemented vigorous policies to build domestic industries, without which they could not have generated their huge trade surpluses. The Asian tigers seem to be in another phase of export-led growth, but only in AI-related industries (Taiwan and Korea in chips; Japan in chip-making machinery and materials). If these high-tech industries are excluded,



Arun Maira



The bold economic reform India needs now is to break away from a failed economics ideology. New thinking is required in policy circles. REUTERS

exports from these countries have declined — Taiwan's by as much as 40%. China is beating them in all other industries. The reason is simple. With the US threatening to shut out imports, China has diversified its export markets, eating into the markets that other manufacturers, and India too, were hoping to export to, with wages rising in China and the US trade sanctions in force.

The IMF's report, *Geoeconomics and the Return of Economic Statecraft*, is a "mea culpa". It is an admission that "Washington economics" (IMF, the Chicago School, Wall Street) was wrong. The report says it is time to return to economics for the real economy. The architects of the post-World War II international economic system knew the risks of unrestricted trade. The General Agreement on Tariffs and Trade (GATT) was deliberately negotiated to allow robust use of tariffs to ensure essential security, prevent damage to domestic industries, respond to unfair competition, and balance of payment challenges. In the heady days following the fall of the Berlin Wall, there was a rush to adopt the simplicity of hyper-globalisation and eliminate trade barriers all together.

The contrast between the economic performance of the two billion-plus Asian countries since 1991 is empirical

proof of the failure of the Western economics ideology that India adopted and China did not. Since the 1980s, India's economic policies have been guided by economists wedded to the "US economics" ideology, whichever government has ruled.

Economists on both sides of India's socio-political divide continue to say India must implement the 1991 reform agenda more boldly. This, however, cannot be the right strategy for India any longer. India must build depth in its own industrial base. It cannot rely any longer on free trade. Incomes must rise much faster within the country. More dignified opportunities must be created for youth to earn and learn on the job in manufacturing and service enterprises. Small farmers' incomes must be boosted.

The bold economic reform India needs now is to break away from a failed economics ideology. New thinking is required in policy circles; not just new faces. The IMF report says, "It is time for the economics profession to take a cue from Keynes and catch up with the world as it is, rather than how we may wish it to be."

Arun Maira is the author of *Reimagining India's Economy: The Road to a More Equitable Society*. The views expressed are personal

Why Quad is still not seen as a serious enterprise

After the Quadrilateral Security Dialogue (Quad) foreign ministers' meeting on May 26, the general perception is likely to be that the grouping has shifted from dormancy to near-death. Future summits seem appended to other forums, whenever they occur — pointing to a lack of American interest. Quad has long been a case of fits-and-starts. It saw sterling cooperation after the devastating 2004 tsunami but died out soon after, only to see a strong revival in 2017 due to Chinese aggressiveness in the South China Sea. Now, an extremely unstable world order may lead to what the joint statement from the foreign ministers' meeting notes as "great challenges, but also unprecedented opportunities" for Quad.

The key to these objectives is embedded in the nature of the Quad structure, which is best described as *a la carte*, given that these countries have widely different priorities but share broad interests. Quad projects are the sum of each member's particular strengths, implemented through dozens of countries from the Association of South East Asian Nations (Asean), the Pacific Island Forum, and the Indian Ocean Rim Association (IORA) that lie in the "area of influence" of Quad member-nations and such other forums. For instance, the Quad Satellite Data portal integrates the formidable space resources of members to provide them with data on everything from climate change to monitoring of maritime resources. That means, for instance, that small countries can spot thousands of Chinese illegal fishing vessels poaching in their waters. The Quad Maritime Legal Dialogue backs a rules-based maritime order, while a new Ship Observer Mission aims to toggle up coast guard action between member-nations and potentially these countries — in other words, eyes, rules, and a shared mission among those whose job it is to police their countries' waters. The joint statement stresses interoperability at a time when a steady Chinese intrusion is apparent along the waters of all Indo-Pacific countries.

Then there is the core issue of Maritime Domain Awareness (MDA) now capable of delivering near-real-time commercial data — a vital capability given that 60% of the world's shipping passes through the Indian Ocean. The data generated is shared by the Fusion Centre in Gurgaon with over two dozen coun-

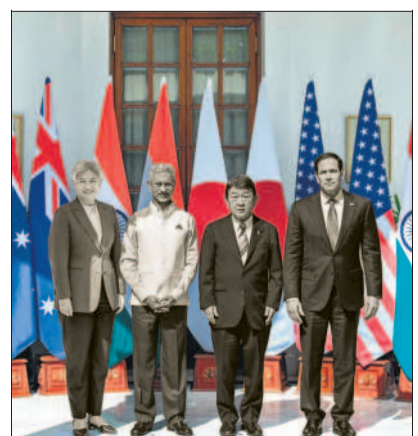
tries. Add to this the new Surveillance Initiative, as well as Underwater Domain Awareness and you have a sharp eye over, under and on the oceans. Australia is a pioneer in cable connectivity and resilience, while Japan has a formidable Maritime Situational Indication Linkages (MSIL) system. As Rubio said, each country brings separate capabilities, which coalesce into a strategic whole.

Linked to the present challenges is the Quad statement on energy security, which underlines a "shared commitment to maintain open trade flows of energy products" — ironical, given this is hardly America's policy in the Strait of Hormuz. But again, regional initiatives abound for energy resilience, such as Japan's \$10-billion initiative to help Asian countries, India's critical support to South Asian countries, and Australia backing the ASEAN Power Grid and extending financial assistance to Pacific island-countries. Again, this is each member-country playing to its strengths, in its region. Meanwhile, the Quad Ports of the Future initiative feeds into Delhi's \$62-billion Sagarmala project, in an intermeshing of objectives.

Quad has also rather successfully built upon last year's Critical Minerals Initiative announcement, with a coordinated investment across the region to develop new markets and critical supply chains. A hefty sum of \$20 billion has been earmarked for projects "...located in Quad partner countries, operated by companies headquartered in Quad partner countries, or supplying to Quad markets..." In other words, this is an end-to-end Quad enterprise, including financing models, insurance, subsidies. In short, it is an effort responding to the Chinese stranglehold in this area.

All this is good. But there remain the usual reservations. For instance, the ministry of external affairs recently stressed that new surveillance initiatives were not aimed at militarisation, but were just deployment of better technology. That is the kind of thing that leads to a dismissal of Quad as a serious enterprise. The Chinese foreign ministry has roundly opposed "bloc confrontation" anyway. Australia remains cautious as ever, only now taking part in military exercises. Japan rarely mentions Quad in its critical policy documents. Ironically, the biggest impediment has been the US itself. Its unilateral war on Iran not just mocks a "rules-based order" that is the founding mantra of Quad but also seems to have led to US President Donald Trump backing off on supporting Taiwan. Trust in the US is at an all-time low also due to its punishing tariffs that, for instance, led to the near-collapse of the Indian solar industry, making a mockery of energy diversification. India might try cooperating with Australia, which has a major initiative in this area, just as it cooperates with Japan on rare earths. In fact, a slow coming together of those with immediate stakes in the region may be the end result, as the US remains embroiled in other theatres. But the truth is that there is no choice. All members have to either cooperate or collapse trying. It is that simple.

Tara Kartha is former director, National Security Council secretariat. The views expressed are personal



Quad projects are the sum of each member's strengths, implemented through dozens of countries. ANI

{ RICHARD MARLES } DEFENCE MINISTER, AUSTRALIA

We have never been more strategically aligned. And that alignment is underpinned by deep trust. In the history of the bilateral relationship... we are at a high-water mark



On India-Australia defence ties



Modernists understood that buildings represent life

The first three decades after Independence were marked by an extraordinary burst of building. Driven by imperatives of urbanisation, industrialisation, and institution building, Modernist architecture became the idiom of a forward-looking democracy. The promise that Modernist architecture would lead us to a modern world permeated in popular culture. Movies like *Hum Hindustani* (1960) and *Satyakam* (1969) used massive infrastructure and engineering projects to invoke an idea of a modern India that was forward looking and open to new ideas. On the other hand, Arati, the protagonist of Satyajit Ray's *Mahanagar* (1963), moves between the traditional domesticity of a middle-class home and the glass partitioned offices of Calcutta with their expansive volumes, natural light, and structural honesty, serving as a visual metaphor for the emancipation of Indian women through modernity's new freedoms.

Entire cities were planned from this imagination, Chandigarh and Gandhinagar being the best-known examples. Public institutions were reimagined (IIM Ahmedabad, IIT Kanpur, the Hall of Nations in Delhi, among others) and private homes began to reflect a modern way of living. Largely characterised by the honest expression of exposed concrete and brick, the architecture was also a site of comprehensive technological ambition with new structural systems, new approaches to daylight and ventilation, and new ideas about what public place and public building would feel like. Cumulatively, Modern architecture provided a blueprint that determined the building culture of India, one in which Indian architects used tropes of Modernism not to imitate the West, but to shed colonial idioms and search for a new Indian identity.

Most of these buildings are now over 60 years old and are often assumed to be nearing the end of their useful lives. Yet many remain remarkably viable. Whether continuing in their original function or accommodating adaptive changes within, a surprising number have retained their design integrity. Thoughtful upgrades to materials and interiors have addressed contemporary needs without compromising architectural character, even though historic authenticity is weak. Most Modernist buildings of India are robust buildings with strong structural bones, and with the right investment can remain relevant to India's urban fabric for decades to come.

There are two challenges: thermal comfort and weather-wear. Here, we will talk about thermal comfort, against the backdrop of heat extremes that are becoming increasingly common.

When these buildings were designed, urban microclimates were still largely hospitable to natural ventilation. Occupants could manage comfort simply by opening windows and running ceiling fans — a deliberate design position, embedded in the building's orientation, shading, and spatial organisation. Today, intensified urban heat island effects, ambient noise, and atmospheric pollution have made natural ventilation largely untenable in most Indian cities. Mechanical air conditioning has become a functional necessity.

Buildings that were not designed with it must now accommodate it. This is harder than it sounds. Retrofitting air conditioning into buildings never designed for it presents a serious structural as well as aesthetic challenge. The result is then that such buildings are neither honestly updated nor faithfully preserved.

Modernism was founded, in part, on the principle that buildings should not hide what they are made of or how they work. Applying the same ethic to contemporary interventions would mean treating new mechanical systems not as intrusions to be disguised, but as additions to be thoughtfully designed. Precedents exist through architects working on heritage buildings who have successfully integrated new infrastructure by treating it as a distinct but complementary layer. They have chosen contemporary materials and detailing that are clearly of their own time rather than poor imitations of the original.

This work requires architects, engineers, material scientists, energy and comfort experts, and conservation architects to collaborate from the very beginning, not sequentially, but together, treating each building as a cultural artefact and a living institution with real performance requirements. The current state of engineering and technology needs to evolve to meet this unique challenge of adaptation. For iconic Modernist buildings to have an extended life, the need is to expand conventional approaches to heritage conservation beyond surface or structural repair and to look towards engineering and mechanical systems.

Rajan Rawal is a professor of technology and Jigna Desai is a professor of architecture, CEPT University, Ahmedabad. The views expressed are personal



Rajan Rawal



Jigna Desai

Plastic currency

Switching to polymer bank notes can help manage costs

The Reserve Bank of India's (RBI's) decision, as reported by this newspaper, to revive plans for polymer banknotes deserves careful attention. At first glance, the move may appear unnecessary at a time when India has emerged as a global leader in digital payments. Yet the data suggests otherwise. Far from rendering cash obsolete, India's digital-payment revolution has been accompanied by a steady rise in currency usage. The challenge before the central bank, therefore, is to make the circulation of currency more efficient, secure and sustainable. The RBI's latest Annual Report underscores this reality. The currency in circulation grew by over 11 per cent in 2025-26, almost double the previous year's growth rate of 5.8 per cent, even as digital payments continued their rapid expansion. In other words, digital and cash payments are coexisting rather than substituting each other. Managing this growing stock of currency is becoming increasingly expensive. Expenditure on printing banknotes rose to more than ₹6,300 crore in 2024-25. At the same time, nearly 24 billion soiled notes were withdrawn from circulation, highlighting the operational burden of replacing worn-out currency. Lower-denomination notes, which change hands frequently, are especially vulnerable to deterioration. It is, therefore, sensible that the RBI is considering a pilot involving ₹10 and ₹20 notes. The share of notes of lower denomination too needs to be increased. It is not difficult to argue that the availability of lower-denomination notes often affects transactions.

Polymer notes are made of a thin plastic substrate that is more resistant to moisture, dirt and tearing. While the initial cost of printing polymer currency is higher, international experience suggests that the overall economics is favourable. Since polymer notes last significantly longer, fewer replacement notes need to be printed, transported, processed and destroyed. The savings are the greatest for low-value denominations. Australia's experience in this context remains noteworthy. The pioneer of polymer currency, it estimates that the switch generated substantial long-term savings through lower replacement and handling costs. Earlier, Australia's paper notes of lower denominations lasted only six-12 months, whereas polymer notes lasted several years. Countries such as Canada, the United Kingdom, New Zealand, and Singapore too have adopted polymer notes, citing durability, enhanced security, and lower lifecycle costs. Advanced security features such as transparent windows and micro-optic elements make polymer notes more resistant to counterfeiting. The environmental argument is equally compelling. Studies undertaken by central banks abroad have found that polymer notes consume fewer resources over their lifetime. Besides, retired polymer notes can also be recycled into other plastic products. Certainly, these gains are worth considering.

Thus, upfront costs, ATM calibration, cash-handling infrastructure, and public acceptance will need to be carefully assessed. India's earlier attempt to introduce polymer notes in 2012 faltered because of technological constraints, specifically the inability of legacy ATMs and counting machines to accurately detect, handle and dispense the plastic substrates. Polymer notes will also relieve users of the considerable inconvenience of regularly handling soiled and torn notes, particularly of lower denominations, given that it is not always easy to get them exchanged.

Stress tests

Centralised examination systems are failing aspirants

The month of May exposed shocking flaws in the system of administering public exams within the purview of the Ministry of Education. Between the first and last weeks of the month, three consequential national exams ran into problems, ranging from outright corruption in the form of paper leaks to software glitches and rank inefficiency. The result is that millions of young people have been left in limbo.

The latest fiasco is the discovery of major discrepancies in the on-screen marking system (OSM) for Class XII board exams. Students accessing the post-result verification portal discovered blurred or missing pages, unmarked answers or, sometimes, the answer copies of other students. With 125,000 students applying for scanned copies of more than 1.1 million answer books, the portal crashed, forcing the Central Board of Secondary Education (CBSE) to extend deadlines and slash fees. Following an investigative blog by a Class XII student, suggesting a rigged process in selecting a Hyderabad-based firm as the software vendor for the OSM, the CBSE asked the Indian Institutes of Technology (IITs) in Madras and Kanpur to sort out the glitches and promised a "transparent and glitch-free process" from June 1. It is worth noting that complaints about discrepancies in answer sheets were raised as early as mid-May and it took the CBSE almost two weeks to address the issue. The CBSE has not chosen to investigate the software vendor.

This problem begs several questions. The first is why digitised evaluation was introduced when the earlier system of physical marking did not appear to be problematic. The CBSE's explanation was that the OSM system was designed to eliminate mistakes in aggregating marks and manual evaluation, and to speed up the process. The reasoning may have been unexceptionable but the implementation clearly left much to be desired. Under the OSM system, handwritten answer scripts are scanned, anonymised and uploaded. Teachers then log in to a dedicated platform and correct the scripts under video surveillance. Some 1.7 million students sit for this exam each year, requiring over 9.8 million answer books to be manually scanned. Clearly, then, the system demands rigorous, iterative pilot testing. But the CBSE appears to have conducted some limited tests in 2024-25 before deciding to roll it out nationwide. Worse, teachers were not given adequate training; they were informed 10 days before the exams began on February 17 to familiarise themselves with the system, all of which created a perfect storm.

Over the past decade, attempts to centralise the public-examination system have consistently led to sub-optimal outcomes. Nothing exposed this better than the serial failures of the National Testing Agency (NTA), set up in 2017. The paper leak ahead of the National Eligibility cum Entrance Test exposed the faults in the supposedly impregnable security framework. Weeks later, a technical glitch of the system operated by no less than Tata Consultancy Services caused a disruption in the Common University Entrance Test, with over 3,700 candidates unable to take the exam. Given the uber-competitiveness of the examination system, these fiascos have impacted the mental health of students at a particularly vulnerable time in their careers. Ironically, the NTA was ostensibly set up to reduce student stress by offering a standardised and fair evaluation framework. The results so far have belied that intent.

Let the past be past in tax policy

The systemic damage caused by retrospective taxes is massive



ILLUSTRATION: BINAY SINHA

The recent Supreme Court decision has ruled against online gaming platforms in their dispute with the government over goods and services tax (GST) calculations, and has done so retrospectively. In other words, these platforms would be required to pay higher GST, reportedly amounting to trillions of rupees, on their historical activities.

There have been, of course, many cases of large retrospective taxation. Examples from the last two decades include the Cairn Energy- and Vodafone-related tax disputes, arising from changes to tax law in 2012 (and their partial reversal in 2021), the telecom adjusted gross revenue case in 2019, the mining royalty case in 2024, and now the online gaming case in 2026. And there have also been large and small instances of retrospective policymaking at the state-government level. These retrospective changes have applied not only to direct and indirect taxes, but also to cesses, fees and royalties.

The benefits of retrospective taxation are quite obvious. It allows for gaps in taxation policies to be reversed after superior information is available to the government. The revenues so collected can potentially run into many multiples of recent liabilities, because of their retrospective nature. This, therefore, has the potential to make those exploiting loopholes in the system pay up later. A case could, therefore, be made that retrospective policy helps correct inadvertent errors in policymaking. It could also be argued that, if investors know that extraordinarily high returns can be taxed retrospectively, they would be less likely to exploit the loopholes.

The current decision on online gaming-gambling is a case in point. This is not an activity that creates large employment, nor does it serve genuine needs of people. In fact, it's a highly inequitable business, there is a risk of addiction, and consequently there are risks of deep household-level distress. Therefore, there is some cause to categorise it at the highest tax rate. And

in case this was not done at the very outset, it could be argued that doing so retrospectively will send the right message to all such entities intent on exploiting customers and the government for private profit.

However, the retrospective solution is a double-edged sword, and the other side is sharper and more damaging than the side being used to extract greater revenues. Both in their submissions to the courts as well as in other fora, the Union government functionaries have explicitly acknowledged the serious damage caused due to retrospective taxation. And, in many cases, the Union government has actively opposed retrospective taxes. This is because the damage is not only to the companies asked to pay retrospectively, but also to those planning new investments.



LAVEESH BHANDARI

The point being made is that the benefit to the government is minor, impacting a narrow space, but the damage to the system is massive and it operates at a systemic level.

The fact that in multiple areas the courts have ruled in favour of various state governments, public-sector or other government-associated entities collecting taxes retrospectively will require all investors to build in that possibility in their business plans. What's concerning is that this has occurred multiple times in the past and continues to occur today, and that such taxation can be imposed retrospectively, running back many years, which only increases costs, adds to uncertainties, and consequently reduces project viability.

It is well known that India's tax code, regulations, and policy in general are highly complex. The ease of doing business reforms, the decriminalisation efforts, and the reduction in the number of laws have all made impressive dents in the complexity of doing business in India. But it is a vast ocean, and typically the business environment even today requires firms to operate in many domains in the space defined by what is explicitly coded in laws and policies on one side and

what is not on the other. This grey space, where what is allowed and what is not allowed is not clear, and many aspects of the day-to-day business are conducted in this manner. There are multiple entities that firms need to work with — regulators, various ministries and departments, and direct and indirect tax authorities, both at the central and state levels. And in each of these interactions, there are multiple areas of ambiguity. The situation for the investor is, therefore, not very different from that of a customer in a restaurant who orders food blind and knows the bill amount only after consuming the food.

All kinds of investments are impacted, large and small, global and national, and direct and portfolio. In such conditions, economic theory predicts a market failure marked by lower investments and, perversely, greater likelihood of more risky projects being taken up.

One can pin one's hope on the judiciary to give a fair decision. However, the judiciary will not be able to support the investor because both the prevailing law and case law allow retrospective taxation policies. The laws that limit retrospective policy are limited to criminal areas and indirect taxation before 2012. There are many areas, including cesses, royalties, fees and even direct taxes, where such possibilities remain.

And the systemic damage is quite massive. It is well known that corporate sector investments have not really taken off after 2012. It is also well known that foreign direct investment (FDI) has been falling relative to gross domestic product (GDP) since 2021. India has had impressive GDP growth, controlled inflation, good macroeconomic management, a striking infrastructure build-up during this period. Yet both domestic and international investor response has been lukewarm. It is also clear that where hard economic data is concerned, nothing explains the lacklustre private-sector investment figures. The possibility of retrospective action by some part of the government at some point in the future, going back many years, can lead many businesses and entrepreneurs to bankruptcy.

What should the government do? Retrospective policy can be imposed by any part of the government, and, therefore, India needs a comprehensive legal solution where all parts of the government are prevented from demanding retrospective payments. Such a law should allow some flexibilities, but the current regime, which allows any part of the government to have complete freedom to go back as many years as it deems fit, needs to be curtailed. India has allowed black money amnesty schemes on multiple occasions and with no political-economic backlash. Why not consider an explicit loophole-amnesty mechanism where all parts of the government leave the past alone?

The author heads CSEP. The views are personal

Why India needs a new authority on quality

India's quality ecosystem needs a comprehensive review in light of global developments and today's demands. The Indian National Strategy for Standardisation (INSS) gave India a formal policy framework for standards and quality. The Consumer Protection Act, 2019, introduced product liability and established the Central Consumer Protection Authority. In the Global Quality Infrastructure Index 2025, India ranked 11th overall. More than 22,300 Indian standards are now in force, of which 94 per cent are harmonised with the standards developed by the International Organisation for Standardization (ISO) and the International Electrotechnical Commission (IEC). On paper, this looks impressive.

Yet setbacks in organic certification, pharmaceuticals and agri-food exports point to a harder reality: India has built the machinery of quality, but is it sustainable? The building blocks alone may not be themselves make an architecture.

A quality ecosystem works only when every link in the chain is credible. Regulators set requirements, standards bodies define benchmarks, conformity assessment bodies verify compliance, accreditation establishes competence of these bodies, and market surveillance checks products in circulation. If any link is weak, the system can falter.

These weaknesses are visible across sectors. The National Programme for Organic Production (NPOP) created an export-certification framework, but what if key foreign regulators do not trust it? In textiles, can an Indian standard help exporters unless global buyers recognise it against requirements such as the Global Organic Textile Standard or the Textile Exchange standards? In agri-food, ethylene oxide concerns across sesame seeds, spices and other products raise a basic governance question: Who connects the dots when risks cut across commodities and agencies?

India's quality ecosystem still carries legacy overlaps between promotion and regulation, licensing and surveillance, and conformity assessment and enforcement. Some arose from necessity, but now need fixing. The line ministries must own sectoral quality

policy for both regulations and voluntary/private standards. A quality control order is not merely a notification exercise; it affects technology, supply chains, imports, laboratory capacity, transition periods, micro, small, and medium enterprises costs, export competitiveness and surveillance. Regulatory impact assessment should, therefore, precede such measures. The Bureau of Indian Standards (BIS) can support standardisation and conformity assessment, but sectoral strategy must rest with the concerned ministry.

BIS is India's national standards body, primarily meant for voluntary standardisation. Its certification and regulation-linked roles grew when specialised capacity was limited. But as technical regulation expands, should standard-setting, certification and enforcement-linked functions remain so closely bundled? Market surveillance is another design gap.



RAJEEV KHER, ANIL JAUHRI & OM STUTEE

A regulation has little value if non-compliant products continue to circulate. The Department of Consumer Affairs could coordinate more strongly with states equipped for dedicated surveillance. This would place consumer protection at the centre of technical regulation and reduce conflicts.

Export quality regulation presents a similar concern. Responsibilities are spread across the Export Inspection Council, the Agricultural and Processed Food Products Export Development Authority (Apeda), the Spices Board, the Indian Oil-seeds and Produce Export Promotion Council (EIC), and other commodity bodies. Some also have export-promotion roles. India has seen the benefits of consolidation through the Food Safety and Standards Authority of India. Export quality regulation deserves a comparable review.

The real test is whether Indian certification is accepted abroad without yet another layer of compliance. The limited overseas acceptance of BIS hall-marking, despite harmonised gold purity standards, shows the gap between a domestic mark and international confidence. But recognition is possible. Apeda's National Programme for Organic Production, EIC's seafood certification, and the Network for Certifica-

tion and Conservation of Forests certification benchmarked with Programme for the Endorsement of Forest Certification, show that Indian schemes can gain credibility when designed for benchmarking and recognition. The aim should not be one Indian scheme for every foreign requirement, but credible schemes where recognition matters.

What, then, should be done? The reform agenda should now move towards improving quality governance. India needs a National Authority on Quality to provide a whole-of-government perspective — setting common principles, supporting line ministries, and ensuring that standards, technical regulations, conformity assessment, accreditation, and international recognition are not treated as silos.

Three shifts are essential. Line ministries must lead sectoral quality strategy. BIS should remain central to voluntary standardisation, while technical regulation moves towards clearer separation between rule-making, certification, and surveillance. Export quality regulation should be consolidated, with a sharper distinction between promotion and regulation.

The credibility of conformity assessment also needs closer supervision. As India increasingly relies on third parties, a stronger oversight framework is required. Where consumers and regulators rely on certificates, test reports and inspection findings, assurance providers also need credible supervision.

Global acceptance should be a policy objective. India must participate consistently in international standard-setting, build export-sector capacity on technical regulations in key markets, and encourage industry engagement with global scheme owners. Support for voluntary Indian certification schemes should rest on benchmarking and recognition, not exclusivity. The next phase of reform should not be judged only by the number of standards notified or products brought under compulsory certification, but on the scale of confidence and credibility that India's quality ecosystem generates.

(For details, visit <https://tnq.com/5g15f4d>)

The authors are, respectively, former commerce secretary, GoI; former CEO of National Accreditation Board for Certification Bodies and visiting senior fellow at RIS; and research assistant at RIS

The descent of India's middle class



V KUMARASWAMY

Following liberalisation in 1991, the surging fortunes of the information technology (IT) sector created jobs at a good clip, and with exports growing from 6 to 24 per cent, India grew at a compounded annual growth rate (CAGR) of over 7 per cent. The economic renaissance was led by consumption instead of investments or exports, unlike other East Asian economies.

The book defines the middle class as those earning between ₹5 lakh and ₹1 crore based on income tax filings. There are 40 million such people, and the book contends that they form the backbone of the consumption-led growth that

supports the employment and livelihoods of 200 million people through its forward linkages. Any disturbance to their fortunes, therefore, affects the fortunes of the rest.

There are two broad lines of enquiry: The primary causes (inflation, demonetisation, overvalued currency, and so on) that have caused the drop in fortunes of the middle class; and how this shrinking fortune manifests itself (higher debt, higher unemployment, low female worker participation) and gets transmitted to the rest of the economy. The book is mostly about the latter.

Recent trends in technology-led automation have eliminated a vast swathe of jobs at the lower levels, such as in BPO and clerical and repetitive jobs. While jobs are vanishing, India's universities are disgorging eight million graduates a year, leading to unemployment among graduates being the highest for any class at 29 per cent. A third of the world-famous IIT graduates failed to get jobs in the latest round, even as the average offer

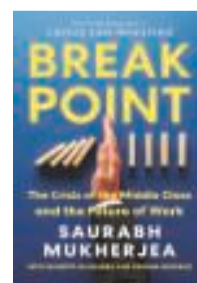
has shrunk from ₹6 lakh to ₹4 lakh.

The impact of AI is all-pervading. While it has started replacing jobs that require cognitive skills, it has not left even highly human-intensive security jobs, the second-largest after construction, as an employment avenue for 1.2 million jobs. Sensors, cameras, bots, and centralised control are taking over these jobs. The job of 60,000 security guards employed for monitoring 30,000 ATMs is now being done by 100 agents from a single location. The middle-class dream and an economy superimposed on it are beginning to wilt.

All things considered, the book is more descriptive than analytical. Nevertheless, some facts recounted in the book ring alarm bells. Nearly 45 per cent of all retail borrowers are subprime; India's outstanding personal debt for non-housing loans is higher than even that of the US and China. More loans are now financing consumption, such as travel and smartphones, but the loans taken for financing housing, automo-

biles, and gold are shrinking. The Asset Quality Review in 2015 has forced banks to shy away from corporate loans to chase personal loans. Between 2019 and 2024, income tax collections grew by a staggering 16 per cent CAGR, crippling consumption growth at a time when neither jobs nor the real income of the middle class grew significantly. All this has pushed the middle class into heavy debt, and nearly 40 per cent of their earnings now go towards servicing borrowings, deeply impacting consumption.

The authors rightly contend that the middle class, which contributes 53 per cent of income tax and 30 per cent of goods and services tax and creates the bulk of the downstream jobs for the unorganised sector, receives scant time or attention in policymaking. The group does not assert itself in the electoral process in line with its important contribution. The government has woken up a bit late with its income tax cuts in 2024 and



Break Point: The Crisis of the Middle Class and the Future of Work by Saurabh Mukherjee, Nandita Rajhansa & Sapana Bhavsar. Published by Juggernaut. 280 pages ₹528

risks. High risk and low returns, heavy costs, time delays, and risks in procuring land (nearly one-fifth of murders in India are land-dispute related), high costs of working capital and its lack of availability for entrepreneurial firms, and an education system that trains people to seek jobs rather than create them differentiate

India from Bangladesh and Vietnam, with whom India has to compete. The authors' hope that artificial intelligence will create 100 million jobs in bot-training, data validation, blockchain, and YouTube channels in the next three to five years, which seems far-fetched.

The authors could have been more careful in their definitions in some places. The illustrative calculation shown for the poor savings of a middle-class family with an income of ₹50 lakh at ₹5 lakh, nets off ₹22 lakh EMIs for asset (home loans and car) acquisitions as expenditure. These EMIs are post-investment savings. There is a mix-up between cash flow and savings.

Throughout the book, there is confusion between families and individuals. The unit of account in tax filing or employment multiplier is the job or individual — not the family. Hence, to say that the earnings of 40 million middle-class families (tax filers) support the livelihood of 200 million families based on a multiplier of 2.5 stretches both arithmetic and concept.

The reviewer is the author of *Making Growth Happen in India*

OUR VIEW



Let's grant price signals a larger economic role

India's economy must attract more capital to see off a 'perfect storm' of risks. Global investors may need the assurance that the country's policy moves will by and large be market oriented

The finance ministry's economic review for May seems to acknowledge that the West Asia crisis may cause India prolonged pain. As hope of a quick return to normalcy fades, policymakers are on alert for good reason. The review flags how long the Strait of Hormuz remains disrupted as the "single most consequential variable for India's external and price outlook." It notes a rise in inflation risk, with high wholesale prices expected to push retail prices up even as weak monsoon rainfall looks likely to combine with the Gulf war's oil shock against price stability. The Reserve Bank of India (RBI) has a tough task as it reviews monetary policy this week, given this year's headwinds against growth. In a world that is staring at stagflation, or stagnation amid inflation, how resilient India's economy proves will depend not just on the severity of today's external adversity, but also on its macro-level responses.

The Centre has made moves on many fronts within its close range of control. Yet, India faces what can be described as a 'perfect storm' of risks. The capital flows scenario was adverse even before the Gulf war and the horizon remains clouded by uncertainty. The rupee has been in freefall, even as investment flows into both the real economy and asset markets dry up, making India's trade gap that much harder to finance. Although the rupee may be undervalued on a trade calculus, a view that RBI seems to hold, its exchange rate is highly susceptible to jerky and unpredictable capital movements. A debate has arisen over whether its value needs a drastic drop for Indian asset prices to get reset and look globally attractive again. After all, lower inflows than outflows can be traced to a crushed spread between yields on

dollar and rupee assets, mixed with portfolio-loss fears of a slowly weakening local currency. A sudden reset could also keep speculators off bets against what they might see as an RBI-propped rupee. Since sudden depreciation would be widely disruptive, alternative ideas include taxing mutual funds to push down stock prices so that foreign buyers find them less overpriced. The 'hot money' of portfolio investors, however, is too fickle for us to predict the results of such wilful resets. If 'big bang' moves are the need of the hour to make the world's investors sit up, we must focus instead on a reform agenda guided by clear principles. A convincing argument for a weakened rupee, for instance, would be if its free-float level can do a good job as a price signal to help us regain a better external balance overall. But local market rigidities could get in the way. Notably, fuel and fertilizer pricing is firmly in the government's grasp, with prices given no role in helping us adjust to an import cost flare-up. For market-oriented reforms, the Centre must first liberate these sectors of stiff price controls.

Our broad aim should be to let prices regulate demand and supply across a wider spectrum of economic activity. Without this, an optimal balance is harder to reach. Capital curbs would be a bad idea; they fan panic and make news as statist moves. Tax relief for foreign investors could be justified if it reverses a put-off that's peculiar to the Indian market for assets. Since the principal perplexity we face right now arises from capital scarcity, reformers also need to address feeble net inflows of foreign direct investment. If an outward tilt is partly traceable to an uneven local playing field, for example, then that would call for a renewed thrust in favour of greater competitive intensity.

AJIT RANADE



is senior fellow with Pune International Centre

As the *kharif* sowing season begins, India faces a storm that combines geopolitics, food security, ecological damage and fiscal stress. The Prime Minister has launched a 'Save the Fields' campaign. The agriculture ministry is pushing PM-Pranam to reduce chemical fertilizer use and promote alternate nutrients. Yet the same government may end up spending close to ₹3 trillion this year subsidizing those very chemicals. This is a central contradiction in India's agricultural policy.

India is the world's second-largest consumer of fertilizers, using nearly 65 million tonnes annually. Of that, almost one-third is import dependence by volume. Urea production needs natural gas, 80% of which is imported. Potash is almost entirely imported. Inputs for phosphatic fertilizer are also mostly imported. The Iran war's choke of the Strait of Hormuz has exposed India's vulnerability just as farmers prepare for paddy, cotton, pulses and oilseeds.

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fertilizer plants on the priority list for gas supply. Stocks are being built up. States have been asked to prevent hoarding and black marketing. Maybe urea sales will be supervised under police protection. A fertilizer shortage will directly affect sowing decisions, yields, farm income and eventually food prices.

But the larger problem is not temporary shortages but permanent price distortions. Urea is sold to farmers at a fixed price of about ₹242 per 45kg bag, unchanged for years. At today's global prices of around \$950, the farmer pays barely 6% of its true economic cost. The rest is absorbed by the exchequer as subsidy. The subsidy tells the farmer: use more urea, it's practically free.

That signal contradicts every sermon on soil health. PM-Pranam asks farmers to use less chemical fertilizer. Save the Fields aims to protect soil. Agricultural scientists say India must move towards balanced nutrition, organic matter, micronutrients, bio-fertilizers and precision application. But the price system says the opposite. Cheap urea overwhelms all advice.

The ecological cost is devastating. Excessive urea usage has grossly distorted the NPK balance of nitrogen, phosphorus and potassium. In Green Revolution belts, soil

organic matter has depleted, groundwater is falling and even mediocre yields increasingly depend on chemical support. This subsidy model has exhausted our water, soil and ecology. The fiscal cost is equally worrying. If global prices stay high, the subsidy bill could cross ₹3 trillion. That is money we cannot use for irrigation, rural roads, storage, extension services, climate-resilient seeds, agricultural research or crop insurance.

Since fertilizer is one of India's most tightly controlled sectors, for decades there has been no fresh private domestic investment in production despite large demand. Local producers wait for cost reimbursement, and long delays hurt working capital. Foreign suppliers, meanwhile, have to be paid promptly.

The Iran crisis is thus an opportunity. It offers an alibi that policymakers need. We must move away from a system that is no longer fiscally, environmentally or strategically sustainable. But reform must be sequenced, not reckless. Sri Lanka's 2021

move is a cautionary tale. It banned chemical fertilizers overnight, sans a transition plan, and devastated its crops within a season. India cannot gamble with food security, especially with 800 million people receiving free grain. But the sector's gross price distortion must end.

To reform the subsidy regime, we must shift it from the product to the farmer. Instead of subsidizing every bag of urea regardless of who buys it—large farmer, small farmer, diverter, smuggler—transfer cash directly to cultivators. Economist Ashok Gulati estimates that a direct per-hectare transfer of ₹6,000-7,500 would adequately compensate small farmers while saving ₹30,000-40,000 crore annually even before prices are rationalized. Agriculture minister Shivraj Singh Chouhan acknowledged in February 2026 that it was time for a national debate on this kind of direct benefit transfer (DBT). It could be linked to acreage, crop, soil health cards and recommended nutrient use. The DBT

should be transparent, capped and progressive. The tech back-up now exists to do this. India's AgriStack digitizes land records. Over 230,000 retail points-of-sale link fertilizer purchases to Aadhaar. Identifying beneficiaries (actual cultivators rather than landowners) is less of a hitch today. Andhra Pradesh's Rythu Bharosa scheme and Odisha's Kalia programme are workable models for reaching landless cultivators and tenant farmers with direct support. They account for over a third of India's farm output, so any DBT scheme that ignores them will fail.

Urea price correction is a must. India also needs a strategic fertilizer security framework since it is closely linked to food security. This calls for diversified import sources, long-term contracts and more joint ventures for production in gas- and mineral-rich countries. It also demands investment in bio-fertilizers, nano fertilizers, composting, green manure and precision agriculture.

The Iran war did not create India's fertilizer problem. It merely exposed it. We must protect farmers, not price distortions, and subsidize cultivation, not chemical overuse. We must aim to defend food security, not frozen urea prices. The current crisis has given India political cover to do what experts have recommended for two decades.

India has reimagined coal usage for the age of net-zero targeting

The Centre's coal gasification plan offers secure energy supply without compromising climate goals



S. MAHENDRA DEV is chairperson, Economic Advisory Council to the Prime Minister of India

world's second-largest producer and consumer of coal with more than 70% of our power dependent on this vital resource, India has a unique strategic position. This also makes it imperative for us to turn this traditionally high emission resource into an enabler of India's 2070 net-zero commitment.

It is in this direction that a national push for coal gasification serves as our dual vehicle to secure our strategic autonomy and at the same time use this vital resource without reneging on our global leadership in climate commitments. The National Coal Gasification Mission intends to convert 100 million tonnes of coal into synthetic gas (syngas) by 2030. A pilot incentive programme of \$1 billion was rolled out in 2024. Building on this momentum, the Narendra Modi government has now approved another \$4 billion. This will facilitate nearly \$30 billion of investment, enable utilization of around 75 million tonnes of coal annually and generate nearly 80 billion cubic metres of syngas every year.

By prioritizing coal gasification, India is moving away from the linear 'extract-and-burn' approach to a highly sustainable, zero-waste coal circular economy. This transition is vital because India currently imports a massive share of the industrial inputs that can be derived from gasification. Commercial scale gasification will also lay down greenfield infrastructure for local chemical manufacturing, further encouraging local industries and self-reliance. We can scale high-value commodities such as methanol, ammonia, green hydrogen, off-gases and petrochemicals that feed vital industries and reduce (to eventually eliminate) India's dependence on imports—estimated at a whopping \$30 billion. Capturing and utilizing every single chemical byproduct from gasification allows us to build an ironclad shield of energy sovereignty.

The national gasification push also presents India with an opportunity for technological upgradation, innovation

and global collaboration. We are focusing on developing gasification models for India's high-ash-content coal. Indian engineers and corporate partners are developing custom gasification systems to handle high-ash coal. As we strive to master this chemical extraction process on a commercial scale, we will also be able to export this high-ash cleantech to other developing countries throughout the Global South facing similar challenges.

This coal gasification initiative needs to be viewed in the larger global context of energy security and energy independence. In January 2025, as critical mineral supply chains were being recognized as the lifelines of modern economies, the government committed about \$4 billion dollars to secure the supply of 24 critical minerals. The National Critical Minerals Mission aims to increase the local exploration and mining of these critical minerals, set up mineral processing parks, ramp up recycling efforts and focus on research and sustained scientific excellence in this field.

At the heart of these rapid structural transformations is a 'whole-of-government' approach for creating a lucrative, low-risk greenfield investment ecosystem. Over the past decade, the government has systematically dismantled bureaucratic and financial barriers to make clean-coal conversion highly competitive for private and public capital alike. However, this is not just a single-field effort, but a structural shift across all sectors. India has moved towards transparent governance, structural reforms, technology-driven policymaking and long-term strategic planning across sectors that were once seen as opaque and inefficient.

By using carbon-tapping innovation to transform our vast geological wealth into energy, India is setting a global example of how to achieve energy sovereignty while simultaneously moving forward as a sustainably low-carbon fast-growing economy.

Images generated by US National Aeronautical Space Agency (Nasa) satellites have been able to conclusively measure changes in the intensity of artificial light at night (Alan)—which bears a direct correlation with human activity and is one of the fundamental indicators of modern societal development. Globally, one of the biggest changes could be seen in India—a direct result of increased urbanization in the southern and western regions of India and increased access to electricity in northern India. This is not surprising; over the last decade, India has provided electricity access to 30 million households that were previously deprived of access; close to 15 million of these households belong to the northern states of Uttar Pradesh, Bihar and Jharkhand. Today, 99% of Indian households have access to electricity, compared to less than 70% a decade ago.

This electrification push was achieved on the shoulder of India's coal-powered thermal plants—the mainstay of our electricity generation, even though renewable energy sources such as hydroelectric, solar and wind power have evolved from alternative sources into economic necessities and hold over 50% of India's power generation capacity. India has a colossal 400 billion tonnes of coal resources, which gives us roughly 100 years of coal available at our current production capacity. As the



JUST A THOUGHT

When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill-done.

JOHN MAYNARD KEYNES

MY VIEW | MUSING MACRO

Fertilizer's fatal flaw: this is an apt moment to tackle it

AJIT RANADE



is senior fellow with Pune International Centre

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India has the political alibi needed to end distortions in this sector and serve farmers better



THEIR VIEW

MINT CURATOR

AI boom: why the market is both right and wrong at the same time

Split signals suggest irrational AI exuberance may be exposing the US to instability risk while India's investments are secure



V. ANANTHA NAGESWARAN
is chief economic advisor to the Government of India.

Something unusual happened in May 2026. The cyclically adjusted price-earnings (PE) ratio for US equities—the Shiller CAPE, which smooths out the cycle to give a longer view of valuation—touched 40.8. The only other time in 145 years it had exceeded 40 was in the fevered months around the dotcom peak of early 2000. Simultaneously, the University of Michigan's long-running survey of American consumers recorded sentiment at its lowest level in over 70 years of measurement—some 10% below the nadir of June 2022, when inflation was at its most punishing. (Justin Lahart, *Wall Street Journal*, 23 May: bit.ly/3RAHYQ)

These two facts are not in contradiction. They describe the same underlying reality from opposite ends of the income distribution. Artificial intelligence (AI), the narrative sustaining the market, is good for capital. It compresses labour costs, widens margins and promises productivity gains that, at a sufficient discount rate, justify almost any present valuation. For the worker contemplating what the next model release implies for her employment, the calculation runs rather differently. Both the market and consumer survey are right. That is precisely the problem—and understanding it requires looking at what the AI investment cycle actually promises and what it is actually delivering. The promise, in financial terms, does not hold up.

