A final surge

Lula is the resistance to U.S. imperial ambitions in South America

At one point, it seemed almost impossible for Brazil's 80-year-old President, Luiz Inácio Lula da Silva, to turn the tide after finishing second to Flávio Bolsonaro in the first round of elections on October 4. In Brazil's history, no candidate who has finished second in the first round has gone on to win the presidential run-off. Most of the candidates who dropped out after the first round were from the right. Flávio's Liberal Party cemented its position in both houses of Congress, while right-wing candidates won several provincial elections. But Lula, a former trade unionist and organiser, who lost a finger in an accident as a teenager, was not ready to give up. Lula and his Workers' Party identified campaign weaknesses, shifted their attention to economic issues, promised growth and welfare, and persuaded more voters to turn out for Sunday's run-off. Lula won 51.7% of the vote against Flávio's 48.2%, a greater lead than his victory against Jair Bolsonaro, Flavio's father, four years ago. Over the weeks, Lula turned the right-wing's gains in the first round against it, highlighting the threats that a Bolsonaro victory could pose to democracy and civil rights. Flávio's campaign pledge to free his father – he is serving a 27-year prison sentence for attempting to overturn Lula's 2022 victory, and impeach Supreme Court judges – only heightened the concerns of voters outside the right wing, who rallied behind a familiar face.

Lula unleashed a social media campaign to mobilise younger voters. A WhatsApp channel called 'Lula's Army' with 11 million followers spread his message of continuity. He also announced plans to expand a cash payout scheme for the poor, a new debt relief package and entrepreneur-friendly measures. In the northeast, the Workers' Party's stronghold, he gained nearly three million votes and made considerable gains in the working-class neighbourhoods of big cities, including São Paulo. A relatively stable economic record, marked by growth and falling unemployment over the past three and a half years, also lent credibility to Lula's appeal. His victory bucks the recent trend in South America, where Washington-aligned right-wing and conservative forces have gained ground. While Lula offers predictable stability and social and economic inclusiveness, he could also be, as the President of South America's largest economy, a voice of resistance to Donald Trump's imperial ambitions. At the same time, Lula will have to work with a right-wing-controlled Congress to advance his agenda. He should seek to build legislative consensus while focusing on addressing the economic challenges of Brazil, which remains one of the most unequal major world economies.

Dubious retreat

The National Medical Commission must not be seen as lax on regulation

The National Medical Commission (NMC) has denotified and withdrawn its 2023 Maintenance of Standards of Medical Education Regulations (MSMER), diminishing the framework of penalties *vis-à-vis* educational standards and infrastructure at medical colleges. The move is noteworthy as the MSMER provided for fines of up to ₹5 lakh on faculty members and administrators for submitting false information. Fortunately, the Medical Assessment and Rating Board (MARB) retains the power to fine errant institutions up to ₹1 crore under the 2023 Establishment of Medical Institutions, Assessment and Rating Regulations. MSMER was lauded for its intention to crack down on the deep-seated corruption and malpractice in medical colleges, particularly over 'ghost faculty' and 'ghost patients'. The NMC's justification is that MSMER also introduced a parallel mechanism allowing undergraduate and postgraduate boards to evaluate institutions, stepping on the MARB's toes. However, why the NMC scrapped MSMER wholesale is unclear. The 2023 Postgraduate Medical Education Regulations remain in force and include a provision to fine individual faculty members at postgraduate medical colleges. Non-compliance among medical colleges is not uncommon and seldom nipped in the bud, even as the number of medical seats swells while the transparency of the medical education system has not improved.