Alan Greenspan used the phrase "irrational exuberance" in December 1996 to describe the technology boom of that era; the bubble burst in March 2000, three years and three months later. Joachim Klement of Panmure Liberum has applied the same characterisation to the AI boom (bit.ly/3PSeOnp), and his arithmetic is difficult to dismiss. In 2025, businesses in leading advanced economies invested nearly \$1.5 trillion in IT equipment and software—almost double the inflation-adjusted dotcom peak. Over the past four quarters, 93% of US GDP growth has been explained by technology investment alone. Yet, when Klement examined consensus analyst estimates for the five principal hyperscalers—with capital expenditure growing at 20% annually to 2030, revenues at 15%—even the most charitable assumption, that every dollar of incremental revenue falls straight to profit, yields a negative return on investment for four of the five. To achieve a 10% return, these companies, currently generating combined revenues of roughly \$1.5 trillion, would need to find between \$2 trillion and \$5 trillion in additional annual revenue.

The operational evidence confirms the same from the ground up (bit.ly/4uWV3s8Q). A company that positioned AI as central to its identity recently cancelled nearly all of its engineers' AI coding licences: token-based pricing at scale had produced costs exceeding those of the human labour



that the tools were meant to replace. The chief technology officer of a major global platform described his annual AI budget as having been "blown away" by April. A senior executive at the world's largest chip company, a direct beneficiary of every dollar of AI capex, observed matter-of-factly that computing costs for his team now exceed the cost of his employees. Goldman Sachs projects a 24-fold increase in token consumption by 2030; Gartner adds the uncomfortable corollary that even if individual token prices fall 90%, total enterprise AI costs will still rise, because agents consume exponentially more tokens per task than simpler tools. The financial arithmetic is implausible from the above. The operational arithmetic is unworkable from below. Both point to the same destination.

Against this backdrop, the developing world's alleged weak position on AI looks rather different from the conventional framing. The capital that major developing economies deployed over this period went into roads, power generation, metro systems, inland water transport and early semiconductor capacity. The implicit comparison between this and data centres generating negative implied returns is not unfavourable to the former. If a correction comes, and the arithmetic suggests it will, the infrastructure will still be there. Roads carry freight regardless of whether a particular investment narrative has aged well.

There is also a systemic risk that the developing world is better off not inheriting. A computational hydrologist at the University of Calgary recently described how, in six days, he built a production-grade autonomous trading platform—linked to multiple exchanges, ingesting social media feeds, routing orders around the clock—using tools available to anyone with a laptop subscription (bit.ly/433Rwbb). Regulators at the Financial Stability Board, Bank for International Settlements and Bank of England have all warned of "model monocultures"—the phenomenon in which thou-

sands of AI agents sharing similar architecture reach the same conclusion simultaneously, at machine speed, about a sovereign debt position that human analysts might have read differently. Unlike the crises of 1997 or 2010, there are no intervention windows when the herd moves in microseconds. The developing world's relative distance from this architecture is not a disadvantage.

Three further channels reinforce the point. A US recession driven by AI capex retrenchment would be a sectoral correction, not a banking system crisis, and need not trigger the indiscriminate risk-off that strengthened the dollar in 2008. Central bank rate cuts in affected economies would compress yield differentials and redirect capital towards economies still growing at 6% in real terms. And lower oil demand—data centres are significant energy consumers—would ease global crude prices, improving simultaneously the current account of every major oil-importing developing nation.

The standard geopolitical counter-argument—that any cooling of AI investment cedes ground to authoritarian competitors—conflates two things that are not the same. Maintaining AI capability is not the same as maintaining the current hyper-scaler model. Early 2025 demonstrated, briefly and memorably, that frontier performance does not require \$1.5 trillion in annual IT investment. Efficient IT architecture and open-source development can close gaps that concentrated capital was assumed to have permanently sealed.

Greenspan spoke of irrational exuberance in December 1996. The reckoning came three years and three months later. Timing, as ever, is the one thing the arithmetic cannot tell you. But the math itself is not in dispute. When the hype fades—and it will—roads will still carry freight, power plants will still generate electricity and the capital that built things would have outlasted capital that built narratives. That, in the end, may be the developing world's quiet vindication.

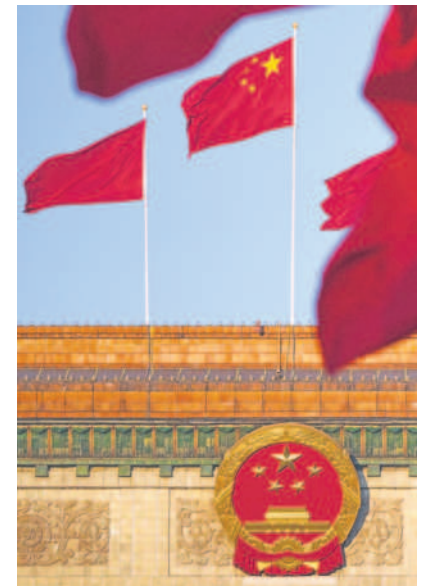
These are the author's personal views.

China's new push for common prosperity faces a funding gap

Equal access to welfare benefits would be expensive but beneficial



JULIANA LIU
is a columnist for Bloomberg Opinion's Asia team, covering corporate strategy and management in the region.



Beijing plans to bridge China's urban-rural 'hukou' divide.

China's unique system of registering households by splitting its population into rural versus urban dwellers has long outlived its usefulness. But a much-needed policy revamp misses some key details of how reforms would be paid for, potentially hobbling its effectiveness.

New guidelines announced on 22 May give migrant labourers access to public services in the cities where they work, regardless of residency status, in a continuation of a decade-long effort to gradually dismantle entrenched regional disparities. The household registration system, known as *hukou*, has roots in imperial bureaucracy and ties eligibility for entitlements to a person's official hometown.

This is important because the process of converting villagers into urban residents by providing similar retirement and medical benefits will be expensive. To be successful, China Inc must help shoulder the financial burden along with regional and national governments.

Without a basic social safety net such as healthcare and education, the transient workforce of 358 million people has powered China's economic rise but not been able to fully benefit from the prosperity they helped create. Being barred from putting down roots in the most desirable cities has limited their social mobility.

Getting companies on board to pay their employees' social security contributions may be the most straightforward part of the effort. E-commerce giant JD.com vowed to provide full-time riders with benefits when it began food delivery services in February 2025. Larger rivals Meituan and Alibaba followed soon after.

It's no accident that Beijing is pushing for change now. Integrating migrant workers into the urban economy is one of the most direct ways to boost domestic consumption. At around 40% of China's GDP, household spending in the country is about 10 percentage points lower than Japan, another famously frugal nation.

Chinese rural migrants have long tended to save at double the rate compared to their urban peers and much more than neighbours who never left their villages. If they give up their precautionary savings and spend at the same rate as city residents, the country could unlock consumption equivalent to 13% of today's household spending. This would be a meaningful contribution towards rebalancing the economy away from export-led growth.

Practicalities aside, it was important for Beijing to signal that basic services should not be tied to one's place of birth. Over the

decades, *hukou* had effectively created a population of second-class citizens disrespected by people in the very cities they were helping to build. It also meant families had to live apart. Because youth from rural families were barred from metropolitan school systems, many were separated from their parents, creating two generations of so-called 'left-behind' children.

The plan issued by China's cabinet included no details on funding measures. It only briefly touched on the responsibility of provincial governments to prepare financial support and increase land quotas to expanding cities. The cost of turning an average worker from the countryside into a city dweller is about 133,000 yuan (\$20,000) when equivalent pension and healthcare contributions are factored and after deducting personal obligations to fund those future social security services. Extending that to the entire migrant population would amount to roughly 48 trillion yuan—equivalent to about a third of GDP.

However, not everyone's status would need to be converted. Some people may opt to return to their hometowns instead of settling down in urban areas. Also, given this is such a large group of people, the entire undertaking could take years. But it is important to begin work on the plan as soon as possible because the gap will only widen with time.

The announcement puts the onus on provincial governments to step up, but this is a tough ask. The prolonged economic slowdown has strained the coffers of regional authorities traditionally reliant on land sales, which slumped following the real estate sector collapse five years ago. Beijing may need to intervene more directly with central funding if it is serious about reform. Liu Shijin, a former vice president of a think-tank attached to the State Council, has previously proposed raising 10 trillion yuan via special bonds over two years to improve healthcare, housing and education for migrants and their families.

The latest measures will take time to implement. Beijing and companies should pick up the slack if regional governments struggle to find the resources to move forward. Migrant workers have been the muscle behind China's ascension to a superpower. They deserve better. ©BLOOMBERG

MY VIEW | A VISIBLE HAND

Global indicators reveal a whiff of stagflation in the air

NARAYAN RAMACHANDRAN



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

Here's a flash. No, not a news flash, but up-to-date data called Flash PMIs or Purchasing Managers' Indices. Flash PMIs are advance high-frequency indicators of survey responses (released once 80-90% of survey responses have been received) that help us gauge the contemporaneous strength of economies. These indicators from the US, China, Germany and Japan have begun to indicate slowing services activity around the world.

The S&P Global Composite Flash PMI for the US was at 51.7 in May, little changed from April. But an underlying detail revealed a slowing services sector at 51 and a still-robust manufacturing sector at 55.3. As measures, PMIs are 'diffusion indices,' which means that a reading above 50 implies growth while one below points to a contraction. The US is not contracting, but the strength of its services sector at 51 is weakening. China's non-manufacturing PMI fell below 50 in April and signs from advance retail sales indicate that it could

drop further in May. Service sectors in Japan and Germany are weak as well. Manufacturing PMIs remain robust thanks to stockpiling, but could lose steam once that phase is over.

At the same time, as services activity is beginning to slow around the world, inflation is picking up. Headline inflation in all four economies rose by 20 to 40 basis points over the latest two months of data readings. Core inflation (which excludes volatile energy and food prices) has also risen in the US and China, the world's two largest economies. The US Federal Reserve's preferred measure of core inflation, Core Personal Consumption Expenditure (PCE), is at its highest level in over a year at 3.2%. In an advanced economy (especially), a highly important signal of price instability is the index of inflation expectations; in the US, as measured by the University of Michigan's consumer survey, this has risen sharply from about 3.2% a year ago to 4.8%.

Stagflation—the portmanteau of stagnation and inflation—is what an economy suffers when growth stalls and inflation rises. Persistently rising price levels can feed expected inflation, and when these expectations rise, there is every likelihood of inflation getting entrenched in the economy.

This is what happened as a consequence of the Arab oil embargo in the 70s, resulting in persistently high inflation and weak growth around the world, which lasted well into the 80s. The oil embargo and ensuing stagflation offer a hazy parallel with the geopolitics of today, with crude oil and petroleum production constrained by the closure of the Strait of Hormuz. Oil prices have risen by some 40%.

For most countries, stagflation is a dangerous economic scenario. For developing countries like India, it is even more significant because it is particularly difficult to combat. Intervening through monetary policy by increasing interest rates risks a negative impact on growth, while doing the opposite to stimulate employment risks stoking inflation.

India's Composite PMI remains strong at 58, but with each passing day of the impeded flow of oil and petroleum products, this growth is at risk.

Headline inflation began to rise steadily

from its low six months ago. India has taken the Gulf supply disruption's hit primarily on fuel prices, capital inflows and the rupee.

In a recent report, JPMorgan Research squarely lays blame for the sinking rupee on a dramatic reduction in foreign direct investment (FDI) into India. JPMorgan

Worsening conditions suggest that it's time for an urgent round of economic reforms in India

argues that FDI into a country is dependent on "push" and "pull" factors. 'Push factors' such as relative interest rates started reversing when developed country central banks, including the US Fed, began increasing interest rates in 2022. Not recognizing this sufficiently, India has done very little to address pull factors. 'Pull factors' are really code for strong economic reforms that make a material difference to the ease of doing business in India and makes the country a competitive source market for global supply chains.

Many economists now believe that the pace of economic reform, openness and simplicity in the country must accelerate to attract modern business supply chains.

Push factors are likely to remain tough because it seems likely that the Fed and other developed-country central banks will go into a "rate increase" cycle. India must not hesitate to raise rates in tandem, so that we at least hold on to the *status quo* of 'push factors.'

The US trade-policy tariff shock of 2025 did put into motion a round of reforms in India that included the reduction of direct and indirect taxes (the goods and services tax, for example), consolidation of labour codes and monetary as well as prudential policy easing.

This combined with a decent monsoon season and benign overall inflation sowed the seeds for a modest private capital expenditure cycle to be kick-started in India towards the end of last year.

Unfortunately, the West Asian conflict has bestowed a frost that might have killed those green shoots. Yet, as the signals show, the need for fast and sharp reforms has only become clearer since. As a recent *Economic Survey* pointed out, Indian policy action must shift significantly to state-level deregulation and reform.

PS: Like the Bay Woodpecker's maniacal laughter signalling rain, the rupee's fall is a clear call for economic reform.

Opinion

TUESDAY, JUNE 2, 2026



INDIA-US DEAL

Commerce and Industry Minister Piyush Goyal

The trade deal India is negotiating with the US will take into account legal changes in Washington's tariff structure

Neutrality's new test

Airtel's Priority Postpaid hasn't broken net neutrality's old rules, but it has exposed the gaps in them

BHARTI AIRTEL'S LAUNCH of Priority Postpaid has reopened a debate many assumed had been settled a decade ago. The original net neutrality battle was fought over content discrimination — whether telecom operators could favour some apps, websites, or platforms over others through differential pricing or preferential access. The Telecom Regulatory Authority of India's (Trai) 2016 regulations drew a clear line against such practices. Airtel's new offering does not fall into that category. The company maintains that it does not block, throttle, or favour any content and merely uses 5G network slicing technology to provide a more stable network experience to a set of customers. Yet the issue highlights a new policy question that earlier regulations did not fully anticipate: whether telecom operators should be allowed to create differentiated Internet experiences based not on content but on the type of customer. Vodafone Idea has publicly attacked the move as discriminatory, while Reliance Jio, though more measured in its response, has sought safeguards and regulatory oversight around such offerings. The disagreement among operators itself underlines that the issue is neither settled nor straightforward.

Airtel's defence rests on two arguments. First, that network slicing is a legitimate and globally accepted capability of standalone 5G networks. Second, that Priority Postpaid does not harm other users because its network is currently operating at only 38% utilisation, leaving ample capacity to accommodate differentiated services. The first argument is difficult to dispute. Even Jio's submissions acknowledge that network slicing is a legitimate 5G capability and compatible with existing net neutrality principles provided general Internet access is not degraded and content-based discrimination is absent. The second argument is less convincing. Spectrum is a scarce national resource allocated to operators at significant cost. If Airtel indeed has substantial excess capacity, the justification for creating premium lanes becomes weaker. The debate then shifts from network constraints to revenue optimisation. An operator cannot simultaneously argue that network slicing is necessary to deliver a superior experience and that there is sufficient spare capacity to ensure nobody else is affected.

Unlike fixed broadband networks, where capacity can often be expanded more easily, mobile networks operate on finite and shared spectrum resources. During periods of congestion, allocating greater resources to one group of users necessarily leaves fewer resources available for others. Airtel has said that its service offers a more dependable experience when traffic demand is high. That promise inevitably raises questions about what happens to those who are not on postpaid plans during the same period. The concern is not that operators will deliberately degrade prepaid users. Rather, it is that commercial incentives may gradually shift towards monetising network congestion. If postpaid users can be charged for protection from congestion, operators may have weaker incentives to eliminate that congestion altogether.

None of this means network slicing should be prohibited. The technology will be central for enterprise applications and specialised services. However, consumer-facing prioritisation cannot remain a regulatory grey area. The regulator should establish clear rules defining when and how class-based differentiation can be offered, minimum quality standards for non-priority users, disclosure requirements around traffic management practices, and limits on resource reservation for premium services. Trai should ensure that no new form of user discrimination emerges. The net neutrality debate may have changed shape, but the underlying principle remains the same — that access to the Internet should not become a privilege available only to those willing or able to pay more.

No pain, no gain is K-beauty's secret

THE GLOBAL MARKET for South Korean beauty products is booming in tandem with voracious demand for cultural exports like music and movies. Buyers should beware though. Achieving the glowing, pore-free complexion of K-drama stars isn't possible with what comes out of a jar alone.

While K-beauty's vast array of skincare formulations are effective and much more affordable than Western brands of comparable quality, they're mainly for sun protection, hydration, and maintenance. They don't tend to feature strong active ingredients. So even the famous 12-step routine isn't enough to deliver the luminous "glass skin" look popularised by actresses like Song Hye-kyo of *The Glory*, a Netflix series.

That's because South Korea has been looksmaxxing — a viral trend dedicated to maximising physical attractiveness — since before American influencer Clavicular was born, due to social pressure and competition for jobs. Although Seoul has long been dubbed the plastic surgery epicentre of the world, it's even more of a hub for in-office dermatological procedures that don't require any hospital stays.

Similar in size to Kentucky, the country has 15,000 clinics — most clustered in the capital — ranging from humble neighbourhood practices to five-star establishments advertising a dizzying variety of skin treatments. The vast majority are wallet-friendly enough for the local middle class to indulge in regularly. And now the secret is out.

After Kim and Khloe Kardashian jetted to Seoul last summer for a series of cosmetic procedures shared on Instagram, the number of people visiting for medical care surged to a record high of two million. The Ministry of Health and Welfare had announced in 2023 that it would relax visa rules, aiming to attract 700,000 medical tourists by 2027.

More than 60% of international patients went to see dermatologists last year, a six percentage point increase from 2024. A relatively paltry 11% got actual plastic surgery.

The trend is driven by TikTok, with posts tagged "K-beauty" or "Korean skin care" drawing 250 million views a week. While reviews and get-ready-with-me videos predominate, there's no dearth of people showing off glow-up getaways to Seoul.

Price is a major reason. One round of Botox in the jaw muscles to prevent teeth grinding or achieve a softer shape costs the equivalent of \$100 at a clinic popular with tourists in the upscale Gangnam district. It would cost \$500-1,000 in the US. A home-grown version called Hitox is advertised at just 24,000 Korean won (\$16).

But cost isn't the only factor. It's just "normal" for people in Korea to get dermatological procedures routinely and there's no shortage of practitioners with extensive experience. Depending on how much you're willing to spend and how much patience you have, achieving glass-skin is a multi-step process that can require laser, vacuuming, and buffing your skin until it glows — after a possibly unsightly recovery phase.

A pigmentation laser would be needed to even out the skin tone, followed by smoothing the top layers with an even stronger laser to reduce the appearance of pores. Saggy skin can be treated by radio frequency or ultrasound devices that penetrate the tissue beneath the surface to boost collagen production. Finally, milia or moles can be zapped away by a CO2 laser. There's also a seemingly endless line-up of treatments to improve the complexion. To be sure, medical intervention carries risks. And medical tourism in particular means there's potential for greater complications because patients can face inconsistent safety standards, limited legal protections, language barriers, and difficulties finding follow-up care once they return home. Korea has weathered its share of scandals and now requires surveillance cameras in operating rooms.

None of that is stopping the country's soft-power exports. The latest flex is last Friday's opening of beauty emporium CJ Olive Young's US flagship in Pasadena, besides an online sales platform. The chain will be selling over 400 brands, a welcome addition to America's overpriced and underwhelming skincare and cosmetics. But without access to Korea's in-office treatments, don't expect to look like a K-Pop star overnight.



JULIANA LIU

Bloomberg

TECHPROOF EXPRESS

WE'VE BUILT CAPACITY FOR LARGE-SCALE AUTOMATION, BUT NOT MADE SURE THE UNDERSTANDING STAYS SECURE

The techie who saw it coming

HAVE KNOWN Vivek Rau since we were boys. One of the recurring experiences of knowing him is watching the broader industry slowly rediscover conclusions he reached years earlier. And it does, but slowly, partially, and with considerable confusion about what it has found.

A decade before the artificial intelligence (AI) industry convinced itself that it had invented the problem of human-machine division of labour, Rau sat down and wrote something quietly radical. His contribution was Chapter 5 of Google's Site Reliability Engineering book, published in 2016 and titled, without drama, *Eliminating Toil* (<https://sre.google/sre-book/eliminating-toil/>). It is the shortest chapter in the book. I heard recently that it has been more influential than I ever knew. This is entirely consistent with how Rau has always operated: saying the precise thing, once, and moving on.

Rau's argument, stripped to its spine, is this: if a human operator needs to touch your system during normal operations, you have a bug. The repetitive, manual, automatable work that accumulates around any production system — he called it toil — is not merely inefficient. It is a category error. The fix is to engineer the toil away and redirect human capability upstream, into design, architecture, and the kind of judgement that machines cannot replicate.

I have been writing about trust, accountability, and the changing architecture of economic systems for some time now. Reading Rau — and I confess I read him with the slight unfairness of someone who has known him since childhood — I find that he arrived, from a very different direction, at precisely the same destination. In what I have called the shift from soft

SIDDHARTH PAI

Technology consultant and venture capitalist
By invitation



to hard trust — where we move from trusting humans to trusting AI algorithms — the central move is identical to Rau's. Execution becomes automated. Judgement migrates upstream. Rau framed this as an engineering discipline. I have been tracking it as an economic phenomenon. The underlying logic is the same.

Where it gets uncomfortable is in the gaps that Rau's original framework did not need to address in 2016, but that have become impossible to ignore now.

The first is what I have elsewhere called the expertise paradox. Rau's model assumes a capable engineer at the top of the chain: someone who can identify toil, design the automation correctly, and verify the system behaves as intended. This assumption is load-bearing. But as AI proliferates and the scope of automation expands far beyond trained reliability engineers, the assumption quietly fails. Take a product manager who uses a generative agent to draft a clause: if the model invents a non-existent GST exception and the manager lacks legal or tax training, the clause can be accepted wholesale. The automation executes

and the error travels. We will have automation, but we are not reliably reproducing the expertise.

Then there is accountability. Rau worked within Google, where the question of who answers when something goes wrong had a clear answer. This is also true of countless other corporations in today's world where accountability was built into the hierarchy even as execution was automated. But the Decentralized Automated Organization or DAO, the autonomous agent, the smart contract — these structures have inherited the automation without inheriting the accountability. The Beanstalk attack drained \$182 million from a decentralised protocol using nothing but its own governance rules. The code worked as designed. There was just no one

accountable when it failed. The third problem most directly threatens the one industry built on the opposite of Rau's logic. Generative AI is hollowing out the base of Indian IT's delivery pyramid — the large cohort of junior engineers doing work that is, in Rau's precise taxonomy, manual, repetitive, automatable, and devoid of

Vivek Rau's formulation was precise: if a human operator needs to touch your system during normal operations, you have a bug. But the necessary corollary is that someone still needs to be able to find the bug

Tata Sons: To list or not to list



ISHAAT HUSSAIN R GOPALAKRISHNAN

The authors are former directors of Tata Sons and together served Tata for 55 years

Tata Sons' record shows it discharges obligations in a manner that exceeds the behaviour of many listed firms. What further transparency is sought to be achieved?

WITH APOLOGIES TO the Bard, as retired directors, we "suffer the slings of outrageous fortune" and so, "take arms against a sea of confusions and misapprehensions". We emerge from our retirement shelter to participate in the debate on whether Tata Sons should be listed or not. We are not concerned in this article with other Tata issues.

The case for listing Tata Sons is made around three issues. First, that an IPO will deliver more transparency; second, it will provide an exit for certain shareholders; and third, Tata Sons is too important to remain private.

More transparency

Tata Sons has behaved like a listed company even though it was not bound to do so. Its accounts are published on its website, it is regulated by the ministry of corporate affairs and the RBI, and its board composition is in line with the Sebi's listed company regulations. Its historical record demonstrates that it discharges obligations — moral and financial — in a manner that exceeds the behaviour of many listed companies. What further transparency is sought to be achieved?

Examples are quoted of investment companies like Berkshire Hathaway. Over a century and a half, Tata Sons has played a unique role in Indian industrialisation somewhat like an early venture capital/private equity (VC/PE) firm. In recent decades, some global VC/PE firms have indeed listed, but nobody compelled them to do so. Sequoia and Sutter

Hill promoted the now \$5-trillion Nvidia, but neither is listed, nor has been under pressure to list. Blackstone, Carlyle, and TPG, on the other hand, are indeed listed, but not because the Federal Reserve compelled them. It is better to let the board of Tata Sons decide — after all there is a holding company discount to be considered — rather than follow a journalistic or bureaucratic dream of an imagined transparency.

Transparency is a relative virtue, not an absolute one. It is sobering to reflect that many corporate scams globally and in India occur within "transparent" public companies.

Exit for shareholders

An IPO has multiple dimensions. Equity buyers invest for a return that meets their expectations. Tata Sons shareholders have earned handsome returns over decades — the numbers are in the public domain. If the return from the Tata Sons investment exceeds other business interests of the shareholder, then it is even more impressive. Tata Sons and Shapoorji Pallonji (SP) both started business around the same time in the 1860s, but their growth and returns till now have been vastly different.

Exit may also be sought by a shareholder for its own liquidity. In the specific case of SP, a suitable exit modality surely

merits a reasoned dialogue; after all, a few shareholders, albeit minuscule compared to SP, have over the years obtained reallocation or exit. Precedents exist.

SP itself is an unlisted holding company with perhaps three listed subsidiaries. The votaries of Tata Sons doing an IPO should realise that the consequence of their proposed action will be that a successful private company (Tata Sons) launch an IPO to provide an exit to another private company (SP). That seems

bizarre. SP itself can carry out an IPO to raise funds if its board deems it necessary, leaving its investment in Tata Sons to continue to earn great returns.

Too important

Of course, a nation can determine which institutions are nationally important. For example, the media is crucial in a thriving democracy and carries great public interest. However, media-owning firms are not mandated to be public. Media owners may argue that editorial freedom is more important than corporate regulation. Are editors credibly free from owner influence?

Internationally, there are not many cases of companies being mandated to become public. Boards take such decisions. The exceptions are some banks which use a lot of public money. This criterion is not applicable to Tata Sons since it does not access public funds and can

enduring value. Rau would have automated it without hesitation.

But the pyramid was not only a delivery mechanism. It was a training ground. Remove the toil, and you remove the apprenticeship. Remove the apprenticeship, and you remove the masters. You cannot replace a thousand junior engineers with a model and expect the senior judgement to reproduce itself a decade later when there were no juniors to grow into seniors to begin with.

None of this diminishes what Rau built. Toil is one of the more useful analytical categories the technology industry has produced, correctly identifying where human capability is most valuable: not in execution but in design, not in repetition but in judgement. Rau identified this cleanly, a decade before it became the central anxiety of the industry. He saw the load-bearing structure of a problem. Others are still arguing about the furniture.

The problem is that insight, like most good ideas, will be generalised beyond its conditions. We will take up the automation and leave the expertise as optional. We will keep the toil elimination and discard the accountability structure. Rau's formulation was precise: if a human operator needs to touch your system during normal operations, you have a bug. But the necessary corollary is that someone still needs to be able to find the bug. And without expertise, no one will, even if they are diligently looking.

We have built the capacity for large-scale automation. But we have not yet made sure the understanding stays secure. In that gap lies most of what will go wrong in the next decade. Rau saw the first half clearly. The second half is the harder problem, and it is the one we are only beginning to see.

LETTERS TO THE EDITOR

Contingency planning around monsoon

"When the clouds fall" (*FE*, June 1) rightly draws attention to the danger of over-reliance on the IMD's seasonal rainfall forecasts for national food and supply planning. A below-normal monsoon projection, even when statistically grounded, masks enormous regional variation — what arrives as aggregate normal rainfall at the national level may mean severe deficit in specific farming districts. The

real policy gap is at the hyper-local level, where farmers make sowing decisions with inadequate forecasting support. Contingency planning for kharif crops must begin well before the first rains, not after deficits become visible. Buffer stocks of wheat and rice are reassuring, but vegetable prices and pulses remain vulnerable. State governments need to activate drought preparedness protocols now rather than waiting for the monsoon's character to fully reveal itself by July. —A Myilsami, Coimbatore

Monetary policy

Apropos of "All eyes on timing of rate hike" (*FE*, June 1), as the RBI's monetary policy review approaches, financial markets and corporate India remain engrossed in speculation over the resumption of interest-rate reductions. Following an assertive easing trajectory that lowered the repo rate to 5.25%, the central bank has adopted a prudential pause. Although previous cuts generated substantial savings for borrowers,

monetary transmission through commercial banks has remained fragmented and suboptimal. Confronted with currency volatility, geopolitical uncertainties, and global trade disruptions, the RBI is exercising calibrated restraint. Meanwhile, industry seeks cheaper capital for investment expansion, while households await relief from elevated debt-servicing obligations. —N Sadhasiva Reddy, Bangalore

●Write to us at feletters@expressindia.com

Separate AI Wheat From the Chaff

Transfer energy, computing costs to consumers

Companies using AI are beginning to appreciate the costs involved. They are either rationing its use, or deploying it to optimise costs between hiring human workers and digital agents. This turn of events is welcome. Asking clients to pay for the technology they use regulates its development and commercial deployment. When investors pick up the tab, they tend to be less discerning among the good ideas and the bad. The energy and computing costs of AI must be transferred to consumers as demand picks up in order to avoid runaway growth in capacity. Enterprise clients of AI developers will have to make the transition to a structured use of tokens so that results show up in productivity metrics.

The cost of AI, like any technology that preceded it, is declining at prodigious rates. More efficient models are pushing down the cost of producing a unit of intelligence.

Open source models and higher-efficiency small models are contributing to a fierce price war. Yet, AI bills are climbing because clients do not know how to extract intelligence efficiently, are not clear about the context needed, and have allowed liberal access. This behaviour will change as companies get better at deploying AI. The trick is to budget for declining costs that are more than offset by a rise in consumption.

Consumers alone will not pick up the AI bill. Investors are in a tearing hurry to get in on the action. A series of giant IPOs lined up this year will give them an additional opportunity to climb on the wagon. But these listings are priced at levels that do not leave much on the table for new investors. They also come tied with big governance carve-outs. Essentially, investors are being asked to bet on individuals, rather than the technology that is shaping up. The competitive intensity will leave some investors holding on to seriously overvalued stocks. Not all AI bets are likely to pay off. In other words, the wheat will be separated from the chaff, and knowing which is which will be helpful at this crucial stage.

Fuel Duty Cuts Can Power Export Hike

Reductions in export duties on petrol, diesel and jet fuel announced on Sunday should help restore shipments to Europe. Duties were increased to ensure an adequate domestic supply following the war in West Asia. India is a key intermediary in the global oil trade, and its exports should benefit from high crude oil prices and a depreciating rupee. Fuel shortages are forcing the EU and Britain to soften their stance on not importing Russian crude refined in India. Exports to West Asia, the other significant destination for India's refined petroleum products, will struggle till the Hormuz Strait is closed. The higher export value can partly offset disruption in the volume of India's fuel exports as consuming economies start rebuilding reserves of crude oil and refined petroleum.

Resumption of fuel exports underscores India's efforts to diversify its energy sourcing, an effort that gained momentum from Ukraine and Iran wars. The switch to Russian crude and rising supplies from Africa and North and South America lessen India's reliance on its traditional yet politically sensitive suppliers in the Persian Gulf. This should help with the recovery of India's petroleum exports as crude oil supply from West Asia is restored after the Hormuz Strait reopens. Indian refiners have more secure fuel supplies for clients who will be seeking supply chain resilience in a post-conflict oil market.

The other fallout from global energy conflict is India's tilt towards RE to reduce its import vulnerabilities. This, too, should work in favour of fuel exports over a longer term. The country has an ambitious plan to add petroleum refining capacity, which can feed exports if power grid improvements allow better evacuation of installed solar capacity.

THINK ABOUT IT Indian tourists abroad have earned a reputation that's travelled quickly

Bharatiya Boorish Brats Over the World

All the world's a stage—and Indian tourists seem determined to audition for the lead role wherever they land. Once a payment is made, restraint, courtesy and self-awareness seem to be optional. Last week's viral reel of a group breaking into a flash garba on the tarmac of a Vietnamese airport offered yet another masterclass in our global outreach programme. But this was not an isolated case. Indians are well known for turning pristine Alpine snowfields into garbage dumps and haggling with flight attendants for 'just one more drink'. Many explanations have been offered for this 'my way or the highway' national habit. A newly acquired economic swagger? Entitlement? After all, Indians were the third-largest applicants for Schengen visas in 2025. Chronic shortage of civic sense? These are convenient diagnoses, but they miss the larger point. The real problem is our spectacular misunderstanding of what it means to be a citizen, especially a global citizen.

Global citizenship comes at a cost. But the currency isn't money. It's respect for local customs, shared spaces, queues, silence when called for, and the radical idea that other people exist. Until we understand that foreign countries are not extensions of our drawing rooms or dress rehearsals for big fat Indian weddings, we will continue to earn a reputation as Bharat's boorish brats.

STATE OF PLAY Conversation on derisking the future from Hormuz is good news for India

Narrow the Gulf for Delhi



Pranab Dhal Samanta

The West Asia crisis is dragging itself out longer than expected. But it has given India an opportunity to claw itself back into the mainframe, as simultaneous conversations on stitching a post-deal scenario gather pace. This discussion centres on derisking the future from the Strait of Hormuz, both globally and within West Asia.

As a result, focus has returned to three areas key to India's interests: Indo-Pacific, India-Middle East-Europe Economic Corridor (IMEC), and Quad as both a platform that can work out ways to derisk as well as a security guarantor for alternate supply chains.

But, first, the small, yet politically important, short-term positive is on the Pakistan front. It seems the longer negotiations have extended, the focal point of interlocution has shifted to the more seasoned player, Qatar. Iranian speaker Mohammad Bagher Ghalibaf and foreign minister Abbas Araghchi have been in Doha negotiating through Qatari interlocutors.

Yes, the working draft is still called 'Islamabad declaration', and Pakistan remains an important player, but increasingly as a cover for Qatar, which can't be seen diluting GCC solidarity, having been worst hit by Iran, both militarily and economically, along with the UAE, Bahrain and Kuwait.

But unlike the UAE, which is working on viable options to bypass Hormuz, Qatar is still dependent on the strait for movement of goods, gas and oil. Which is why it has brought more urgency to the negotiations. At the Shangri-La dialogue over the weekend, its deputy PM Saoud bin Abdulrahman Al-Thani said that while Doha is against per-



Counting ship in Oman

manent tolling of the strait, it's flexible on the idea of a 'temporary fee' to remove mines if that helps clear up the strait for commerce soon.

For India, the shift away from Pakistan to Qatar is a plus. A key part of the US-Iran deal is about the road ahead with biggest consumers like India, new rules of political engagement and safeguards against future disruptions.

The war has caused deep distrust between Iran and Gulf countries, particularly the UAE. Tehran has denied Dubai's economic identity, besides causing disruption in oil trade. The UAE has also taken strong exception to the fact that in this, Pakistan sided with Iran, gave security cover to Saudi Arabia (disbalancing the UAE), and sought to raise its battered profile, overlooking its own dependency on the emirates.

India has walked into this opening with greater trust and better economic prospects. It's important to understand the way UAE, with Saudi Arabia, is leading the effort to derisk Gulf commerce from Hormuz. The purpose is to identify ports outside the Hormuz Strait and find ways, through land or rail, to transport oil and gas to non-Hormuz ports.

Riyadh is building a 1,200 km east-west pipeline that can pump 7 mn barrels a day from its eastern oil fields to its Red Sea port of Yanbu. Also, it's investing in a 8,000 km land bridge railway project.

The UAE is betting on Khor Fakkan and Fujairah ports that lie on the other side of strait, with an opening into the Persian Gulf. So, it's working with Saudi Arabia to connect Dammam and Sharjah through overland corridors with these two ports, resulting in a land bypass of Hormuz.

The other set of ports are with Oman—Sohar, Salalah and Duqm—which sit on the Arabian Sea, well outside the strait. The UAE is working on the Hafeef rail link to Sohar, while Sharjah has launched a logistics corridor plan to link itself up with these three Omani ports. The big picture in this hectic redrawing of logistics and supply chain lifelines of West Asia are two outlets on both sides—Europe to the north, and India to the east.

This puts IMEC back in play, propelled by infrastructure initiatives

from within the Gulf, making it a financially more credible and sustainable effort, anchored by a sound security logic. India must make tweaks and work the IMEC deal out with Europe and West Asia, without knotting it up with the politics around resurrecting the Abraham Accords.

For India, the strategic imagination around IMEC has been that of a bridge between West and East Asia. The other beneficiaries will be the non-Gulf oil-gas producers—Russia, US, Venezuela and Canada, where distance has been an issue. Add to that derisking Hormuz, and an entirely different possibility surfaces: the Pacific route.

At a time when the Gulf is turning to ports on different coasts, why can't North and South America, as well as Russia, invest in the Pacific possibility? This typically puts Russia's east coast ports and the US' west coast ports in business, pushing more fuel and gas through Indo-Pacific.

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So, if GCC countries are into regional derisking of the Hormuz, Indo-Pacific is the big global derisk option. And that's where Quad is also getting its fresh impetus from. What's on the table is a new architecture that will require a set of guarantors and rule-makers committed to uphold free navigation and open straits. India also has potential for immediate post-deal play with Iran—as an alternate buyer to China, if it's able to free up its oil from US sanctions.

So, while the economic hit on India is hard, by all accounts, enough work is underway across countries on how to throttle engines the day after the deal. And it is here that India finds advantage, even though it may still seem a little over the horizon right now.

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At a time when the Gulf is turning to ports on different coasts, why can't North and South America, as well as Russia, invest in the Pacific possibility?

India has walked into this opening with greater trust and better economic prospects. It's important to understand the way UAE, with Saudi

Time to Junk Jugaad, To be Precise



Soumitra Bhattacharya

For decades, jugaad, India's celebrated knack for frugal improvisation, has been romanticised as a symbol of ingenuity and Indian creativity. It has produced clever fixes, grassroots innovations and occasionally breakthrough ideas. But in the unforgiving arena of global manufacturing, jugaad is no longer a strength.

India today stands at a critical inflection point. Global buyers are not charmed by improvisation. They demand zero defect, reliability and consistency. Without these, 'Made in India' will never command the premium trust that global supply chains require.

India's performance on competitiveness and innovation underscores the urgency of this shift. In World Competitiveness Index 2025, India ranks 41st out of 69 economies, far behind China (5th) and the US (1st). In Global Innovation Index 2025, India is placed 38th out of 139 economies, leading South Asia but trailing innovation leaders like Switzerland, Sweden and the US.

The paradox is stark: India excels in ICT exports and startup valua-

tions, yet struggles to embed quality and reliability into manufacturing at scale. R&D expenditure remains at 0.65% of GDP, far below the OECD average of 2.5%. Quality infrastructure exists—India ranks 5th globally in standards and certification systems—but adoption is uneven, especially among MSMEs.

Global buyers demand three non-negotiables: zero defect, reliability and consistency. India's ingenuity is there. It has powered startups, grassroots solutions and adaptive resilience in resource constrained environments. Yet, ingenuity must now be transfigured into precision, reliability and design excellence—embedded into robust systems, protecting IP and ensuring consistency across every production line.

Improvised fixes, by definition, tolerate compromise. They prize speed over robustness, improvisation over discipline. These won't do. ► **Trust deficit:** Supply chain partners expect IP protection, process discipline and first-time-right execution. Jugaad signals the opposite. ► **Cost of inconsistency:** Defects erode margins, delay shipments and damage brand credibility. ► **Barrier to scale:** Improvised fixes cannot sustain the rigour of Industry 4.0, AI-driven manufacturing or global certification regimes.

The world is moving toward precision manufacturing ecosystems where reliability is the currency of



Set it out to pasture

trust. India can't afford to be seen as the land of clever hacks when competitors are building reputations on uncompromising quality. India must consciously retire the jugaad narrative and replace it with one centred on precision, reliability and design excellence.

This is about elevating ingenuity. Robustness comes from 'first time right, always right'. Only then will global buyers label 'Made in India' as sought after.

Policymakers must incentivise precision infrastructure—testing labs, certification systems and R&D spending. Industry leaders must champion zero-defect cultures, embedding structured, measurable improvement across boardrooms and shop floors. MSMEs, which form the backbone of India's industrial ecosystem, must embrace scalable frameworks that move them from diagnosis to direction,

from improvisation to excellence.

During Indian Foundation for Quality Management (IFQM) MSME Symposium held in Chennai in March, captains of industry highlighted how strong MSME ecosystems have driven industrial success for countries like Japan, China, South Korea and Germany. They stressed upon adopting a cluster-based approach as a scalable solution that can become a 'force multiplier', enabling wider outreach and localised impact.

Large enterprises and MSMEs must recognise that quality transformation is not a segmented agenda but a shared national mission. India's industrial future depends on the symbiosis between scale and agility: large corporations bring global exposure, capital and process discipline, while MSMEs contribute resilience, flexibility and employment depth. When these two ends of the spectrum collaborate—through supply chain integration, shared learning platforms and joint capability-building—the result is a multiplier effect. Together, they can embed zero-defect cultures, accelerate innovation adoption and elevate the India story.

Only when leaders champion precision over jugaad will India create waves of change, embedding process discipline as the true hallmark of 'Made in India'.

The writer is chairman, Bosch

Double, Trouble, Toil & AI Bubble



Devina Mehra

In popular narrative, India's losing out as an economy and stock market because it doesn't have any AI or innovation story. But what is the AI story? Is it all that it's made out to be? Take the stock market first. AI tech was the driver for global markets. In the last 3 yrs, you could get by in global investing just buying stocks of the 'Magnificent Seven'—Microsoft, Apple, Amazon, Meta, Alphabet (Google), Tesla and Nvidia. But these are not actually driving the global, or even the US, market any more.

► Leadership has moved from the S&P 500 index to the broader market, Russell 2000, the small-cap index for the US, is up 18% for the year up to May vs 11% for S&P 500. ► It's no longer the Mag Seven driving even S&P 500. In 2023 and 2024, they accounted for over 50% of the S&P 500. In 2025, this came down to 43%, and only two of them—Nvidia and Google—outperformed the index. In 2026, three of the seven are down. ► The old economy sectors have

made a tremendous comeback.

► While the tech sector is up for the year, it's not companies setting up AI capacity, but semiconductor, hardware and electronic equipment sub-sectors that have rallied between 30% and 168% leading this run. So, the likes of Intel, AMD, Texas Instruments, Corning, ON Semiconductor, Micron, Qnity Electronics, SanDisk and Dell—which are on various points along the semiconductor and hardware chain—are all up between 60% and 600% in just 5 mths. These are the sub-sectors that have also driven Asian markets like South Korea and Taiwan.

AI mega-scalars are spending an astounding \$750-900 bn this year in capex. Their stocks might be struggling, but all those suppliers supplying equipment and technology for their data centres are the ones doing well for now. But semiconductor and semiconductor equipment sectors, like most capital-intensive industries, are highly cyclical. Right now, they have both great demand and unbe-

lievable pricing power. This may not be the case 2 yrs later when capex subsides.

So, what can we expect from the AI industry?

Most of the hype around AI is being created by companies in fundraising mode, either from private markets or IPOs. Others whipping up frenzy are early investors in companies like Open AI and Anthropic. There is no independent verification of what they are saying.

One Indian-origin Silicon Valley biggie was talking about how AI will bring down the cost of most services to zero. Zero?! AI is one of the most capital-, energy- and water-intensive industries of all time. Who exactly is going to pay

for returns on these huge capital investments? The real questions to ask are: how long will AI tech take to succeed? Which particular technology and companies will succeed? Will even those companies make adequate return on capital employed? After the dotcom bust, it was thought that since the internet will be used by everybody, you couldn't go

wrong investing in internet infrastructure companies. The internet is still carried across the world on undersea cables. Global Crossing laid many of these cables, which are still in use, but the company went bankrupt more than 20 yrs ago.

Between mega data centres and hiring or acquiring talent at mind-boggling numbers, the cost of being in the AI game is sky-high, even though 60-70% of usage is currently by low-paying students. There are also additional dangers with this growth being financed with debt, both by mega players and by others from whom they are leasing capacity.

Total debt for data centres is estimated to cross \$1 tn by 2028. This is mostly against the security of fast-depreciating equipment and buildings, increasing risk in the financial system. Then there are a bunch of financial tangles between companies. Net of all the details, it's a case of capital funding by bigger companies like Nvidia, Meta or Microsoft coming back as revenue for them.

For now, the AI music is still playing. As Citibank's then-CEO Chuck Prince said before the 2008 mortgage crisis, 'As long as the music is playing, you've got to get up and dance.' This time, too, the bubble will burst. The only unknown factor is when.

The writer is founder, chairperson, MD, First Global



THE SPEAKING TREE

AI: Wisdom Vacuum?

SUMIT PAUL

Recently, a 100% AI-generated story, 'The Serpent in the Grove', won the Commonwealth prize for the Caribbean region. The controversy has now become one of the biggest discussions in the literary world surrounding AI-generated fiction and the future of writing competitions. Behaviourist B F Skinner raises a thought-provoking inquiry, 'the real question is not whether machines think but whether men do', into the nature of human cognition in contrast to capabilities of machines and their ethical use.

The primary concern should not be whether machines can think, but whether humans truly exercise their capacity for thought. By posing this question, Skinner challenges us to reflect on the essence of humanity



Editor's TAKE

India's strategic gamble with Myanmar's Junta

As Myanmar's President Min Aung Hlaing visits India, strategic imperatives appear to be outweighing democratic principles

Myanmar's President Min Aung Hlaing is in India on his five-day maiden visit. The controversy and protests started even as he landed in Bodh Gaya on Saturday. The optics were meticulously choreographed, but the baggage the President carries is simply too heavy to be whitewashed. Here was a man who led a coup against a democratically elected government in 2021, receiving ceremonial honours from the world's largest democracy. In February 2021, military chief Min Aung Hlaing overthrew Myanmar's democratically elected government, arresting Aung San Suu Kyi on flimsy charges. But this time, the resistance was sizeable. The junta has lost control of over half the country's territory. Desperate to project legitimacy, the military has staged heavily restricted, staggered elections – widely dismissed as a sham – with the NLD dissolved and major rebel groups boycotting the process entirely, leaving Myanmar's political crisis far from resolution.

Yet to dismiss India's decision to host him as a moral contradiction would be simplistic. It is a bid to balance the geopolitics of the region and engage with a regime that rules an important neighbour. India shares 1,643 kilometres of border with Myanmar. Across that frontier lie insurgent groups, drug-trafficking networks, and the shadow of Chinese influence. No Indian government, regardless of its ideological persuasion, can afford to look away from Naypyidaw simply because its leader came to power through a coup. Three imperatives have consistently driven India's Myanmar calculus. First, instability in Myanmar spills directly into India's North-East. Managing that volatility requires engagement, not isolation. Second, India's Act East policy – its strategic pivot towards South-East Asia – depends critically on Myanmar as its land bridge. The Kaladan Multi-Modal Corridor, the India-Myanmar-Thailand Highway, and the Sittwe Port are not abstract diplomatic assets; they are concrete infrastructure projects that India has spent years and considerable resources building. Third, and perhaps most urgently, China looms large. Beijing has embedded itself deeply in Myanmar's economy. For India, allowing the junta to drift entirely into China's orbit is simply not an option.

New Delhi engaged with the junta through the 1990s. History, it seems, keeps repeating itself, but it also carries warnings. By legitimising Min Aung Hlaing, India risks being seen as an enabler of a regime that has prosecuted a brutal civil conflict and conducted deeply contested elections.

The National Unity Government and exiled communities in Delhi are already protesting New Delhi's decision to host the President. The deeper question is whether India's engagement actually moves Myanmar towards a genuine democratic transition – or whether it merely allows the junta to garner international respectability while continuing business as usual at home. New Delhi would argue that engagement beats isolation. But engagement without pressure on the junta to restore democracy will reflect poorly on India's standing. How New Delhi articulates its position will go a long way towards balancing its moral position and regional compulsions.

From coastal nation to global sea power

India long underutilised its maritime potential. That is changing rapidly. Through sweeping reforms, modern ports, green shipping initiatives, and major infrastructure investments, India is emerging as a leading maritime power.



BHASKAR JYOTI MAHANTA

The sea does not forgive strategic ambivalence. Nations that have ceded control of maritime chokepoints, neglected their shipbuilding base, or outsourced the transshipment of their own cargo to foreign intermediaries have, without exception, paid a steep geopolitical price. India, for much of its post-Independence history, was content to watch from the shoreline. That posture is now being dismantled, deliberately, systematically, and with a clarity of national purpose that commands attention.

The architectural framework for this transformation rests on two interlocking blueprints. Maritime India Vision 2030 provides the operational scaffolding, with over 150 initiatives targeting vessel turnaround times, coastal shipping expansion, and a doubling of major port capacity to 1,630 Million Tonnes Per Annum (MTPA). The Amrit Kaal Vision 2047 casts a longer shadow: more than 300 benchmarks pointing towards smart ports, dedicated shipbuilding clusters, and carbon neutrality across India's major transit hubs. Together, these are not wish lists; they are the coordinates of a nation that has chosen to compete at the apex of global maritime commerce.

Physical infrastructure, however, is only as durable as the law that governs it. Three landmark pieces of legislation enacted in 2025 have restructured the regulatory foundation from the ground up. The Merchant Shipping Act broadened vessel definitions, dismantled archaic ownership restrictions inherited from the colonial era, and created competitive financing pathways to incentivise international tonnage to fly the Indian flag.

The Indian Ports Act harmonised domestic port operations with international green safety standards, including rigorous ballast-water management protocols in line with the IMO's Ballast Water Management Convention – a compliance posture that shields Indian ports from regulatory penalties and signals premium reliability to global shipping lines. The Coastal Shipping Act, by decentralising customs barriers for domestic cabotage, has already triggered a 118 per cent surge in coastal shipping volumes, freeing deep-water berths for high-value international cargo.

Perhaps no single indicator better captures the seriousness of India's international commitment than its implementation of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009. For years, the vessel-recycling industry at Alang, the world's largest ship-breaking yard, attracted both economic interest and humanitarian criticism. India's ratification and progressive imple-



INDIA'S 7,500-KILOMETRE COASTLINE HAS ALWAYS BEEN A GEOGRAPHIC FACT. IT IS NOW BECOMING A STRATEGIC INSTRUMENT. POLICYMAKERS WHO FAIL TO GRASP THE FULL WEIGHT OF THAT SHIFT WILL FIND THEMSELVES OPERATING WITH AN OUTDATED MAP.

mentation of the Hong Kong Convention are changing that calculus. By mandating hazardous-material inventories, requiring Ship Recycling Facility Plans, and aligning domestic yards with internationally audited environmental and worker-safety standards, India is transforming Alang from a reputational liability into a strategic asset.

The greenfield megaport agenda addresses what has long been India's most glaring strategic vulnerability: dependence on Colombo and Singapore for the transshipment of Indian-origin cargo. Vadhaven Port in Maharashtra, with its natural deep draft of 20 metres and the capacity to berth 18,000-plus TEU ultra-large container vessels, directly challenges that dependency. More consequential still is the Galathea Bay Transshipment Hub in the Andaman and Nicobar Islands, which sits astride the East-West global trade artery. Once operational, it will make India a genuine transshipment alternative for the entire Indo-Pacific region. The "One Nation-One Port" framework and Sagar Ankalan benchmarking guidelines ensure that these assets operate not as isolated facilities but as nodes in a nationally integrated port grid.

The IMO's revised 2023 GHG Strategy, which targets net-zero maritime emissions by or around 2050, is reshaping commercial shipping faster than most port authorities have appreciated. India is not waiting to be compelled. Deendayal and V.O. Chidambaram ports are being developed as primary bunkering hubs for zero-emission marine fuels, green hydrogen, and e-methanol. The Paradip Port Authority has executed a landmark ₹45,000 crore MoU with ACME Clean Tech Solutions to anchor regional green-fuel production.

India has made its choice. Capital and connectivity are the twin enablers of maritime power. The ₹25,000 crore Maritime Development Fund, supported by the Sagarmala Financial Services Corporation Limited, finally gives domestic

shipbuilders the long-term debt and equity runway to contest a market long dominated by South Korean, Japanese, and Chinese yards. On the digital front, the Sagarmala Digital Centre of Excellence, developed with C-DAC, is embedding Artificial Intelligence and blockchain logistics into a Virtual Trade Corridor under the India-Middle East-Europe Economic Corridor (IMEC). This is not incrementalism. India is architecting itself as a central node, not a peripheral stop, in the most consequential new trade corridor of this century.

Transformations of this scale do not happen through policy documents alone. They require sustained political will, the ability to reconcile conflicting federal interests, and the patience to convert long-horizon investments into institutional momentum.

Under the stewardship of Shri Sarbananda Sonowal, Minister for Ports, Shipping and Inland Water Transport, the Ministry has shepherded this entire legislative and infrastructural architecture from concept to execution. That India's major port capacity doubled over the past decade, and that this expansion was paired with regulatory modernisation, international convention compliance, and a coherent green-transition strategy, reflects governance that is both visionary and disciplined.

Candour demands acknowledgement of the frictions ahead. The ₹80 lakh crore capital requirement for the 2047 vision demands a qualitative leap in Public-Private Partnership architecture. This will require risk-sharing models sophisticated enough to attract global institutional capital without compromising strategic sovereignty. The expanded oversight mandate of the Maritime State Development

Council has, at points, generated administrative friction between central ambition and state-level execution. And Galathea Bay, however strategic its location, must compete against ports that have decades of operational optimisation on their side. India will need aggressive tariff structures, zero-touch automated customs, and seamless bunkering to make the choice of Indian hubs a commercial compulsion rather than a diplomatic courtesy.

India's maritime moment is not a future aspiration; it is an unfolding reality. The legislative foundation has been laid, capital mobilised, international conventions engaged, and the green transition initiated. What remains is the discipline of execution: ensuring that the speed of physical construction is matched by the agility of regulatory adaptation, that central ambition is translated faithfully at the state level, and that the private sector is given the confidence to commit capital at the scale the vision demands. India's 7,500-kilometre coastline has always been a geographic fact. It is now becoming a strategic instrument. Policymakers who fail to grasp the full weight of that shift will find themselves operating with an outdated map.



The author is a former DGP of Assam and is presently engaged in think-tank activities

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PICTALK



Devotees carry sacred Ganga water in vessels for Lord Shiva's jalabishek ritual during the Jyeshtha Somwar, in Prayagraj. PHOTO: PTI

When justice fails, revenge takes centre stage



SHANKAR SAHAY

2ND OPINION

Sidney Sheldon famously observed that, to the ancient Greeks, the concept of justice (dikaiosini) was often synonymous with vengeance (ekdikisis). *Vadh-2* and *System*, two films released this week on OTT, are based on this very belief. The cornerstone of both films is: "If the system can't deliver justice, then it's acceptable to take the law into your own hands and seek revenge."

As expected, while *Dhurandhar* and *Dhurandhar-2: The Revenge*, which dish out nationalism in the garb of chauvinism, keep the moolah flowing into the multiplexes, these two films, which portray the pain of ordinary people and their fight back, find shelter in the comfort of home on OTT platforms.

After all, who cares so much about the common man



that they would visit a theatre to watch a film?

While both films depict protagonists facing immense misery at the hands of the high and mighty and then plotting actions that result in the downfall of culprits who got away scot-free under the law, the story of *Vadh-2* spans decades, whereas in *System*, justice comes more swiftly.

Also, while in *Vadh-2* the wrongly framed character accidentally gets an opportunity to settle scores, the victims in *System* plan their moves meticulously. While *Vadh-2* begins at the crime scene and then moves to prison, *System* opens in prison and then takes viewers back to the crime. Both films slowly unravel the losses

suffered by the have-nots, their hardships, and finally their retaliation.

The films explicitly depict how the affluent use not only the judiciary and police but the entire system to shift the blame onto the downtrodden and escape accountability. Apart from sterling performances by the casts of both films, one remarkable feature of *Vadh-2* is seeing Luv Ranjan produce a film that is neither a love story nor one that blames girls while supporting boys. Similarly, it is a pleasure to see Jyotika and Sonakshi after a long time in *System*.

So, if you are sick and tired of the bravado of *Dhurandhar*, or are waiting for *Dhurandhar-2* to arrive on OTT, these two films are worth watching.

Both *Vadh-2* and *System* tap into a growing public frustration with institutions that often appear inaccessible to ordinary citizens. Though rooted in the unsettling idea of vigilante justice, the films compellingly portray the anguish of the powerless and their quest for accountability.

In an era dominated by larger-than-life nationalist spectacles, these OTT releases offer a more grounded reflection on inequality, injustice, and the moral dilemmas that arise when the system itself seems to fail.



The writer is an educator author, and corporate coach

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RCB'S IPL TRIUMPH OFFERS VALUABLE LESSONS BEYOND THE CRICKET FIELD

Royal Challengers Bengaluru's recent IPL triumph offers valuable lessons that extend far beyond the cricket field. What makes their success remarkable is not the dominance of a single superstar or a sweep of individual awards. Instead, the team's victory was built on collective effort, with different players stepping forward at crucial moments throughout the tournament. It demonstrated that sustained success often emerges from teamwork rather than individual brilliance. The achievement also highlights the importance of trust and long-term commitment. Virat Kohli's enduring association with the franchise has been widely praised as an example of loyalty and perseverance. His journey reflects the reality that meaningful success often requires patience, resilience, and faith in a shared vision. Equally significant

was the management's willingness to stand by players during difficult phases. In modern professional environments, individuals are often judged solely by short-term results. RCB's approach showed the value of supporting people through setbacks rather than discarding them at the first sign of failure. Such confidence can inspire individuals to rediscover their potential and contribute meaningfully when it matters most. The team's success carries an important message for organisations, educational institutions, and workplaces alike. Excellence is achieved when talent is nurtured, trust is maintained, and every individual feels empowered to contribute. RCB's victory a compelling lesson in leadership, teamwork, and organisational culture.

AP THIRUVADI | CHENNAI

Please send your letter to the info@dailyopinioner.com. In not more than 250 words. We appreciate your feedback.

Data breach demands accountability

The Central Board of Secondary Education (CBSE) broke its silence on the ongoing controversy surrounding On-Screen Marking (OSM) on Sunday. However, what stands out most in this entire episode is not only the alleged security vulnerability of the portal, but also the alarming manner in which students' sensitive information was left exposed, highlighting a significant lapse in data security.

While the CBSE has done well to acknowledge the issue and deploy cybersecurity experts, its response appears to be reactive rather than responsible, as action was taken only after the matter was flagged publicly.

The mix-up reported by a Class 12 student during re-evaluation adds another layer of concern. These are not minor glitches. For students, who trust the system with their academic future, such lapses by the institution are deeply unsettling.

The Board's assurance must be followed by greater transparency: who was affected, what data was accessed, and what structural changes are being made to prevent a recurrence.

The youth of our nation deserve more than reassurances on social media. Accountability, not silence, is what the system owes these students.

A. MYLSAMI | COIMBATORE

Adieu Suman Kalyanpur

The passing of veteran playback singer and Padma Bhushan awardee Suman Kalyanpur marks the end of a cherished chapter in Indian music. She belonged to a generation of artists whose voices helped define the golden age of Bollywood and left an indelible imprint on the cultural memory of the nation. Her departure is not merely the loss of a singer but the fading of one of the last living links to an extraordinary musical era.

Suman Kalyanpur possessed a voice of remarkable elegance and emotional depth. Classics such as "Na Tum Hamen Jano," "Dil Ek Mandir Hai," "Aaj Kal Tere Mere Pyar Ke Charche," and "Tumne Pukara Aur Hum Chale Aaye" continue to evoke nostalgia among listeners. Her memorable duets with Mohammed Rafi remain benchmarks of musical harmony and artistic excellence.

Despite sharing an era with some of the greatest names in Indian playback singing, she carved out her own distinct identity through dedication and humility. Her journey serves as an enduring inspiration to aspiring musicians who seek success through talent and perseverance rather than publicity. Though Suman Kalyanpur is no longer with us, her timeless melodies will continue to echo through generations, ensuring that her legacy remains immortal.

RUKMA SHARMA | PUNJAB

AI: India's women at the forefront

The latest Stanford AI Index 2026 report offers encouraging evidence of India's growing influence in the field of artificial intelligence. Particularly noteworthy is the finding that Indian women have achieved an AI-skill penetration score of 1.9, surpassing their counterparts in countries such as the United States and the United Kingdom.

For decades, advanced technologies were largely associated with a handful of developed nations. Today, Indian women are increasingly participating in and shaping one of the most transformative technological revolutions of our time. Their growing engagement with artificial intelligence demonstrates not only access to learning opportunities but also determination to compete and excel on a global stage. However, the significance of this achievement extends beyond statistics. Artificial intelligence is rapidly becoming a foundational skill for the twenty-first century, influencing industries, governance, healthcare, education, and research. The challenge now is to convert technical proficiency into innovation, entrepreneurship, and leadership. Skill development must evolve into the creation of new products, companies, and groundbreaking discoveries. If current trends continue, India's women could play a defining role in shaping the future of AI.

VIJAY SINGH ADHIKARI | UTTARAKHAND



CBSE's OSM Crisis: Building a trusted digital evaluation system

Why India's women athletes win differently

Drawing on the transparency framework adopted in MCQ-based examinations, there is an urgent need for National Digital Evaluation Model (NDEM) to resolve the OSM crisis and build a trusted digital evaluation system for Gen-N



RAJEEV KUMAR

Teaching-Learning-Evaluation (TLE) is the core of any education system, with evaluation as the most consequential component because it directly affects students' academic progress and future opportunities. After years of effort, preparation, and investment, students have a legitimate right



to know how their answer scripts were assessed-how marks were awarded, how step-marking was applied, which responses were left unchecked, and where marks were deducted despite substantial conceptual correctness. Transparency in evaluation is therefore essential for academic fairness and trust. Over the years, concerns have repeatedly surfaced about hurried evaluation, unchecked responses, inconsistent marking, examiner subjectivity, and unexplained variations in awarding marks, highlighting the need for more transparent, verifiable evaluation systems.

Responding to long-standing demands for greater transparency, CBSE introduced the On-Screen Marking (OSM) system for the Class XII Board Examination, replacing conventional pen-and-paper (PnP) evaluation with digital assessment. Physical answer books are scanned and evaluated digitally through a controlled software platform. While this marked a major shift towards transparency and standardisation, the rollout was soon overshadowed by technological glitches, evaluation anomalies, and concerns about the credibility and verifiability of the process.

Broadly, written examinations are of two types: Multiple Choice Question (MCQ)-based (objective) and descriptive (subjective). In both cases, evaluation systems are increasingly expected to leverage digital technologies to improve transparency, standardisation, accountability, and verifiability.

In MCQ-based examinations, evaluation is objective and straightforward because responses are matched against predefined answer keys. Such examinations commonly use Optical Mark Recognition (OMR) sheets, copies of which are often made available to candidates. After provisional answer keys are released, stakeholders may submit objections before final answer keys are frozen. Candidates can then independently estimate and verify their scores against declared results. Since the process is binary and machine-verifiable, it involves minimal subjectivity and limited scope for disputes.

This transparency framework-comprising disclosure of OMR sheets, publication of provisional answer keys, stakeholder feedback, and release of final answer keys-was pioneered and advocated by the author through sustained efforts during the early 2010s. It has since been adopted by most major admissions and recruitment examinations in the country, such as IIT, CBSE, NTA, and others. More recently, UPSC adopted the same SOPs for the Civil Services (Preliminary) Examination, 2026.

Beyond transparency, the digital MCQ-OMR ecosystem has also provided valuable audit trails for investigative and judicial scrutiny, including in major admission and recruitment controversies such as the West Bengal teacher recruitment case.

Descriptive examinations operate in a fundamentally different environment. Answers are analytical, interpretative, or procedural, with marks awarded for intermediate steps, reasoning, methodology, diagrams, and presentation rather than a simple right-or-wrong outcome. Consequently, even under a common marking scheme, different evaluators may legitimately award somewhat different marks to the same answer.

This inherent subjectivity necessitates mechanisms for re-checking and re-evaluation. Re-checking verifies assessment and totalling accuracy, while re-evaluation involves a fresh assessment when significant discrepancies are suspected. However, in examinations involving millions of answer scripts, these processes are time-consuming and resource-intensive, and are typically invoked only when serious anomalies are suspected.

Encouraged by the success of digital evaluation in MCQ-based examinations, CBSE reportedly experimented with On-Screen Marking (OSM) on a limited scale

more evenly, rather than concentrating access requests within a paid application window. In effect, a transparency-driven model could have reduced disputes, minimised technological failures, improved public confidence, and transformed millions of students into the first line of verification for the digital evaluation ecosystem.

Proposed National Digital Evaluation Model (NDEM)

The National Digital Evaluation Model (NDEM) can build upon the strengths of CBSE's OSM while addressing the weaknesses exposed during its rollout.

Digitisation: Under NDEM, answer scripts should first be scanned using standardised high-resolution infrastructure and securely archived with appropriate cybersecurity safeguards. Before evaluation begins, encrypted digital copies of answer scripts should be delivered free of cost to students and parents through authenticated portals, email, or registered mobile applications. Students should be given a limited verification window to confirm that the scripts are complete, readable, correctly indexed, and genuinely their own, including all supplementary sheets.

Digital Evaluation: Simultaneously, detailed subject-wise, step-wise marking schemes should be finalised and published. Once script verification is completed, evaluation should proceed through trained examiners using standardised digital platforms. Digital audit trails, centralised moderation, automated totalling checks, anomaly-detection systems, and random quality audits should continuously monitor consistency and compliance with prescribed SOPs.

Self-Verification: After evaluation, students would already possess both their answer scripts and the approved marking schemes. This would enable them to independently estimate their likely scores and compare them with officially awarded marks. Significant deviations could then trigger targeted review mechanisms, thereby reducing the need for large-scale re-evaluation requests.

Review: The model retains re-checking and re-evaluation as final safeguards but shifts the emphasis from post-result dispute resolution to pre-evaluation verification and transparency. By combining secure technology, standardised evaluation, student verification, and digital accountability, NDEM can create a transparent, auditable, and trustworthy evaluation ecosystem for Board, university, admission, and recruitment examinations across India.

The success of MCQ-based examinations has shown that transparency, verification, and digital auditability strengthen public trust and system integrity. Descriptive evaluation must now evolve on similar principles.

The proposed National Digital Evaluation Model (NDEM) should be supported by robust SOPs, reliable scanning infrastructure, secure archival systems, high-capacity servers, structured examiner training, standardised step-wise marking schemes, strong cybersecurity safeguards, and automated audit mechanisms. Most importantly, scanned answer scripts should be securely provided free of cost to all students and parents, enabling verification of completeness, readability, and authenticity before evaluation begins.

By extending the transparency framework of MCQ-based examinations to descriptive assessments, NDEM can transform evaluation into a transparent, verifiable, auditable, and student-centric ecosystem. Importantly, the framework can be implemented immediately, helping address many issues exposed during the CBSE-OSM rollout. If adopted carefully, NDEM can become a national benchmark for digital evaluation and restore confidence in large-scale examination systems.

The writer is a Tech Education Policy Consultant, a former Professor of Computer Science at IIT Kharagpur, IIT Kanpur, BITS Pilani, and JNU, and a former scientist at DRDO and DST

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[prof-rajeev-kumar-51679611](#)

When I stood on the podium as Kettlebell World Champion, people asked which training facility I came from. What recovery protocols I followed. The honest answer surprised them: I had a coach who believed in me, a family rooted in Army discipline, and a hunger that no lab could have designed.

Both my parents served in the Indian Armed Forces. Growing up in that environment, fitness wasn't a lifestyle choice; it was a way of being. Pre-dawn drills weren't motivation. They were just Tuesday. That story, in different textures, is the story of almost every elite Indian woman in sport. It is not primarily a story of systems. It is a story of soul. And right now, India stands at a rare crossroads where that soul is finally beginning to meet the system it has always deserved.



ISHANI SIROHI

"The West built the pipeline first and the athletes followed. India has always had the athletes. It is finally, urgently, building the pipeline."

The infrastructure gap between India and Western sporting nations is real, and it matters. Title IX, the landmark 1972 US legislation, banned gender discrimination in federally funded education - and its impact on women's sport was seismic. Before it passed, fewer than 295,000 girls competed in high-school sport in America. By 2019, that number had risen to 3.4 million.

Today, 60 per cent of American high-school girls participate in organised sport. Women now make up 44 per cent of all NCAA athletes, compared to under 16 per cent before 1972. Norway, the Netherlands, and Australia have invested for decades in gender-neutral coaching pipelines, sports nutrition, and physiotherapy access, often from as young as twelve. The result isn't just more women competing. It's women competing longer, better, and with far fewer career-ending injuries that come from undertrained, under-supported early years. In India, that support structure has historically been the exception, not the rule. Talent has too often been discovered after it already proved itself, which means untold numbers of girls never got the chance to prove it at all.

But the data doesn't capture everything. Mirabai Chanu grew up in Manipur carrying firewood for her family because they couldn't afford the bus. She became an Olympic silver medalist and world record holder in weightlifting. Deepika Kumari practised archery on handmade bamboo bows in Jharkhand before becoming world number one.

These are not feel-good footnotes. They are evidence of something the scoreboard doesn't show: the conditioning that comes from consequence.

When failure isn't an option you philosophically reject but a reality you literally cannot afford, you develop a relationship with pressure that no training programme can manufacture. India's women athletes have been learning that lesson for generations.

The Women's Sports Foundation's landmark 2024 Play to Lead study, spanning seven generations of women athletes, confirmed what coaches here have known intuitively: girls who play sport develop leadership skills, emotional resilience, and decisiveness under pressure that last a lifetime. Seventy-one per cent of women with formal leadership titles - manager, director, C-suite - had been youth sport participants.

The field is not just a playing surface. It is a classroom for life. "Where Western athletes learn resilience as a studied skill, Indian athletes carry it as lived experience and then as a competitive edge."

For generations, the unspoken contract for ambitious Indian women was this: you may excel, but only in one direction. Career or family. Medals or motherhood. Public achievement or private fulfilment. Mary Kom simply refused to sign it, and did so in the most unambiguous terms. A six-time world boxing champion, an Olympic medalist, a daughter, a wife, and a mother of three. Not sequentially. Simultaneously. She is not an anomaly. She is a blueprint. The capacity to carry multiple heavy things at once, to train through exhaustion, to compete through doubt, to return to the ring after heartbreak, is not something a sports science lab teaches. It comes from life. And Indian women, by necessity and by character, have been training for it their entire lives.

Across India's cities, a quiet revolution is underway. Women who work full-time, raise families, and also train, not because they have the luxury of doing so, but because sport has become non-negotiable to who they are. They train at 5 a.m. They compete on weekends. They mentor younger girls on evenings when most people are watching television. This hybrid model, where women fold sport into already full lives, is uniquely Indian in texture. Globally, elite sport tends to demand exclusivity: you either commit entirely or not at all. India's women are showing a third way.

And increasingly, formal structures are arriving to support it. The government's Khelo India initiative has opened national pathways for young athletes across genders and disciplines, with over 5,600 athletes competing across 36 states and union territories at the 2024 Youth Games alone. Corporate sponsorships are growing. Social media visibility has made stars of athletes from small towns who once trained entirely in anonymity. So is the gap between Indian and Western women athletes about genetics or biology? The science is clear: no. Athletic capacity does not follow national or ethnic lines. Kenyan and Ethiopian women dominate long-distance running. East Asian women lead in gymnastics and precision sports. India's Mirabai Chanu holds world records.

The differences are structural, not biological: pipeline, funding, access, and time. What changes when you take an athlete shaped by scarcity and give her access? The answer, playing out in real time across Indian sport, is that she becomes extraordinary. Not in spite of where she came from, but in some irreducible way, because of it. I have a coach. I have a support system. I am one of the luckier ones. But the foundation, the absolute refusal to quit, the understanding that discomfort is not a reason to stop, was built long before any of that arrived. It was built in cantonments, in pre-dawn runs, in a childhood that treated discipline not as punishment but as preparation. Multiply that story across the millions of girls in this country who are already running, lifting, throwing, and swimming, most of them with far less support than they deserve. India's sporting era is here - women are leading the way.

The writer is a Kettlebell World Champion and advocate for women in sport

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Viksit Bharat demands an innovation revolution



AMITABH RANJAN

Liberalisation of the Indian economy, 35 years back, was a forced choice. Is it high time that imagination was also liberalised, but voluntarily and not by force?

Once upon a time, India gave the world zero, plastic surgery, astronomy, Yoga, Ayurveda, and the list goes on. However, it is now a nation that consumes innovation far more than it creates. While celebrating start-ups, unicorns, and IPOs, we have mastered the art of innovating peripherally but importing the crux.

The numbers do not lie. India spends only around 0.7 per cent of its GDP on Research and Development (R&D), a number that has remained almost the same over time, whereas developed nations like Israel and South Korea spend over 5 per cent. Even the USA and China spend over 3 per cent on R&D. This is becoming a structural handicap. While calling ourselves a knowledge economy, we are barely investing in knowledge.

Patents per million of population remain minuscule, while India produces millions of engineers every year. We are the software capital of the world but import hardware, chips, medical devices, etc. We host GCCs and global R&D hubs, but often for global headquarters rather than for indigenous innovation.

India's R&D debate is based on a dangerous

notion that innovation is the responsibility of the government alone. In developed economies across the globe, such as the USA, Japan, Germany, and China, R&D financing by the business sector exceeds 60 per cent. However, in India, the government is often seen as the main culprit if R&D is not taking off.

In crucial sectors such as defence, nuclear energy, space, DPL, and critical minerals, heavy government R&D spending is understandable. Recent measures under PM Modi, such as the establishment of ANRF and the RDI Fund, reflect the government's seriousness towards R&D. However, innovation is never only a state subject; it is primarily market-led.

Neither the smartphone was invented by any ministry, nor was the semiconductor revolution driven by subsidies alone. Even AI was not born inside government labs. Across the developed world, private capital bears risks that public finance cannot justify to voters.

And here lies India's paradox: Corporate India is cash-rich but research-poor. India Inc. sits on unprecedented cash reserves but has a limited appetite for long-term risk. Share buy-backs, dividends, real-estate expansion, and financial investments often take priority over deep research.

Why? Because innovation in India is structurally irrational. Not intellectually irrational, but economically irrational, as innovation requires three things: risk, time, and freedom. India's regulatory culture taxes all three, while companies face compliance burdens, slow approvals, policy unpredictability, and weak industry-academia collaboration. The result? Firms choose certainty over



curiosity. Why invest in uncertain deep tech when regulatory arbitrage, market dominance, or financial engineering deliver low-hanging fruit? India rewards scale. Innovation rewards uncertainty. Any guess which one boards prefer?

Subsidies vs science

Here lies the political reality policymakers rarely say aloud. In a democracy, governments must spend on areas such as social welfare, poverty alleviation, disaster management, infrastructure, health, education, and various subsidies. These are not optional but democratic obligations. Expecting the government to dramatically increase R&D spending while shouldering these responsibilities is wishful thinking in a developing democracy.

Innovation cannot be funded only by taxpayers when corporations sit on huge idle capital. India does not have an R&D spending problem. It has

a private-sector risk-appetite problem. And this threatens the notion of Viksit Bharat. Moreover, India loves the word jugaad. It celebrates frugal innovation, improvisation, and cost optimisation. However, frugality is not the same as innovative research. Jugaad produces incremental efficiency. R&D produces technological sovereignty.

Nations that invest and invent in futuristic fields such as AI, quantum computing, semiconductors, critical minerals, renewable energy, etc. will set the rules of trade, security, and geopolitics. Nations that do not will borrow the future. The transition from jugaad to genuine invention is the need of the hour.

The uncomfortable truth about Indian capitalism is that it has matured in a protected ecosystem characterised by high entry barriers in several sectors, market concentration in key industries, strong returns in infrastructure, finance, and services, and limited competition. In such an environment, the incentive to invest in risky R&D is low. Competition drives innovation. Market power reduces the need for it. Until competition becomes the prime mover of corporate growth, research will remain peripheral.

India does not need mere slogans about innovation, but incentives aligned with invention. This necessitates paradigm shifts, such as making R&D financially rational through stronger tax incentives tied to actual research output, public procurement that prioritises domestic innovation, and faster IP enforcement and patent processing.

Moreover, it is worthwhile to make risk culturally acceptable by encouraging corporate venture funding for deep tech, rewarding long-term R&D in stock-market valuations, and reforming the

bankruptcy stigma associated with failed innovation ventures. Additionally, universities and academic institutions should be groomed as engines of industry by incentivising industry-funded research chairs, permitting flexible hiring and pay structures in research institutions, and creating shared industry-academic laboratories. Innovation ecosystems are not built by policy documents alone, but by aligned incentives.

India is a fast-growing economy, but growth without innovation has limits. An economy can grow by adding labour, capital, and productivity. India has relied heavily on the first two, but sustained prosperity depends on the third. Without innovation, growth eventually slows.

Without invention, incomes stagnate and strategic autonomy weakens. The demographic dividend will not last forever, and cheap labour is not a permanent advantage. Innovation is the only long-term multiplier. The 20th century exhorted India to become independent; the 21st century asks it to become inventive. Government labs, start-ups, and academia cannot achieve this alone.

Corporate India must decide whether it wants to be merely wealthy or truly consequential for Viksit Bharat. Nations that stop inventing eventually start importing their destiny, and history rarely remembers those who only bought the future.

The writer is an alumnus of NES, 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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In IPL, Age Is Just A Number

RCB's repeat triumph was built around Kohli (37), with Bhuvni, Hazlewood & Krunal, also 30-plus players. But the tournament's sensation, Vaibhav, is just 15. What does this mean? Don't look at how old a player is. Look at talent, fitness and hard work

Avijit Ghosh



In 2007, three major cricket stars – Rahul Dravid, Sachin Tendulkar and Sourav Ganguly – opted out of the first T20 World Cup. The reason proffered was that the game's bonafide but frenetic version was best suited to youngsters.

Over the years that line of reasoning was occasionally refuted; CSK's 'Dad's Army' triumph in 2018, and to a lesser extent in 2021, obvious examples. But Sunday night, RCB's senior citizens provided the viewpoint's most emphatic negation.

For two consecutive seasons now, Virat Kohli, Bhuvneshwar Kumar, Josh Hazlewood and Krunal Pandya – all 35 or above – have produced consistent prime time performances to exemplify what author-actor Joan Collins once said, "Age is...totally irrelevant unless, of course, you happen to be a bottle of wine." It's true that RCB's young guns – Devdutt Padikkal, Rasikh Salam, Venkatesh Iyer, and skipper Rajat Patidar himself – made positive interventions. But in the business end's pivotal moments, the aging maestros were the men who mattered in RCB's repeat triumph.

At 37, Kohli remains an actor in constant search of the biggest stage waiting to deliver his finest lines. His perfectly anchored unbeaten 75 off 42 against Gujarat Titans in the final made him Player of the Match. Last year too, his 43 was the final's highest score on either side. A pan-India box-office draw, Kohli is the reason why RCB is never short of fans in any stadium. Last year, all-rounder Pandya was Player of the Match for his miserly 2/17 against Punjab Kings in the final. Pacemen Bhuvni and Hazlewood struck fatal blows in both matches.

Their accomplishments are a recurrent story written in unforgiving heat over numerous weekends through two long seasons. Bhuvni, RCB's bowling *brahmastra* this year, had 28 scalps, second only to topper GT's Kagiso Rabada's 29. Selectors are reminded he last played T20 for India in 2022. Veteran Aussie pacer Hazlewood took 15 wickets this year, adding to his 22 last season when he finished third on the charts. Pandya made winning contributions with

bat and ball both seasons.

Just like Kohli who scored an impressive 657 runs in 2025, and a more impressive 675 this edition. Together, RCB's good men have underlined that experience and quality cannot be substituted with an "Impact Player". And as Novak Djokovic and Cristiano Ronaldo have shown in other sports, a combination of talent, work ethics, and fitness can conquer physical and mental barriers erected by age.

In an opposite way, Vaibhav Sooryavanshi has demonstrated the same. If Kohli established age is just a number, so did Vaibhav. At 15, he is IPL's Player of the Series, the most valuable player. He scored 776 runs, more than anyone else. He smashed 72, more sixes than anyone ever. His strike rate, 237, was better than the best. They are the 'Dhurandhar' version of cricket stats.

Experts have commented on his out-of-syllabus bat-swing, power in shots, surreal self-belief, and audacity. The astute Sachin Tendulkar recently pointed out that he picks the ball earlier than others, and how his deft wristwork enables him to play in all directions.

Vaibhav's two 90s in his last two innings



unveiled different facets to his game. His 97 against SRH, where he was one stroke short of breaking Gayle's record for the fastest IPL ton, was vastly different in approach from his 96 against GT in the next game. The first was a dazzle of fireworks; the second underlined his willingness to play the waiting game, bend to the needs of time and team, validating his maturity and awareness. I repeat: he is 15.

Almost every bowling great was dispatched for a six in the first over. Bowlers are already over-celebrating Vaibhav's dismissals with a maniacal glee reserved for the game's best. The boy from Bihar, alongside paceman Jofra Archer, dragged a mediocre RR to the playoffs. RCB retained the trophy, but this IPL will be remembered as Vaibhav's. Ben Gardner of *Wisden*, posted jokingly on X, "Three nineties in Vaibhav Sooryavanshi's last four innings. Finally, we've found his weakness." Vaibhav has launched a new way of batsmanship. The future will try to bat like him. And fail. It is impossible to replicate Vaibhav Sooryavanshi. I repeat, one last time, he is 15.

Indian players outsmart foreigners: Indian Premier League is becoming Indians Premier League, especially in batting. Unlike the early years, local batters are dominating leaderboards. Foreign batters generally lead 'strike-rate' charts. Even that's changing. In 2026, four of the top five strike-rates belonged to Indians: Vaibhav, Finn Allen of New Zealand, Priyansh Arya, Abhishek Sharma and Urvil Patel, in that order. Simply put, India will not be short of big hitters in future.

It is a different story in bowling. Five of the top 10 wicket-takers are foreign players, Rabada topping the list. Old warhorse West Indies spinner, Sunil Narine, has the meanest economy rate. Premier Indian spinners – Varun Chakravarty, Kuldeep Yadav and Axar Patel, Yuzvendra Chahal – had a hard time. However, the home-grown pacers' pool has grown: Prince Yadav, Mohsin Khan, Anshul Kambhoj, Sakib Hussain.

Tailpiece: Among the joys of IPL is listening to Ian Bishop. The former West Indies fast bowler's commentary is enriched with perspective, insight, and background information. Contrarily, home-grown commentators, especially star cricketers of the past, turn up without any homework.

Shadows Of The Last Great Empire

What makes membership of old British clubs so desirable? Answer lies in their evolutionary story

Abhilash.Gaur@timesofindia.com



When deep pockets vie for membership of Gymkhana Club, the one that govt wants evicted from 27 acres of Lutyens' Delhi, what exactly are they buying into? Rumour has it, the club's membership entails a wait of 30-40 years. Someone who applied in the middle of Manmohan Singh's first Budget speech in July 1991, might still be in the queue. That's half a lifetime. Plus, the price of a premium SUV. So, what gives Gymkhana and other elite clubs, vestiges of the Raj, their cachet?

It can't be Samuel Johnson's idea of a club. The good doctor, father of the modern dictionary – reason to pay attention to his definition – described a club as, "An assembly of good fellows meeting under certain conditions." That could be a college staffroom. The club he founded – called The Club – nine years later, in 1764, was just a venue for weekly dinner and discussion. And in that, it pretty much followed the template of other famous clubs of the past century.

While clubs have probably been around for as long as human society, the English word for them wasn't coined until the 1600s. Why is that important? Because Gymkhanas and other clubs we're so interested in, have an Englishness about them. They couldn't have risen without the peculiarities of the English character, and the circumstances of that nation at a certain point in history.

Here's a 1659 entry by English scientist, archaeologist and writer John Aubrey: "We now use the word Clubbe for a sodality held in a tavern." Sodality is just an uncommon word for fellowship, and Aubrey was merely recording a social trend for posterity. Note the word 'tavern', and Aubrey's later description of how early clubs worked, democratically: "Here we had a balloting box, and balloted how things should be carried."

The first famous London club was poet Ben Jonson's 'Apollo', occupying a room at a tavern called 'Devil'. And since Jonson passed away in 1637, it had

predated Aubrey's description by a few decades. Apollo's manifesto was straightforward: "Let the learned and witty, the jovial and gay, the generous and honest, compose our free state..."

Wit, not wealth, was your ticket to this select society. But in material principles, it bore kinship to today's finest private clubs: "Let no scent offensive the chamber infest; let fancy, not cost, prepare all our dishes; let the caterer mind the taste of each guest, and the cook, in his dressing, comply with their wishes."



After Apollo, Mermaid Tavern, patronised by Shakespeare, as well as Jonson, became a popular club. Keats paid tribute to it two centuries later: "Souls of poets dead and gone, what Elysium have ye known – happy field or mossy cavern – choicer than the Mermaid Tavern?" Just as things were getting too poetic, Rota Club gave clubs a political turn in 1659. It was a Republican society, with Milton among its members, aimed at countering the royalists of 'Sealed Knot'.

Briefly, then, clubs became very popular in 17th-century England, when the country started making its mark on everything from science to literature,

political philosophy, and trade – which would lead to empire. They became so popular that they were no longer content to work out of taverns. And the club-house was born.

This was an innovation that hadn't occurred to ancient Greeks and Romans, despite all their clubbing. Apparently, the cooks of Augustus, first Roman emperor, had a club of their own. Rome had a famous women's club too, called Senate of Matrons, to discuss matters of fashion, etiquette and privilege. But no club-house. Without this English invention, Delhi Gymkhana wouldn't have sat on 27 acres.

But why did club and club-house spring on a cold, rainy island? Sociologists have given some thought to this, and one convincing theory is the English horror of "indiscriminate association". They love to mingle, but only among social equals. The club, as it became more picky, more select, reinforced societal lines. That explains Gymkhana's 30- or 40-year admission wait. But in colonies, India included, the club became even more important. As historian Jan Morris put it, "Clubs were islands of Britishness in the great Indian sea, to which the imperialists might withdraw whenever they felt a personal, social or ritual need."

Which was also the reason why clubs abroad were more British than those at home. On visiting Ooty Club after Independence, journalist Trevor Fishlock wrote: "India is perhaps the last refuge of the freshly made British pudding. In its land of origin it has been largely displaced..." And a *Los Angeles Times* article in 1985 said, "The same English puddings served in the Ooty Club can be found in the isolated former British Hill Club in Nuwara Eliya in central Sri Lanka."

To come back to our question then, why do deep pockets vie for membership of old and famous British clubs? Certainly not for their acres and British pudding. At stake is the pixie dust of the last great empire. At private club tables, everyone is Clive, Dalhousie, Hardinge or Curzon. Not Shakespeare or Milton, because that kind of patron goes elsewhere, believing all the world's a club.

Sacredspace

Do not look at anybody in terms of friend or foe, brother or cousin; do not fritter away your mental energies in thoughts of friendship or enmity. Seeking the Self everywhere, be amiable and equal-minded towards all, treating all alike.

Adi Shankara



A thought for today

But a city is more than a place in space, it is a drama in time

PATRICK GEDDES

Faulty Towers

Delhi's latest building collapse is another reminder to revamp the revenue & administrative models of cities

A five-storey building collapsed in Delhi on Saturday, killing six people and leaving 10 injured. It wasn't old, but poorly built. And the owner was adding another floor to it, for additional rent. It was, plainly, a house of cards, so its falling was no accident. What was it then? Negligence is a ready answer. But it denies culpability. Civic officials, whose job is to keep an eye on construction, groundwater extraction, sewage, power connections, etc somehow didn't notice this 50-ft block. A giant walked through the park unnoticed.