Notwithstanding the provision to fine individuals at postgraduate centres, the MARB and the NMC can only penalise institutions, which is harder and risks creating a perverse incentive to accommodate rather than punish, and could mitigate the fear that keeps administrators honest. MSMER also specified timelines to appeal penalties. Although the MARB regulations retain the appeal processes, their 15-day deadline could conflict with the 60-day period under the NMC Act, potentially creating legal disputes that delay penal action. There is also a telling incident. As part of a proceeding under the RTI Act, the Central Information Commission revealed last year that the NMC had stated in 2024 that MARB had neither formally assessed nor rated medical colleges and that its standard forms need not be made public. In a revised reply in October 2025, it said the responding NMC officer's records did not include any of the corresponding reports. However, the 2023 MARB regulations require the Board to publish its latest annual assessment results. If the NMC withdrew MSMER because the powers thereunder also exist elsewhere, the public deserves to know whether the powers are also being exercised and whether the outcomes are as publicly accessible as intended. Unless the NMC has satisfactory answers for all these lacunae, the withdrawal will appear less like simplification and more like regulatory relaxation.

Beyond Kudankulam's fence, a cybersecurity challenge



Khyati Singh

Research Analyst, Centre for North America and Strategic Technologies, MP-IDSA and the author of 'Cyber Leviathan: Digital Strategies in International Relations'

The Kudankulam breach highlights vulnerabilities beyond a nuclear plant's physical boundaries

The data breach involving files related to the Kudankulam nuclear power project in Tamil Nadu, reported on July 15, 2026, indicates that India's cybersecurity policy for critical infrastructure is behind the perimeter that now extends well beyond the actual sensitive facility.

The most consequential breach may never touch the facility at all. It could occur in a rented server in a commercial data centre or even within a contractor's network which has documents that the contractor is entitled to possess. That, in essence, is what appears to have happened in the case of Kudankulam. And that is why the incident deserves more attention than the reassurances that followed would suggest.

The perimeter beyond the plant

In mid-July, the group World Leaks began posting sections of an alleged leak of nearly 19,000 files totalling 14.3 GB relating to Kudankulam on its dark web portal. As reported by Reuters, the material spans the years 2016 to about 2025. It includes engineering drawings, supplier information, inspection records, meeting minutes, and insurance documents. The breach was confirmed by Reliance Infrastructure – it won the engineering, procurement, and construction contract for Kudankulam Units 3 and 4 – and added that the data had been stored on a server by its third-party data centre Yotta. It also said that the government had been notified. Yotta confirmed ransomware activity on its site on May 29, and said that the activity has been contained. By June the attackers were claiming the data and demanding a ransom. The Nuclear Power Corporation of India Limited (NPCIL) said that the information was only on documents relating to non-nuclear infrastructure, and unrelated to systems supporting nuclear safety.

In all this, caveats are necessary. A ransomware group's claims are not evidence as such groups routinely inflate what they hold. Nothing in the public domain indicates that the reactors or control and safety systems, isolated from the Internet by design, were accessed. The NPCIL's clarification should be taken seriously.

The pertinent question is not whether the "reactor was hacked" – it was not – but how much operationally relevant information about India's most sensitive facilities exists beyond the facilities themselves. These include what is held by contractors, subcontractors, service providers, and their employees, a few of whom fall within the reach of India's regulatory framework.

This is not the first time that Kudankulam has featured in such a discussion. In 2019, the Dtrack malware, which cybersecurity researchers associate with North Korea's Lazarus Group, was found on a computer connected to the plant's Internet-facing administrative network. The NPCIL initially dismissed the reports but confirmed the infection, while emphasising that the critical internal network had been isolated and unaffected. The two are not technically connected, but there is a link. In both instances, the core held and the exposure was at the periphery. First, it was an administrative network; now, it was a contractor's server in a commercial data centre. Seven years later, the question is whether the lesson of 2019 was ever taken seriously – that security risks extend beyond critical facilities and whether there has been a systematic approach to securing the ecosystem around critical infrastructure. The latest incident suggests that it was not.

A cyber blind spot

These ecosystems are large and growing. A modern nuclear plant, electricity grid, defence production facility or telecommunications system cannot be built or operated as a single organisation. Public utilities sit alongside private engineering and construction firms, equipment and software suppliers, cloud and data centre providers, insurers, certification agencies and layers of subcontractors, many of whom are foreign technology partners. Each of them may legitimately hold sensitive data, such as drawings, purchase order forms, reports, personal data, credentials and schedules. But this information is not necessarily protected by the security measures in place at the main facility, such as network segmentation, air-gapped control systems and physical security. This creates a cybersecurity risk across the supply chain. In other words, an organisation's security depends not only on its own safeguards but also on those of every other entity that has access to its data.