Fact is, it wasn't the only building of its kind in the neighbourhood, and cities across India are full of them now. What's going on isn't negligence but wilful connivance. But why? Why are unplanned neighbourhoods increasingly becoming dense commercial and residential hubs? The answer lies in our failure to plan cities as engines of economic growth. India is a growing economy, and demand for built-up area is rising rapidly. Per a World Bank estimate, urban India will house 60cr people and produce 70% of GDP within a decade. But that can't happen if policies throttle the growth of cities.

This is evident from the horizontal spread of our cities this century. Builders and buyers have been moving to the suburbs – or to unplanned neighbourhoods where officials look the other way – because they are cheaper. Space within cities is costly because

it is scarce, but the scarcity is manmade. There are limits on the percentage of a plot that can be covered, and more limits on the number of floors that can be built. Where Singapore allows 2,500 sqft of floor space on a plot of 100 sqft, Delhi allows only up to 350 sqft.

This is an old problem that experts have repeatedly drawn attention to. This year's Economic Survey said, "Cities are expected to deliver growth, productivity, and jobs, yet...Indian urban policy often reverses this logic." So, many buyers and tenants are pushed towards shabby buildings in seedy areas, where another problem becomes apparent – fragmented governance. Indian civic bodies don't earn enough revenue to meet their expenses, and multiplicity of authorities doesn't allow them to take action even when violations – like the collapsed building – arise in plain sight. If we're serious about fixing Indian cities, let's start with their governance structure, so that authority and accountability are not in doubt.

Adults In The Room

SC did well to liberate voluntary adult sex workers. They're neither victim nor offender

In an excellent judgment, Supreme Court has centred on 'individual agency' to decide on a framework for rescue & rehab of adult sex workers. It raised the key question the law skipped: why rescue adult women who are sex workers voluntarily, and do not need "rescuing"? SC went on to sharply delineate categories – coerced, trafficked, or voluntarily engaged in sex work. It called out Sec 17 of the Immoral Traffic (Prevention) Act, 1956 (ITPA) for its "paternalistic assumption" that treats all persons rescued from prostitution-related situations in the same manner; that such a "one-size-fits-all" approach fails to account for the different realities of the "rescued".

The bench took its time and delivered a powerful, empowering and progressive judgment, using its powers (Articles 32 and 142) to write out how police should go about their missions.

Cops and magistrates must first question – hold a threshold inquiry – before embarking on rescuing adult sex workers. And for those rescued, SC has also detailed conditions for safe houses. It's clear: there is no confusion – prostitution is legal, soliciting illegal, an individual practising prostitution, as livelihood, cannot be criminalised. Where ambiguity lay, SC said, was in the law treating all sex work as "solely being abusive or exploitative." It's empowering

for voluntary adult sex workers – their own wishes and choices will be key to decisions on rehabilitation, or returning to the community. The only exceptions, SC ruled, are when there are safety risks or when their decision is influenced by pressure, threats, or coercion. Determining that is the magistrate's job.

This order is a first step in freeing sex workers from police harassment during raids. They are harassed even otherwise – these exploitations are well-documented. Failure to distinguish voluntary adult sex work from trafficking in ITPA's wording has long meant inconsistent application, even misapplication of the law. SC has cleared the air, and liberated a whole lot of workers.

Exam fever

National Anxiety Agency scores A+ in chaos

Anil Abraham

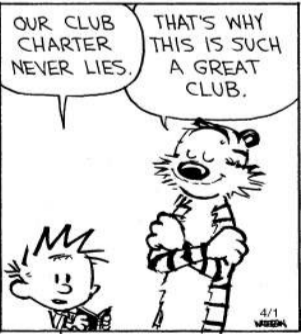
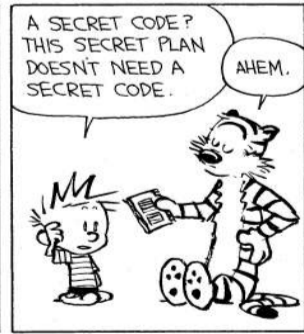


I woke up, sweating profusely. Kamala was worried that it was a heart attack, or that global warming had finally made its presence felt. But it was just the same repeated nightmare, which has haunted me since childhood. The main story is identical every time. Only, with the details changed slightly, to give it a new twist. In one version, for example, I find myself having reached the exam hall fully prepared to ace the Biology paper, on the day of the Physics exam. Panic and palpitations invariably follow. Before I wake up, realising that it was just a bad dream. Other times I forget my hall-ticket, or mix up the dates of the exam, or am desperately late to it. The recurring theme remains one of despair and disaster.

Students nowadays are living this nightmare only. Except, with no option to wake up, and find reality a bit better. First, the NEET-UG paper leak proved that the process was not so neat after all. Authorities have since declared war on that examination, by involving the army and the air force. It's interesting that the navy has not yet been called in, to save a sinking ship. And also that the original leak has not been plugged, though the pipeline is being guarded zealously. I do the same with Plumber Padmanabha does not come to fix the kitchen sink – wrap the leak with a large bath towel, and hope that I have camouflaged the chaos. It gives me the feeling that I am doing something, but actually nothing gets done.

Next, CBSE decided to improve a system that was already awesome, with an OSM (On Screen Marking) one. What began as one student's viral complaint about his Physics answer sheet spiralled into unprecedented online trolling. Meanwhile, principals without principles were parroting the same lines to justify the system, leading to a meme festival. Since the armed forces are busy with the NEET exam, IITs have been recruited to solve the CBSE issue. Then, many students found CUET aborted, at the last minute. Because of technical glitches, leading to delays, and even more angst. Really, National Testing Agency is doing a great job testing the patience of young students. Our education system remains proud that once upon a time we discovered the concept of zero – it's since progressed to zero accountability. The students have not failed – the system has.

Calvin & Hobbes



Why i Dare To Differ From Adi Shankara

Karan Singh

The question of our relationship to the Divine has challenged all religions and philosophies. Markedly different views have been expressed in religious texts by philosophers. I have tried to express my own response to Adi Shankaracharya's philosophy.

Adi Shankaracharya is probably our greatest ever philosopher/scholar. Thanks to his commentaries, we can approach the Upanishads, Gita and Brahma Sutras – the three foundations of Vedanta. There is, therefore, no question of denigrating his massive work. What I dare to differ from is his goal. In his writings, Adi Shankara seeks to become Shiv – *Chidananda rupa Shivoham Shivoham*. I do not believe that we can become Shiv; *Akhanda Mandalakaram Vyaapatam Yena Characharanam*. The power that

pervades the infinite galaxies and all that exists – movable and immovable. We can certainly reach a level at which we regard ourselves as part of Shiv, but that does not mean we can become Shiv.

In contrast, my goal is *Shivalokam Avapnoti Shiven Sahamodate*. In other words, I wish to reach Shivalok and then enjoy with Shiv. This is quite different from wanting to become Shiv. Seeing and interacting with Shiv is a more acceptable and realistic goal. Therefore, rather than Shankara's Advait Vedanta, I prefer Dvait Vedanta as expounded by Vallabhacharya and Madhavacharya. In fact, Vallabhacharya's concept of Vishishtadvaita is interesting because it leaves both possibilities open. Shankara's famous verse is *Brahamsatyam jagat mithya jeevo Brahamevnapra* – Brahmn is true, the world is untrue, the Atma is

Brahmn. I would venture to suggest an alternative approach: *Brahamsatyam, Jagat Satyam, Jeevo Shiven Napra* – Brahmn is true, the manifestation is true, the jiva is in fact, Shiv.

While these conceptual differences may be important, what really matters is whether we are internally working on ourselves so that we can begin to absorb the Divine light, particularly when the whole world seems engulfed in a wave of hatred and violence. It is important that those of us on the spiritual path should maintain our equanimity and not get carried away by the current chaos. Wars in Europe and Asia have involved 1,000s of deaths, not to speak of massive displacement and destruction of heritage sites.

I would like specially to mention the Israel/Palestinian conflict. Few people now recall how close we used to be to the

Palestinians and how, as we did with racial discrimination in South Asia, we reiterated our support for Palestine, whenever the occasion arose. In fact, I recall having met Yasser Arafat in Beirut several decades ago. Apparently, he looked upon Indira Gandhi as his sister. It is surprising that the death of over 65,000 Palestinians in the Israel/Hamas conflict has hardly created a ripple in our press or political life. Israel is undoubtedly a remarkable country, created almost exactly at the time when we attained Independence. However, despite the terrible and suicidal attacks by Hamas on Israel, the response has been overwhelming resulting in a large number of deaths. The question arises as to how we can link contemporary events with philosophical interpretation of the relationship between the individual and the Divine. This is a question that all individuals have to answer themselves.



THE SPEAKING TREE

The Tribune

ESTABLISHED IN 1881

Solar self-reliance

Local mandate essential, but address concerns

A major change in India's solar sector that mandates the use of only domestically manufactured cells from June 1 aims to cut the dependence on imports, particularly from China. From a long-term perspective, both for purposes of energy security and adoption of renewable energy, it's a commendable step. Developers are already required to use domestically manufactured modules. Now, the cells inside those panels must also come from government-approved Indian manufacturers for a wide range of projects. Given the global headwinds, there is little choice but to work towards building a complete domestic supply chain. The challenges are manifold, and any misstep can put the brakes on India's evolving engagement with the solar rooftop panel.

India has an annual solar module manufacturing capacity of nearly 200 GW, but its solar cell production is only around 30 GW. Handholding the industry to ramp up production while maintaining quality standards is one aspect. Narrowing the price difference with imported supplies is another. No less important is negotiating the supply-demand gap in the transition period. Installation of rooftop solar panels is bound to get costlier because of higher domestic production costs. The sudden shortfall of panels, too, can act as a deterrent to adopting clean energy. The Centre needs to be prepared for quick-fix strategies for its self-reliance roadmap.

The new rules will test the resolve of customers as well as developers and manufacturers, particularly smaller enterprises wary of monopolies. The critical role of enforcement and monitoring mechanisms cannot be overstated. As with solar panels, where imported supplies continue to be used because of lower costs, a similar situation could emerge with regard to imported solar cells. The lack of digital traceability and verification only leads to misuse and corruption. A compliant vendor losing out to readily available cheaper and dodgy alternatives made by circumventing the norms defeats the purpose of the exercise.

Virat & Vaibhav

IPL showcases experience and youth

20 sensation Vaibhav Sooryavanshi — all of 15 — was the brightest star of the 2026 Indian Premier League (IPL), even as the old warhorse Virat Kohli made his presence felt with typical panache. The 37-year-old batting legend powered Royal Challengers Bengaluru (RCB) to their second successive trophy with a quickfire fifty in the final. Such was Kohli's form and fitness during the two-month-long tournament that his participation in the 2027 ODI World Cup is now within the realm of possibility. Kohli admitted that he needed a change in mindset and a bit of pushing from "super young" players to reinvent his T20 game. This candid acknowledgment offers a glimpse of the healthy competition that is shaping Indian cricket. The just-concluded IPL season showed that cricketers from two generations can complement each other admirably. Kohli remains a dominant force, while players like Sooryavanshi are ensuring that the game continues to evolve.

Sooryavanshi, the Rajasthan Royals prodigy, walked away with most of the awards: Most Valuable Player, Emerging Player of the Season, Super Striker of the Season, Orange Cap winner and Super Sixes of the Season. His fearless batting and remarkable consistency represent the new generation's bold approach to the shortest format of cricket. Yet, what stands out is not merely his talent but his maturity at such a young age. Sooryavanshi's ability to perform under pressure mirrors the very quality that has defined Kohli's success over the years.

The vast pool of talent showcased by the IPL augurs well for India, the reigning T20 world champions. The inclusion of this sport in the 2028 Olympics and the 2030 Commonwealth Games implies that the cricket-crazy nation can expect more laurels in the years to come.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, JUNE 2, 1926

Punjab's jails

WE have already dealt with some aspects of the report of the committee appointed by the government to investigate certain matters connected with the administration of jails in the province. The committee was constituted to inquire into allegations as to the existence of corruption, unauthorised punishment as well as indulgences in Punjab's jails and to pay special attention to the question of prisoners' diet in its bearing on the alleged malpractices. The most important feature of the report submitted by the committee is that in regard to all these matters it fully bears out the serious allegations about the maltreatment of prisoners which have been published in the press during the last four or five years. The committee had to submit its report within an unduly short period and its inquiry was thwarted at every step by interested jail officials who used every device that they could think of to suppress the truth and mislead the committee. In addition to these serious handicaps, the committee had to contend with another very important obstacle in the way of getting at the truth about the malpractices prevalent in the jails. From the very nature of the inquiry, the committee had to depend mainly on the evidence of the prisoners who were actually undergoing their sentences in the jails and were not inclined to invite reprisals from unscrupulous jail officials by laying bare their oppressive, corrupt and illegal practices before the committee.

Keep the altar and the Assembly apart

Punjab's contentious anti-sacrilege legislation faces constitutional test



JUSTICE RS SODHI (RETD)
FORMER JUDGE, DELHI HIGH COURT

THERE is a question the Punjab government did not ask before convening a special session of the Vidhan Sabha on April 13 to pass — unanimously and in evident haste — the Jaagat Jot Sri Guru Granth Sahib Satkar (Amendment) Act, 2026. Can the State legislate faith without eventually violating it? The answer, delivered within weeks by the Akal Takht, the Shiromani Gurdwara Parbandhak Committee (SGPC) and the internal logic of the Act itself, is that it cannot and that the altar and the Assembly must never meet.

When political authority begins to police religious belief through punitive law, religion is subordinated and transformed into an administrative category, with devotion becoming susceptible to surveillance.

The legislation was framed by Chief Minister Bhagwant Mann as a "historic correction" and presented as the AAP government's answer to a decade of unresolved sacrilege cases that had caused profound anguish to the Sikh community. The Bargari desecrations, the police firing at Behbal Kalan, the *sarrop* stolen from Burj Jawahar Singh Wala (all in 2015) and the Golden Temple incident (2021), whose perpetrators were never publicly identified, are grievances that are not politically fabricated. They are open wounds.

Any government seeking Sikh electoral support had reasons to address them, with the Act prescribing imprisonment of not less than seven years, extendable to 20, with a fine up to Rs 10 lakh. In cases involving conspiracy to disturb communal harmony, life imprisonment can be awarded. The Act expands the definition of sacrilege to cover spoken, written, symbolic and electronic expression that intentionally hurts Sikh religious feelings, and it notifies



CUSTODIAN: The Act entrusts SGPC with maintaining a central register of all sarroops in Punjab. TRIBUNE PHOTO

all offences as cognisable, non-bailable and non-compoundable.

The Akal Takht's response, and it is the most telling fact in this entire episode, was not to celebrate but to object. Within weeks of the law receiving the Punjab Governor's assent on April 17, the Akal Takht's officiating Jathedar, Giani Kuldip Singh Gargaj, and SGPC president Harjinder Singh Dhami met Governor Gulab Chand Kataria to submit a list of objections and demand a review. CM Mann ruled out a review; instead, he launched a statewide "Shukrana Yatra" to celebrate the Act's passage. The irony of the state government thanking itself for a law that it claimed would protect the sanctity of Sikh religion appears to have been lost on him.

To understand what the Akal Takht was objecting to, it is necessary to distinguish carefully between two institutions that the 2026 Act has fatally conflated. The Akal Takht was historically conceived as the sovereign, spiritual and temporal authority of the Sikh Panth, a seat independent of political power. The SGPC was created through a colonial-era legislation, the Sikh Gurdwara Act of 1925, as a statutory body for the management of gurdwaras, and answerable for elections and party politics.

Over the decades, the two became institutionally entangled through the dominance of the Shiromani Akali Dal, which has historically controlled both. The

The concern that the law criminalises ordinary religious life has spurred resistance from within the Sikh establishment.

result is that an elected statutory management body, deeply enmeshed in Punjab's factional politics, has come to take on the role of spiritual authority. The 2026 Act gives that conflation the force of criminal law.

What the Act actually does, beyond its penalty clauses, is assign the SGPC a sweeping quasi-regulatory role over the physical existence of the Guru Granth Sahib itself. The SGPC must maintain a central register of all *sarroops* in Punjab, assign each a unique identification number and record details of printing, storage, distribution, location and custodianship. Statutory duties are imposed on "custodians" — a category that in practice encompasses *granthis*, gurdwara management committees and ordinary devotees — to ensure safe custody, observe the Sikh Rehat Maryada, prevent misuse or damage and report any suspected sacrilege to both the police authorities and management bodies.

The Rehat Maryada, Sikhism's code of religious conduct, has thus been incorporated by legislative reference into a criminal statute. Failure to observe it, or to report a suspected breach, is no longer a matter of religious discipline; it becomes a police matter.

Every religion develops norms and codes in order to sustain itself. Religious norms must emerge organically within the spiritual community, not through coercive State legislation backed by imprisonment. An elected political-religious institution cannot become the legal custodian of faith. The distinction that the Act obliterates is the one between moral authority, institutional guidance and criminal coercion. The first two are the proper domain of a religious community. The third belongs to the State. Once they are fused, the State does not merely administer religion. It replaces the latter. Legislation, indeed, must stay within limits.

It is the concern that the law criminalises ordinary religious life rather than targeting desecrators that has spurred resistance from within the Sikh establishment itself. Voices associated with the Akal Takht have warned that the terminology of "custodian" may expose *granthis*, devotees and gurdwara committees to criminal prosecution for lapses that are accidental or matters of legitimate internal

theological disagreement. The law thus may invite systematic police intrusion into the daily conduct of religious life.

Moreover, the Panth was not adequately consulted before a statute purporting to codify the terms of its most sacred obligations was passed in a hurried two-day special session. That the SGPC and the Akal Takht initially welcomed the legislation, then rapidly reversed course, is itself a measure of how poorly thought through the Act was.

Faith cannot be reduced to obedience enforced by legislation. The Guru Granth Sahib is not a text that has survived by sheltering behind State power. It has survived because its authority rests not on coercion but on devotion freely given. To convert that scripture into a protected zone whose boundaries are patrolled by the police and enforced by a sessions court is not to honour the tradition but rather to betray it. The Akal Takht understood this. It is an irony that the legislature did not.

India's constitutional framework anticipated precisely this danger. The secular republic was not designed as a State hostile to religion, but as one that maintained principled distance from all faiths, preventing both the capture of religion by political authority and vice versa. The 2026 Act violates that distance in both directions. It allows the State to enter theological territory that it has no competence to adjudicate, while handing a politically entangled religious institution the coercive power it has no democratic mandate to wield.

The legal challenges have already begun. A petition before the Punjab and Haryana High Court seeks to quash the Act on constitutional grounds, arguing that a penal framework which singles out one religion's scripture for special protection, while leaving all others unaddressed, fails the most basic test of equality before law (Article 14).

The secular State that legislates reverence for one faith's holy book, however sincerely motivated, has some explaining to do. This is precisely the ground on which Punjab's anti-sacrilege legislation is being tested.

THOUGHT FOR THE DAY

When religion and politics ride in the same cart, the whirlwind follows. —Frank Herbert

Two worlds, poles apart

COL PS RANDHAWA (RETD)

HIS suitcase is packed. The family is joining the endless caravan of Punjabis leaving for foreign shores. And somewhere between excitement and dread, a 15-year-old sits with a phone full of goodbye messages, wondering what exactly is being left behind — forever.

Migration is often narrated as a story of opportunity. New horizons, brighter futures, open doors. But for teenagers who had little or no say in the decision, the story is far more complicated. They are old enough to understand what they are losing, yet too young to have any control over it. That combination is quietly heartbreaking. These thoughts crossed my mind as I watched him. We had gone to their house to bid them farewell. The family had everything here — land, a government job, even a dream farmhouse — yet they decided to abandon it all for the sake of a "better future for the children."

The emotional burden carried by migrating youngsters can be profoundly isolating. A part of them is genuinely excited — a new country, new possibilities, the quiet romance of reinvention. But excitement feels like a betrayal of the friends left behind. And grief reeks of ingratitude towards parents who sacrificed enormously for this opportunity. So, teenagers end up showing happiness they do not fully feel, swallowing their confusion and suffering in a silence nobody around them thinks to question. This inner war is among the most unacknowledged emotional struggles faced by the youth.

I am reminded of a family gathering in London seven years ago. I was staying with a friend, who hosted a dinner and invited another family that had arrived from India just a day earlier. It was a noisy room — relatives laughing, food being passed around, adults raising a toast to new beginnings. As I stepped into the backyard, I noticed a girl sitting alone. When I walked closer, I realised she was crying. Quietly, almost apologetically, as though she had not yet earned the right to grieve in front of people, too busy celebrating. I tried to console her, but in vain. She said she terribly missed her home in India. The image of that girl has never left me.

That moment captured everything that rarely enters conversations about immigration. The adults around her had chosen this life. They had weighed the trade-offs, mourned their losses privately and committed themselves to the future with open eyes. She had simply been brought along. Her grief had no sanctioned space. Years later, I asked my friend about that girl. He told me that she had done very well academically and was pursuing higher education at a reputed university.

Migration gives teenagers a larger world. What it silently demands in return is their very first one — and that exchange can never be minimised.

The Jalandhar-based writer served in the Dogra Regiment

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LETTERS TO THE EDITOR

India should raise Tibet issue

Apropos of 'A lesson in foresight from China'; the eastern neighbour keeps pinpricking India by raising border issues every now and then. Its latest joint statement with Pakistan on Kashmir is a case in point. Why can't India raise a Tibet issue in the UN or any other global platform? Tibet was forcibly occupied by China; India gave refuge to Tibetan people sharing the nation's already scarce resources with them. If China feels free to comment on matters that India considers internal, it is reasonable to ask why India should refrain from drawing attention to concerns relating to Tibet, particularly issues of cultural autonomy, religious freedom and the aspirations of the Tibetan people.

JAGDISH BANYAL, AMB (UNA)

Trade ties and diplomacy

Refer to 'India-Pak hostility & stagnation of Punjab'; perennial hostilities between two neighbouring nations are decimating the potential for natural trading complementarity that could have multiplier effect on both economies. As per Nobel laureate Paul Krugman's thesis, the trade between two such countries as India and Pakistan, with similar economic and social antecedents, is not only natural and economically feasible, but immensely mutually beneficial too. Though cordiality among neighbours is ideal, yet India's zero-tolerance policy and retribution against terrorism is befitting. However, this should not preclude scope for diplomacy, dialogue and sustenance of trade.

VIKRAM CHADHA, AMRITSAR

Security key to economic ties

Refer to 'India-Pak hostility & stagnation of Punjab'; while the economic benefits of enhanced regional trade are evident, we cannot overlook the fundamental security concerns that continue to define India-Pakistan relations. The principle that terrorism and dialogue cannot proceed simultaneously remains relevant. Pakistan's long-standing strategy of sponsoring cross-border terrorism and proxy warfare against

India cannot be ignored in pursuit of economic gains. Proposals for greater engagement with Pakistan should be viewed with caution.

COL SS CHAUHAN (RETD), MOHALI

With freedom comes duty

Refer to 'The shrinking space for dissent'; the basis of democracy is participation of each and every individual in the affairs of the state, the institution embodying the supreme power of society. However, freedom is accompanied by restrictions. One ancillary concept of democracy is adherence to the norm of agreeing to disagree. A democratic government follows the principle that no one is above law. This rule insures us against instability and mediocrity. However, when dissent is a duty, silence is crime. No form of government can exist without inherent discipline.

ANIL BHATIA, HISAR

Break the vicious cycle

With reference to 'The shrinking space for dissent', there is a much overdue need to stop the indoctrination of caste, religion and ethnic vilification and alienation, even if it is subtle. These problems require explicit, regular and free discourse in family and social settings so that the minds of children and the impressionable youth are spared from this malicious contagion. The vicious cycle of propagating old shibboleths must be broken.

SHLOKBIR SINGH BRAR, MUKTSAR

Address drug menace urgently

Refer to 'HP civic polls'; merely winning the election is not enough. Real success will come when the winner rises above party lines to serve people of his/her panchayat with unwavering sincerity. The PRI representatives must address the drug menace with urgency. Organising sports events involving unemployed youths at the panchayat level can be a game-changer to stem the burgeoning drug addiction in the state. Simple steps can go a long way in keeping the youth on the right track.

MD SHARMA, SHIMLA

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

Govt's infra push doesn't match the hype



AUNINDYO CHAKRAVARTY
SENIOR ECONOMIC ANALYST

LATE last year, Rajesh's manager told him, "The job market is very bad. So, listen to me. Work much harder, spend more time at work." That night, Rajesh broke the news to his wife, Madhu, who always complained about the long hours he kept. "We have to get a car," Rajesh said. "That will save an hour off my commute." "I'll ask Savita to stop coming," Madhu said. "As it is, she only does one hour of dusting and takes Rs 6,000. I will do it myself, and we can use that money for our car EMI." She wasn't entirely unhappy. Doing a little more housework was a small price to pay for the car she had wanted for a long time. Redirecting spending from consumption to investment — what Rajesh and Madhu were planning — is exactly what companies do when they invest a larger part of their profits in machines and equipment, or increase their office and factory space. Governments do that too, to boost economic growth. They invest in building railroads,

highways, ports and airports. They invest in human capital, by spending on education and health, or even by giving subsidies to improve the lives of the poorest among the working people. An economy grows faster when all three — households, private companies and the government — invest more for the future. And the opposite — falling overall investments — makes economic growth falter. Most mainstream economists want developing countries, like ours, to invest a larger proportion of national income every year. And with that, they prefer that the private sector invest the lion's share. This is because higher investment is needed to keep growing fast, and the private sector is believed to be less wasteful in deploying its hard-earned profits. Whether one agrees with this view is irrelevant here. What matters is that successive governments in India have organised their economic policies within this neoliberal framework. Have these policies succeeded in increasing capital investment, especially from the private sector? The answer, unfortunately, is no. In 2011-12, the year many economists identify as the beginning of the moderation in our growth trajectory, capital investments — captured in a measure called Gross Fixed Capital Formation (GFCF) — stood at 34% of



REALITY : Private investment has been restricted to industries that feed infrastructure projects. PTI

our GDP. In 2025-26, it dropped to 30%. (I have used the old GDP series to make a consistent comparison.) What is worse is that the share of private firms in this has dropped sharply over the years. Ten years ago, in 2015-16, for instance, private investment accounted for 41% of the overall capital investments in the economy. In 2024-25, the last year for which we have data, this had dropped to just 32%. Data from the Centre for Monitoring Indian Economy (CMIE), India's premier private data agency, suggests this has deteriorated further in 2025-26. Interestingly, the government sector's share hasn't risen either. In fact, it fell marginally, from 26% ten

years ago to 25% in 2024-25. The heavy lifting is being done by households and self-employed people. They have invested in building homes and in buying transport equipment and other small machinery. These are also counted as investment — or, to be precise, 'capital formation' — when a country's GDP is calculated. Ten years ago, they accounted for 33% of overall investments. That has shot up to 43% now. If we look at the productive assets built, ten years ago 'dwellings, buildings and structures' — factories, offices, houses, roads, bridges and so on — accounted for 53% of all assets. In 2024-25, that rose to 58%. Machinery, which made up

34% of all new assets, has dropped to 31% in the same period. This confirms the thesis that much of India's capital investment over the past decade has been in building infrastructure. In fact, even the machinery being produced is oriented towards the infrastructure sector. This is a crucial indicator of the direction in which our economy is headed. The data confirms what some of us have been arguing for some time — that India's growth is overwhelmingly being driven by government expenditure on infrastructure. You might ask: what is wrong with that? For the past two decades, we have been told that when a country invests in infrastructure, it sets the ball rolling for sustained economic growth. The first thing it supposedly does is generate direct jobs for engineers, project managers, supervisors and thousands of construction workers. Then it boosts demand for goods needed for building infrastructure — steel, cement, concrete slabs, heavy equipment, cranes, and so on. These industries, in turn, hire more people to meet this increased demand. All these newly employed people now have more money in their hands, generating new demand for consumer goods and services. And all this happens while a proper network of roads, highways,

waterways and ports is created for accelerated industrialisation and the faster movement of goods and labour. But none of that has actually happened. If we compare 2019-20 — the year before Covid-19 — with the present, the combined expenditure on infrastructure by the Central and state governments has grown at a whopping 15% per year. In the same period, the CMIE's employment surveys show, employment in real estate and construction has risen at a measly 1% annually. What is more alarming is that, in the key feeder industry of cement, tiles and construction materials, employment has actually fallen. This is in spite of robust 6.6% annual growth in cement output, and massive capacity addition in the cement industry. Much of this has been achieved by increasing labour productivity rather than hiring more workers. Effectively, therefore, government infrastructure contracts have only fattened the bottom lines of big corporates instead of acting as an overall driver of growth. This has also meant that private investment has been restricted to those industries that feed infrastructure projects. There is no incentive to invest anywhere else. That is why, even though India's economy is growing, we don't 'feel' it on the ground.

Govt infrastructure contracts have only fattened the bottom lines of big corporates instead of acting as an overall driver of growth.

The art of identifying future foreign leaders



KP NAYYAR
STRATEGIC ANALYST

ONE certainty emerged from the US Secretary of State Marco Rubio's four-day visit to four Indian cities. New Delhi is not yet convinced that Rubio will succeed Donald Trump as President three years from now or even as the Republican candidate for the top office in 2028. In the latest Reuters/Ipsos poll conducted between May 15 and 18, Rubio and Vice President JD Vance are neck and neck in garnering a favourable view of the jobs they are doing. Trump is term-limited and cannot contest in another presidential election. He has not endorsed either Rubio or Vance. "Both are very good men," he said last month. Rubio, however, is rapidly gaining over Vance in opinion polls. The Vice President lost eight points from a similar poll conducted 16 months earlier. Had India been convinced that Rubio will be a sure-shot presidential candidate in 2028, his reception in all four Indian cities would have been very different. It would

not have been quite like the "abki baar Trump Sarkar" slogan in Houston when Prime Minister Narendra Modi and Trump together took the floor at the "Howdy Modi" event in 2019. But going beyond protocol, there would have been some trappings of a future head of state associated with Rubio during his stay in India. There were none. India treated the Secretary of State correctly and according to protocol, even though Rubio is institutionally the most powerful US Secretary of State since Henry Kissinger. Rubio is both National Security Adviser and Secretary of State. Kissinger was the only other American to concurrently hold both posts, although virtually no one in India seemed to take note of this during Rubio's visit. Indian diplomacy is adept at identifying future foreign leaders, carefully cultivating them and ensuring continuity and goodwill for the day when they become heads of state or government. In 1981, Prime Minister Indira Gandhi invited Ayatollah Ali Khamenei to India. Since Khamenei held no official post in Iran then, he had to be invited as a Distinguished Visitor of the Indian Council for Cultural Relations. Ten months after Narendra Modi became Prime Minister for the first time in May 2014, he had a meeting in Delhi with the current President of Cuba, Miguel Diaz-Canel, who was then the Vice President. Diaz-



POWERFUL : US Secretary of State Marco Rubio with External Affairs Minister S Jaishankar. Rubio also holds the key post of National Security Adviser. PTI

Canel missed a connecting commercial flight to India, Modi changed his itinerary for that day to ensure that he met the Cuban politician. India's then Ambassador in Havana, C Rajasekhara, had conveyed to Modi through a BJP leader that Diaz-Canel would succeed Raul Castro as President. The transition happened in 2018. Retrospectively in today's circumstances, one such astute decision was to invite as Chief Guest for the 2017 Republic Day, the Crown Prince of Abu Dhabi, Sheikh Mohammed bin Zayed Al Nahyan although he was not the head of state or government. The decision was criticised for protocol reasons, but it has turned out to be an infinitely fruitful gesture. Sheikh Mohammed became Presi-

dent five years later. Without doubt, the US is the most important bilateral partner for India and will remain so in the foreseeable future. That is why it was important to pack Rubio's visit with substance instead of gestures which capture headlines merely for 24 hours. Repetitive and habitual prattle by the current occupant of the White House alone cannot advance India-US relations. The US Ambassador to India, Sergio Gor, got his 15 minutes of fame when Trump telephoned him two Sundays ago as Gor was preparing to introduce Rubio at an event to commemorate the semiquincentennial of American Independence. Indians of consequence are tired of hearing Trump's peri-

dic declarations that "I love Prime Minister Modi" and that he is a big fan of Modi. Is there nothing more he can say about his country's ties with India, which people in both countries want to hear? About what this relationship means in today's turbulent world, for instance? From my years as a foreign correspondent in Washington, one day remains etched in memory. That day, shortly after the catastrophic tsunami in the Indian Ocean in December 2004, then US President George W Bush and First Lady Laura Bush visited the Indian Embassy in Washington's Embassy Row. The First Couple did not come alone. They brought with them the former US Presidents then alive. Jimmy Carter could not join because he was taken ill that day and at 91, Gerald Ford was too frail to travel to Washington. Father Bush, George HW, praised his son for having carried forward the start of a new era in US relations with India, which George HW said he had set in motion. As always, Bill Clinton charmed everyone. With such bipartisan consensus, a process which led to "Asia-Pacific" being rechristened as "Indo-Pacific" began on that occasion. India-US maritime cooperation, joint patrols, collaborative disaster management, naval interoperability — and much more grew

out of that event. When the history of Quad is written — if it lives up to promise — the seeds of this quadrilateral initiative will be traced to the visit by incumbent and past US Presidents to the Embassy. They thanked India for being the first naval responder — even before the US Navy with its regional presence — to the tsunami in South Asia and parts of Southeast Asia. India's Ambassador in Washington, Ronen Sen, was beaming; he was understated but substantive, unlike Sen's present counterpart in New Delhi Sergio Gor. George W Bush subsequently offered the nuclear deal which ended India's long nuclear winter. Bush did not proclaim that he was a fan of Manmohan Singh. He said it to the Prime Minister only in private. The India-US Strategic Dialogue was not an easy initiative to launch. There was considerable opposition to it within the US strategic community. One year, when this Dialogue was taking place in Washington, President Barack Obama walked into the State Department unannounced to a reception for the Dialogue interlocutors. In his typical style, Obama made a speech which was a blueprint for relations with India, out of which grew the ongoing "Comprehensive Global Strategic Partnership." That is the way to go, not tire-some proclamations of love for any leader in New Delhi.

Had New Delhi been convinced that Rubio will be a sure-shot presidential candidate, his reception in India would have been very different.

QUICK CROSSWORD

ACROSS

- Tight-fisted (6)
- Make known (8)
- Inequitable (6)
- Unrealistic aspirations (8)
- Sudden spasm of pain (4)
- Church underground vault (5)
- Main points (4)
- Honest (2,3,2,3,2)
- Question relentlessly (5-7)
- Admit openly (4)
- 40-40 in tennis (5)
- Nuisance (4)
- Ribbed cotton pile fabric (8)
- Preoccupy completely (6)
- Without equal (8)
- Diminish (6)

DOWN

- Carver in stone or wood (8)
- Boundless (8)
- Firm hold (4)
- Self-government (12)
- Try to persuade by flattery (4)
- Source (6)
- Hostility (6)
- Absurd (12)
- Eerie (5)
- Of the moon (5)
- Resemblance (8)
- Throw overboard (8)
- Wild and rash (6)
- Unrefined (6)
- Overcast (4)
- Competent (4)

Yesterday's Solution

Across: 1 Quota, 4 Because, 8 Aft, 9 Venezuela, 10 Trelis, 11 Niche, 13 Reason, 15 Fennel, 18 Cheat, 19 Undergo, 21 Trafalgar, 23 Leo, 24 Respect, 25 Short.

Down: 1 Quarter, 2 On the wane, 3 Anvil, 4 Banish, 5 Cezanne, 6 Use, 7 Evade, 12 Contralto, 14 Outface, 16 Lookout, 17 Budget, 18 Cater, 20 Darts, 22 Ass.

SU DO KU

YESTERDAY'S SOLUTION

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

CALENDAR

JUNE 2, 2026, TUESDAY

- Shaka Samvat 1948
- Jyeshtha Shaka 12
- Jyeshtha Parvishite 19
- Hijari 1447
- Krishna Paksha Tithi 2, up to 7:02 pm
- Sadhya Yoga up to 7:16 am
- Moola Nakshatra up to 10:07 pm
- Moon in Sagittarius sign
- Gandmoola up to 10:07 pm

FORECAST

SUNSET: TUESDAY 19:20 HRS
SUNRISE: WEDNESDAY 05:22 HRS

CITY	MAX	MIN
Chandigarh	37	25
New Delhi	36	27
Amritsar	38	25
Bathinda	43	25
Jalandhar	38	25
Ludhiana	37	25
Bhiwani	40	25
Hisar	42	25
Sirsa	42	26
Dharamsala	27	18
Manali	22	11
Shimla	20	13
Srinagar	29	17
Jammu	34	25
Kargil	18	10
Leh	17	07
Dehradun	34	23
Mussoorie	24	17

TEMPERATURE IN °C

The Statesman

Incorporating and directly descended from
the Friends of India -founded 1818

Heat Divide

Every summer, India is reminded that climate change is no longer a future threat but a present reality. Yet the true measure of the crisis is not found in temperature records or meteorological bulletins. It is found in the widening gap between those who can escape the heat and those who cannot. When temperatures climb past 45 degrees Celsius in cities such as Delhi, the burden is not shared equally. Air-conditioned homes, offices, malls and private vehicles offer protection to those who can afford them. For millions of others, particularly workers in the informal economy, extreme heat is simply another occupational hazard that must be endured to earn a living.

This is where the climate debate intersects with questions of labour, urban planning and social justice. India's cities run on the efforts of street vendors, delivery personnel, construction workers, domestic workers, rickshaw pullers and countless others whose livelihoods depend on remaining outdoors for long hours. As heatwaves become longer and more intense, these workers face a cruel choice: risk their health or lose their income.

The economic consequences extend far beyond individual hardship. Reduced productivity, lost work hours and heat-related illnesses translate into significant costs for the wider economy. Sectors dependent on outdoor labour are especially vulnerable. What appears at first glance to be a weather event is increasingly becoming a development challenge capable of slowing growth and deepening inequality.

Nor is this challenge confined to Delhi. From Ahmedabad and Jaipur to Kolkata and Hyderabad, urban India is confronting similar pressures. What appears today as a metropolitan problem is rapidly becoming a national one, affecting cities with different climates, economies, and demographics.

The problem is compounded by the way Indian cities have evolved. Expanding concrete surfaces, shrinking green spaces, inadequate shade and congested neighbourhoods create urban heat islands that trap warmth long after sunset. For many low-income families, relief does not arrive when the workday ends. Poorly ventilated homes and unreliable electricity often make nights nearly as oppressive as afternoons, preventing recovery from prolonged exposure.

Governments have responded with heat action plans, public advisories and emergency measures. These are necessary and welcome. Yet they are only the beginning. Advising people to avoid outdoor work during peak temperatures has limited value when missing a day's wages means sacrificing a family's next meal. Climate resilience cannot be built solely through warnings; it requires investments in housing, public cooling infrastructure, reliable power supply, urban greenery and workplace protections for vulnerable workers.

The larger lesson is clear. Extreme heat should no longer be treated as an occasional seasonal inconvenience. It has become a structural challenge that touches public health, economic productivity and social stability. The question facing India is not whether hotter summers are coming. They are already here. The question is whether the country's institutions can adapt quickly enough to ensure that survival does not remain the price of earning a livelihood.

Beyond Kohli

For much of the Indian Premier League's history, Royal Challengers Bengaluru symbolised a familiar contradiction. It was one of the tournament's most popular franchises, possessed some of the biggest names in world cricket and commanded a vast fan following, yet success repeatedly slipped from its grasp. That image now belongs firmly to the past.

Back-to-back IPL titles mark more than a sporting achievement. They signal the transformation of a franchise that has finally learned the difference between celebrity and institution-building. In a competition often dominated by star power, Bengaluru's recent success suggests that sustainable excellence is ultimately built on depth, balance and organisational clarity.

The temptation is to view the latest triumph primarily through the prism of Virat Kohli. That is understandable. Few cricketers have exerted such a powerful influence on a franchise for nearly two decades. His longevity, consistency and ability to perform under pressure remain extraordinary. At an age when many T20 players are contemplating retirement, Kohli continues to shape matches and define standards.

Yet the larger story lies elsewhere. The IPL has matured into a competition where individual brilliance alone is rarely enough. Teams that consistently contend for titles are those that develop robust systems, identify roles clearly and create environments in which multiple players can contribute. The dominance once associated with franchises such as Chennai Super Kings and Mumbai Indians emerged not merely from great players but from strong cultures. Bengaluru now appears to have joined that club.

This evolution reflects a broader trend within Indian cricket. The country's talent pipeline has become so deep that franchises can no longer rely on a handful of marquee names. Success increasingly depends on scouting networks, analytical planning, coaching structures and the ability to integrate domestic and international talent. The modern IPL champion resembles a well-run institution rather than a collection of superstars.

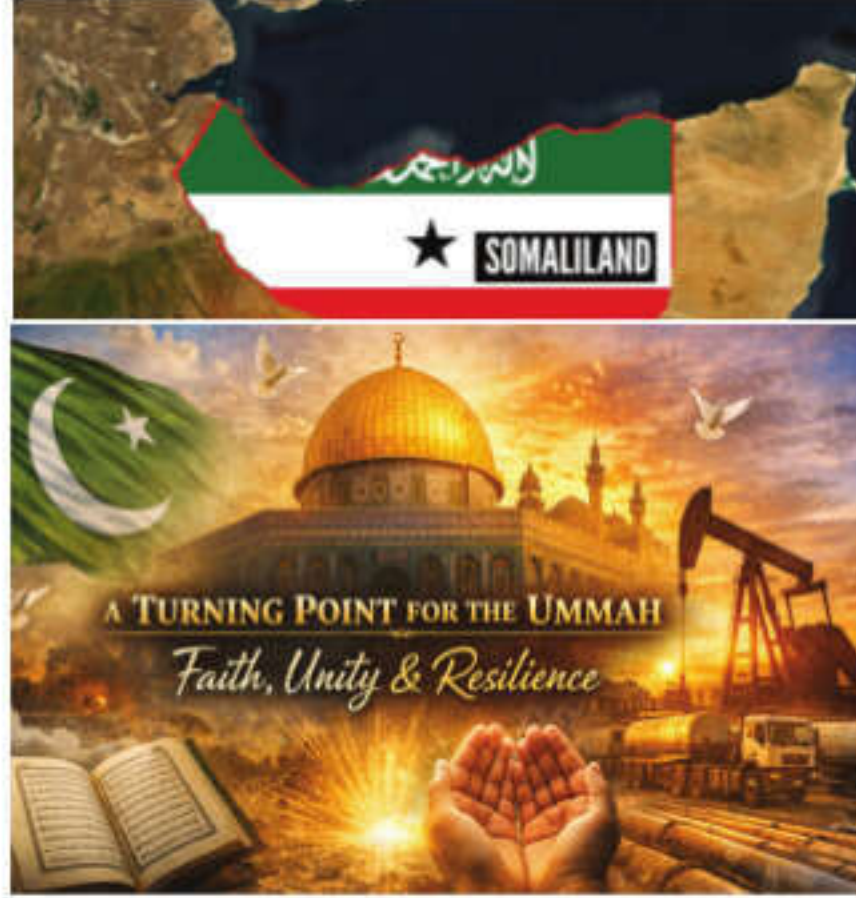
For Indian cricket, that is an encouraging development. The league's greatest contribution has never been entertainment alone. It has created a competitive ecosystem that rewards professionalism and exposes emerging players to elite standards. When franchises succeed through collective strength rather than individual dependence, the benefits extend beyond the tournament itself.

Kohli's presence nevertheless gives Bengaluru's rise a symbolic dimension. His career has often mirrored the aspirations of contemporary Indian cricket: ambitious, relentless and unwilling to accept limitations. The fact that the franchise has reached its most successful phase while its most iconic player remains central to the project adds a sense of completion to a long journey.

The significance of consecutive titles, therefore, is not merely that Bengaluru has won again. It is that one of the IPL's most recognisable teams has finally evolved from a brand built around a star into a champion built to endure. That may prove to be the most important victory of all.

State and Religion

While most of the world perceives Somalia and the Somalis as a homogenous lot, the reality is that beyond co-religiosity, it is a deeply divided region with violently competing ethnicities, clans, and tribes. The image of an extremist and 'failed-state' that is mired in a bloody civil war dates back to the collapse of Siad Barre's government in 1991 after which warlordism, rise of extremist groups like Al-Shabaab, and fragmentation of authority destroyed all vestiges of governance



join the bandwagon of regional intrigues is Somaliland, the breakaway region of Somalia, that has just announced the opening of an embassy in East Jerusalem.

Israel had first driven the regional wedge when it became the first to formally recognise the self-declared Republic of Somaliland in December 2025. Incidentally, the constitution of Somaliland insists on full Sharia-compliance, adherences and policies, as is the case for any hardline Arab State.

However, as Israel had become the first-mover to recognise Somaliland, the Hargeisa-based regime was quick to reciprocate and signal its willingness to join the controversial 'Abraham Accord'.

The Organisation of Islamic Cooperation (OIC) had criticised Israel's preemptive move to "divide" Somalia. But the latest announcement to open the Somaliland Embassy in Israel has added insult to injury and led to many Islamic countries calling out the "flagrant violation of international law and relevant international resolutions."

They claim that it "represents a direct infringement on the legal and historical status of occupied Jerusalem". But for now, Israel and Somaliland couldn't care less, as they are selfishly driven to make the mutual outreach.

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One of the local outcomes of the turmoil was the creation of the Isaaq clan-based

Somali National Movement (SNM), that began asserting and controlling its area of dominance in the northern part of Somalia as early as 1991. Whilst still ensuring deep-rooted Islamic norms, it pursued a relatively more progressive blend of pragmatism, clan-based reconciliations, and democratic state-building goals.

Despite a semblance of governance, moderation and stability (unlike the larger swathes of Somalia), regional Somaliland earned the wrath of whichever force-controlled Mogadishu (or Somalia), extremist groups like Al-Shabaab, or even competing regional forces like the militia of the rival Khaatumo clan or the neighbouring Puntland region.

While most countries and multilateral forums recognise the better organisation and operation of Somaliland, they remain wary of recognizing it as a sovereign, in order to respect the principle of territorial integrity.

Basically, international law and geopolitics prioritize existing borders, regional consensus, and stability over governance performance - hence despite the semblance of a fully-governed authority, Somaliland was not recognised as an independent country to dissuade similar secessionist movements, until Israel stepped in.

The fleet-footed and transactional outlook in Israel seized upon an opportunity to press on a topical possibility. Tel Aviv saw the larger shifting Red Sea security threats (with Houthis across the Yemeni mainland on the other side of the Red Sea), strategic competition in the Horn of Africa amongst extremist forces, and the diplomatic

and economic desperation of the Somaliland regime.

In return, the Somaliland government saw the reciprocal returns of sovereign legitimacy, security, geopolitical and economic support from the Israelis. A win-win of sorts, if both Israel and Somaliland could put aside the naturalness of conflict that could be expected from any hardline Islamic country like Somaliland and Israel.

Such a move would have the covert approval of the United States of America given the strategic positioning of Somaliland (overlooking the opening of the Red Sea, especially as the US navigates issues in the Straits of Hormuz, in the Persian Gulf).

The US can ill afford compromise of yet another maritime chokepoint and would rather have the whispered Israeli base (or infrastructure of some sort) in Somaliland rather than have the likes of Yemeni Houthis, Al-Shabaab, or even the expansionist Chinese (who have a base in neighbouring Djibouti) control the region.

Somaliland not only exposes the limitation of religion as a basis of nationhood. It actually shows the power of economic desperation, aspiration and recognition (for the Somaliland regime), and the power of economic-military investments along with some tactical compromises (e.g. Somaliland is a Sharia-run country) in order to fructify larger benefits. Israel had to overlook its constitutional position as a puritanical power.

Now, the preachy concerns of Ummah powers like Saudi Arabia, UAE, Kuwait or even Pakistan, seem rather rich and contradictory, as they too have will-nilly supported the US-Israeli cause against a co-religious Iran, by pursuing the 'Abraham Accords' and by effectively forsaking the Palestinian cause. If anything, opportunism has been birthed by most Ummah major powers, and Somaliland is only the natural consequence of that sensibility.



BHOPIINDER SINGH

The writer is Lt Gen PVSM, AVSM (Retd), and former Lt Governor of Andaman & Nicobar Islands and Puducherry

PHILIPPINE DAILY INQUIRER

A timely call to end red-tagging

Overlooked amid reams of copy and headlines on Senate shenanigans over the past three weeks was the Commission on Human Rights' (CHR) call for an end to red-tagging, the "pattern of labeling individuals and groups as 'communists,' 'terrorists,' or 'enemies of the state,' often without due process and through public and online platforms."

The CHR's call was drawn from its 2025 National Inquiry on the Current Situation of Human Rights Defenders in the Philippines with a Focus on Incidents of red-Tagging, a follow-up to a similar inquiry it conducted in 2019. Six years on, red-tagging still persists, the commission noted. The practice, it added, "exposes individuals to threats, harassment, and violence, and may serve as a precursor to grave human rights violations, including arbitrary detention, enforced disappearances, and extrajudicial killings."

Most affected are "journalists, lawyers, students, labor leaders, indigenous peoples,

and community organizers engaged in advocacy and civic work, as well as those voicing legitimate dissent on government policies," the CHR pointed out.

Indeed, in the April 19 alleged encounter between the military and communist rebels in Toboso, Negros Occidental, several fatalities - students and researchers and a community journalist - were identified as combatants and red fighters by the military, with Defense Secretary Gilberto Teodoro Jr. maintaining that all 19 killed in the incident were "armed" rebels and not civilians based on the soldiers' accounts.

Rights groups, however, have challenged this official version, demanding evidence and photos to back up the military's claims.

They include Zara Alvarez, a legal worker for the rights group Karapatan, who was shot dead in Bacolod in August 2020. In what became known as "Bloody Sunday," nine labor and rights activists were killed

in military raids across the Calabarzon region in March 2021.

Support the construction of an architectural marvel that will inspire devotion and spirituality for generations to come. Three most wanted persons in the Ilocos Region, including a schoolteacher, were apprehended by the police in separate law enforcement operations Thursday. Similarly gunned down after being Red-tagged were Bayan Muna coordinator Jory Porquia in Iloilo in April 2020, and environmental activist Bernardino Patigas in Negros Occidental in April 2019. Judges, too, were targeted, including Judge Monique Quisumbing-Ignacio of the Mandaluyong Regional Trial Court (RTC) and Judge Marlo Magdoza-Malagar of the Manila RTC in 2021 and 2022, for their rulings that favored red-tagged defendants.

Such lethal abuse of authority prompted the Supreme Court to formally declare that red-tagging, vilification, and guilt by association constitute a clear threat to a

person's right to life, liberty, or security in a landmark ruling in May 2024.

This judicial pushback is not enough, however, as other government agencies continue to red-tag critics to discourage dissent, with the National Task Force to End Local Communist Armed Conflict receiving a hefty budget: P8.08 billion in 2026, in stark contrast to the proposed P1,000 budget for the CHR in 2017.

The Commission on Audit has repeatedly flagged the task force, however, for its perennial underutilization of funds and inability to undertake projects to fulfill its mandate of clearing barangays of insurgency through development projects.

Despite the high court's action, there is no specific law defining or penalizing red-tagging as a distinct offense, nor is there government policy banning it, the CHR noted. Such limitation has resulted in fragmented protection and barriers to access to justice, compounded by challenges such as impunity and the misuse of legal processes, the agency added.

Letters To The Editor | ✉ editor@thestatesman.com

Change of guard

Sir, The resignation of Karnataka Chief Minister Siddaramaiah and the likely elevation of Deputy Chief Minister D.K. Shivakumar mark a significant political transition in the State.

While leadership changes within political parties are not uncommon, the manner in which the Congress high command has handled this transition appears aimed at preserving internal stability and preventing prolonged factional conflict.

Siddaramaiah's contribution to Karnataka politics, particularly his efforts in building the AHINDA social coalition and his long administrative experience, cannot be overlooked.

His statement that he would continue to fight communal forces while remaining active in State politics reflects his enduring influence within the party and among sections of the electorate.

At the same time, the transition presents

major challenges for the incoming leadership. Cabinet formation, balancing caste and regional representation, and accommodating competing aspirations within the Congress will require political maturity and consensus-building.

Any perception of sidelining Siddaramaiah's loyalists could create internal instability at a time when governance and development demand continuity.

Recent political developments across several States have shown how unresolved leadership struggles can weaken governments and damage party unity.

This time, the Congress leadership appears to have acted in advance to avoid a prolonged internal crisis.

The people of Karnataka would now expect the new leadership to move beyond factional politics and focus on governance, economic growth, welfare commitments, and social harmony.

Yours, etc., Vidyasagar Reddy Kethiri, Hanamkonda, 29 May.

Pragmatism

Sir, Your edit "Cuban reckoning", published today, correctly warns against assuming economic collapse will trigger political collapse, but it understates a harder truth: the Cuban regime's institutional control is not a static asset.

It erodes as fuel shortages ground police patrols, blackouts disable communications, and military managers oversee empty factories. Control without delivery is a wasting asset. Washington's real leverage isn't indictments or exile politics - it's enabling partial normalisation that rewards step-by-step opening, not humiliation.

The pragmatic path is neither regime change nor passive waiting. Offer calibrated relief on remittances, internet infrastructure, and agriculture in exchange for verifiable private-sector expansion and judicial independence for small enterprise.

Let exhaustion, not explosion, drive transition. Cuba won't fall like the USSR.

But it can walk towards Vietnam's model if the US stops demanding conversion and starts rewarding movement. The goal isn't victory. It's a habitable exit from stagnation.

Yours, etc., K. Chidanand Kumar, Bengaluru, 27 May.

Bus services

Sir, Post Covid, the operators of many mini bus services in the Behala area have been compelled to close services. It is assumed that this has happened due to their inability to service bank loans or other financial burdens on the owners. The previous government had interest in festivities and unproductive activities without thinking about the common man.

We, the senior citizens, face extreme difficulties to commute. We therefore request the present dispensation to look into the matter.

Yours, etc., Subrata Ranjan Das, Kolkata, 29 May.



India counters Turkey

HARSHA KAKAR

In February 2023, when Turkey and Syria faced a devastating earthquake, which killed almost 52,000 people, India was amongst the first countries to respond. India launched 'Operation Dost' where it deployed a field hospital and sent tons of relief material, hoping to change Indo-Turkey relationship. Indian rescue teams worked around the clock pulling survivors from rubble.

The Turkish ambassador thanked India for its support and for some time President Recep Tayyip Erdoğan stopped his anti-India tirade. PM Modi also met him on the sidelines of the G20 summit in Delhi in September the same year and they discussed enhancing trade ties. Simultaneously, Turkey was seeking to challenge Saudi Arabia for leadership of the Islamic world and hence moving closer to Pakistan.

With the passage of time, everything went back to the way it was and Turkey's statements on Kashmir and support to Pakistan again eroded ties. Turkish media continuously played out anti-India narratives. The turning point was when it, alongside Azerbaijan, backed Pakistan with military and diplomatic support during Operation Sindoor. Pakistan used Turkish drones and missiles, none of which were successful.

The result was an Indian boycott of Turkey and Azerbaijan. Tourism from India, among the largest to Turkey, and a major revenue earner, dropped drastically. Cancellations surged, destination weddings were called off, Indian universities severed ties with Turkish counterparts and e-commerce platforms felt compelled to drop Turkish brands. Indian tourist spending in Turkey and Azerbaijan was USD 400 million

in 2024, which has since reduced substantially.

Simultaneously, India moved to challenge both Turkey and Azerbaijan. Armenia, Azerbaijan's adversary and the nation standing against the Pakistan-Turkey-Azerbaijan axis, began procuring Indian and French military equipment. In its recent Republic Day parade in Yerevan, Armenia showcased new military equipment now deployed in the country as a counter to Azerbaijan.

The equipment includes Pinaka multi-barrel rocket launchers, Swathi weapon locating radars, Akash air defence systems and multiple 155mm guns. These are amongst the most powerful weapon systems in the world. Azerbaijan had objected repeatedly to India and France over sale of military equipment to Armenia, which both nations ignored. India is now playing a similar game in Turkey's backyard, causing panic in Ankara. Turkey has long standing disputes with Greece and Cyprus. With Greece it is over the Aegean Sea and Eastern Mediterranean, largely involving territorial waters and airspace, based on Turkey's 'Blue Homeland Doctrine.' With Cyprus, it is over splitting of the island following a military invasion which created the Turkish Republic of North Cyprus in 1974, currently only recognized by Turkey.

India is moving closer to both Greece and Cyprus. The recent visit of Cyprus President Nikos Christodoulides to India led to both nations upgrading their relationship to a Strategic Partnership. Six MOUs were inked which included a Roadmap for Defence and Security Cooperation (2026-2031). The roadmap, apart from opening sale of defence equipment, also includes maritime security, cybersecurity, intelligence

coordination and other aspects. India considers Cyprus a 'gateway' into Europe's security architecture.

India and Greece had already elevated their ties to a Strategic Partnership in August 2023. Their defence minister visited India in February this year and what emerged was a Joint Declaration of Intent which covered co-production, co-development, and potential export of defence equipment. While Greece is a member of NATO, Turkey's veto has ensured Cyprus can never be a member, though it is a part of the EU, which Turkey is not.

While both nations can procure military equipment from India, Greece is restricted by its equipment interoperability with NATO and has traditionally relied on US and European allies. Greece has placed a Liaison Officer at the Information Fusion Centre-Indian Ocean Region in Gurugram. The visit by Indian ships for joint exercises in both Cyprus and Greece imply Indian military power is present at the doorstep of Ankara.

Cyprus displayed interest in procuring India's Brahmos missiles and kamikaze drones like Nagastra-1 and SkyStriker. There is a possibility that equipment procured by Cyprus could be deployed in Greece. The induction of sophisticated weaponry from India into the Eastern Mediterranean, Turkey's backyard, could change the balance of power of the region. While no deals have been announced yet, it is evident that these are on the cards.

Turkey had always believed it could challenge India with no consequences. It backed Pakistan on Kashmir, provided arms and missiles not expecting India to hit it back in its own backyard. Cyprus is Turkey's greatest geopolitical instability. Any military partnership with Cyprus is a matter of concern.



Cyprus is surrounded by Turkey, Greece and Israel, alongside Mediterranean energy routes. A strong Cyprus challenges Turkey's plans for dominating the Eastern Mediterranean, which it considers its backyard. Turkey's relations with Israel are currently fraught and an added headache would be Cyprus with missiles.

India's intervention in the Eastern Mediterranean is a clear message to Turkey; you desist from your actions in South Asia if you desire to maintain peace in your neighbourhood. The same message flowed to Azerbaijan with India arming Armenia. The military balance between Azerbaijan and Armenia is no longer one-sided favouring Azerbaijan. Things will soon change in Turkey's neighbourhood. Indian ships would be visiting ports in Cyprus and Greece, and Indian armed forces would be conducting joint exercises with both nations.

Turkey is facing economic problems and its insecurity is on the rise. It is at this time that India is moving powerful military equipment into the region to nations which are a

challenge to Turkey's domination. There is little Turkey can do. It is aware that its objections are meaningless for India, especially after the way it acted post Indian support in Operation Dost.

While many in Ankara advocate that Turkey challenge India by supplying Pakistan with more military equipment, they fail to realize that Turkey cannot provide it without payment and Pakistan lacks funds to pay. A better option would be to approach India seeking a quid pro quo, though it is unlikely that India would accept. Trust between the two nations has eroded. India is now paying Turkey back in the same coin.

The possibility of a sale has already shaken Ankara; what happens when it is delivered can be imagined. The firmest message of intent which India could convey is by providing Cyprus with a line of credit to procure the Brahmos missiles. India is no longer pushing its soft power but directly intervening in regions which display an anti-India stance.

(The writer is a retired Major-General of the Indian Army.)

100 Years Ago



Front page of The Statesman dated 02 June 1926

OCCASIONAL NOTE

COUNT MAYEDA, the Japanese representative at Geneva, has been explaining in an interview why Japan cannot ratify the hours convention. We use the word "explaining" without accepting it, for anything more vague than the reasons offered by the Count it would be difficult to formulate. "Japan," he says, "cannot ratify conventions on the Indian basis." But why not? A mere assertion that working hours in the cotton mills in Japan are not in practice longer than those in India carries no conviction. Statistically they are much longer, and until it is demonstrated that an hour in Japan is a less period of time than an hour in India the world will continue to believe that the Japanese mills work longer than the Indian mills. The fact that Japan can import raw cotton from India, work it up, and sell the product, after paying a tariff duty, against Indian manufactures from the same raw material is not to be got over by suggesting that the Japanese working conditions are really on a level with those of India.

News Items

STRIKE FAILURE

LEADERS' CONDEMNATION OF TACTICS

(BRITISH OFFICIAL WIRELESS.)

RUGBY, MAY.

ONE of the most noteworthy sequels to the collapse of the recent general strike is the condemnation of the strike by leaders of the Labour Party.

Mr. Ramsay MacDonald, writing in a weekly newspaper says: "We are not likely to hear much more of a general strike as an effective industrial weapon. No community will ever allow a general strike to succeed in the sense that it shall bring the community into subjection, and all our recent developments in mobilisation, in propaganda and in road transport have completely changed the tactics of industrial fighting if the unions would only see it. The strike is, as it has always been, a cruel if necessary weapon. But the idea has grown up that by adding strike to strike, and by forming fighting alliances of unions justice will be done more swiftly and surely. That was how combined Labour thought to make a great and successful effort, but the country will not have it. Let the Trade Unions face the facts."

DICTATOR FOR PORTUGAL

FOUR REVOLUTIONS IN 12 MONTHS

(SPECIAL CABLE.)

LONDON, MAY.

PORTUGAL'S fourth revolution within twelve months and the twenty-fifth since King Manuel was overthrown, has ended in the establishment of what is practically a military dictatorship, making the fifth now in Europe, the others being Italy, Spain, Greece, and Poland.

News from Lisbon is meagre but apparently the coup was accomplished without firing a shot. Da Silva's Government was taken by surprise. After issuing the usual communiqué on Saturday that the Government was controlling the situation it had to admit later that the revolutionaries were marching on Lisbon and that it was impossible to send Government troops to check their advance as the railways refused to transport them.

In a proclamation General Da Costa, Commander of the Portuguese troops in France during the War, who started a revolt at Braga, says the movement is intended to save the country from politicians who are ruining Portugal. Cabeadas, who is very popular in the Navy, headed the revolt last July.— Copyright.

NANKING INCIDENT

FAILURE OF BOYCOTT ATTEMPT

(Special Cable.)

PEKING, MAY.

A DISPUTE between coloured sailors of British nationality and rickshaw coolies occurred at Nanking. An intoxicated Indian sailor wounded a Chinese coolie with a pistol. This led to an anti-British demonstration, and an attempt to instigate a boycott was made, but vigorous measures by the Chinese authorities scotched the movement.— Copyright.

When development becomes defence

SIDDHARTH ROY

For much of independent India's history, border security has been viewed primarily through a military lens. The focus has understandably been on troop deployment, surveillance, fencing, and infrastructure designed to deter external threats. While these measures remain essential, the changing nature of national security demands a broader perspective.

In the twenty-first century, secure borders are not created solely by soldiers and security installations. They are also strengthened by thriving communities, economic opportunities, modern infrastructure, and effective governance. India's frontier regions must therefore be viewed not merely as lines of defence but as engines of strategic development.

India shares more than 15,000 kilometres of land borders with seven countries. These frontier regions encompass some of the country's most challenging terrain, from the high-altitude deserts of Ladakh to the dense forests of the Northeast and the riverine boundaries of eastern India. Historically, many border districts remained economically underdeveloped due to difficult geography, limited connectivity, and inadequate public investment. As a result, large sections of India's frontiers came to be characterised by sparse populations, weak infrastructure, and restricted economic activity.

Such conditions create vulnerabilities that traditional military measures

alone cannot address. Security challenges in border areas often arise not merely from external threats but from the absence of development. Poor connectivity, limited employment opportunities, inadequate healthcare facilities, and weak educational infrastructure can contribute to migration away from border villages. When populations decline in strategically sensitive regions, the state's presence becomes less visible, economic activity diminishes, and vulnerabilities can increase.

The concept of border development as a component of national security is therefore gaining greater relevance. The underlying logic is straightforward. Communities that are economically secure, socially integrated, and well-connected to the national mainstream contribute significantly to territorial stability. Residents of border regions often serve as the country's first line of awareness regarding developments along the frontier. Their continued presence and prosperity strengthen national resilience in ways that military infrastructure alone cannot achieve.

The importance of this approach has become particularly evident in India's northern and northeastern regions. The border tensions witnessed in recent years have highlighted the strategic value of roads, bridges, tunnels, telecommunications networks, and air connectivity. Modern military operations depend heavily on logistics and mobility. Infrastructure that supports civilian development frequently enhances defence

preparedness as well. A road that facilitates trade and tourism can also improve military deployment capabilities. Telecommunications networks that connect remote villages can simultaneously strengthen surveillance and emergency response systems.

This recognition has informed several recent policy initiatives. Programmes aimed at improving border infrastructure and revitalising frontier villages reflect a growing understanding that national security and development are interconnected objectives. The Vibrant Villages Programme, for example, seeks to improve living conditions and economic opportunities in strategically important border settlements. The goal is not merely to prevent outmigration but to transform these areas into vibrant communities that contribute to regional and national development.

The Northeast offers an instructive example of this evolving approach. For decades, the region was viewed through the prism of insurgency and security concerns. Today, however, policymakers increasingly recognise its potential as India's gateway to Southeast Asia. Investments in highways, railways, airports, digital connectivity, and cross-border trade infrastructure are reshaping the region's strategic significance. Security remains important, but it is increasingly complemented by efforts to promote economic integration and connectivity.

A similar transformation is occurring in other frontier regions.

In Ladakh and Arunachal Pradesh, infrastructure development has accelerated significantly in recent years. Improved roads, tunnels, and communication systems not only strengthen defence capabilities but also enhance the quality of life for local populations. These investments demonstrate that strategic preparedness and developmental objectives can reinforce one another.

The changing nature of global security further strengthens the case for a development-oriented approach. Contemporary threats often transcend traditional military boundaries. Cross-border crime, illegal migration, narcotics trafficking, cyber vulnerabilities, and information warfare require comprehensive responses involving multiple institutions. Border management is no longer the exclusive responsibility of security agencies. It increasingly involves civil administration, local governments, infrastructure planners, and development agencies.

Economic integration also plays an important role in long-term security. Border regions that benefit from legitimate trade and investment are often more resilient to illicit activities. Enhanced connectivity with neighbouring countries can generate employment, encourage entrepreneurship, and strengthen regional stability. This does not diminish the importance of vigilance; rather, it highlights the need for a balanced strategy that combines security measures with economic opportunity.

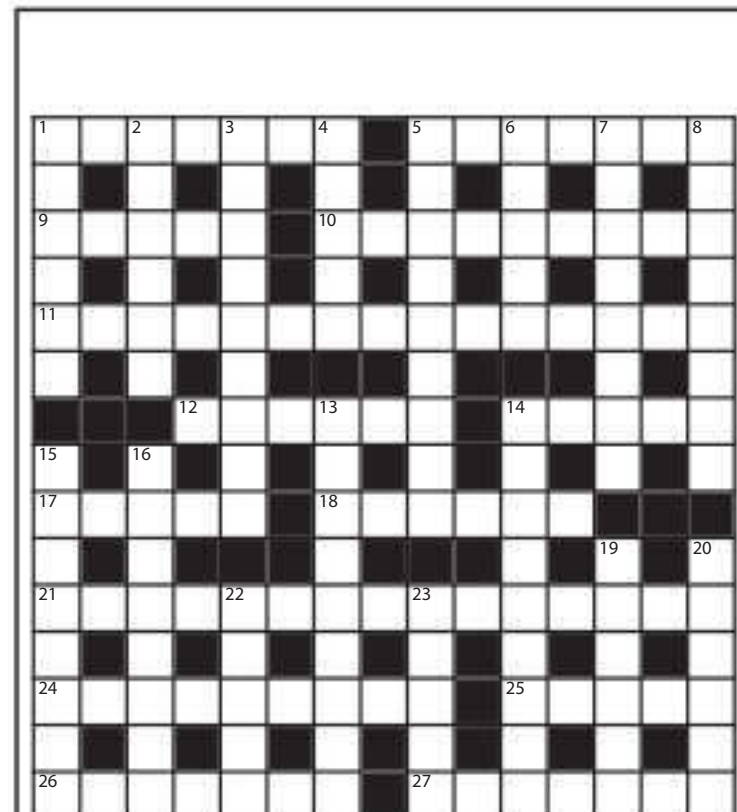
However, development initiatives must be implemented thoughtfully. Infrastructure projects should respect environmental concerns and local cultural identities. Frontier communities should be active participants in development planning rather than passive recipients of centrally designed programmes. Sustainable growth requires consultation, inclusion, and sensitivity to regional realities.

The future of India's border security lies in integrating defence and development into a coherent national strategy. Military strength will always remain a vital component of frontier management, particularly given the country's complex geopolitical environment. Yet security cannot be sustained indefinitely in regions that lack economic vitality and social opportunity.

India's border areas should no longer be seen as remote outposts at the margins of national life. They are strategic assets with the potential to contribute to economic growth, regional connectivity, and national resilience. By investing in people as well as infrastructure, and in development as well as defence, India can transform its frontiers from zones of vulnerability into pillars of strength. In an era of evolving security challenges, that may prove to be the most effective form of border defence.

(The writer is a civil engineer, a consultant to the Rashtriya Raksha University, and a contemporary affairs commentator. The views are personal. He can be reached at siddharth01roy@gmail.com)

Crossword | No. 293478



Yesterday's Solution



NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

ACROSS

- 1 Pavarotti's OK in an opera house (7)
- 5 A bit of help: one across is a house (7)
- 9 City sandwich shop that's hot inside (5)
- 10 Alien on film set, flipping good on camera (9)
- 11 Layoffs at lab not fixed, pretend management (7,8)
- 12 Tiny couple twists at the end of dance (6)

- 14 Go over teacher's negative feedback (5)
- 17 Spent nothing out, presumably (3,2)
- 18 Watch part of victory turning bloody (6)
- 21 With one weak card, holding busted flush, going 17 on that? (7,8)
- 24 Water for shower artist stored remotely? (4-5)
- 25 Bishop abandons tall ladies in low dome (5)
- 26 Cover point, he catches Cook (7)

- 27 Seeing father on telly, moan in front of him (7)
- DOWN
- 1 Position in which half of Russian jets take off (3-3)
 - 2 Stretched hose only sprayed neighbours' borders (6)
 - 3 Fake barrier doesn't open (9)
 - 4 _ora B_? Completing it would be smart (5)

- 5 When kids knock, greeting tiny one in the middle (9)
- 6 Coming soon, time when the earth cools (5)
- 7 Burning dinner, daughter cuts very hot potato (8)
- 8 Face covered in spots, sun not caring (8)
- 13 New locum changed drug, accepted reluctantly (9)
- 14 Decontamination caught scrawny rat (9)

- 15 Risk rows again holding up fuel production line (8)
- 16 Cycling loses its attraction, maybe halstones pepper ground (8)
- 19 Lodging suit finally after libel spread (8)
- 20 Antique silver Eros lady displayed in odd locations (3-3)
- 22 Newspaper covers one aspect (5)
- 23 Region of Pluto in darkness with sun going down (5)



INTERNATIONAL EDITORIALS



The FT View



FINANCIAL TIMES

"Without fear and without favour"

ft.com/opinion

England's treatment of vulnerable children is a scandal

Care system is warped by incentives that put helpless young people at greater risk

England is failing its most vulnerable children. FT reporting has found that hundreds of adolescents – often with complex emotional and physical needs – are being placed by local authorities in unregistered private homes, where they can face negligent care, unsafe living conditions and exploitation by gangs. To stop more children being put in harm's way, the government urgently needs to confront the pressures and incentives that are leading to dire outcomes in the children's care system.

Local councils are legally responsible for children who have been removed from their families due to abuse or neglect. Around 80,000 are currently in their care. However, many lack the funding and expertise to support them, particularly while under pressure to

deliver other public services. At the same time, foster care placements have become increasingly difficult to secure – the number of foster carers has fallen 12 per cent since 2019. This means more children are being placed in institutional homes, the vast majority of which in England are run by private providers.

The rising demand for children's care has meant the sector regulator Ofsted has been overwhelmed by applications to open new homes, which it cannot vet fast enough. The demand has also enabled providers to command high fees from local authorities, averaging £384,020 per child a year and even topping rates of £3m for high-risk needs. The lucrative market has in turn attracted inexperienced, opportunistic investors including private equity firms, Airbnb landlords and even hairdressers. Many homes are concentrated in less densely populated regions, where lower property costs can boost profit margins.

Under mounting pressure, councils have resorted to placing children in

unregistered homes. In 2024-25, there were 680 such placements, almost five times the number recorded four years earlier. The human cost is immense. Children can be exposed to cowboy carers, and left in shoddy housing, often hundreds of miles away from friends, family and schools. The financial toll is high, too. Overall, the government spends £3bn a year on children's homes, and outlays are rising.

There are no easy solutions. Nationalisation would be costly and no panacea: councils and charities did play a greater role in children's housing in England in the recent past, but the sector was still troubled by abuse scandals and inefficiency. In Wales, a ban has been placed on new for-profit children's homes. But in England there is legitimate concern that discouraging private providers would put too much funding pressure on authorities and the charitable sector. Regardless of who runs the homes, the quality of care should be paramount.

As a starting point, Ofsted's capacity

Rising demand for places has enabled providers to command high fees from local authorities. The lucrative market has in turn attracted inexperienced, opportunistic investors

to approve credible housing applications, make inspections and fine operators for running unregistered properties ought to be expanded. Regulations should be reviewed to ensure they guarantee safe care. Indeed, care can fall below standards in registered housing, too. Planned powers allowing ministers to cap excessive profits may help shift the sector's focus away from extracting returns and back towards delivering the best care. Reducing unnecessary barriers for prospective foster families would help ease pressure on institutional housing. Stronger central co-ordination is also needed to address patchy national coverage and skills shortages.

England's treatment of its most at-risk youth is a national embarrassment. Ministers cannot allow children failed by their families to remain trapped in a care system shaped too heavily by profiteering and people without relevant expertise. After all, how a society treats its most vulnerable is ultimately the clearest measure of its humanity.

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Opinion US politics

There can only be one President Trump, forever



Circumstances pertaining to government". Those four quietly devastating words were the ones the president chose to use as his excuse for not attending Donald Trump Jr's second wedding last weekend. Oh, and his "love for the United States of America" (no mention of his love for his eldest son on Truth Social).

Trump Sr could have easily come up with a proper excuse for not being able to make it. Even if he really did have some urgent "circumstances pertaining to government" to attend to, he could have expressed a bit more regret at having to miss such a milestone. Instead this seemed like an assertion of his own supremacy over his son.

This was not the first time the president had publicly expressed his lack of interest in his namesake's nuptials.

It seems Don Sr is getting jittery about the idea of giving up his throne – not to his son; not to anyone

"Uhh, he'd like me to go," Trump said, cuttingly, a few days earlier. "I said, you know, this is not good timing for me. I have a thing called Iran, and other things."

Duh, Donnie. Remember that thing called Iran? Though as Trump continued, it was clear this was more about optics than the war itself. "That's one I can't win on. If I do attend, I get killed. If I don't attend, I get killed. By the fake news, of course, I'm talking about."

Sure, sure. Because we can all imagine the "fake news" crucifying the president for spending a few hours of his Saturday attending his own son's wedding rather than, say, playing golf, as his official schedule shows he had done the previous three weekends.

Unusually for someone so obsessed with other people's good looks, Trump couldn't even bring himself to say anything nice about Don Jr's new former-model wife Bettina during the briefing. "He's, uh, got a very, uh, person who I've known for a long time, and hopefully they're going to have a great marriage."

Why so uncharming? Had he discovered that his new daughter-in-law's late father, who was Jeffrey Epstein's personal banker, once described the late child sex offender as "a gentleman of the highest integrity"?

Maybe. But the snub seemed – particularly in the context of recent reports that Amazon is considering asking Don Jr to lead a reboot of *The Apprentice*, and the fact he is being mentioned as a possible 2028 presidential candidate – to be more about making sure his son knows his place.

"Don't go getting any ideas," seemed to be the subtext. "I'm the only Trump around here who is ever going to be turned into a 22-foot golden statue."

The president seems to have little respect for his children's brainpower – his eldest in particular, whom he reportedly once described as "not the sharpest knife in the drawer". And this isn't the first time that Trump has appeared to think Don Jr was getting a little too big for his Maga cowboy boots. Back in 2016, when Don was touted as a potential candidate for Fox News presenter Sean Hannity: "I don't think that'll happen."

"I think he does have a particular animus against Donnie," Trump's niece Mary Trump told me over the phone. There was a significance, she said, to Don Jr being the eldest boy and not measuring up to family expectations. Her father Frederick Trump Jr, Donald's brother who died at the age of 42, had also been the eldest son.

But for Trump, this seems to be about more than just feeling his children are not serious people. With less than two-and-a-half years to go before America decides on a new president, if democracy holds, it seems Don Sr is getting jittery about the idea of giving up his throne – not to his son; not to anyone.

In the same week as the wedding, he snubbed his vice-president JD Vance in a *Fortune* interview by failing to describe him as a good potential successor despite his actually being in the room at the time. Earlier last month, he had also embarrassed Vance by carrying out an impromptu poll of a Rose Garden audience, asking whether they would prefer him or Marco Rubio as president (the *Boston Globe* reported that Rubio received more applause).

"At a very basic level it's just a very authoritarian tactic: you constantly humiliate people in your inner circle, people who would challenge you," Mary Trump told me. "But the thing about Donald is he can't imagine anything existing beyond him... and once he considers his successor, that means admitting that he is not going to continue in perpetuity."

The very discussion of what comes next seems to be an unacceptable affront to the man's ego. There can only be one President Trump. And, as is clear from his golden statues and his gilded ballrooms and his "jokes" about still being in power in 2032, he is going to live forever.

jemima.kelly@ft.com

Letters

Why oil exporters now risk a bout of Dutch disease

Jean Paul Prates is right to highlight the nasty hangover looming for many state-owned oil companies and their governments – even as they surf the revenue wave generated by the closure of the Strait of Hormuz ("Today's windfall is a warning for state oil companies", Opinion, FT.com, May 26).

Our research on Azerbaijan suggests that the boom-bust cycles of commodity markets warp the very economic fundamentals of countries dependent on commodity revenues to fund public services, welfare and infrastructure investment – the so-

called Dutch disease. They amplify macroeconomic volatility and complicate long-term policy planning. Without well-designed fiscal rules to smooth public spending, government oil revenues – and public spending and investment – swing wildly; boosting growth in the good times and strangling it when oil prices fall.

Too many of these countries lack the sort of fiscal framework needed to reap the full economic and societal benefits of the energy bonanza we are witnessing right now.

Additionally, in oil-exporting countries with floating exchange rates,

booming oil revenues send the local currency higher – eroding the competitiveness of the country's other sectors, including manufacturing, tourism and agriculture. This is another impediment to the long-term economic diversification and stability Prates calls for.

Conversely, in oil-exporting countries with fixed or managed exchange rate regimes, central banks often intervene in foreign exchange markets, purchasing foreign currency to limit the domestic currency's appreciation.

If these inflows are not carefully

managed, for example by saving oil revenues in sovereign wealth funds or issuing government bonds to absorb excess liquidity, they can fuel inflation and push up the real value of the currency.

It is to be hoped that the governments joyfully welcoming the current cash inflow are breaking with habit and investing it in the diversified future that your columnist sets out.

Elisabetta Pellini
Senior Lecturer and Co-Director of the Foundation Year; Research Fellow, Centre for Econometric Analysis, Bayes Business School, London ECL, UK

Japan offers EU a template for how to deal with China

Jessica Chen Weiss makes a credible case for a US-China "cold peace" (Opinion, May 16). As a tech investor based in Berlin, where supply-chain exposure to China is a daily reality across our portfolio, the European reading of the same moment has to be different. Our calculus is harder, and the conclusion is not a choice between engagement and sovereignty but a careful dance between the two.

The asymmetry starts with the numbers. China supplied 98 per cent of EU solar module imports in 2024 and roughly 90 per cent of lithium-ion battery imports in 2025. In Germany, eight out of every 10 solar inverters are Chinese. Almost all of Europe's rare earths are sourced from China.

Around 45 per cent of the active pharmaceutical ingredients consumed in Europe originate from China. China is the world's largest robotics market and a net exporter of industrial robots since 2025; Kuika, Germany's flagship robotics company, has been Chinese-owned since 2016.

When the German foreign minister sought to visit Beijing last October, only one meeting was confirmed and the trip was postponed. The US can hedge. Europe has less room to do so.

That does not make closer ties a no-brainer. Recoupling in batteries and EVs, where Chinese cost and capability are unmatched this decade, has to come with binding local ownership, IP transfer and labour participation. Without those conditions, partnership becomes dependency under another name.

The harder work is what Europe builds underneath engagement. Japan offers a template: after Beijing's 2010 rare-earth embargo, Toyota, Nidec Corp and Nedo, Japan's largest public management and R&D agency, funded a sustained programme into rare-earth-free electric motors, producing not full substitution but real optionality.

Europe needs the equivalent across critical mineral refining and recycling, a credible inverter manufacturing base, and consistent use of reciprocity tools where Europe still has leverage. The 2025 medical devices procurement decision under the International Procurement Instrument trade tool demonstrated this.

What this moment requires from Europe is entrepreneurial ingenuity, not sentimental partnership or decoupling. Engage where Chinese capability is decisive. Build strength underneath through technology, infrastructure and selective ruthlessness. The two tracks are not alternatives. They are the same strategy.

Nick de la Forge
Co-founder and General Partner, Planet A, Berlin, Germany



Particles from burnt-up satellites can deplete the ozone layer for decades

London's resilience and growth are its main assets

Delphine Strauss's exploration of London's economy (The Big Read, May 20) captures a sentiment felt in many global capitals as they navigate continued geopolitical instability.

However, to suggest the city is simply fading is to miss a more profound evolution of its economic character.

London has not lost anything. Rather, over the past decade, there has been a clear move away from its reliance on the shopping, entertainment, and cultural district of the West End towards a more resilient, citywide network of innovation hubs.

Last year, the UK's AI sector pulled in a record £8.3bn in investment, near-trebling the previous year's total, with the vast majority of that capital and talent anchored in London. Few global cities can rival the scale of this distributed ecosystem. The recent decision ("Stammer courts AI group Anthropic", Report, April 6) by Anthropic, the US AI start-up, to establish a major base in London, alongside the density of the Knowledge Quarter, the explosion of life sciences across the capital, and the creative-tech engine seen on the Queen Elizabeth Olympic Park, through the likes of the Here East innovation and creative hub/campus and the East Bank cultural quarter proves that the world's most advanced companies view our distributed ecosystem as their primary springboard for global expansion.

Successful global shocks have undoubtedly created challenges, but London's resilience and growth remain its greatest assets. We should be wary of confusing a change in the city's rhythm with a decline in its pulse. The latter is simply not true.

Gavin Poole
CEO, Here East London, London E15, UK

Australia's voting system has a lot to recommend it

I read Martin Wolf's column warning that the UK's first-past-the-post electoral system cannot handle the new era of multi-party politics ("We need to protect Britain against the tyranny of the minority", Opinion, May 11) with great interest, and some trepidation.

Three reforms that would help insulate the UK against such tyranny can be borrowed from the Australian political system. First, preferential voting. Second, compulsory voting, and third, holding elections on a Saturday.

Preferential voting ensures a radical party with 30 per cent of the vote can never win power if the remaining 70 per cent mostly cast preferences against them. The radical party might get to 35 or 40 per cent on preferences, but would struggle to attract a preferential majority vote of 50 per cent plus one, thereby denying them seats and power.

Compulsory voting ensures that there is no need to rally voters with a "get out the vote" drive, as in the US, and so the extreme appeals used to motivate the less engaged voters become redundant.

Importantly, it is not compulsory to vote, only compulsory to have your name checked off at the polling booth. How you vote, or don't, is your affair. Saturday elections, to me, are an absolute no brainer and I am astonished it is not universally accepted as the best day to hold elections.

I understand the probability of these reforms being adopted soon in the UK is virtually nil, as the first was rejected not so long ago. Nevertheless, we can live in hope. Onwards and upwards.

Andrew Catsaras
Narooma, NSW, Australia

Pope's AI warning makes the most basic point of all

As Karen Kornbluh, director of the national AI office under President Joe Biden, points out in her timely contribution, there is indeed an accountability issue in connection with how AI is now being marketed.

It is serving some interests, but is also in danger of undermining the main props in the balance of economic rights and responsibilities that has been so vital to our economic model ("The way to close AI's accountability loophole", Opinion, May 28).

In this respect, I welcome the intervention of His Holiness the Pope ("Pope says AI needs to be 'disarmed' in warning over tech's 'idolatry of profit'", Report, May 26).

He has made the most basic point of all, namely that human intelligence is indeed integral to humanity.

How could it not be?
Lord Lea of Crondall
Crondall, Hampshire, UK

The burn-up of satellites is threatening our biosphere

SpaceX's flotation may be the largest in history and make Musk the world's first trillionaire ("SpaceX's value will hinge on assumptions as IPO looms", Lex, May 22).

It may also mark the moment we decided to conduct a large-scale chemical experiment on the ozone layer, risking rendering the planet uninhabitable in exchange for faster broadband speeds.

The company has launched more than 11,000 Starlink satellites. Each lasts roughly five years before it is deorbited to burn up. That incineration is far from clean; it leaves fine aluminium oxide particles high in the upper atmosphere.

A 2024 study from the University of Southern California, published in *Geophysical Research Letters*, found these particles can linger for up to 30 years before drifting into the stratosphere, where they catalyse chlorine reactions which destroy the ozone. Because they are not consumed, a single particle keeps depleting the ozone for decades, threatening to reverse the recovery enabled by the Montreal Protocol, starting an irreversible trend.

SpaceX is authorised for some 12,000 satellites and has filed for tens of thousands more. Before this constellation doubles and doubles again, has anyone properly counted the cost to the biosphere we all depend on? Or is the plan simply that we move to Mars?

Howard Radley
London NW6, UK

SpaceX's total addressable market – it's pure cobblers!

Richard Waters' Business Insight piece describes how "SpaceX's listing boldly steps into the unknown of AI economics" (Opinion, May 29).

According to the prospectus, the company projects a total addressable market (TAM) of \$28.5tn. I used a shoe manufacturer's example to interpret what a \$28.5tn TAM would look like.

If the factory aims to sell one pair of shoes to each of the 8bn people on Earth at \$10 each, the TAM would be \$80bn. The TAM would be \$28.5tn if the factory assumed it could sell 356 pairs of shoes to every person on Earth!

Tony SK Li
Hong Kong

Has Trump just delivered on protesters' main goal?

Having just read the piece about the plight of ships' crews in the Strait of Hormuz, whoever thought it would be Donald Trump who would "Just Stop Oil"?

Nicholas Dixey
Mundham, Norfolk, UK

Opinion

The truth about the American profit machine

MARKETS

Ruchir Sharma



earnings growth. Moreover, the “profitless” dotcom era is a myth. Earnings growth is not dramatically stronger today than it was in the late 1990s. Since then, speculative excess has moved into private markets, making the public markets and the economy look more robust than they really are. In short, this expansion is more dependent on government and the earnings story is less exceptional than investors realise.