A sophisticated attacker can use this information to identify contractors, find potential targets for phishing attacks and determine which subcontractor offers the easiest route into the system. As Nickolas Roth of the Nuclear Threat Initiative has noted, such documents may also reveal how systems can be accessed. The larger concern is that strategic information can pose a security risk even if it does not provide direct access to operational systems. Any serious assessment must therefore examine not just what information was taken but also how it could be misused in the future.

India faces a gap in cybersecurity governance. It is not that institutions or rules are absent. The Indian Computer Emergency Response Team, CERT-In, is the national agency responsible for responding to cybersecurity incidents, and its 2022 directions made prompt reporting of such incidents mandatory. The National Critical Information Infrastructure Protection Centre (NCIIPC), established under Section 70A of the Information Technology Act, is responsible for protecting critical information infrastructure.

However, India's cybersecurity rules do not necessarily ensure uniform protection for sensitive information shared across contractors, subcontractors and data centres. Although existing regulations cover several categories of service providers, questions remain about the adequacy of security standards, oversight and accountability across the supply chain. In law, a "protected system" belongs to an infrastructure, and the obligations fall on its operator. Once project information is shared with a contractor, and then with a subcontractor or a data centre, its protection depends largely on contractual arrangements. The Digital Personal Data Protection Act does not generally cover engineering drawings and other technical information that do not contain personal data.

This creates a problem of accountability. The operator can truthfully say that its systems were not breached, the contractor can blame its hosting provider, and the host to the malware it had. All these claims may be true, yet sensitive documents may still end up on the dark web. The key question raised by the Kudankulam incident is who is responsible for protecting critical infrastructure information once it leaves the operator's control.

Expansion and risks

India is expanding the Kudankulam plant to a capacity of 6,000 MW, developing smart grids and digital public infrastructure, opening up the defence and space sectors to private companies under Atmanirbhar Bharat, and moving government data and services to commercial cloud platforms. Each of these steps makes strategic sense. But they also mean that more private companies will have access to sensitive information, increasing the risk of cyberattacks and creating more ways for attackers to gain access. A cybersecurity policy designed for a system in which the government builds and controls everything is no longer adequate for one that depends on private contractors, subcontractors and commercial infrastructure.

What are the steps to be taken? First, security obligations must follow the data, not the organisation. Any contractor, subcontractor, or cloud provider handling critical infrastructure data must be bound to defined standards, with liability and audit requirements in the procurement contract. Second, India needs real data classification so that a contractor constructing a conventional facility holds only the data that is needed and only for as long as it is needed. Third, annual compliance certificates should give way to third-party risk assessment, including red-team exercises that test the vendor ecosystem and not merely an operator's perimeter. Fourth, there should be zero-trust. The assumption should be that no network is safe. Every access point should be verified. This should be the policy for projects of national importance. Finally, CERT-In, the NCIIPC, sectoral regulators, and operators should converge on a single national framework for critical-infrastructure supply-chain security – one that assigns responsibility before a breach rather than after. Whether that comes through new legislation or a creative reading of the IT Act can wait.

In the digital era, critical infrastructure is not a building surrounded behind a fence; it is a layered system with many access points, many of them are outside the operator's control. India would be best served by ensuring that every organisation holding the reactor's secrets held to the same standard as those secrets deserve.

A ready solution to tackle anaemia



Marthi Venkatesh Mannar

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Double fortified salt offers a scalable solution to one of India's most pressing public health challenges

Despite significant economic progress and sustained public health efforts, anaemia – driven significantly by iron deficiency – continues to be one of India's most pressing public health challenges. Affecting over half of Indian women and almost three-fourths of children, anaemia contributes to maternal mortality, an intergenerational cycle of malnutrition, impaired cognitive development, reduced productivity and substantial economic losses. The Government of India's 7X7X7 Anaemia Mukt Bharat (AMB) strategy, which was launched recently, rightly recognises the multifactorial nature of anaemia through a comprehensive approach spanning prevention, screening, treatment, dietary diversification and behaviour change. Yet, one proven preventive intervention remains significantly underutilised.