Overall corporate earnings have risen from 7 per cent of GDP in the late 1990s to 11 per cent today. The dynamism of American business has played a role, but so have tax cuts and government spending. Lately the US deficit has risen to more than 6 per cent of GDP and a deficit that high reflects a large transfer of income to households and corporations.

Under a well-established accounting formula, the Kalecki-Levy Equation, corporate profits are in part a mirror image of the government’s deficit. Based on this framework, deficits were the single largest contributor to the increase in earnings as a share of GDP since the late 1990s. And in this decade, deficits

have accounted for more than half of corporate profits, twice the level of the dotcom era. Strip away government support, and US profits look less extraordinary.

To most investors, there is still no comparison between the mighty “Mag 7” tech stocks today and the hapless dotcoms, with their business plans written on cocktail napkins. But compare

the past five years with the 1995-99 stretch. Corporate earnings for listed businesses averaged 11 per cent in the earlier period, 15 per cent in this decade. Growth was a bit slower, though still strong in the dotcom era.

Zoom in on listed groups in the tech sector and earnings growth was equally fast in both periods, averaging just above 20 per cent. While it’s often

said that the tech giants back then generated much slower earnings growth than their counterparts now, that is not true either. In the late 1990s, heavyweights such as Cisco, Intel, Microsoft, Qualcomm and Oracle posted annual earnings growth of between 30 and 80 per cent. The range for the Mag 7 is similar, from 89 per cent for Nvidia to 17 per cent for Apple. Of course, we know how the dotcom story ended, in even higher valuations for the stars and then a crash.

Since the dotcom bust in 2000, the number of publicly listed businesses has fallen by half, with many new companies remaining private for longer, funded by private equity and venture capital. This is the new home of excess and weak earnings. As a result, the profit growth of the average business listed in standard indices provides a misleading picture of the overall economy. Profit growth has been less impressive once the private companies are included in the data. Further, private firms planning to go public are much larger and less profitable today than in the 1990s. The biggest names in the IPO

pipeline, including SpaceX, Anthropic and OpenAI, have little to no profits.

Meanwhile in Europe, which often plays a stagnant foil to the dynamic America in this tale, much less has changed. Deficits are only slightly higher now than in the late 1990s. Earnings remain flat as a share of GDP. Private markets exist on the continent, but they are much smaller and less potentially troublesome.

America’s corporate earnings remain the envy of the world but there are faultlines — some buried in private markets, others masked by state support. They are likely to stay out of sight so long as the US continues to run large deficits. And it has little political incentive to cut spending or raise taxes unless the bond market forces the issue. If and when that happens, in the form of sharply rising bond yields, the fallout will be felt across the markets and the economy, exposing the flaws in what today appears to be an unstoppable American profit machine.

The writer is chair of Rockefeller International. His latest book is “What Went Wrong With Capitalism”

Earnings growth is not dramatically stronger today than it was in the late 1990s dotcom mania

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Zoom in on listed groups in the tech sector and earnings growth was equally fast in both periods, averaging just above 20 per cent. While it’s often

Africa’s response to Ebola must be defined by Africa itself

Jean Kaseya

When your country is under threat, you must be on the front lines.

The Ebola Bundibugyo outbreak affecting the Democratic Republic of Congo and Uganda is unfolding in a region under intense pressure. Borders are porous. Population movement is constant. Health systems are stretched. For this strain of the virus, there is currently no licensed vaccine or specific treatment.

That reality must be faced honestly. I have just returned from Kinshasa, Bunia and Kampala. I saw exhausted health workers, working without pause. Families burying loved ones under emergency conditions, in areas marked by insecurity and fragile health systems.

I also saw something the world still fails to recognise clearly enough: an African response taking shape rapidly, under African leadership, with African professionals on the front line.

At the age of 28, I ran a general hospital in Kahemba, a small Congolese town. The nearest specialist was hundreds of kilometres away. We treated patients with what we had. We improvised when promised support arrived late.

That experience continues to shape my conviction. Since taking office at the Africa Centres for Disease Control and Prevention in 2023, I have argued consistently that Africa’s health security must be built first on African soil, with African capacities for the long term financed by African governments, their partners and the private sector.

For decades, the continent has confronted health crises while remaining

The first line of defence remains the people running treatment centres and community networks

dependent on financing systems, production capacity and access mechanisms controlled elsewhere. Covid-19 exposed the human cost of that dependence. African countries waited for vaccines produced elsewhere, financed elsewhere and prioritised elsewhere. The result was devastating.

Today, African countries are investing more heavily in disease surveillance, laboratory systems, manufacturing capacity and regional co-ordination. This shift reflects collective security priorities. But with Ebola, the risk of regional spread is already happening. As of May 30, the DR Congo and Uganda had reported 263 confirmed cases, with 43 confirmed deaths — with more than 1,100 suspected cases still being investigated. We must move at the speed of the epidemic.

National incident management systems must be activated rapidly. Investments in pandemic preparedness must become permanent. South Africa’s President Cyril Ramaphosa, the African Union Champion on Pandemic Prevention, Preparedness and Response, has shown important leadership. The health ministers of the DR Congo, Uganda and South Sudan recently adopted a \$319mn response plan under regional co-ordination. That momentum must expand across the continent.

On the ground, the first line of defence remains the women and men running treatment centres, surveillance systems and community networks. They must be protected and equipped.

African business leaders must recognise that the continent’s health security is also an economic issue. Epidemics weaken supply chains, trade, investment and regional stability. Pandemic preparedness has become a strategic interest for the African private sector.

International partners still play an essential role. But their support matters most when it aligns with strategies built alongside African institutions and governments. Africa needs support that is rapid, co-ordinated and predictable. Health crises require mechanisms that can reach communities without delay.

Ebola is a serious test for Africa CDC and for the African Union. Our responsibility is clear: co-ordinate member states, accelerate decisions and strengthen the continent’s capacity to protect populations before crises become unmanageable. This outbreak will not be the last.

The writer is the director-general of the Africa Centres for Disease Control and Prevention

Goodbye to cheap money

BUSINESS

Rana Foroohar



for the short, medium and longer term, according to a recent client note from Apollo chief economist Torsten Slok.

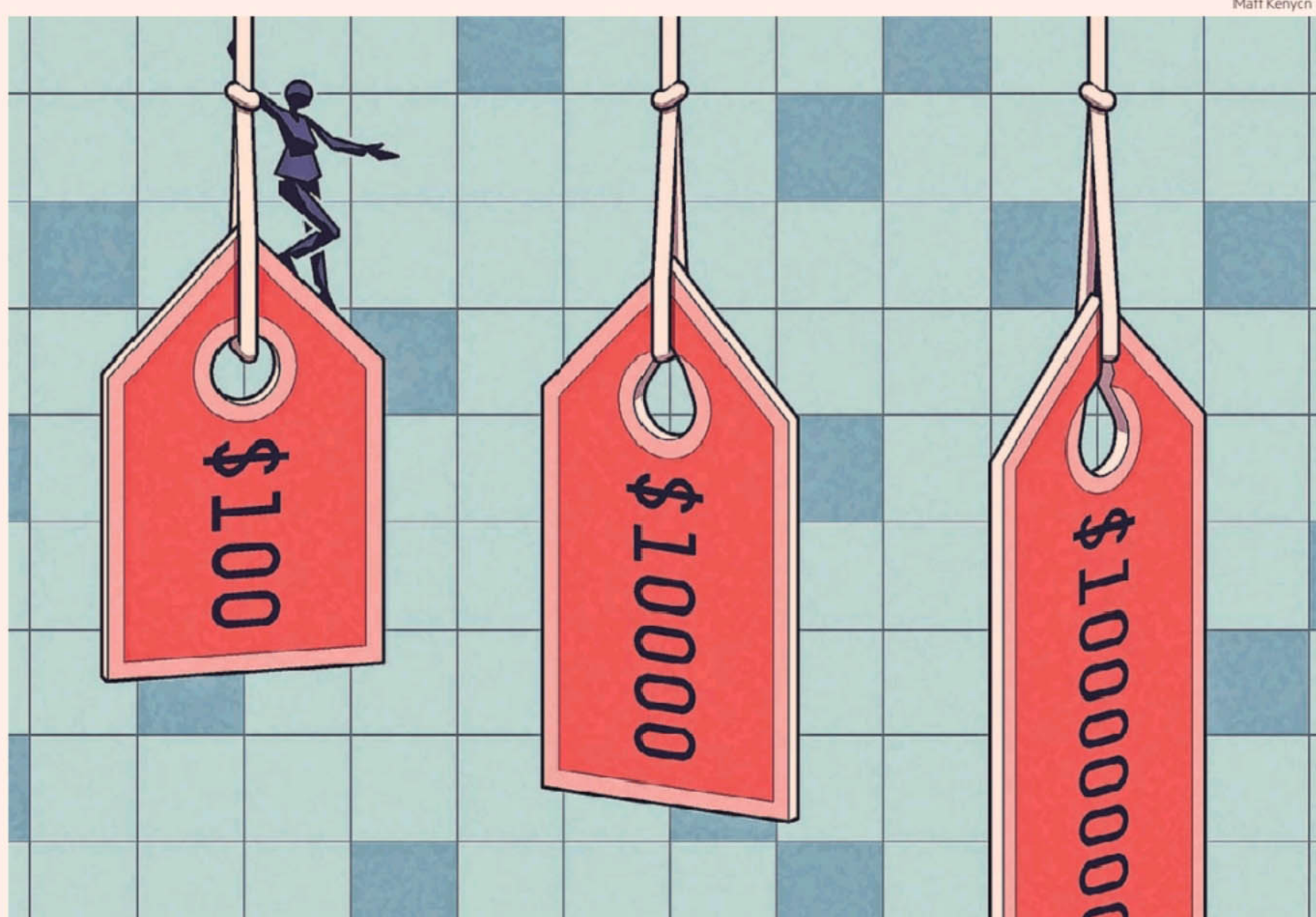
Put another way, we are seeing the end of an era: the era of cheap. Growth in America over the past 50 years or so has been predicated on cheap everything: cheap capital, cheap labour and cheap energy. All the major geoeconomic and geopolitical dynamics supported these things.

Thirty-year Treasury yields, for example, fell for almost half a century until quite recently, going from the mid-tens in the early 1980s to around 1 per cent during the pandemic. Former Fed chair Paul Volcker kicked off that era with the monetary tightening that began in 1979. But the trend kept going because all the big macroeconomic vectors supported it.

Decades of globalisation and technological advances in manufacturing reduced the price of goods. A flood of petrodollars (cash from oil-exporting countries) into the US created new and plentiful supplies of cheap money. The privatisation of retirement systems created a bigger demand for all sorts of new financial products, which Americans poured money into. Foreign borrowers wanted more US Treasuries because what country was a safer place to park your money than America?

All those vectors have now changed or are changing.

Each Treasury auction brings fewer international buyers, rather than more. Decoupling and the move of the US,



Europe and others around the world to bring at least some of their critical industrial capacity back onshore will probably raise the prices of goods and services in the short to medium term (though it may also increase resilience in the long run).

The petrodollar link, which many would argue helps suppress inflation, seems likely to be weakened as China tries to settle more and more of its own fossil fuel trade with other nations in renminbi. Perhaps more importantly, even as the war in Iran hits Asian energy importers such as China hardest in the short term, it will undoubtedly cause Beijing to double down on its moves to own the clean energy future, as the US backs away from its climate commitments. That will pull capital

Technology may determine whether we are about to see more, or less, inflation at a net level in America

away from the US and towards China in the longer term.

What about the cost of labour? Wage stagnation, particularly among workers without college degrees, was very much a part of the era of cheap. Outsourcing, declining union power, automation and shareholder primacy (which favoured financial engineering rather than investment in workers) all supported corporate margins, and bolstered the power of capital over labour. Are we about to see an end to that part of the “cheap everything” story too?

This is the one area where caveats are still in order. It’s true that labour shortages, a greater number of industrial actions (including big, successful ones in major sectors like auto manufacturing), immigration constraints, and union membership growth in some areas (particularly white-collar work) have led to wage gains by workers in recent years. But those trends have been offset recently by both rising healthcare premiums, the cost of which companies in the US offset in part by keeping wages lower, and artificial intelligence.

Technology may ultimately determine whether we are about to see more, or less, inflation at a net level in America. Will the productivity effects of AI be widely distributed across industries and individuals, creating new jobs and revenue streams? Or will it be just a tool to reduce jobs and increase corporate margins, even as the AI build-out itself creates so much inflationary pressure that the net result will be to raise, rather than lower, costs? In the more optimistic scenario, as modelled recently by the Yale Budget Lab, the national debt declines dramatically. In the pessimistic one, it rises, as government is forced to help displaced workers.

The former scenario could lead to lower inflation, while the latter could see it rise. It will take years for all this to play out. But one thing already seems clear: most market participants have spent their entire lives in the age of cheap. Adjusting to what is ahead will require leaving old expectations behind.

rana.foroohar@ft.com

Europe is running from a phantom China threat

EUROPE

Martin Sandbu



oeconomic “imbalances”, a transparent attempt to find common cause with the US against China’s booming exports.

We should be sceptical of these arguments. What, precisely, is the problem with Chinese surpluses? In the short run, it could in theory be insufficient global aggregate demand. But when central banks are bracing for inflationary shocks, it is strange to think too little demand is the problem.

China’s trade surplus, which is also a net export of savings, is an opportunity for others to fund greater investments without overheating their domestic economies. The EU, itself a large net exporter, has neglected that opportunity.

What about Chinese “overcapacity”? Beyond the pot calling the kettle black, the supposed threat to European industry is exaggerated.

Take cars. Chinese imports into the EU have indeed increased, from 750,000 passenger cars in 2023 to just over a million in 2025, according to the manufacturers’ trade body. But that has displaced imports from elsewhere — the total number of cars

shipped into the EU remained steady.

The much bigger, but rarely mentioned, development, is that Germans buy many fewer cars than before — 750,000 fewer in 2025 than in 2019. Germany’s frugality, then, is a greater hit to its car industry than China. Add in the rest of the EU, and another 1.5mn car sales have been lost.

The real challenge for European industry is the lack of robust, predicta-

Germany’s frugality is a greater hit to its car industry than Beijing

ble domestic demand. That is something EU leaders can secure for the EU, mostly by doubling down on efforts the European Commission is already pursuing but too timidly. These include: “Buy European” rules for subsidised demand and public procurement; climate footprint requirements and carbon border fees extended to manufactured goods

such as cars; surgically calibrated tariffs in specific cases of subsidised sales below cost; and strict timelines for the shift to green tech like electric vehicles.

With these in place, the EU stands to benefit from greater Chinese import competition, as a spur to faster productivity improvements at home. That is good for EU industry (though not for all companies) and good for consumers.

The irony is that industrial lobbies are resisting most of the policies that would help. So the EU is moved towards absurdities like “price undertakings” — forcing Chinese suppliers to charge more (and fatten their margins as a result) — and protectionism that permits domestic industry to innovate less.

Another irony is that panic over “competitive threats” distracts from actual geoeconomic risks. The most acute is potential spyware in some Chinese-made goods. Data captured by each Chinese-made car’s multiple cameras could allow Beijing to map infrastructure and military vulnerabilities or even gain real-time mass surveillance capacity.

There is a lesson to take from the US,

which has banned many Chinese-connected goods. A better choice for Europe is to allow the goods provided the relevant connectivity software and hardware is made in Europe by Europeans — creating a predictable market for domestic companies in the process.

Dependency on China for critical raw materials and components is another problem. Here there is no quick fix beyond immediately engaging in stockpiling wherever possible; and, in the longer term, requiring the private sector to diversify suppliers and incentivise local supplies. The EU is already moving in this direction, but too slowly.

Now that Europe has too slowly elevated Chinese sales to a threat, Beijing has every reason to deepen its geoeconomic stronghold over Europe, partly in retaliation and partly to have more deterrence options going forward. If the EU were to welcome Chinese goods, its ability to get Beijing to back off its real adversarial policies would be stronger. More cars, less spyware would be a good principle.

martin.sandbu@ft.com

Opinion

The New York Times

The Trump Justice Department Cannot Be Trusted

Andrew Weissmann

A former general counsel of the F.B.I. and senior prosecutor in Robert Mueller's special counsel investigation.

IN PRESIDENT TRUMP'S second term, the Department of Justice has accelerated the pace of flimsy indictments against high-profile targets, including James Comey, the former F.B.I. director, and Letitia James, the New York attorney general.

John Brennan, a C.I.A. director in the Obama administration who has criticized Mr. Trump, hasn't been indicted, but he's under investigation by the Justice Department. Last week we learned of reports that even E. Jean Carroll, who won civil sexual abuse and defamation cases against Mr. Trump, may feature in a criminal investigation.

What these cases have in common is that they involve Mr. Trump's perceived enemies. What the indictments have in common is that although they met the very low standard for bringing felony charges before a grand jury, it is very unlikely that those cases will meet the much higher standard for a conviction at trial.

In an administration in which prosecutors can be counted on to proceed in good faith — and to follow the Justice Department's own rules — cases like these should be vanishingly rare. Right now, however, we can't bank on that. All these examples have at least a whiff of prosecutorial vindictiveness.

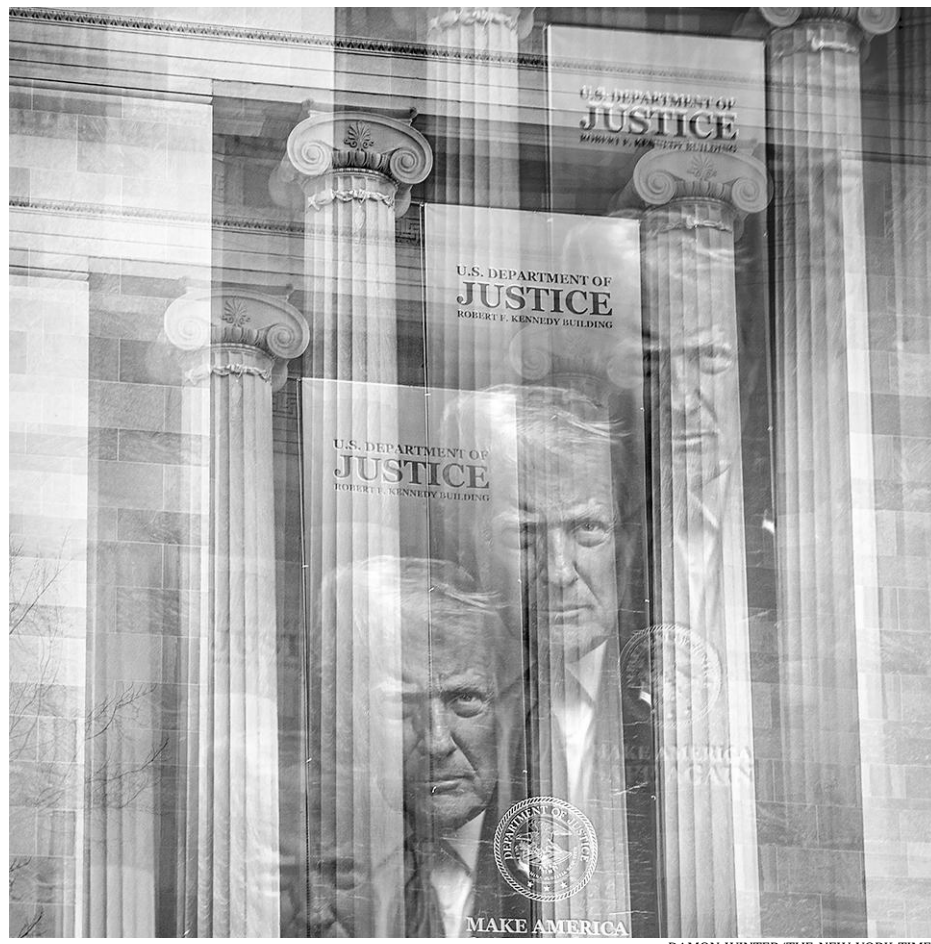
But there is a way to fix this.

The problem results from the difference between the standard for obtaining an indictment, which is probable cause, and that for obtaining a conviction, proof beyond a reasonable doubt. Moreover, for indictments, probable cause need be found by only 12 of a quorum of 16 to 23 grand jurors, in contrast to the unanimity required for a guilty verdict at trial.

The Justice Department has an internal rule that, were it adhered to, would deal with this. It prevents prosecutors from seeking an indictment without first determining that the case can be won later at trial and on appeal. During my tenure at the department, I never sought or approved an indictment if the case being presented to the grand jury did not already meet that threshold. After all, you want to bring only cases that you are confident you can win — that is, unless your real aim is subjecting people to bogus charges.

This provision is a critical limitation on seeking abusive or weak indictments, but it is not a law. And if there is anything that Mr.

We need a law that raises the standard for bringing federal criminal charges.



DAMON WINTER/THE NEW YORK TIMES

Trump's two terms have taught us, it is the need for enforceable laws to restrain executive action.

Under current law, people like Ms. James and Mr. Comey wind up suffering the public opprobrium of a criminal indictment, as well as the waste of significant time, energy and money to defend themselves against questionable charges. While they battle these cases, and even if they're exonerated, the chilling effect of their being charged in the first place can be felt by countless others. On top of that, the American taxpayer is on the hook for the cost of all the work that the Justice Department puts in on cases that in any other administration almost certainly wouldn't have been brought.

So what is the solution?

Congress can require that grand juries no longer be instructed that they can find a criminal charge based on mere probable cause. Instead, a higher factual standard, such as "clear and convincing" evidence — a standard sometimes applied in the civil law — should be necessary to vote in favor of a

criminal charge. Such a law, modeled on the Justice Department's internal guideline, would bridge the wide gap between the low-level burden that prosecutors have to meet for bringing an indictment and the highest burden under the law required for a criminal conviction.

Mr. Trump's Justice Department could hardly complain validly about such a new law. Increasing the standard to obtain a grand jury indictment would not change what responsible prosecutors are already doing now. And the law would address what the acting attorney general, Todd Blanche, says he himself fears: Speaking this year at the Conservative Political Action Conference, he said, "Everybody's afraid that the next administration, if we don't win, we're going to all be investigated and indicted."

I was struck by this remark for a personal reason. During Mr. Trump's first term, I worked on the team led by the special counsel Robert Mueller that investigated claims that Russia interfered in the 2016 election.

Break Up the Beef Cartel

Sandeep Vaheesan and Claire Kelloway

Mr. Vaheesan is the legal director at the Open Markets Institute. Ms. Kelloway is the institute's program manager for fair food and farming systems.

PREPARE for sticker shock as summer barbecue season heats up: The price of beef is sizzlingly high. Grilled sirloin will cost more than \$14 a pound, on average, according to the Bureau of Labor Statistics, up 20 percent since last year.

Last month, President Trump considered, and then halted, a plan to reduce tariffs on beef from some nations, including Argentina, to bring prices down. But such moves would not be enough to fix the core problem: a highly concentrated sector that has controlled our meat supply for much of the past century. More than 45 percent of all U.S. cattle passed through just 11 meat processing plants in 2025, and the top four packers sold 80 to 85 percent of all domestic beef in 2024.

In March, Senator Chuck Schumer, the minority leader, introduced a bill to break up dominant beef-packing corporations, which include JBS, Tyson Foods, Cargill and National Beef. The Trump administration, which has otherwise been allergic to regulatory enforcement against big corporations, recently announced investigations into beef packers as well as egg processors, which raised prices sharply during the avian flu outbreak, for possible antitrust violations.

But those investigations will matter only if regulators follow up on their findings with aggressive legal actions. Mr. Schumer's bill is the kind of structural solution, with potential bipartisan appeal, that has been in short supply.

The entire U.S. food system is remarkably consolidated, exploitative and fragile. Two companies sold half of all fresh bread in 2020; two others controlled an estimated two-thirds of all baby formula in 2022; and two companies produced about 60 percent of all carrots in 2023. Result? Food prices remain elevated after rising about 30 percent between 2019 and 2025, as corporations took advantage of pandemic supply chain disruptions to raise prices and, critically, profits.

Such intense concentration was not inevitable. It's a product of decades of failure to enforce anti-merger laws that have been on the books since 1890. Beginning with the Reagan administration, federal regulators under both Republican and Democratic presidents took a largely hands-off approach to corporate consolidation. The Department of Justice and the Federal Trade Commission adopted Wall Street's view that mergers generate efficiencies and promise lower consumer prices.

That was baloney. Fewer competitors of-

ten lead to higher prices. But the corporations have successfully defended their bigger-is-better argument for decades, which is one reason we have industrial pig farms polluting our countryside.

There have been many attempts to rein in the food giants. Meat, sugar and egg processors have all been accused of price-fixing, and food giants have paid out plenty in legal settlements. But antitrust enforcement has largely fallen short.

The Goliaths have maintained their grip on the markets while engaging in the same anti-consumer business tactics they have mastered. Farmers still struggle with rising costs and stagnant prices for their crops and livestock, while consumers face an illusion of choice at a higher price.

Despite the recent formation of a food antitrust task force, the Trump administration has largely gutted government capacity to take on food corporations, and it walked back some moderate steps to change harmful business practices.

Consider a federal lawsuit against Agri Stats, a data collector and consulting company that was accused of facilitating the sharing of competitively sensitive information among major meat processors and advising them on pricing. According to what one meat processing executive said in the lawsuit, Agri Stats's advice essentially amounted to: "Just raise your price." And they did: Turkey processing margins increased 300 percent in just three years. Citing such data, the Justice Department under Joe Biden sued Agri Stats.

The appetite for enforcement changed under Mr. Trump. In May, the Justice Department proposed a settlement that would allow Agri Stats, under court supervision, to continue to facilitate information sharing among producers in the pork and poultry industry, provided it shares that information more broadly and doesn't distribute certain types of data related to prices and output (Agri Stats did not admit to any wrongdoing).

Solving the food sector's woes will require much more radical medicine. It has been done before. In the 19th century, farmers being squeezed by middlemen helped pressure Congress into passing the 1890 Sherman Antitrust Act, which outlawed monopolies and made it a crime for competing companies to restrain trade through price- and wage-fixing or divvying up markets.

In 1920, the Federal Trade Commission and the Justice Department pressured the Beef Trust, a concentration of five meatpackers that then commanded as much as 75 percent of the industry, to sell off its stockyards and transportation facilities and divest from retail stores. The government also substantially reduced or prevented further concentration across the food industry through the postwar years. By 1956, the four largest beef packers, including former Beef



ERIC RUBY

Trust members, had just 30 percent of the market.

That all began to change in the 1980s, when the federally blessed buyout boom put big mergers back on the table; they haven't stopped. In recent years, Brazil's JBS bought Swift & Company as well as Cargill's pork business; Tyson bought IBP, Keystone Foods and Hillshire Brands; China's WH Group acquired Smithfield Foods; and the Kraft-Heinz merger created a grocery behemoth that may have, for once, become too big to even manage.

The government needs to take steps to rein in these companies. Mr. Schumer's bill is a good start. Congress should also extend financial and technical support to help seed

The entire U.S. food system is remarkably consolidated and exploitative.

new competitors capable of vying with the big meatpackers, which the Biden administration attempted to do. To maintain open markets in the long run, regulators must also ban unfair business practices that can be used to secure and maintain dominant positions.

Without far-reaching change, the government, farmers and consumers will be doomed to fight an endless battle against corporate combines. Consumers will keep paying too much, and farmers will continue to get too little. By enforcing the law, Mr. Trump could deliver for the public and some of his most loyal supporters. Short of that, we need Congress to, once again, carve up this oligopoly.

Why I Quit Big Law

Matthew Wollin

A writer and a filmmaker who was a litigator at WilmerHale for five years.

ONE of the oddest things about becoming a lawyer — and one of the main reasons that I stopped working as one — is that you stop believing in fact and start believing in fiction.

I remember this acutely from my time working in Big Law. One of the first things you learn as a newly minted litigator is the basic structure of a legal brief. A brief is typically separated into two primary sections. First, the statement of facts, a plain recitation of the facts underlying the case; second, the argument, all your editorializing on top of that. In other words, you tell people what happened, and then you tell them your interpretation of it.

There is an intuitive logic to stating the facts before the interpretation: Something happens in the world; rational people present contrasting interpretations; the best interpretation wins.

It is also, of course, a fiction.

There is no such thing as a plain presentation of the facts. Every recounting of events comes with an interpretation. The interpretation happens when you decide what facts to include or omit; it happens when you decide the order in which the facts should be told; it happens when you decide what words will be used to describe them.

I'M DOING IT HERE. I told you I worked at a Big Law firm (fact) because I thought it would prompt a stronger reaction than telling you I worked at WilmerHale (also fact). I told you that the structure of a brief is one of the first things you learn (fact) because it seemed more dramatic than telling you about all the less interesting things you learn first (also fact). I told you that briefs consist of two primary sections (fact) because it was simpler than telling you that there are three or four more primary sections, too (also fact). And I chose this particular version of the facts because it was helpful to the point I am trying to make:

Our legal system is broken and in dire need of repair.

My view of this is colored by my own experience. I came to being a lawyer relatively late — at the ripe old age of 30 — and upon arriving at law school immediately found myself immersed in a world that was both all-encompassing and totally bewildering in its blind faith and love for the law. The students beamed with excitement; the administrators constantly told us how important we were; the professors seemed to believe wholeheartedly in the efficacy of the judicial process. It was like signing up for an education and winding up in a cult.

But it is hard to live for more than a few months inside any environment without becoming a part of it. And so I fell in love with the law, too: with its beautiful intricacy, with the way it served as the meeting point between lofty philosophical ideals and real-world problems, with its storytelling power, which refined narrative and argument to a ruthless effectiveness. But I never lost that initial skepticism — particularly when it was my turn to enter the fabled echelons of a Big Law firm.

BIG LAW IS the term used to describe the 100 or so largest firms in the United States and the huge ecosystem of money, jobs and power that orbits around them. It is a force that I found myself pushed toward both because of its early recruiting, far in advance of most other employers, and because it seemed like the logical place to begin a meaningful career while also having some measure of financial security.

Virtually every lawyer in the United States accepts the centrality of Big Law in our society. For instance, big firms litigate the vast majority of Supreme Court cases, and former Big Law lawyers overwhelmingly populate the ranks of federal judges, the offices of the administrative state and corporate leadership.

So when I arrived at WilmerHale fresh out of law school, there was the sense of having reached the meritocratic pinnacle of the profession: a group of brilliant intellectuals all working to help one another better serve our country's legal system. The people I worked with were rigorously ethical, and by and large believed fiercely in the same liberal ideals that I did. Collectively, we worked on many cases that sought to make the world better, often pro bono, and occasionally we even succeeded: Helping to secure reproductive rights in Ohio after the 2022 ruling in *Dobbs v. Jackson Women's Health Organization* and prohibit the disenfranchisement of hundreds of thousands of Virginians were meaningful victories.

On the other hand, there was the day-to-day reality: using our very expensive knowledge to manipulate the legal system in service of making the rich even richer. Because no matter the intent or how many pro bono cases it handles, what a Big Law firm spends the overwhelming majority of its time doing is fighting to create legal precedent that will entrench the power of those who already have it.

If these two things seem incompatible, it's because they are. The fact that WilmerHale was a wonderful place to work was part of the problem. In Big Law, there is a sense that the immense power and wealth of your firm, which benefits you directly, is the logical outcome of everyone's hard work and abilities. It was this conflation of the democratic responsibilities of lawyering with our position at the top of a highly profit-driven industry that rankled, and still does.

Because, despite all our good intentions, the country that we sought to improve kept getting worse. The legal system — that thing we were charged to protect — kept getting worse.

I GRADUATED FROM law school in 2020. Even a casual observer could have handed me a few of the ways that the legal system has de-

graded since then, from the overturning of longstanding personal liberties in favor of academic canons of interpretation to the wholesale repurposing of the federal government for purely personal gains, and 100 other things that blanket our phone screens every day.

And when all of this happens at the same time that you see your colleagues — colleagues who happen to be some of the brightest legal minds in the country — doing their best to preserve the legal system's integrity, it eventually forces you to stare into the face of an unavoidable truth: No matter how many individual good actors there are in a system, if the system they work in is broken, then the work that they do will only ever make things worse. Or to put it even more pointedly: If all the good lawyers are spending 99 percent of their time ensuring that our legal system will benefit a select few, then the other 1 percent of their time won't make much of a difference.

When this truth finally led me to leave Big Law in 2025, along with far more selfish reasons (such as not wanting to count my life in six-minute increments), I did not anticipate that the universe would immediately validate my decision. But then President Trump decided to make an example of Big Law, and the industry's response provided a vivid demonstration of just how broken the system underlying it was.

THE EXECUTIVE ORDERS that Mr. Trump began to issue in March 2025 that sought to punish various firms for associating with his

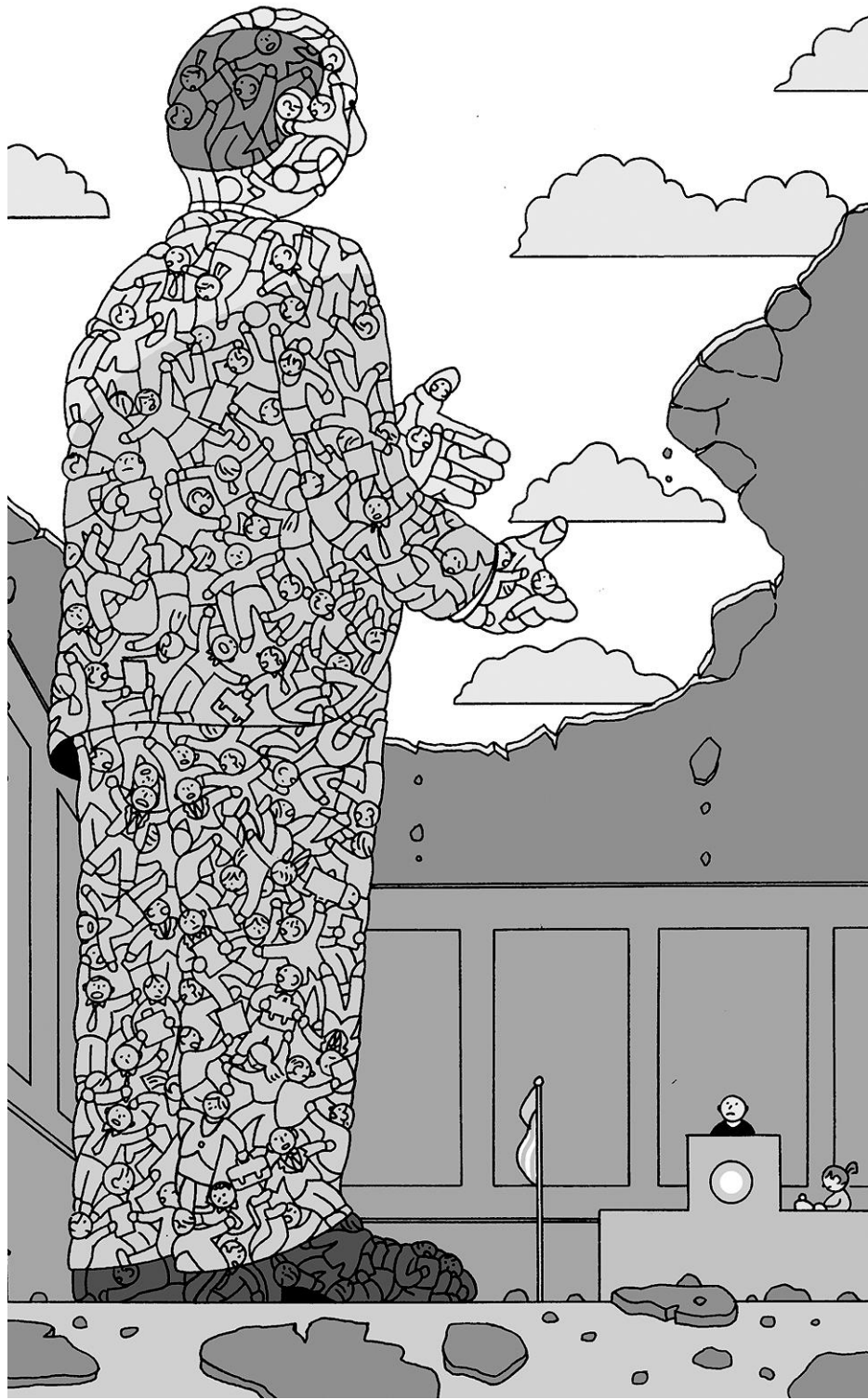
ca's slide from a system of constitutional democracy" and by the law professors Avi Soifer, Judy McMorro and Paul Tremblay as "shameful and alarming." Talk about a statement of facts.

It would be difficult to find a more vivid demonstration of the way that Big Law has lost sight of the democratic ideals at the heart of the profession — except for the fact that 2025 was, financially, a fantastic year for the industry. So fantastic that the publication *The American Lawyer* had to raise the bar for what constitutes a "super rich" firm from \$1.1 million in revenue per lawyer to \$1.45 million. That "super rich" list includes both firms that capitulated and firms that fought — all in the same year that was "marked by relentless, direct attacks on the rule of law and our constitutional rights," in the words of the *American Constitution Society*.

Something is off.

THE HEALTH OF the U.S. legal industry and the U.S. legal system are not one and the same. And Big Law, as the legal world's economic center of gravity and the route through which most of the country's top legal talent flows — look at the current Supreme Court, where every justice except Sonia Sotomayor and Clarence Thomas got through Big Law — is at the heart of the problem.

I wish I could identify a solution as easily. But I think that getting lawyers to acknowledge the problem would be a significant step. Despite the number of people who



PETE GAMLEN

Our legal system is broken and in dire need of repair.

political enemies should have been a no-brainer fight for Big Law. Not only were the orders facially unconstitutional — meaning the text itself plainly violated the First Amendment even without factual support — but they also exhibited the kind of shoddy lawyering that has become a Trump administration hallmark. Taking these orders down was the kind of case that one of my former bosses would have handed to me and expected me to win.

And yet the industry largely decided to settle. Only four firms, including WilmerHale, decided to take the administration to court; they did so successfully. By contrast, nine other Big Law firms chose to settle, including five of the country's 10 top-ranked firms and the single largest law firm in the world with more than \$10 billion in annual revenue. This provided the Trump administration with a host of early victories to leverage this past year, including nearly a billion dollars of free legal services that Mr. Trump has used to negotiate trade deals; an open-ended and early commitment to do away with diversity, equity and inclusion policies; and a demonstration from some of the country's highest-paid lawyers that the best way to respond to government abuses of power is to settle.

What's more, the lawyers did all this while also explaining, as the Paul, Weiss chair Brad Karp did to his colleagues, that their "century-long legacy of courageously standing up for fundamental rights and liberties, for fairness in the justice system and for our society's most vulnerable individuals" would "never be subject to negotiation or compromise." This was referring to a settlement that, as a reminder, was denounced by Deborah Pearlstein as hastening "Ameri-

have called out these issues — I am far from the first to leave Big Law disenchanted — we lawyers still tend to be very resistant to admitting that our profession could be anything less than exalted.

I am sympathetic to that impulse, but I also think it is time to relinquish it. Because — to use a lawyerly turn — clinging to it blends the statement of facts with the argument in a way that prevents lawyers from seeing the world around us and what our democracy really needs. And what it needs desperately is a full and unsparing accounting of the legal industry that is supposed to be protecting the ideals at its heart.

ANOTHER CONCEPT FROM the legal world that sticks with me: the legal fiction. A legal fiction enables the law to apply to situations that it would otherwise not be able to; treating corporations as people in certain legal contexts is one common example. But I think there is an even broader set of ideas to which we should also apply it: lawyers' conception of themselves.

It is a fiction to think that a legal landscape organized around the principle of concentrating power and profit can operate to the benefit of our democracy. It is a fiction to think that a few well-intentioned pro bono hours can compensate for the rest of the work that we do. It is a fiction to think that individual actors can compensate for the drift of a system that works tirelessly to entrench those in power. And it is a fiction to think that lawyers can still be carrying out, as Samuel Adams observed, "one rule of justice for rich and poor" when the real-world impact of the legal industry is anything but.

These are fictions that we lawyers buy into because it is useful for us to believe them. But the fact that they are useful does not make them true. And the sooner we lawyers acknowledge that, the sooner we can figure out a way to make the reality we have a little more like these fictions that we aspire to tell.

Whether that is a statement of facts or an argument, I leave up to you.

LETTERS

The Barriers to Building More Housing

TO THE EDITOR:

"America Needs to Build More Housing" (editorial, May 24) does well to unpack America's housing crisis and the decades of bad zoning policy that caused it.

Shared blame for the crisis, however, lies with the judiciary, which blessed the dramatic expansion of local zoning power.

Initially, courts upheld zoning as a means for nuisance prevention. But in the 1974 *Village of Belle Terre v. Boraas* case, the Supreme Court ruled that municipalities could cap the number of unrelated people living together and regulate the look and feel of a neighborhood. So Belle Terre could prohibit unrelated Stony Brook University students from renting a house together, even though nobody claimed they were a nuisance. Municipalities were then empowered to pass zoning codes that permitted a certain aesthetic, or type of housing.

Today, that authority is wielded nationwide to thwart much-needed development, making housing more expensive for everyone.

Since the courts contributed to the problem, they can help fix it. They can start by acknowledging that it is unconstitutional to leverage zoning as a force for social engineering, or to use it to restrain the supply of housing.

ARI S. BARGIL
FORT LAUDERDALE, FLA.

The writer is a senior attorney at the Institute for Justice.

TO THE EDITOR:

Government data shows that the median size of a house was about 1,500 square feet in 1960, about 1,750 square feet in 1987 and nearly 2,200 square feet in 2025. (It peaked at 2,500 square feet in 2015.)

The average size of a family was 3.7 people in 1960, 3.19 in 1987 and 3.15 in 2025. (The Census Bureau historically tracks average rather than median size for families.)

So the living area per person in 1960 was about 400 square feet versus nearly 700 square feet in 2025.

If people refused to buy large houses and demanded smaller, less expensive ones, the market would adjust and build them. The market includes elected officials who adopt local zoning and building codes, builders and lenders. The editorial cites several areas where these changes are being made, but does not address the personal "wants versus needs" issue.

For many people, there is a seemingly insatiable appetite to improve their standard of living at a cost to their financial security and personal well-being.

Realistically, the family

"financial crisis" will improve only when people better understand the mechanics of spending/savings/investment versus earning power and make practical adjustments to their wants and needs.

Unfortunately for some, it will take financial ruin to force those adjustments.

STEVE GABER
BELLINGHAM, WASH.

TO THE EDITOR:

This analysis correctly identifies restrictive zoning and permitting as primary obstacles to housing affordability and says increased construction is the solution, but omits a factor making that solution harder to achieve: the mass deportation of construction workers.

According to the Urban Institute, immigrants accounted for more than 23 percent of the American construction work force in 2023, with undocumented workers making up roughly half of that share. In Texas, the state your article celebrates as a model, an estimated 337,000 construction workers are undocumented.

A Center for American Progress study from 2021 found that undocumented workers made up 38 percent of drywall installers, 32 percent of roofers and 29 percent of painters nationwide. The Times reported recently that surges in deportations have led to job losses for both immigrant and American-born workers, while wages have stayed flat.

Removing these workers reduces labor supply, slowing construction and raising costs and home prices, adding inflationary pressure at a time American families can least afford it.

Basic economics is unambiguous: Reducing labor supply while demand remains constant raises costs. The current deportation policy is, in effect, an inflationary housing policy.

GIACOMO SANTANGELO, BRONX
The writer is a senior lecturer in economics at Fordham University.

TO THE EDITOR:

I can recall the rent I was paying in the 1970s and early 1980s.

Recently, I plugged those numbers into an inflation calculator to determine what the rents would be for apartments I lived in nearly half a century ago in New York and San Francisco if prices had tracked with inflation.

The inflation-adjusted rents would be about \$1,000 monthly for all three. The two San Francisco studios rent for about \$3,000 today, and the New York apartment probably for a bit more.

ALICE BRAY, NEW YORK

The Coming Super El Niño and a Looming Famine

TO THE EDITOR:

Re "The World Is About to Get a Preview of Life in 2035," by David Wallace-Wells (Opinion, nytimes.com, May 6):

Mr. Wallace-Wells is right to invoke Mike Davis, who said the 1877 El Niño punished those who had already been made vulnerable. The coming El Niño will do the same. Climate shocks are both driv-

ers of hunger and risk multipliers that deepen existing vulnerabilities.

What Mr. Wallace-Wells does not mention is the powerful vulnerabilities that the world currently faces. Conflict has turned the Strait of Hormuz into a choke point that severely limits the flow of energy and fertilizer critical to agriculture.

The 1877 catastrophe hit a population made defenseless by a food system that was broken. The 2026 El Niño is forming in the context of a global agrifood system strained by rising fertilizer costs, reduced application rates and tightening trade flows. The United Nations Food and Agriculture Organization tracks agricultural conditions and sees a system with a diminished capacity to absorb a shock of the scale described in the essay. The buffers — fiscal, logistical and humanitarian — have been drawn down by successive crises and have not been rebuilt.

Mr. Wallace-Wells is right to ask what a super El Niño will do to our complacency. But the more urgent question is what it will do to the 280 million people already facing acute food insecurity, and to the millions more who could be pushed into acute hunger by the conflict in the Middle East, even before a single El Niño-induced harvest failure occurs.

MÁXIMO TORERO CULLEN
ROME

The writer is the chief economist at the United Nations Food and Agriculture Organization.

TO THE EDITOR:

Re "The 15-Year-Old Keeping War Memories Alive," by Jasper Craven and Amina Gingold (Opinion guest essay, May 24):

Thank you for publishing this essay about 15-year-old Luke Morrison's trailer museum showcasing the stories of veterans and their artifacts of war.

While most 15-year-olds I know spend their free time scrolling TikTok, this young man has turned his passion and curiosity toward a noble cause: making history come alive to honor those men and women who put themselves in harm's way, sometimes for causes beyond what they signed up for.

I'd like to think that people leave the museum trailer with a renewed respect for veterans and all the reasons we should do everything in our power to avoid having to send others to the front line. At 15, Luke Morrison seems to understand that. He is a hero in my book.

FAY ELLIS, MAPLEWOOD, N.J.

OPINION

The Hallucinatory AI Math



INSIDE VIEW
By Andy Kessler

IPO mania has begun, and nothing kick-starts initial public offerings like spreadsheets flashing green to incite the crowd. SpaceX's recent S-1 filing promoted an "actionable total addressable market" of \$28.5 trillion, which includes \$23 trillion from enterprise artificial-intelligence applications. Woo-hoo! You can hear the gears in investors' brains grinding: With just 5% of the market, they'll be a trillion-dollar company! The entire U.S. economy produces \$31 trillion a year.

This is on the back of AI chip maker Cerebras's May IPO, with the stock almost doubling on opening day. Andrew Feldman, Cerebras's CEO, did more flimsy AI math. "There are 47 million software engineers in the world. If each one uses \$100,000 of tokens a year, that's nearly \$5 trillion from just a single use case. Do that bottoms-up and you go, 'Holy crap.'"

Anthropic projects \$11 billion in revenue in the June quarter, more than double from March. That's a \$44 billion run rate. If (more brain-gear grinding) sales keep doubling quarter to quarter, even my old HP 12c calculator tells me that Anthropic will have a trillion-dollar run rate by September 2027. Of course,

that's another hallucination.

Still, this kind of thinking is driving investment in AI data centers, some \$700 billion this year and \$7 trillion (so says McKinsey) by 2030. Many are circular deals, with debt and off-balance-sheet funny accounting. Even that "Shark Tank" guy from the ping-pong movie who got \$15 million from Sam Bankman-Fried and FTX is building data centers.

Don't get me wrong, AI is really the greatest thing since sliced bread, but I'll repeat, we don't need 100 gigawatts of toasters.

Does history rhyme? Here's a story filled with ghosts of Wall Street's past. In 1997, Gary Winnick's Global Crossing invested a few hundred million dollars to lay fiber optic cable under the Atlantic. At the time, undersea T-1 lines (which transmit data at 1.5 million bits per second) cost between \$10,000 and \$20,000 a month. Their AC-1 undersea fiber could handle 40 gigabits per second, or more than 10,000 T-1 lines, which could easily generate more than \$100 million a month. Spreadsheets flashed green!

Salomon Brothers and Merrill Lynch took Global Crossing public in 1998, raising \$400 million. The stock peaked at \$55 billion in value. Global Crossing borrowed heavily to build out 100,000 miles of fiber. Mr. Winnick paid more than \$60 million for a home in Bel Air. Heady times.

But it worked only with \$10,000-a-month pricing. The world isn't static. AT&T and MCI created a joint venture to lay their own undersea cables. Prices plummeted. By 2002 the cost of undersea T-1 lines dropped to \$1,000 a month, down more than 90%. Spreadsheets flashed red. After reporting fake revenue that Arthur Andersen blessed, Global Crossing filed for bankruptcy.

Demand forecasts have investors flying high, but beware the inevitable price drop.

As for AI, there may be 47 million programmers in the world, but very few have a budget of \$100,000 to spend on tokens. Microsoft recently canceled Anthropic Claude licenses, and Uber has already blown through its 2026 AI budget.

Meanwhile, Nvidia chips are hard to find. Memory prices, which Moore's Law says should drop 30% a year, have instead exploded upward. Last week Micron and SK Hynix joined Samsung in the \$1 trillion stock gang. Token prices—meaning what it costs to use AI models—have risen 65% since February, after dropping 90% since ChatGPT was released.

But shortages don't last. Competition plus new tech-

nology means that token price declines will return as the norm. My gut says over the next five years (the length of Global Crossing's existence), and likely sooner, we'll see token costs decline another 90%, maybe 99%. The future AI math is more like 470 million coders with \$1,000 of tokens. Even \$100.

Watch prices. Everything Global Crossing forecast in undersea demand—per bit—happened and more, but at way lower prices. Same for the overall internet, which grew and grew in demand, but not at 1999 prices that caused flashing green spreadsheets.

It's starting. New training algorithms show up almost daily that promise to use less memory and less compute and have AI models learn 10 times as fast. This is the natural evolution of technology, not price increases. DeepSeek out of China recently cut prices of the company's open-source AI model by 75%. Running certain benchmarks, OpenAI costs 12 times as much and Anthropic 19 times.

There were no recessions in bits, only in price per bit. With tokens, the rosier AI demand forecasts will be exceeded, but at much lower prices. Today, investors are enjoying the ride. This AI rocket ship is flying high. Why get off? But be warned that many spreadsheets go from green to red in a hurry when prices drop.

Write to kessler@wsj.com.

BOOKSHELF | By Max Carter

Digging Up Relics And Intelligence

The American School of Spies

By Stephan Talty
Dutton, 320 pages, \$35

Like many schoolboys, I idolized Indiana Jones and James Bond for all the usual reasons, not least their double lives. When he wasn't taking on Nazis, Indy lectured in the sort of dusty, paneled classroom I learned Latin in. Bond knew weapons as well as he did the most recondite French wine list.

Even then, I understood that the sedulous life and inclination of the archaeologist were ill-suited to movie-spy suavity. Fine dining? Crisp-white tuxedos? The pioneering British archaeologist Flinders Petrie reputedly served meals "so excruciatingly bad that only persons of iron constitutions could survive" them, and supposed that archaeology "should necessarily entail . . . rags, dirt, malnutrition, chronic dyspepsia and almost total absence of the most rudimentary creature comforts."

Rodney Young, the central figure in Stephan Talty's "The American School of Spies: The Archaeologists Who Fought the Nazis and Saved the Treasures of Ancient Greece," was among the exceptions. A onetime "Cary Grantish darling of New York debutante balls," Young pursued archaeology at Princeton and Columbia, joining the American School of Classical Studies in Athens in 1933. It was there, at the outbreak of World War II, that he

helped to "rebury" the treasures of the National Archaeological Museum to protect them from bombing raids, Nazi archaeologists and plundering soldiers.

In 1941, channeling his inner Byron, Young became the first American to volunteer to serve in the Greek army (his application was rejected). The next year, William Donovan, soon to be the founding director of the U.S. Office of Strategic Services—the precursor to the Central Intelligence Agency—recruited him to lead an American spy network in Greece.

Young's team, the so-called Greek Desk, was comprised of fellow Ivy League archaeologists and Greek-American commandos. Why archaeologists? Donovan's concern was not so much the preservation of ancient relics as it was the regional expertise and cover that archaeology provided for gathering intelligence. And how did Young go about persuading his peers? According to Mr. Talty, they were motivated by patriotism, noblesse oblige and philhellenism. "Greece gave us the tools of liberty," Young would reflect. "We owed it to her to fight for her soil."

Dorothy Cox upstages Young in Mr. Talty's narrative. Trained as an architect at Columbia—the only woman in the master's class of 1917—but denied meaningful work owing to her sex, she had resigned herself to serving the Red Cross, teaching women how to make embroidered goods in Greece and, at her lowest ebb, housekeeping at Bryn Mawr, her undergraduate alma mater. Ultimately, she fell into archaeology and numismatics (the study of coins, on which she would become an authority). Cox joined Young on the Greek Desk at age 50, "single, graying, and somewhat frail in health," Mr. Talty writes.

Their training at the OSS "Farm" in Maryland was amateurish, "scandalous" in its spotty instruction and lasting only four weeks, less than half of the 10 weeks for recruits to the Communications Branch of the OSS. Young and Cox were star pupils. Jack Caskey and Jerome Sperling, who would play significant roles on the Greek Desk, were chided for their rule-following, caution and seriousness, qualities that any sensible archaeologist might otherwise aspire to.

Setting up in Cairo in May 1943, Young's brief was to cultivate local spy networks; gather intelligence; insert agents and operatives in Greece to guide the commandos; sabotage enemy infrastructure; and prepare for D-Day.

Archaeologists working on the 'Greek Desk' uncovered Nazi secrets, sabotaged enemy infrastructure and helped prepare for D-Day.

As the war progressed, the Greek Desk became adept, if not war-altering, spies. Cox proved to be Young's ablest intelligence gatherer, even if the occasional bribes she endorsed put her agents at needless risk. (Only black-marketers and foreign agents could afford bribery.) Mr. Talty's representative commando, Helias Doundoulakis, was more Bond-like in his approach. One night he treated friends to shrimp, clams, fried potatoes and ouzo on the waterfront, upsetting elderly, likely famished, passersby. He vowed not to attract such notice again, but as one of his partners Cosmas reminded him, "we are behaving as all Greeks do." As Mr. Talty notes, "to make money and live poorly would have been more suspicious, more un-Greek, than blowing it on a lavish meal." Doundoulakis embraced the advice, learning the rumba and generally, in the author's words, "living like a Greek playboy."

Mr. Talty presents characters worthy of our interest, but he tends to flatten them into stock types. Young was "the gruff father figure." (The contemporary alternative was considerably more purple, to be fair. A 1941 United Press report describes Young's eyes blazing "like the eyes of the dragon in Siegfried.") Cox "earned the respect of the brass." Doundoulakis's nerve-wracking encounter with Nazi guards ends with something I pictured the young Clint Eastwood being made to say: "An older man might have thought, *I'm lucky*. Helias thought, *I'm good*."

Yet Mr. Talty does not ignore his heroes' ambivalence. Young and Cox increasingly chafed at Britain's postwar plans for Greece. The author explores the guilt Doundoulakis felt for the thousands of deaths caused by one 20-word telegram reporting German troop movements and calling in an American airstrike. I was unexpectedly moved by the grief of the lovelorn cousin of Yianni, one of the Greek commandos, for the loss of her German boyfriend: "Did you know that my German lieutenant was an ancient-Greek scholar? . . . He loved me and he loved Greece." But Yianni "couldn't say the truth," Mr. Talty observes. "*It didn't matter what he did or how he felt*."

The Greek Desk's closest brush with D-Day was the extraction of Cornelia Kapp from Ankara, Turkey, in 1944. Kapp, who had been spying for the Americans in the German embassy, identified Elyesa Bazna, the British ambassador's valet, as "Cicero," the secret agent whose information was so good as to sow doubt in his Nazi handlers. Had Kapp been captured, Mr. Talty relates, "one thing would have been clear to the Germans: Cicero was not a double agent" and they could act on what he told them.

After D-Day, with B-25s sighted over Salonika, Doundoulakis met one of his neighbors on the street: "Helias, do you see?" he cried. "The Americans did not forget us, after all."

Mr. Carter is the global chairman of 20th- and 21st-century art at Christie's.

The Left Aims for an Andean Comeback



AMERICAS
By Mary Anastasia O'Grady

The Latin American left has been losing its grip on power for more than two years. Defeats of incumbent socialist parties at the ballot box in Argentina, Chile, Ecuador, Bolivia and Honduras have sent shock waves through collectivist networks across the hemisphere. So too the death rattle coming from the communist Cuban dictatorship.

In the Marxist playbook, the proper response to these setbacks is "To the barricades!" Three Andean countries are the hottest targets.

In the spotlight this week is Peru, which holds a presidential runoff election June 7. The contest pits hard-left socialist Congressman Roberto Sánchez against center-right Keiko Fujimori, a daughter of former President Alberto Fujimori.

There's a lot riding on this race for an aspiring nation. Despite its reputation for political instability, Peru's shift over the past 20 years toward policies that support open markets, private initiative and macroeconomic stability has dramatically improved living standards. The share of Peruvians living below the poverty line fell to 25.7% in 2025 from 58.7% in 2004. Mr. Sánchez promises to destroy that model, whereas Ms. Fujimori is expected largely to defend it.

There's also a lot at stake for the likes of Grupo de Puebla, a club of high-profile

leftists desperate to avoid another Latin loss to democratic capitalism. Its members include former Bolivian President Evo Morales, Brazilian President Luiz Inácio "Lula" da Silva and former Spanish Prime Minister José Luis Zapatero, who was recently indicted by a Spanish court for money laundering and influence peddling. Mr. Zapatero denies wrongdoing. Grupo de Puebla supports Mr. Sánchez's far-left ideological prescriptions for Peru.

Mr. Sánchez doesn't hide his radicalism. In 2021 he wrote a letter of solidarity to Venezuelan dictator Nicolás Maduro. Mr. Sánchez was minister of foreign trade and tourism for Peru's former President Pedro Castillo, who was constitutionally removed from office for trying to dissolve Congress. He has endorsed Mr. Sánchez from prison.

Other powerful Sánchez allies include the illegal gold-mining interests that threaten the property rights of lawful mining companies, an important engine of growth for Peru. The vote next Sunday is expected to be close.

In Bolivia, the left is trying to topple centrist President Rodrigo Paz. His election victory last year stunned Grupo de Puebla member Evo Morales, his Movement Toward Socialism (MAS) party and the coca-growers' union that he heads. Now anti-Paz agents are clashing with police, blocking highways and paralyzing the economy.

We've seen this film before. Democratically elected President Gonzalo Sánchez

de Lozada was driven from office in 2003 by leftist mobs using roadblocks and dynamite to lay siege to cities around the country. Mr. Morales helped lead those protests. More violence drove out Mr. Sánchez de Lozada's constitutional successor. Mr. Morales was elected in 2005 but ruled the country like a dictator for nearly 14 years, packing the courts and jailing his opponents without due process.

Elections in Peru and Colombia and riots in Bolivia test Latin American democracy.

He rewrote the constitution and locked out opposition lawmakers when the Legislative Assembly held the vote to ratify it. When he was caught in electoral fraud in 2019, he was forced to resign. The MAS party returned to the presidency for another five years in 2020 under President Luis Arce. Out of power again, Mr. Morales and MAS have returned to their old ways.

Colombia held a presidential election on Sunday. Hard-left Pacto Histórico President Gustavo Petro is barred from a second consecutive term. His party's candidate, Iván Cepeda, is equally extreme. Mr. Cepeda was up against a formidable outsider from the right, Abelardo de la Espriella, along with centrist Paloma Valencia, who is backed by former President Álvaro Uribe, and 11 other candi-

dates.

Ahead of the vote, Mr. de la Espriella had the momentum. Mr. Cepeda had polled as high as 45%. But in an AtlasIntel poll taken May 18-21, support for the government's candidate fell to 38.7% while Mr. de la Espriella, who is running on a platform of beefed-up security and smaller government, had surged to 37.3%. Ms. Valencia had dropped to 14.3%.

In the event Mr. de la Espriella surprised pollsters by finishing first with 43.7% of the vote while Mr. Cepeda finished second with 40.9%. But since neither received more than 50% of votes cast, there will be a June 21 runoff.

In a second round, most polls have found that a majority of voters prefer anybody but Mr. Cepeda. But there are plenty of wild cards. Intimidation is a favorite tool of organized crime, and the campaign has been marred by violence against the right. Presidential hopeful Miguel Uribe—no relation to the former president—was assassinated last year, and two campaign advisers for Mr. de la Espriella were gunned down in May. Many municipalities are controlled by illegal armed groups that back Mr. Cepeda and effectively run rural polling stations.

Mr. Petro raised the minimum wage by 23% in January, and he's been good for coca growers. Those are both pluses for Mr. Cepeda. On the other hand, it may be that Colombians want their country back.

Write to OGrady@wsj.com

The Taxpayer's Kitty Will Subsidize Yours

By Megan K. Jacobson

Forget pro-natalist policy to support families. With New York becoming less and less affordable, state lawmakers are pushing subsidies for dog and cat owners.

Progressives have long insisted that having a child is simply too expensive—requiring free daycare and refundable tax credits galore. In New York, apparently it's now financially impossible to own a tabby without state assistance. Bills before the Senate and Assembly would institute a nonrefundable tax credit for pet owners, and the sponsors would like to see it made refundable to maximize its helpfulness to lower-income residents.

If that happens, the tax credit could in some ways outstrip what parents get from the state. While New

York's child tax credit is income-limited, anyone—regardless of wealth—would be able to get taxpayer money to cover dog and cat expenses. Even at the maximum amount, the child tax credit

Lawmakers in Albany mull a tax credit for New York state pets.

drops, when a child turns 4, to about what you would get for Fido. The per child credit is \$500, while the maximum payout for a pet-owning household would be \$900, for two pets, in the current bills.

I love animals. I grew up with cats, dogs, birds, rats and bunnies, and my husband and I have a mutt, Mercy, whom we love dearly. Despite our initial efforts to make her sleep in her bed, she's

now a nightly fixture under our covers.

So it tugs at my heartstrings to read about New Yorkers having to surrender their cats and dogs to shelters out of financial distress. But this is the classic cycle of big government: Pile on the regulations and taxes until voters are about to break, then offer some distortive new policy as a fix.

It isn't by happenstance that New York has become the second-most-expensive state in which to own a dog, or that New York City shelters have been pushed past capacity by pet owners surrendering animals. When you pressure people with massive, nonnegotiable expenses—energy costs 70% above the U.S. average and the nation's seventh-highest median home prices—they have to cut costs in other ways. As heartbreaking as it is to give up your dog, it is

possible to live without one.

Last year the No. 1 reason people surrendered dogs to the Animal Care Centers of NYC was housing insecurity. That's unsurprising in a city where 50,000 units sit empty because rent control has made it financially impractical for owners to rent them out.

This is what happens when the government thinks it knows better than you how to spend your money. Instead of being able to devote a couple of thousand dollars a year to a loyal furry friend, you're forced to hand over that cash to cover costs inflated by regulatory nonsense while paying some of the highest tax rates in the country. The stark result is that animals are put down that otherwise wouldn't be.

Ms. Jacobson is an assistant editorial features editor at the Journal.

OPINION

REVIEW & OUTLOOK

Democrats Promise to Wreck the Court

Democrats are likely to retake the House and maybe the Senate in November, which is reason to ask: What would they do with that power? One emerging answer is that they seem determined to blow up the Supreme Court.

Listen to Rep. Hakeem Jeffries, the betting favorite to be the next Speaker of the House.

“The Supreme Court is a disgrace,” he said in April. “In the new Congress, we’re going to have to do something about this Supreme Court, and let me be very clear: Everything is on the table—everything to deal with this corrupt MAGA majority.”

He’s serious, and his agent for this task is Maryland Rep. Jamie Raskin, who is already making an argument to pack the Court with four new Justices. Why four? Mr. Raskin has a gussied-up explanation that might sound plausible if all you watch is MS NOW.

“There are 13 federal circuits in America, and traditionally, the Supreme Court has been made up of the number of Justices equal to the number of circuits,” Mr. Raskin said recently. “We’ve got 13 circuits, but we only have nine Justices. So that means that under the best of circumstances, four entire federal regions, four federal circuits will be left out completely.”

The real reason Democrats want 13 Justices is that it’s the number required to tilt the Court left under a new 7-6 majority. Yet it’s worth examining Mr. Raskin’s sales pitch to see its obvious insincerity. It’s true the Justices once spent part of each year traveling a judicial circuit to hear cases, but this practice of “riding circuit” effectively ended in 1891.

The Supreme Court’s size has been set at nine since 1869. Congress created the Tenth Circuit in 1929, and it added the ancestor of the D.C. Circuit in 1893. There’s no reason for the number of Justices to equal the number of appellate circuits.

One of today’s 13 appeals courts, set up in 1982, is the Federal Circuit, which has national jurisdiction over certain cases, such as patent disputes. That doesn’t fit Mr. Raskin’s representation thesis. There’s also a decent nonpartisan argument that the Ninth Circuit, which covers nine states and about 20% of Americans, is unwieldy and should be split into two. Under Mr. Raskin’s logic, the High Court then would need 14 Justices, which would produce 7-7 ties.

Mr. Raskin also has other ideas to bring the High Court low. He recently introduced a bill

that would deny the Justices the power to choose which cases they hear. Under the SCOTUS Act, petitions would be reviewed by a rotating committee of 13 random appellate judges. This is such a radical change that it’s hard to imagine all the implications.

One likelihood is less stability in the law. The Justices often prefer incremental rulings that move legal doctrines a little at a time. This works because the Court knows that today’s small step can be followed by accepting relevant cases when they next believe they’re warranted. If the Justices lose control of their docket, they’ll have more incentive to take big legal swings whenever a controversial topic comes up, because who knows when—or if—it will arise again?

* * *

The point to understand is that Democrats have become more radical toward the Court since 2024. Joe Biden stopped short of calling for Court packing. Kamala Harris floated the idea only weeks ago. Senate candidates James Talarico in Texas and Graham Platner in Maine want term limits for Justices, but don’t think they won’t go further when Democrats control the entire government again.

Never mind that the current Court often rules against President Trump. Was Mr. Jeffries not paying attention in February when the Justices ruled 6-3 to strike down Mr. Trump’s “emergency” tariffs? During Mr. Trump’s 2020 election fugue, the judiciary was the one branch of government that didn’t flinch in the face of Mr. Trump’s power play.

Soon the Court might rule against Mr. Trump’s order revising birthright citizenship and his attempt to fire Federal Reserve Governor Lisa Cook. American courts are still independent, and the Justices are following the law and the Constitution as they see it.

Democrats are free to dislike the Court’s decisions, yet they aren’t helpless. If Democrats abhor gerrymandering, they can argue for a bill to limit how, or how often, states draw House maps. But what really angers Democrats is that the Supreme Court is no longer a second progressive legislature that can impose policies they can’t get through Congress.

Democrats are telling the public they are plotting one of American history’s most destabilizing power grabs, by degrading the third branch of government. Why aren’t Republicans calling this out and defending the Court?

China Cooks the Carbon Emissions Books

Unlike the West’s green radicals, China isn’t willing to sacrifice its economy to meet its climate pledges. But Beijing isn’t above cooking its carbon books to gull Western activists into thinking it is.

At United Nations climate conferences in Copenhagen in 2009 and Paris in 2015, Beijing vowed sizeable reductions in the amount of carbon China emits per dollar of gross domestic product, or carbon intensity. Subsequent national planning documents reiterated this goal.

Beijing’s statistics have since suggested it would fall far from delivering on this climate promise. And last September the head of China’s Ministry of Ecology and Environment admitted that “controlling carbon emission intensity is challenging.”

Yet suddenly in March China reported that it had achieved a 17.7% reduction in carbon intensity between 2020 and 2025—a sliver short of its 18% goal. Earlier official numbers had suggested a reduction of only 12.4% over the same period. Credit Lauri Myllyvirta of the nonprofit Centre for Research on Energy and Clean Air for spotting this discrepancy and sleuthing out its cause.

“It is clear that there has been a major shift in the way that China measures its carbon in-

tensity, specifically in terms of which types of emissions are included,” Mr. Myllyvirta writes in a report for the British climate news site Carbon Brief. A footnote in China’s latest statistical communiqué further suggests a redefinition of the metric.

Previously, China factored in all fossil-fuel consumption as it calculated carbon intensity. The new calculus retrospectively cherry-picks which carbon emissions count. One of the bigger howlers is the exclusion of some emissions from chemical production or the manufacture of plastics, both booming industries.

This redefinition “effectively halves the rate of growth in China’s CO₂ [carbon dioxide] emissions over the past five years,” Mr. Myllyvirta says. With the stroke of a pen, Beijing has created a statistical gap more or less equal to the total emissions of South Korea or Germany.

In 2022 President Xi Jinping said carbon goals shouldn’t come at the expense of energy and food security or the “normal life” of Chinese people. Tell that to the climate fanatics in Europe and the U.S., who like to trumpet Beijing’s investments in solar or electric vehicles as evidence that even China is on board with their agenda. Next time they should try a little less trust and a little more verify.

No Nuclear Enrichment for the Saudis Either

No U.S. President has done more to confront Iran’s nuclear program than Donald Trump, and one reason is to avert a nuclear arms race in the world’s most volatile region. Vice President JD Vance made that case recently, yet the Trump Administration is simultaneously advancing a civil nuclear deal with Saudi Arabia that would abandon long-held proliferation safeguards. Why?

A State Department letter to Sen. Ed Markey (D., Mass.) dated May 18 says the Saudi deal is undergoing “final review” before Mr. Trump can submit it to Congress, Reuters reports. The deal wouldn’t require Riyadh to sign the Additional Protocol for snap U.N. inspections or adhere to the “gold standard” of no domestic uranium enrichment and no reprocessing of nuclear waste. That has been the U.S. standard to ward off nuclear-weapons proliferation.

Saudi Arabia is a U.S. ally, but so is the neighboring United Arab Emirates, which committed to the gold standard in its 2009 civil nuclear deal with the U.S. There’s no legitimate reason for Riyadh to dodge those restrictions or the most effective method of inspections.

The State Department letter says the U.S. and Saudi Arabia instead would have to come to a “bilateral safeguards agreement.” Reuters reports that it would be less onerous than the tried-and-tested gold standard and Additional

Protocol, and a central question is whether it will prohibit enrichment and reprocessing.

Each time these processes—keys to the world’s most dangerous weapons—are let out of the bag, the risk of something catastrophic increases. Mr. Trump understands this in the case of Iran’s regime, a rogue and an enemy, but decades of U.S. strategic thinking has recognized that it holds true for allies as well.

Regimes can change, and so can alliances. Technology and materials can be transferred or stolen. And once a country begins to enrich uranium, it is difficult to stop it. Even after U.S. and Israeli strikes in June halted Iran’s enrichment, the regime threatens to resume before long with a few essential materials and facilities and its accumulated know-how.

Saudi Arabia’s Mohammed bin Salman has mused before about needing nuclear weapons. As we wrote during the Crown Prince’s November trip to Washington, “The better way to reassure the Saudis—and everyone else—is to keep Iran’s nuclear program in ruins.” No one can accuse Mr. Trump of inactivity there, which should decrease the risk of regional proliferation.

This deal would do the opposite by weakening safeguards and overturning a valuable precedent. If it advances, expect other allies to request the same treatment and the world to become that much more dangerous.

LETTERS TO THE EDITOR

We Should Starve Adversaries of AI Compute

Neil Chilson’s op-ed (“AI Overwatch Act Would Help China,” May 27) makes two arguments in opposition to restricting high-end chip exports to China. First, these restrictions will make American companies less competitive globally, and second, the U.S. could lose in the artificial-intelligence race with China. Both arguments rest on a faulty premise that no meaningful trade-offs exist between national security and economic engagement with adversaries.

Export controls don’t seem to be materially harming Nvidia. In February, CEO Jensen Huang boasted that “computing demand is growing exponentially.” He called the company’s Blackwell chips “the king of inference today,” and predicted that the next line, Vera Rubin, would “extend that leadership even further.”

Mr. Huang doesn’t seem too concerned about global competition from Chinese companies like Huawei, and he shouldn’t be. Nvidia’s revenue in fiscal year 2026 was \$215.9 billion, a 65% increase from a year ago. Its projected chip revenue alone could reach \$1 trillion by 2027. Huawei’s projected chip revenue for 2026, meanwhile, is \$12 billion. The two companies aren’t in the same league.

Huawei has no meaningful share of the AI chip market outside China—pri-

marily because of American export controls. That’s a good thing for American companies and national security. If anything, selling H200 chips to China would harm American customers, whose orders could be delayed to service the fabrication of China-bound chips.

The quickest way for the U.S. to lose the AI race would be to sell advanced chips that Chinese companies are currently incapable of fabricating. China has already leveraged American chips for military training—missile defense ambush, counter-strikes, drone training and psychological warfare—all with an eye on defeating America on the battlefield. Policymakers should starve adversaries of AI compute, not supply it.

This is the policy logic underneath the AI Overwatch Act, a legislation that Mr. Chilson dismisses. The bill focuses on chips designed or marketed for data centers.

Mr. Chilson’s most curious objection, however, is his insistence that policymakers should avoid controlling chip exports to the Chinese in case “alliances evolve.” Does anyone expect that U.S.-China relations will evolve into a friendship, let alone an alliance?

MICHAEL SOBOLIK

Senior fellow, Hudson Institute
Washington

Trump’s Churchill-or-Chamberlain Crossroads

Donald Trump, the pre-eminent dealmaker, is out of his element (“Will Trump Bail Out Iran’s Regime?” Review & Outlook, May 26). For decades he has succeeded in the business world because, however brash and coercive his negotiations, he could always rely on the force of the law to uphold his legal contracts. With Iran, however, he is dealing with religious fanatics: They aren’t moved by economic factors, they can’t be bullied by overwhelming force, and there are no laws to enforce agreements.

Mr. Trump now has to decide if he will risk his long-term legacy for short-term electoral success. American voters may reward him for the

immediate gratification of lower gas prices, but history will judge him harshly if he squanders this chance to eliminate the greatest threat we have faced since World War II.

President Trump is facing a critical moment in his administration—a Churchill-or-Chamberlain crossroads. Will his legacy be the successful defense of America—and indeed Western civilization—against Islamic jihad, or will his bold attacks against the Iranian regime be sacrificed to political expediency and be remembered as another disgraceful episode of appeasement?

STANLEY SPATZ

Hollywood, Fla.

We Are Losing the Old Neighborhood Watch

Growing up in Denver during the 1950s, my childhood and those of the neighborhood kids—winter or summer, rain or shine—was spent outdoors (“Indoor Childhood Is Bad For Kids” by Ben Sasse, Free Expression, May 26).

The sidewalk was our playground. Bikes, tricycles, roller skates and sidewalk games during the summer months were the norm. We hiked all over the nearby golf course in summer and went sledding there in winter. Snowmen and forts were standard. Our parents didn’t really know

where we were during the day, except when we were in school.

Summer nights were hide-and-seek or kick the can throughout our backyards. The alleys were an extension for our many activities. As we reached a certain age, we could take the bus alone to downtown Denver for various activities like art classes at the children’s art museum or the big main library. We had freedom, adventure and gained self-confidence.

But an ingredient for encouraging development of outdoor kids becoming extinct: neighborhoods—the kinds where moms at home and older adults watched over the young ones.

JOANNA SHAFER

Oakland, Calif.

Misunderstanding Pope Leo

Barton Swaim should direct his ire at the media, not Pope Leo XIV (“Pope Leo Aims to Please,” Unruly Republic, May 28). The media is cherry-picking lines from the Holy Father’s encyclical, Magnifica Humanitas, that seem to align with its favored worldview. Yet there is much in the document that cuts across the cultural current.

The pope defends technology like artificial intelligence, which he says is part of our “profoundly human reality.” He points out that it can “serve as an ally of safer, more creative and dignified work,” and that “the era of AI can become a time in which the Holy Spirit brings about the civilization of love in our lives.” Where is the praise for this endorsement of human ingenuity applied through technology?

Pope Leo also issued a broad call for sound regulation, but what else should he say? The first American pope is discovering the truth of the Biblical promise that a “prophet is not welcome in his own land”—a reality that reflects poorly on Americans, not him.

TIM BUSCH

Napa Institute
Irvine, Calif.

Amazon Shopping Is Surreal

Regarding Marian Tupy’s “Jeff Bezos Earned His Fortune” (op-ed, May 27): Kudos to Mr. Tupy for pushing back against lazy caricatures of Jeff Bezos. People forget what shopping looked like before Amazon: flipping through glossy catalogs, mailing or phoning in orders and waiting weeks for delivery. Having ordinary household items arrive in a day would have seemed fantastical.

Amazon’s critics often focus on the emissions from delivery trucks while ignoring the individual shopping trips those deliveries may replace. A single delivery route can bring hundreds of packages to homes, replacing shopping trips that would otherwise add cars, emissions and congestion to local roads.

That doesn’t make Amazon environmentally perfect, but it does remind us that the relevant comparison isn’t Amazon vs. nothing. It is Amazon vs. the messier, slower and often less efficient system it replaced.

PETER PARLAPIANO

Houston

Free Expression

From WSJ OPINION
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Pepper ... And Salt

THE WALL STREET JOURNAL



“I told you it was a mistake to leave your body to science.”

OPINION

A Republican Time for Choosing

By Mike Pence

The Republican Party faces a momentous choice: Will we remain a party of conservative beliefs, or will we follow the siren song of populism? For more than a century, the ideological rival of conservatism has been a version of liberalism born during the Progressive Era and finding favor in the Democratic Party. It began in the days of Woodrow Wilson and evolved during the administrations of Franklin D. Roosevelt and Lyndon B. Johnson as they increased the size and power of the federal government. Their new programs and entitlements all too often eroded personal liberties and failed to solve the problems they were designed to address.

Where conservatives have historically viewed politics as the art of the possible, progressives see politics as a path to alter society beyond recognition in a quest for material equity, environmental nirvana, or other alleged perfections. Progressives invariably try to destroy whatever stands in their way.

Will we remain the party of conservative principles or embrace progressivism in the guise of populism?

Populism is progressivism in disguise. It strikes at us not from the Democratic Party but from within our own ranks, sparking a battle for the soul of the Republican Party. In the U.S., the conventional story of populism begins in the 19th century, when farmers called for ending the gold standard and printing more money to weaken the dollar and make it easier to pay off debts.

That was bad economics, but the problem with populism goes beyond policy blunders. It would replace our faith in limited government and traditional values with an agenda stitched together by opinion polls, personal grievances and performative outrage. Populists follow urges, not principles. They would erode our commitment to the Constitution and abandon U.S. leadership in the world.

Populism has risen anew in the 21st century due to the failures of big

government and public officials who have broken our trust. Globalization, a rising knowledge economy and increasing automation have boosted the incomes of many Americans but left others behind. An epidemic of lethal addiction has affected almost every community. Americans who hold traditional views of faith and family find themselves mocked in the news and entertainment media.

Donald Trump seized on these frustrations in 2016. In his first term as president, he acted as a conservative who sought to minimize the power of centralized government, unleash the economy and restore judicial restraint to the courts. Many of these initiatives were popular, but that didn't make them populist.

Conservatism is rooted in principle. Campaigning for a second term, Mr. Trump became fully uprooted. In 2024 he revealed something about the way he thinks: "You know, people say, 'You're conservative.' I'm not conservative. You know what I am? I'm a man of common sense." These remarks, in an interview with CNBC, generated headlines because some journalists were surprised by Mr. Trump's disavowal of conservatism. I wasn't. I had heard him say much the same many times in the White House. He would state his view on a subject—favoring low taxes or opposing gun control. I would point out that he had just described "the conservative position." He would wave his hand and correct me with two words: "common sense."

Conservatism is full of common sense. It applies inherited wisdom and innate judgment to politics. Yet Mr. Trump makes a distinction between conservatism and common sense. In doing so, he reveals that his political commitments are grounded not in conservative principles, but in his instincts, which have often been conservative but increasingly aren't.

Where Mr. Trump once defended the right to life, he washed his hands of the pro-life cause, claiming that abortion policy is no longer the business of the federal government. Where he once pushed the courts in a conservative direction through smart nominations, he attacked many of the people and groups involved in building one of his most important legacies. Where he once wanted businesses to flourish in a free-market system, he brought about partial federal ownership of several corpora-



DAVID GOTHARD

tions. Where he once wanted to engage with the world and lead, he has increasingly withdrawn from it and sought to isolate the U.S. from its longtime allies. Where he once defended free markets and expanded international trade, he embraced broad-based tariffs, protectionism and price controls on prescription drugs and credit cards. Between the conclusion of his first term and his pursuit of his second, Mr. Trump heard populism's siren song. He and those around him ran to it.

As Mr. Trump launched his third presidential campaign, he continued to insist that I had the power to overturn the 2020 election as Senate president in 2021. He even advocated setting aside the Constitution. "A Massive Fraud of this type and magnitude allows for the termination of all rules, regulations, and articles, even those found in the Constitution," he wrote on Truth Social in 2022. We have all learned to treat Mr. Trump's social-media posts with skepticism, but a conservative would never say such a thing. Here was a clear case of Mr. Trump's newfound populism merging with progressivism and its hostility to constitutional order.

Since his victory, my concern over his departure from conservatism has grown. Much of the postelection analysis correctly framed it not as a triumph of conservative ideals but as a repudiation of a decadent and debauched Democratic Party. For many right-wing

populists, grievance dictates policy. Rather than advance America's international leadership from a position of strength, populism complains that our allies and trading partners are taking advantage of us and that we need tariffs to settle the score, even at the expense of our national security and economic growth.

Rather than uphold American colonists' rebellion against monarchical government, populism clamors for centralization to advance its version of the common good. Rather than Edmund Burke's belief that men have "a right to the fruits of their industry and to the means of making their industry fruitful," populists insist that we direct the administrative state to settle contract disputes between businesses and unions. Sen. Josh Hawley wants to empower bureaucrats in Washington to seize control of stalled negotiations.

As right-wing populists rise, conservatism risks exchanging its governing philosophy for an identity as a solely oppositional force. This would be a mistake. Defining a movement by its adversaries rather than its principles is a recipe for intellectual decay and political aimlessness. Such a mindset breeds short-term thinking and risks creating a culture of resentment rather than one of renewal.

We are at our best as conservatives when we offer a positive vision, an alternative to left-leaning orthodoxies. But as progressives have captured major institutions and twisted

traditional morality, conservatism is often reduced to mere opposition. While this can attract temporary allies and even win elections when Republicans are out of power, it can't serve as the moral foundation of the conservative movement.

We must say what conservatives believe. American conservatives are champions of freedom—and what we seek to conserve is the freedom inspired by the Declaration of Independence and guaranteed by the Constitution. The political home of those who believe in limited government and individual liberty and who seek to keep faith with our founding documents is the Republican Party.

Calvin Coolidge described the importance of keeping America's founding principles in a speech in Philadelphia to honor the 150th anniversary of the Declaration of Independence: "If all men are created equal, that is final. If they are endowed with inalienable rights, that is final. If governments derive their just power from the consent of the governed, that is final. No advance, no progress can be made beyond these propositions. If anyone wishes to deny their truth and their soundness, the only direction in which he can proceed historically is not forward, but backward toward the time when there was no equality, no rights of the individual, no rule of the people. Those who wish to proceed in that direction cannot lay claim to progress. They are reactionary."

Popular opinion is fickle. Principles are final. When principles guide us, they can lead us to our greatest political successes. The challenge for conservatives is to hold fast to our principles. This means believing in personal and economic liberty. It means standing up to evil regimes and standing with the friends of freedom on the world stage. It means conducting ourselves with dignity and civility. Above all, it means respecting the Constitution. Leaders fade into history. The politics of convenience driven by the passing moment never prevail, but principles endure.

Mr. Pence served as vice president of the United States (2017-21), and is founder of Advancing American Freedom. This article is adapted from his book "What Conservatives Believe: Rediscovering the Conservative Conscience," forthcoming on Tuesday.

JD Vance Courts Sean O'Brien and the Teamsters



LIFE SCIENCE
By Alysia Finley

President JD Vance—to benefit his union.

Mr. O'Brien is desperate for a win in Washington to sell to his 1.3 million members as he runs for re-election. Some Republicans in Congress seem eager to give him one—maybe two—as they seek to burnish their bona fides as defenders of the working class. These Republicans are doing more to help Democrats—the primary beneficiaries of Teamster campaign donations—than workers.

The vice president hopes to win the union's 2028 endorsement by backing Big Labor priorities.

The Teamsters' membership has shrunk by nearly half since the 1970s amid a broader decline in organized labor. Technology has improved productivity. At the same time, jobs have migrated to states with right-to-work laws, which prohibit unions and employers from making union membership a condition of employment. The Teamsters have also lost rank-and-file support. Between 2016 and 2025, members filed 373 petitions to decertify the Teamsters, ac-

ording to Reason magazine. Some 60% of the decertification elections succeeded.

You can't blame union members for wearying of paying dues that bankroll Democratic candidates and lavish lifestyles of union leaders. In the 2023-24 election cycle, 92% of Teamsters PAC donations to federal candidates went to Democrats, as did 91% of the union's contributions to party committees.

An independent investigations officer—mandated by a court because of the union's longstanding corruption problems—issued a report in February accusing two former Teamster officials of treating the union credit card "as a blank check to permit them luxury living without limit," including restaurant tabs for meals with friends topping \$3,000. One was a close ally of Mr. O'Brien. They defended some expenses as related to union business.

Elected in 2021, Mr. O'Brien has taken a hard line in collective bargaining with the goal of winning rich pay packages he can showcase to employees at other businesses he's trying to organize. This strategy has cost tens of thousands of members their jobs.

In 2023, Yellow Corp., one of the country's largest trucking companies, sought financial concessions from the Teamsters to stay in business. Mr. O'Brien refused and tweeted an image of a gravestone reading "Yellow 1924-2023." The company filed for bankruptcy, and 22,000 Teamsters lost their jobs.

After threatening UPS with a strike that summer, Mr. O'Brien won a deal that increased average compensation for full-time drivers over five years to \$170,000 from \$145,000, including zero healthcare premiums

and as much as seven weeks of vacation. Rising labor costs prompted UPS to cut 34,000 nonmanagement jobs last year, with another 30,000 planned for this year.

Meanwhile, Mr. O'Brien's campaign to organize Amazon warehouse workers and drivers has met with little success. More successful has been his courtship of Republicans to support legislative priorities such as the misnamed Railway Safety Act and the Faster Labor Contracts Act.

After a Norfolk Southern train derailed in East Palestine, Ohio, in 2023, then-Sen. Vance co-sponsored legislation that would impose costly labor mandates on railroads in the name of safety. Farmers and fossil-fuel producers argued that it would increase transportation costs without improving safety.

Although the bill lacked sufficient GOP support to pass either chamber

in Congress's last session, Mr. O'Brien has pushed to attach it to this year's highway-funding reauthorization. Mr. Vance went to bat for the Teamsters last month by pressing President Trump to endorse the bill and calling House Republicans to press his cause.