The promise of fortification

That intervention is Double Fortified Salt (DFS) – salt fortified with both iodine and iron. Salt offers an unparalleled opportunity to address iron deficiency. Consumed daily by virtually every household across India, in predictable quantities regardless of income or geography, it is uniquely suited to deliver a preventive nutrition intervention at population scale. DFS also addresses one of the fundamental challenges of anaemia control – sustained compliance.

Delivering iron through an everyday food complements interventions such as iron supplementation and dietary diversification, whose effectiveness depends on regular adherence. India already has one of the world's most successful public health platforms in Universal Salt Iodisation, with around 95% of households consuming iodised salt. Building on this existing infrastructure, DFS is already distributed to an estimated 76 million people across four States through government safety-net programmes. Global and Indian evidence strongly support DFS. A global review has shown that DFS can reduce anaemia by up to 21%. Randomised controlled trials in Bengaluru, Darjeeling, and Punjab, along with large-scale implementation in Uttar Pradesh, have shown improvements in iron status and confirmed that, when manufactured to validated specifications, DFS is acceptable to consumers, reduces iron deficiency, and is highly cost-effective. A DFS standard has been issued by the Government of India's Food Safety and Standards Authority (FSSAI), and the Government of India actually mandates DFS' inclusion in the national school feeding programme (PM POSHAN and the national early childhood development programme- Integrated Child Development Scheme, or ICDS).

At an estimated cost of ₹14-₹20 per person annually, DFS represents one of the most affordable population-level nutrition interventions available, with a benefit-cost ratio of 4.2:1 for national DFS introduction, primarily driven by improved health outcomes and subsequent increases in labour productivity. India also possesses the manufacturing capacity to produce high-quality DFS at scale. Established fortification technologies, centralised salt production and existing laboratory infrastructure make quality assurance and regulatory monitoring simpler than for many other fortified foods.

What the barriers are

What has limited DFS from wider adoption? The barriers are now primarily institutional rather than technical. The next imperative is to accelerate its nationwide adoption and ensure last-mile access, particularly the Public Distribution System apart from social safety-net programmes, across all States through a central flagship scheme. Although DFS is recommended under PM POSHAN and ICDS, its integration into the largest safety net programme i.e., the Public Distribution System (PDS) – which reaches around 800 million beneficiaries – remains uneven because implementation depends largely on State governments. Greater policy commitment, dedicated financing, stronger quality assurance, wider commercial availability and consumer awareness are now needed to accelerate nationwide scale-up. These are implementation challenges – not technological ones – and are well within India's capacity to address.

Like all public health nutrition interventions, DFS should be implemented within a robust regulatory framework. It should complement existing strategies under Anaemia Mukt Bharat, align with India's sodium reduction goals, and continue to be accompanied by screening for haemoglobinopathies such as thalassaemia and sickle cell disease. These safeguards are well recognised through experience of rice fortification programme and can be readily integrated into implementation and monitoring systems.

The launch of the revised AMB strategy provides renewed momentum to strengthen the preventive pillar of India's anaemia response and advance the vision of Viksit Bharat 2047.

Potential to be a global model

India has already shown the world how science, policy, public systems, and public awareness can transform nutrition through Universal Salt Iodisation. By scaling DFS nationally, India can not only accelerate progress towards Anaemia Mukt Bharat but also contribute to global efforts to reduce iron deficiency by demonstrating an affordable, scalable model for other low- and middle-income countries.

LETTERS TO THE EDITOR

Remarkable comeback

The re-election of Luiz Inácio Lula da Silva as Brazil's President has brought relief to many in Brazil and around the world, ending uncertainty over the country's political future. The high-voltage election campaign had all the ingredients of a Hollywood cliffhanger which would be remembered as one of the most bitterly contested elections ever in the history of the nation in recent times. It is obvious that President-elect Lula's campaign to continue pro-people policies resonated well with the electorate. On his part, the Opposition candidate should accept his defeat with dignity and grace.