Perhaps he hopes Mr. O'Brien will return the favor if he runs for president in 2028. Fat chance. Mr. O'Brien knows that endorsing a candidate would squander his political leverage. Mr. O'Brien declined to endorse Mr. Trump in 2024 even though Teamster members favored him over Kamala Harris in internal polls.

Other potential Republican contenders have also curried favor with the union. Then-Sen. Marco Rubio of Florida backed a Teamster affiliate during a 2022 railroad contract dispute. Missouri Sen. Josh Hawley is championing a Teamster-backed bill

that would allow an arbitration panel to impose a contract if a union and an employer fail to reach an agreement after 120 days of bargaining. Modeled on a California farm labor law, the bill would give unions more leverage while also reducing the power of workers, who wouldn't have to approve the ultimate contract. That means the union could force hefty dues payments on workers without their consent.

Seven House Republicans have signed a discharge petition to force a floor vote on the bill. They may be hoping their alliance with organized labor will quell working-class anger over inflation. It won't. And they will be giving unions more money to dump into Democratic campaigns.

Mr. O'Brien has forged an alliance with the vice president and other Republicans out of pragmatism. When will they realize they're being used?

AI Made My Expertise More Effective

By Scott Wallsten

I recently built a retirement-planning app. Today's artificial-intelligence coding assistants allow a single person to build software that used to require a team. I'm an economist, not a programmer. I knew what questions to ask, and the AI handled the coding. That shift changes who captures the gains from AI.

By guiding and interrogating the AI programmer, I created an application called RetireLab. It runs thousands of simulations, incorporating federal tax brackets, Roth conversion strategies, Medicare premium surcharges, Social Security, mortality and about two dozen other variables that determine whether a household's money is likely to last. Simply asking AI to create a retirement planner will get you something generic and not particularly useful.

The questions that made RetireLab useful didn't come from knowing the tax code. They came from my training in thinking like an economist—reasoning about probabilities, spotting perverse incentives and judging which details actually affect decisions. Example: A dollar of income over a specific Medicare threshold can trigger more than \$2,000 in annual surcharges. The AI initially built a tool that recommended financial strategies crossing those thresholds, generating costs that could wipe out any benefit. I caught the bug not by reading code but by noticing that the output didn't match how a rational retiree should

behave. I instructed the AI to fix the economic logic, and it rewrote the software.

A few months ago, I wouldn't have been able to incorporate these habits of mind into a functioning tool. The cost of translating that kind of thinking into action has fallen by an order of magnitude.

I'm not a programmer but I created an application by asking the right questions and letting a chatbot code.

Economist Ronald Coase in 1937 argued that firms exist because it is cheaper to produce some things in-house than to buy them on the market. For decades, custom software was so expensive it forced professionals to trade away specific capabilities for the lower price of generic, off-the-shelf tools. AI has collapsed the cost of building, making it possible to choose precision over a generic substitute. For anyone whose questions go beyond what commercial software is designed to answer, the threshold for "just build it" has dropped dramatically. Consultants and contractors whose primary value is translating someone else's requirements into code face real pressure. The build-versus-buy math is shifting fast, and nobody is sure where it settles.

This doesn't mean we should

blindly trust AI code. I don't know that the app correctly captures every detail in tax law. I caught certain anomalies because I think about incentives for a living. Using several AI systems to check each other's work helps, and it helped here. The tax code is ultimately a set of rules and their interactions, the kind of problem AI should keep getting better at handling. For now, closing the gap between "looks right" and "is right" still takes human judgment. How long that remains true is anyone's guess.

For policymakers, AI is simultaneously substituting and complementing different parts of the same workflow. It complements the expert while substituting for the intermediary. The economist can now build her own simulation, the doctor can prototype a clinical decision tool, and the logistics manager can write his own optimizer. Each has the expertise to know which questions are worth asking, and AI can turn that knowledge into working tools.

That may mean fewer people per project, with productivity gains only among people who already have expertise. But it might also mean more projects and broader gains. What's clear is that the gap between idea and product has narrowed, and that changes the internal economics of firms.

Mr. Wallsten is president of the Technology Policy Institute and a policy fellow at the Stanford Institute for Economic Policy Research.

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ما أقرب الأشياء حين يسوقها
قدر، وأبعدها إذا لم تُقدر
(ابن المبارك)

YOUR DAILY ARABIC PROVERB

*How close things are when fate drives them,
and how distant when they are not ordained.*

Ibn Al-Mubarak
(Eighth-century scholar)

Opinion

What next for Iran regime?

KHALED ABOU ZAHR

The Iranian regime is a Trotskyist regime. Since 1979, it has pursued a permanent revolution and sought to export it across the region. Interestingly, this export did not look east but only west toward the Arab countries. Even before 2023, although already weakened, it had exported its influence and destruction to Lebanon, Syria, Iraq and Yemen, and was relentlessly attempting to destabilize and interfere in other countries' affairs.

Today, contrary to some Western media reports, the regime sits on the remnants of this expansion. We can see that, in Lebanon following the Israeli strikes, Hezbollah is nowhere near its previous strength. Syria has been completely lost and Iran itself is facing a reckoning.

We are seeing the US and Iran dance between strikes and a potential deal. I think the top condition of these negotiations should be the public and formal renunciation from the highest level of the country of

exporting the revolution and the immediate execution of this announcement. This means disbanding all militias in Lebanon, Iraq and everywhere else.

A theme that has been covered by experts for decades and that became popular a few years ago in the mainstream media is "Velayat-e-Faqih." This doctrine goes with the Trotskyist one. As the founding principle of the Islamic Republic of Iran, it has given the supreme leader the ultimate political and religious authority over the state in the absence of the hidden imam. It has a direct impact beyond the borders of the country, as it is how the regime shapes its regional influence, by being the only recognized authority over militias and hence political projects and religious and military power across the Middle East.

This voice and authority are missing today. The successful targeting of Supreme Leader Ali Khamenei and the reported targeting of his son and successor Mojtaba Khamenei, who has disappeared from public view, have fueled intense speculation about Iran's



Khaled Abu Zahr is the founder of SpaceQuest Ventures, a space-focused investment platform. He is CEO of EurasiaMedia and editor of Al-Watan Al-Arabi.

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future internal power dynamics.

Analysts are saying that the absolute control and continuity that the position represented is breaking down. So, could a prolonged absence and isolation shift real authority increasingly toward or within the Islamic Revolutionary Guard Corps and ultimately bring an end to the Velayat-e-Faqih and its regional influence?

The reality is that Israeli and US military interventions have forced a real change within the structure of the Iranian regime and this should be reflected in any agreement. Even if a deal is reached, there is little chance that it will hold for long unless the core issues are dealt with — and this means a change in the doctrine that rules the country and its foreign policy.

The nuclear program, militias, terrorism and criminal activities are all rooted in the ideology of the current Iranian regime. These are the tools they use. Hence, without this change, they might pause but will certainly continue to push for their goals when possible. The only solution for a

lasting agreement is the renunciation of this ideology and the immediate dismantling of all its networks in the region and beyond, whether in Africa or South America.

Despite its claim of moral superiority, the Iranian regime is no different to Ba'athist Iraq. While claiming to fight for the freedom of Palestinians and others, the Tehran regime has consistently targeted Arab countries — never those in Central Asia — through interference in their affairs. It has never had genuine government-to-government relations and has favored supporting domestic groups in order to weaken and destabilize these countries. This is no longer acceptable.

Tehran may well deny it but the Iranian regime has entered the final phase of its existence. It is anachronistic to development in the Middle East. The only question is whether this shift happens today, in a clear and decisive way through a potential agreement with the US, or in a couple of years.

Hezbollah is nowhere near its previous strength. Syria has been completely lost and Iran itself is facing a reckoning



COURTESY: AMALIO REISER/ASHARQ AL-AHBAT

There are multiple paths that a technology like AI can take and each has far-reaching implications for society

World must carefully consider AI's purpose

DARON ACEMOGLU

Artificial intelligence is reshaping how we communicate, access information and work, as well as how income and status are distributed and even how we wage war. Yet the public conversation remains narrowly focused on the competition between AI labs or on abstract debates about the technology's capabilities. Almost no one is asking what purpose AI ought to serve or whether our current mindset, institutions and control mechanisms are capable of steering the technology toward broad-based improvements in human welfare.

It was therefore refreshing to see Pope Leo weigh in on the issue with his first encyclical, which describes AI's current trajectory as a profound threat to human dignity. As an economist who has long argued that technologically driven outcomes are matters of choice, not fate, I welcome his intervention.

Leo is ahead of most commentators in pointing out that "technology is never

neutral because it takes on the characteristics of those who devise, finance, regulate and use it." And yet, I worry that even he has not gone far enough on the most consequential question: What should AI be designed to do?

As Simon Johnson and I stress in our book "Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity," there are multiple paths that a technology like AI can take and each has far-reaching implications for society. For example, the pope is right to question the current trajectory of AI in warfare and law enforcement. What was taboo only a few years ago — AI-driven mass surveillance and algorithms selecting targets for killing — has become routine.

A more fundamental piece of wisdom underlies his specific concerns: technological progress is not necessarily moral progress. Just because something is technically feasible does not mean that it is good for humanity. Whether a technology is desirable depends on who



Daron Acemoglu, a 2024 Nobel laureate in economics and Institute Professor of Economics at MIT, is a co-author (with Simon Johnson) of "Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity" (PublicAffairs, 2023). ©Project Syndicate

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controls it and their ideology.

But the pope stopped short of questioning the prevailing AI design philosophy. The entire AI industry's approach is centered on mimicking human capabilities and automating human tasks with the goal of creating an "artificial general intelligence" that can do everything a person can.

When two things are different, you should not — and typically cannot — use one to mimic the other. The results would be suboptimal. The same applies to AI and human skills. Using AI to do what humans cannot do, so that humans can expand what they do, is more productive than mimicry. In a future scenario where AI increases, rather than displaces, human capabilities, electricians would be aided by AI diagnostics, nurses would consult AI in interpreting symptoms and teachers might use AI to personalize instruction for each student.

Optimists and industry insiders might respond that automation-first AI can still benefit everyone, provided that redistributive policies keep pace. But this argument

has a poor track record. Four decades of digital automation have already concentrated gains at the top, hollowed out middle-skill work and produced disappointing aggregate productivity growth.

Perhaps the biggest failing of today's AI industry is its refusal to recognize any of this. The handful of people unleashing this technology on the world are guided by an ideology of control (over humanity) and by a conviction that machines are uniformly better than humans.

Leo is right to call for moral clarity and a serious, society-wide debate. But the conversation must move beyond exhortation toward concrete choices: antitrust action against the dominant platforms, public investments in human-complementary AI, regulation of surveillance and autonomous weapons, and meaningful rights for workers and citizens over the data on which these systems depend.

Leo's intervention makes such a response a little more likely than it was before. But the rest of us must stand up for humanity, too.

Opinion

China's long march to technological supremacy

JOHAN ROCKSTROM AND INGA STRUMKE

As scientists, we had the uneasy privilege of witnessing China's rise earlier than most. Long before a country's regional or global dominance shows up in macroeconomic aggregates and stock valuations, it can be inferred from the kinds of signals that scientists notice: scholarly publications, patents, talent formation, infrastructure investments, industrial coordination and the growth of capacity in strategic fields.

What many see as a sudden leap forward is really the predictable result of long-term planning and statecraft, all guided by the understanding that technological power rests on fundamental research and strong institutions. With five universities among the world's top 40 and 35 in the top 500, Chinese institutions will almost certainly come to rival the likes of Oxford, Massachusetts Institute of Technology, Harvard and Cambridge. Their entry into the global top 10 is a matter of when, not if.

China's research and development prowess has been visible in research output,

patents, doctorates and critical technologies for years, even as many investors, commentators and policymakers continued to dismiss it. The "DeepSeek moment" was a case in point. The launch of a Chinese large language model with capabilities similar to those from the leading US labs looked like a fluke, when in fact it was the downstream outcome of years of accumulated research capacity in China's artificial intelligence ecosystem.

What matters is that China's growing strength in research increases the likelihood of such competitive challenges, with capabilities long evident to scientists suddenly translating into market-moving events.

A key battleground — where science and technology provide the edge in a much larger geopolitical rivalry — is energy. As the world leader in solar, wind and battery technologies, China is positioned to power the increasingly digital and data center-heavy economy of the future with clean electricity.

While China is anchoring its energy strategy to the scientific frontier, the US is going backwards by promoting coal,



Johan Rockstrom, Director of the Potsdam Institute for Climate Impact Research and Professor in Earth System Science at the University of Potsdam, is Co-Chair of the Global Commission on the Economics of Water.

Inga Strumke is Associate Professor in Artificial Intelligence at the Norwegian University of Science and Technology and the author of "Machines that Think: How Artificial Intelligence Works and What it Means for Us" (Rheinwerk Publishing, 2026).

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oil and gas, while gratuitously killing off clean energy projects. This approach not only threatens US dominance in science and technology but also accelerates global warming and diminishes the US economy's long-term competitiveness.

While liberal democracies lurch from quarter to quarter, China has been steadily building industrial and research capacities across strategic sectors such as batteries, electric vehicles, solar, telecommunications, advanced manufacturing and AI-enabling infrastructure. According to the Australian Strategic Policy Institute's critical technology tracker, China leads in 57 of 64 frontier technologies measured over the 2019 to 2023 period, up from just three two decades earlier.

In short: China lays out a strategy and then acts accordingly. Its five-year plans are instruments for aligning finance, infrastructure, education, procurement and industrial investments over long time horizons. The 15th Five-Year Plan centers on scientific and technological self-reliance, with Chinese leaders framing technology as the backbone of national development and security. China's R&D spending grew by 8.7

percent in 2023, far above the Organisation for Economic Co-operation and Development average and both the US and the EU. No wonder the World Intellectual Property Organization now ranks China among the world's most innovative economies.

To be sure, China has benefited enormously from access to global markets, foreign capital, imported know-how, integration into international supply chains and access to existing scientific breakthroughs. Combined with domestic investments in education and scientific research capacity, these made the country's historic development possible. But now the geopolitical tide is shifting,

and, having gained from openness, China is pursuing technological independence, especially in strategically sensitive domains.

China successfully pursued a long-term strategy to dominate the technologies that will shape this century and it is unlikely to share the returns it generated from globalization. In this year of the fire horse, everyone ought to realize what has already been visible to the scientific community for quite some time: China has gone from a trot to a gallop.

A key battleground — where science and technology provide the edge in a much larger geopolitical rivalry — is energy

Its five-year plans are instruments for aligning finance, infrastructure, education, procurement and industrial investments

The future of India's Africa policy

TALMIZ AHMAD

The fourth India-Africa Forum Summit, scheduled to take place in New Delhi on Sunday, was postponed due to the Ebola epidemic in parts of Africa. However, the run-up to this important interaction produced enough literature from diverse sources to affirm the importance India attaches to significantly upgrading its ties with the 54-nation continent.

India-Africa ties, building on their camaraderie and mutual support during the Cold War period, when both espoused nonalignment, have gained considerable substance over the last decade. There have been 50 high-level visits from India to African countries in this period and nearly 100 return visits. India has also expanded its diplomatic presence to 17 more countries, so that 44 African states now have resident Indian diplomatic missions.

Africa is India's third-largest trade partner, with two-way trade now standing at nearly \$100 billion a year. Africa also has a central place in India's efforts to articulate the interests of the Global South, with India bringing the African Union into the G20 during its presidency.

However, one Indian commentator has

described India-Africa ties so far as "episodic and heavily state-centric," calling for more sustained and diverse engagements that would bring in actors from the private sector and civil society.

Agreeing with this assessment, an Indian diplomat has insisted that India-Africa relations be redefined on the basis of a "reimagined architecture" that is founded on a fresh strategy.

Trade, technology, knowledge and security should be the principal sectors for engagement in this endeavor. Regarding

trade, India will need to harmonize its approach with Africa's free trade area protocols and engage with African countries on issues of market access and regulatory harmonization. Indian companies could also set up manufacturing units

in Africa. In the area of technology, India is already promoting the development of digital public infrastructure, such as digital identity platforms, online payment systems and data exchanges, in which it has considerable expertise. This can play a major role in upgrading service delivery across Africa, besides enhancing the technology skills of African youth.

Knowledge development is another promising area for bilateral cooperation.



Talmiz Ahmad is a former Indian diplomat.

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While in the past India had imparted knowledge to African youth through its decades-old technical and economic cooperation programs, now its approach will be to focus on two-way partnerships set up on an institutional basis so that these initiatives become part of Africa's knowledge ecosystems. As a role model, India's premier technology institution, the Indian Institute of Technology Madras, now has a branch in Zanzibar and is providing facilities for education and research in data science and artificial intelligence.

Security offers a new and important area for an Indian role in Africa. The continent has been conflict-prone for several decades and Indian forces have been part of UN peacekeeping operations throughout this period, as well as, more recently, in antipiracy operations. Conflicts in Africa have mainly emerged from fragile domestic order in several states, disputed borders, tribal and clan divisions, and weak governance institutions. In recent years, Africa has seen more than 50 conflicts that have led to 35 million people being displaced. To complicate matters, external interventions have surged from 12 in the period between 1991 and 2010 to 27 between 2011 and 2021.

Africa has several organizations

concerned with security matters, including the African Union Peace and Security Architecture, which has supporting bodies dealing with conflict prevention, peace support operations, imposing sanctions and postconflict reconstruction. Most of these have remained largely ineffective due to the absence of political support.

Given the importance of Africa in its long-term strategic calculus, India cannot be a mute bystander amid these lethal conflicts. Its security role could evolve incrementally as it gains knowledge and confidence,

starting with training, logistical support, technology for communications and early warning systems, joint exercises, and developing the defense industrial sector. This would prepare the ground for serious security interactions at different levels.

Participating in Africa's development is a formidable challenge on account of the continent's size, diversity and instability. But Africa is worth the wait. In a new book, "How Africa Works," Joe Studwell confidently states: "In trade, investment, tourism, literature and music, African integration into the world system is beginning in the way it did for Asia half a century ago."

India expects to be a central player in shaping this change.

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COMMENT

Editorials

European Commission needs to handle China policy with prudence, rationality

The European Commission held an orientation debate on Friday to explore a range of policy tools aimed at addressing the European Union's trade "imbalance" with China, citing the country's so-called "overcapacity".

"The current state of the trade and investment relationship is not sustainable," reads a statement issued by the commission following the debate. "As economic and security interests become ever more intertwined, both dimensions will require a more robust and coherent response."

The statement indicates that the commission, misled by certain politicians, is attempting to make China a scapegoat. In doing so, it risks ignoring the EU's underlying diseases.

As a report on Europe's development (2025-26), released by the Institute of European Studies of the Chinese Academy of Social Sciences on Friday, said, Europe is experiencing its deepest transformation since the end of the Cold War. Strategic anxiety is replacing developmental confidence and security concerns increasingly dominate economic policymaking.

It is not the European Union's trade with China that is "not sustainable" but the EU's own policies and practices in related sectors. Over the past decade, European businesses have faced high energy costs, regulatory burdens have multiplied, compliance requirements have expanded, and new layers of environmental, digital and competition regulations have raised costs across sectors.

None of these challenges were created by China. The EU's trade deficit with China is largely attributable to Brussels' restrictive export policies on high-tech products, as well as the fact that goods produced by EU companies in China and exported to the European market are counted as exports by China. If trade surplus alone constitutes evidence of "overcapacity", then many of Europe's own globally successful industries would face the same accusation. European automobiles, pharmaceuticals, wine and luxury products have long generated substantial trade surpluses worldwide. Competitive exports are not, by themselves, proof of market distortion.

Evidence comes from the very issue that has dominated China-EU trade relations over the past two years: electric vehicles. After a lengthy political theater, escalating rhetoric and tariff threats, Brussels eventually returned to what should have been the starting point as Beijing urged from the beginning: negotiation. The ongoing efforts to reach a mutually acceptable settlement regarding Chinese-made EVs entering the European market demonstrate a reality: dialogue can produce prac-

tical solutions; trade weaponization cannot.

Had Brussels chosen consultation earlier, considerable political capital, business uncertainty and market disruption could have been avoided. The lesson should not be lost on European policymakers now contemplating new instruments targeting China.

Indeed, Brussels' recent actions suggest a growing tendency to substitute regulatory activism for genuine policies to promote industrial renewal. On Thursday, the European Commission launched an investigation under the Foreign Subsidies Regulation into JD.com's proposed acquisition of German retailer Ceconomy, while continuing an expanding series of investigations into Chinese companies operating in Europe.

The China Chamber of Commerce to the EU has rightly warned that such measures risk conflating legitimate market competitiveness with alleged distortions. Innovation, logistics efficiency, supply-chain integration and operational excellence are increasingly viewed through a geopolitical lens by the EU. What should be normal commercial competition is becoming a matter of suspicion.

Some EU policymakers appear increasingly determined to imitate Washington's trade playbook, ignoring the willingness many major EU economies have expressed to strengthen economic relations with China during their leaders' and business delegations' visits to Beijing.

The EU should not overlook the irony that many advocates of tougher measures against China remain relatively silent on the United States' unilateral practices targeting the bloc. For some of them, targeting China is a way to deflect pressure arising from their own perceived softness toward the US.

While remaining open to dialogue, China has made it clear that any discriminatory measure will trigger countermeasures.

The European Commission should examine the EU's own institutional constraints — bureaucratic inertia, excessive regulation, high energy costs, and declining industrial productivity — rather than mistaking China for a "threat".

The future of China-EU economic relations should be determined not by which side can devise the next trade weapon, but by whether the EU can show the wisdom to put aside its ideological bias and focus on cooperation and exchanges to expand the two sides' common interests.

Competitive economies become what they are by striving to become a better version of themselves through openness and competition, rather than by embracing protectionism and unilateralism.

Regional brakes on neo-militarism necessary

The extraordinary efforts made by Japanese Defense Minister Shinjiro Koizumi during the Shangri-La Dialogue in Singapore over the weekend — seeking "security assurances" from the United States — lay bare Tokyo's anxiety: as Japan's remilitarization becomes increasingly blatant, it risks facing growing opposition from the region.

During their talks on the sidelines of the security forum, Koizumi and his US counterpart reached a series of agreements, including accelerating the joint production of missiles. The Japanese side announced these outcomes in a high-profile manner, as if they were the latest testament to the "solidarity" of its military cooperation with the US.

If Japan truly sought peace, Koizumi would not have gone to such lengths to deliver his telling performance before the nations of the region — countries all too familiar with Japan's old trick of saying one thing while doing another.

Data from the Japanese government reveal that orders from the Japanese Ministry of Defense have tripled over the past five years, and now constitute half of the government's public procurement orders. Historically, this military-industrial complex played a significant role in Japan's militarist expansion. That machines are roaring once again in the system indicates the dangerous direction in which the Sanae Takaichi government is leading the country.

This year marks the 80th anniversary of the opening of the Tokyo Trials, which delivered historical justice after World War II. It serves as a reminder of the consequences of a Japan ruled by de facto militarists. Meng Xiangqing, head of the People's Liberation Army expert delegation at the Shangri-La Dialogue, rightly questioned Japan's qualification to speak about "defense" cooperation, warning against any resurgence of militarism and attempts to challenge the post-WWII international order.

Is a country that has not thoroughly reckoned with the legacy of militarism truly qualified to speak about "defense" cooperation on the inter-

national stage? Can it win the trust of the international community — especially the Asian countries that once suffered from its aggression? These questions, raised by Meng during a panel discussion at the dialogue, deserve the full attention of the entire region.

The worrisome actions of Japan extend well beyond its borders. In Singapore, Koizumi also met with Philippine Defense Secretary Gilberto Teodoro Jr to finalize the transfer of decommissioned Japanese military vessels to Manila, aiming to better equip the Philippines for its provocative actions against China in the South China Sea.

On Thursday, the two countries announced they would hold talks on delimiting a so-called "exclusive economic zone" in the waters to the east of China's Taiwan island where China has an exclusive economic zone and continental shelf.

This constitutes a severe violation of China's maritime rights and interests, the United Nations Convention on the Law of the Sea and other international laws, and basic norms governing international relations, as Chinese Foreign Ministry spokeswoman Mao Ning said.

There is no doubt that Japan stands at a crossroads again. The series of institutional constraints established in the postwar era — designed to prevent Japan from repeating the mistakes of its past — are now being systematically dismantled, step by step, by the right-wing forces in Japan. While the tactics employed by them are nothing new, for a nation that has never truly engaged in thorough self-reflection over its heinous wartime history, these methods serve to effectively reawaken the ambition, greed and hubris of a war machine that has long lain dormant beneath a veneer of peace.

During the war, Japanese society succumbed to a state of collective unconsciousness. Established moral compasses were arbitrarily altered, and the Japanese people could only toil diligently to facilitate the cruel objectives dictated by the militarists. Today, Japan seems once again ready to tread that same path.

Li Min



Opinion Line

Ottawa should respect core concerns to ensure cooperation sustainable

Chinese Foreign Minister Wang Yi met respectively with Canadian Prime Minister Mark Carney, Foreign Minister Anita Anand and former prime minister Jean Chretien in Ottawa on Friday. The discussions struck a pragmatic tone, focusing on cooperation, exchanges and the need to properly manage differences. This suggests that the atmosphere necessary for forging a new strategic partnership between the two countries is gradually improving.

Months after Carney's January visit to China, the results are becoming visible. Exchanges between some government departments have resumed, and trade and investment discussions have regained momentum.

The numbers tell a revealing story. According to Chinese statistics, total China-Canada goods trade in 2025 stood at \$89.59 billion, down 3.7 percent year-on-year. Canadian exports to China fell by 10.5 percent to \$41.66 billion, while imports from China declined by 3.7 percent to \$47.93 billion. Yet even amid these declines caused by the previous Canadian government's ill-advised China policy, China remained Canada's second-largest trading partner, behind only the United States.

The numbers also demonstrate the resilience of underlying commercial ties. Despite years of diplomatic tensions caused by the Justin Trudeau government, neither side could simply replace the other with any other trading partner. This explains why the Carney government has moved with notable speed to recalibrate the relationship. During his visit to China, Carney spoke of building a strong and enduring new strategic partnership

with China. In his meeting with Wang on Friday, Carney reiterated Canada's willingness to deepen cooperation in energy, finance, agriculture and fisheries. These sectors sit at the heart of Canada's comparative advantages.

Wang noted that the improvement in bilateral relations serves the interests of both countries and that there is no clash of fundamental interests between them.

It means that the China-Canada relationship should not be burdened by irreconcilable strategic rivalry.

Indeed, the convergence extends beyond economic and trade relations. Carney's support for China's hosting of this year's Asia-Pacific Economic Cooperation Economic Leaders' Meeting is welcome. It aligns with his broader argument that countries should defend multilateral cooperation in an increasingly fragmented world.

In his much-discussed speech in Davos in January, Carney delivered perhaps one of the clearest diagnoses yet of the international environment confronting what he called "middle powers". He warned that a "world of fortresses" would become poorer, more fragile and less sustainable. "Middle powers", like Canada, needed strategic autonomy while continuing to support open trade, international law and practical cooperation, he argued.

Those views resonate with the world's needs for multilateralism and an open economy. While China and Canada may disagree on some issues, they share an interest in preventing global economic fragmentation and resisting the logic of bloc confrontation.

The restoration of strategic dia-

logue mechanisms announced during Wang's visit therefore reflects the recognition on both sides that sustained communication is indispensable in an era of uncertainty.

Yet one cautionary caveat remains.

If Ottawa wishes to preserve the positive momentum that is now emerging, it must handle the Taiwan question with due prudence and care. The timing of the recent transit of the Canadian frigate HMCS *Charlottetown* through the Taiwan Strait, shortly before Wang's visit, on May 22 and 23 as part of a so-called "routine operation", contradicts the Canadian side's stated willingness to improve ties. China has made clear that while it respects freedom of navigation under international law, it opposes actions that undermine its sovereignty and security under that banner.

A sustainable China-Canada relationship requires Ottawa to manage differences responsibly rather than allow its symbolic gestures to overshadow substantive cooperation.

Chretien, who initiated what many Canadians still regard as the "golden decade" of bilateral relations, understood this reality well. His enduring belief that the two economies are highly complementary remains as relevant today as it was two decades ago.

In an era of geopolitical volatility, Canada would do well to recognize that pragmatic cooperation with China serves its interests better than ideological distance. If Ottawa can reciprocate Beijing's approach while carefully managing their differences, this year's bilateral trade figures will show that such a course is worthwhile.

— LI YANG, CHINA DAILY

What They Say

New urban renewal plan prioritizes safety

Editor's note: The Chinese government recently released an urban renewal plan, outlining key targets, major tasks and projects, as well as policy measures for the country's urban renewal efforts during the 15th Five-Year Plan (2026-30) period. China Central Television spoke to Zheng Degao, vice-president of the China Academy of Urban Planning and Design and Tang Daizhong, deputy head of the construction management and real estate department at Tongji University, to discuss the sustainable development aspects of this plan. Below are excerpts of the interview. The views don't necessarily represent those of China Daily.

China's urban development is shifting from a model focused on expansion to a more intensive and quality-oriented approach. This new stage of development emphasizes the construction of modern cities that are innovative, desirable to live in, beautiful, resilient, culturally advanced and smart. These principles must translate into concrete actions, projects and real-life scenarios to deliver tangible results.

The urban renewal plan identifies six major tasks: fostering new drivers of urban development, creating high-quality urban living spaces, advancing the green and low-carbon transition, building safer and more resilient cities, promoting urban culture, and enhancing urban governance capabilities. It also stresses the need to optimize underutilized land, introduce full life-cycle safety management systems for housing, construct or renovate "quality homes" and upgrade urban municipal infrastructure.

Urban renewal is fundamentally a safety project. Risks are often concentrated in large cities, so it is essential to focus on safety. Aging infrastructure, deteriorating build-

ings and outdated public facilities pose risks, necessitating renewal and upgrades.

At the same time, managing urban safety requires a systematic approach. Cities are increasingly expected to leverage digital technologies and monitoring systems to detect risks early, issue timely warnings and respond before problems escalate.

A comprehensive urban assessment is the critical first step in the renewal process. By examining the condition of buildings and residential compounds, cities can identify existing problems and residents' needs. For example, there may be a shortage of parking facilities, structural risks in an aging building or insufficient public services for seniors and children.

However, identifying problems is only the beginning. The real challenge lies in addressing them through targeted renovation, upgrades and quality improvement. This is why the principle of "no renewal without assessment" has become a core component of the urban renewal framework. It creates a closed-loop process in which assessments uncover problems, and

those findings guide the design and implementation of renewal projects.

According to the plan, future urban renewal projects are expected to draw on three major sources of funding: public finance, financial capital and private capital, with each serving a distinct function.

Public funding will provide the foundation and serve as a safeguard, particularly for projects with strong public-interest characteristics. Public finance can also act as seed capital to attract additional financing.

Financial capital is to play a leveraging role, addressing the mismatch between the long investment cycles of urban renewal projects and the slower pace of returns. Since many renewal projects require years to generate stable revenue, long-term financing is essential to bridge the gap and ensure that future cash flows cover the current investment costs.

The third crucial source of funding is private capital. Some private capital, such as real estate developers and professional operators can revitalize projects, improve efficiency and create sustainable business models where future operating revenues help offset the initial investment.

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VIEWS

Massoud Amin

Beyond megawatts, coordination is civilization

For 40 years, I have watched the world count megawatts and then act surprised when the lights begin to flicker. Power generation is easy to photograph. Grids are harder.

A new wind farm makes for a better picture than a new transformer, so national scorecards happily tally how much clean power a country has generated, and much less happily ask whether that power can actually reach a person, a factory, or a hospital when it is needed.

This is not a small oversight. It is the central misunderstanding of energy transition.

Electricity is the only product in modern times that has zero "shelf life".

It must be produced and consumed in the same instant — unless we have massive storage capacity. A cargo ship of grain can wait in a harbor. An electron cannot.

The moment a kilowatt leaves a turbine, it has less than a second to find a load, or the system destabilizes. That second — and the coordination that governs it — is the real infrastructure.

It also decides whether a terawatt-hour is a public good or a stranded asset.

The most important number in the energy transition is not installed capacity.

It is the grid's coordination capacity that carries it.

Consider the region that, on paper, should have the least energy problems on Earth.

The Inner Mongolia autonomous region holds roughly 57 percent of China's onshore wind resources and about a fifth of its solar resources.

In 2025, it added 35 gigawatts of new renewable energy capacity, bringing its total installed renewable capacity to over 170 GW.

Wind power capacity alone surpassed 100 GW for the first time, making it the first region in China to exceed that threshold. Ten-megawatt onshore turbines, unheard of a decade ago, are spinning at scale.

None of that works without the second sentence of the story.

As of Dec 28, 2025, Inner Mongolia had transmitted a cumulative 834.765 billion kilowatt-hours of electricity to 11 provinces, autonomous regions, and municipalities via eight ultra-high-voltage power transmission corridors, ranking first in China.

Twelve more UHV projects are planned for the 15th Five-Year Plan (2026-30) period, and the region's outbound electricity over those five years is expected to exceed a trillion kilowatt-hours.

The megawatts are the flag. The coordination is the country.

Inner Mongolia's renewable build is impressive because it is attached to long-haul transmission, coal-fired flexibility, growing storage capacity and dispatch logic that can balance a system whose primary fuel is weather.

A desert photovoltaic array with nowhere to send its output is an expensive curiosity.

The same array sitting behind a UHV corridor, digital substations, forecasting, storage, and a control room that coordinates across time zones is a national asset.

Compare that with places that built capacity but deferred the grid.



MA XUEJING / CHINA DAILY

Germany raced ahead on wind and solar and paid for it in years of curtailment and redispatch charges.

Texas froze in February 2021 because capacity alone could not anticipate a storm.

California has prolonged blackouts during heat waves; its capacity charts insist it should not have relied so heavily on new energy sources.

In each case, the megawatts were there. The coordination was not.

What the 20th century built was an electro-mechanical grid: copper, iron, oil, and operators reading dials.

What we are now building is a cognitive grid — sensing at every node; forecasting at every substation; dispatching decisions, or resource planning at a power plant by the plant's operator, in milliseconds; and cyber defenses running alongside physical ones.

The hardware still matters. The intelligence layered on top decides whether a renewable-heavy system is resilient or fragile.

I have argued for four decades — created and led the Complex Interactive Networks/Systems Initiative (CIN/SI), a \$30 million joint EPRI/US Department of Defense pro-

gram from 1998 to 2002 — that a grid must be smart, secure, self-healing, and trusted, not just large.

"Trusted" is a technical word. It means the system must keep serving society irrespective of storms, attacks, component failures and ordinary human error.

Capacity without trust is a brittle machine. Trust without capacity is a slogan.

The playbook is now visible for any region aiming to do what Inner Mongolia is doing: Build generation and transmission as a single project; integrate storage and flexibility from day one; harden the cyber and physical layers together; and train operators for a grid that behaves nothing like the one they trained on.

Accept that the grid is no longer a passive delivery pipe.

It is an active participant in economic development. A nation that grasps this is not just decarbonizing. It is upgrading its civic infrastructure for the next century.

The most underappreciated object in the energy transition is the transmission line. It is also the most honest.

It records, in copper and steel, exactly how serious a region is about integrating

its own ambitions.

Capacity targets are easy to write. Corridors are not. A region that has built both is telling you something about how it intends to grow.

So when another ranking of renewable capacity crosses my desk, I note the number and ask a different question: Where is the coordination?

Where is the grid that can actually carry it? That, more than any megawatt count, is the real competitive advantage of the twenty-first century.

Civilizations that master coordination — of electrons, of data, of capability, of trust — tend to do well.

Those that only master capacity tend to hear a lot of celebratory speeches, right up until the lights begin to flicker.

The author is an IEEE and ASME fellow, chairman and president of Energy Policy and Security Associates, CTO of Renewable Energy Partners, and a professor emeritus, former director, and Honeywell/H.W. Sweatt Chair in Technological Leadership at the University of Minnesota. The views don't necessarily reflect those of China Daily.

Henry Wai-chung Yeung

Asia's strategic shift from dominance to diversity

Imagine a world where your latest iPhone bears the inscription, "Designed by Apple in California, assembled in California".

Such a scenario would not only bypass the enormous growth of China as the key assembly hub for billions of iPhones since 2007, but also prevent the emergence of Chinese smartphone giants such as Huawei, Xiaomi, Oppo, Vivo and Honor among others.

What's more, without China's involvement, consumers in the United States and across the world would not be able to afford iPhones designed and made in California due to their prohibitive costs.

When I was growing up in Hong Kong during the 1980s, brands such as Motorola, Nokia, and Sony dominated the mobile phone market.

It was the time when Japanese electronic products and cars were conquering world markets, reinforcing the "Flying Geese" model of economic development propounded by Japanese economist Kaname Akamatsu. The model depicting Japan as the leading goose and other East Asian economies as its followers was popular in academic and policy circles.

But this "Flying Geese" model has now evolved into a more complex yet resilient economic landscape, where regional and national economies are steering their industrial transformation and economic development through strategic coupling with global production networks.

In today's interconnected world, no single national economy can control and

dominate an entire value chain because production networks now stretch across many regions and continents.

Taking the iPhone as an example, its emergence as the smartphone that replaced Motorola from the United States, Nokia from Finland, and Sony (Ericsson) from Japan by the early 2010s was not merely because it was "designed in California", but also due to the incredible production efficiency and strong supply chain ecosystem developed by its main "assembler" Foxconn in Shenzhen and elsewhere in China.

These resilient supplier networks were strategically coupled with Apple to support its phenomenal rise.

In fact, the growth and development of the global smartphone industry, including key components such as advanced semiconductors, is largely due to the strategic coupling of Foxconn and other key suppliers with global leaders such as Apple, Huawei, and Xiaomi.

Their inter-firm networks, driven by economic efficiency and mutual interests, have spurred regional growth in Guangdong, Taiwan and other parts of China.

While Japan and Japanese firms (for example Sony and its sensors and lenses for smartphone cameras) continue to play a significant role in global smartphone production networks, the center of gravity in this industrial segment has clearly shifted from Japan to China and the Republic of Korea.

This supply-side story, however, masks an even more significant shift in the Asia-Pacific region — the rise of East Asia as a

major market since the mid-2010s. This trend is evident across smartphones, personal computers, consumer electronics and electrical appliances.

Hong Kong, the place where I grew up, relied heavily on the US and Western Europe as key markets. But today, Northeast and Southeast Asia have become important consumers of global smartphones. It's not just Japan that has lost its lead goose status in technology. The US is also no longer the world's largest market.

What lessons can we draw for under standing the resilience of supply chains in an increasingly uncertain world?

First, the Asia-Pacific region will continue to play a pivotal role in building resilient supply chains, particularly in the electronics industry.

Instead of fragmenting and decoupling from global production networks, leading firms and their ecosystems will likely adopt a resilient symbiotic approach, shifting from a US-centric model to one more focused on the Asia-Pacific.

This shift will present more opportunities for East Asian businesses, particularly in China, to establish production networks that are less reliant on the US.

In the Guangdong-Hong Kong-Macao Greater Bay Area, significant opportunities exist in the electronics industry along the technology corridor comprising Shenzhen, Dongguan-Foshan, Hong Kong, and Guangzhou.

Second, as Japan's technological dominance during the "Flying Geese" era has been eclipsed by China and other East

Asian economies, geopolitical rivalries and techno-nationalism will create new opportunities for regions to engage in strategic coupling with Asia-based global production networks.

My earlier book *Strategic Coupling* highlighted how East Asian Tiger economies developed by aligning domestic firms with global leaders across industries.

In today's new era of geopolitical uncertainty, I foresee more regional economies in the Asia-Pacific aligning with Asia-based leading firms in their diversification and resilience strategies.

This flexible reorganization of Asia-based global production networks will unlock new development opportunities within the Asia-Pacific region and beyond. But unlike the 1980s, it will not be dominated by one leading goose.

Instead, it will be a new geographical mosaic of multi-nodal networks and development patterns that are more resilient and capable of absorbing risks.

This regional resilience and production network diversification will serve the world economy far better than one that champions "Designed in California, assembled in California". De-globalization and decoupling are outdated; the world should now engage with re-globalization and recoupling!

The author is a leading economic geographer and the Choh-Ming Li Professor of Geography and Resource Management at the Chinese University of Hong Kong. The views don't necessarily reflect those of China Daily.

Yu Haiyan and Zhou Xinyu

Using AI to protect mental health

As the world marks International Children's Day on June 1, it's a time for joy and anticipation for children across the country.

While parents get ready to celebrate this occasion, they should also remember the significance of another day that just passed. May 25 was National Student Mental Wellness Day.

Beyond the gifts and the fun at amusement parks on International Children's Day, how can we lay a strong foundation for our children's mental health?

The solution extends beyond doctors and hospitals. It requires a collective effort to address a growing crisis in our schools and colleges.

A 2025 study of middle school students in Chongqing revealed troubling statistics: about 26.34 percent of the 12,367 children showed signs of depression. Consider the case of "Qi Qi" (not her real name), a 14-year-old student from a middle school in Chongqing.

At school, Qi Qi always kept to herself and rarely communicated with her classmates.

Everyone thought she was just shy, but her sadness grew wildly inside her. One day, after a math test, Qi Qi broke down crying and said she didn't want to go to school anymore — she didn't want to exist in this world anymore.

Qi Qi's story is a wake-up call. We live in an age of artificial intelligence and digital footprints.

These tools should be used to protect our children. This is where "digital phenotyping" comes in.

The concept may sound complex, but it simply means using data from devices — such as phones and watches — to understand a child's behavior.

This is not science fiction, but a necessary measure.

AI can look for small changes that parents or teachers might miss. For example, a sudden drop in messages or calls, and more late-night screen time than usual. These can be early warning signs.

This is not about surveillance, but about stepping in early to help.

At the First Affiliated Hospital of Chongqing Medical University, a national regional medical center for mental health disorders, physicians are exploring how to combine data — such as facial expressions and voice tones — with AI to build models that can identify emotional issues early.

Such technological innovations alone are not enough. We must also look at the underlying causes that are troubling children.

The pressure to get good grades in academics and the erosion of close family support are genuine problems.

The Ministry of Education's "double reduction" policy was a good first step to ease school stress, but a broader shift in mindset is needed.

We must value emotional strength as much as we value academic achievements.

The family can become the "charging station" for a child's emotional well-being. Simple daily habits can make a big difference. Turn lectures into conversations.

Instead of asking, "Why did you fail?", try "You look upset. Want to talk about it?" Create "magic time" for the family by setting aside 15 minutes after dinner to disconnect from devices and engage in playful activities. Dance like silly people, play with Lego, or just laugh.

Let the stress melt away. Have "failure parties" to celebrate mistakes as learning moments.

When children see that a wrong answer or poor grades are not the end of the world, it reduces their fear of failure.

This is not empty talk. Real action is underway. As part of the "Sunshine Mind Regional Collaborative Alliance for Youth Development", we are launching six projects, including the "Sunshine Mind Volunteer Service Team", "Adolescent Sleep Health Promotion Project" and the "Care Plan for Children in Need".

These programs bring mental health services directly to schools, communities and families. They move us from random, disconnected efforts to a clear, organized system of care.

Qi Qi's story ends well. With counseling, her parents' loving support, and a school program that encouraged outdoor play, she slowly found joy again.

As we celebrate June 1, let us remember that the best gift we can give our children is not a toy, but the tools to understand and manage their inner world.

By using ethical AI, strong family bonds, and community support, we can help every child not just survive — but truly thrive.

Yu Haiyan is the principal investigator at the First Affiliated Hospital of Chongqing Medical University; and Zhou Xinyu is the dean and a physician at the same institute. The views don't necessarily reflect those of China Daily.