B. Suresh Kumar,
Coimbatore

At a time when several Latin American countries are witnessing the growing influence of right-wing political forces, Brazil's political choices have reignited the debate over democracy, social justice and inclusive governance.

M. Jeyaram,
Sholavandan, Tamil Nadu

Back on the track

The detailed reports on the Indian Turf Invitation Cup, held at the Mysore Race Club, have sparked interest even among readers like me who do not usually follow equestrian sports (Sports page). While the Tamil Nadu government deserves appreciation for ending horse racing, enthusiasts could perhaps be allowed to engage in inter-venue betting on a limited scale.

K. Chellappan,
Chennai

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

A leadership deficit in the military



Ajai Shukla

Editor, Gambit Analytics LLP and Retired Colonel

Last July, at a seminar in New Delhi on *atmanirbharta*, the then maintenance chief of the Indian Air Force (IAF), Air Marshal Sanjiv Ghuratia, delivered an address that contained, as one person in the audience reported "more Sanskrit than English or Hindi". Another attendee wondered who Mr. Ghuratia was speaking to; the entrepreneurs and engineers in the audience or to the Sangh Parivar members who needed a demonstration of his Hindu credentials.

For generals, admirals or air marshals looking for post-retirement employment, Hindutva pays. Last month, Air Marshal Jeetendra Mishra, who masterminded Operation Sindoor as the Western Air Command chief, was rewarded with the plum job of running the Ram Janmbhoomi temple. Nothing an IAF pilot learns during his career equips him for such a delicate job in such a volatile environment.

This Hindutva-isation of the military is not new. On May 13, 2025 at a crucial IAF media briefing on Operation Sindoor, the IAF's operations chief, Air Marshall A.K. Bharti, invoked the Ramayan. His briefing commenced with militaristic Hindutva overtones, the Shiva Tandava Stotram delivered in rock concert style. Military audiences in New Delhi are no longer surprised when government-affiliated speakers pepper their speeches with Sanskrit *shlokas*. For no apparent reason, the IAF appears to be more Sanskrit-ised than the other two services. One wag at a recent seminar commented, "it might be because they serve closer to God." However, not every soldier is comfortable with overt displays of Hindutva. One can detect the growing disillusionment of juniors with seniors who are taking the Hindutva route to the top.

Of the greatest concern is the growing 'zero error syndrome' amongst senior Indian commanders

Lions and donkeys

After the mass slaughter of World War I, a disillusioned British citizenry popularised the phrase "lions led by donkeys" to describe their military's performance. This encapsulated their resentment against incompetent generals who let down British soldiers by committing units into attacks that were certain to fail.

This is not yet the case with the Indian military, which, as an institution, continues to enjoy the respect of the public. However on-going controversies have exacerbated murmurs among junior officers that the brass looks out only for themselves. On the other hand, generals express disappointment over the "poor quality" of young officers. There is a growing disconnect between the ends of the rank pyramid; between the lions and the donkeys.

Of the greatest concern is the growing "zero error syndrome" amongst senior Indian commanders. As was seen when the Chinese intruded into Ladakh in 2020, Indian commanders shrank from immediate offensive action. Instead, of creating deterrence by displaying aggression and risk-taking ability, the modern Indian general opts to defend vulnerabilities, underscoring weakness that is echoed by commanders down the line. It is not that operational boldness has blighted many careers. In the instances where Indian generals displayed conspicuous aggression against China – as in Nathu La in 1967, Sumdorong Chu in 1986, Doklam in 2017 and in the occupation of the Kailash Range in Ladakh in 2020-21 – the commanders in charge were praised, not castigated.

Contemporary conflict presents numerous examples of weaker forces stalemating, and even defeating stronger ones. Ukraine battles on against Russia, while Iran is standing up to the U.S. and Israel. The intangibles that boost their power are a mix of psychological factors. Soldiers thrive on emotional strength, belief in one's own moral superiority, seeing justice in one's own cause, fairness in processes and methods, and the conviction that soldierly skills will prevail over sycophancy. These moral factors are essential to national power.

Even in these communally polarised times, India's military brass has the leeway to disagree with elected governments. To uphold their convictions, they should be ready to pay the price. No better example exists than the tussle between U.S. President Harry Truman and his commander in Korea, General Douglas MacArthur. Truman wanted a "limited war", to avoid triggering a massive Soviet or Chinese intervention. MacArthur wanted an aggressive expansion of the war into China. Truman dismissed MacArthur in 1951, citing that elected leaders, and not military generals, decide foreign policy. MacArthur returned from Korea, an American hero.

There is something gravely flawed with our leadership training. Many young officers start out as gallant captains and majors. Why then, when they become generals, admirals and air marshals do so many fail to seize the moment?

Why inclusion is key to the RTE Act



Mansi Middha

Lead at Indus Action



Apoorva Bhatia

Consultant, Indus Action

Every morning, 10-year-old Ria walks from her working-class Delhi neighbourhood to a premium private school with quiet pride. As her friends head to a government school, Ria continues her longer walk, feeling lucky to have won a free seat under the Right to Education (RTE) Act quota.

Yet, inside the school gates, a transformation occurs. Her stride becomes subdued, and she quietly slips into a back-row seat. For the rest of the day, she and a fellow quota student operate in survival mode: meticulously copying notes while avoiding the teacher's gaze. After receiving a C-minus on a math assignment and a harsh reprimand from her teacher, she carries the disappointment for days. Her immense effort remains unseen, and her teachers label her as 'struggling to meet grade expectations'.

Across the city, Sahil, admitted to another private school through the same provision, experiences a strikingly different day. His father works as an industrial labourer and his mother takes on local domestic work. Yet his school feels inviting. His engagement has attracted teachers and peers, and his sincerity is reflected in his grades, participation in sports and confidence on the stage.

Ria and Sahil (names changed to protect identities) secured free seats via Section 12(1)(c) of the RTE Act, 2009 to drive social cohesion. The provision provides access to 50 lakh disadvantaged students to private schools nationwide via a mandatory 25% classroom quota. However, mere entry alone does not guarantee social integration. While many face low grades and class-based alienation, success stories such as Sahil's prove that intentional school practices can overcome superficial integration.

An essential tenet of educational development is that what gets measured gets valued. Inclusion remains deeply undervalued because India lacks the metrics to track it

Lacking an institutional blueprint for diverse classrooms, private schools must actively innovate. A study of nine mid-to-high-cost Delhi private schools revealed that inclusion is rarely black-and-white; structural nourishment plays out differently for each child, but success stories consistently emerge where inclusion is a core institutional value.

In typical classrooms, RTE students often drift to the periphery, isolated by organic social segregation and low participation in collaborative tasks. Burdened and undertrained teachers frequently view them through a deficit lens, as demanding 'more effort', while ignoring their emotional distress.

Architecture of access

Conversely, schools with conscious structural intent cultivate an 'invisible inclusion'. In Sahil's school, the day begins with an empathy-driven learning circle where vulnerability is shared safely. Assigned mixed seating and a 'zero period' let peers collaborate on unfinished homework. Lessons rely on collaborative learning with ample scope for student-led discussions with the teacher ensuring that all students participate. While addressing an area problem, the math teacher encouraged an RTE student to share about his family's paddy fields, which validated his lived experience. By noon, teachers co-plan support strategies, preparing for monthly open houses where parents can also exchange insights. Authentic inclusion does not require massive additional material or financial resources. It depends on consistent practices that promote equal participation, recognise diverse lived experiences, and build meaningful connections among students, teachers and families.

Under Section 12(1)(c), the responsibility of fostering an inclusive classroom falls entirely on schools and teachers. Navigating this structural support forces educators to rely solely on personal motivation. In a heavily burdened system, inclusion risks becoming an afterthought. An essential tenet of educational development is that what gets measured gets valued. Inclusion remains deeply undervalued because India lacks the metrics to track it. Unlike academic performance, it never appears on a report card, yet it shapes a student's entire journey. State governments and parent networks must collaborate to monitor benchmarks.

Schools must institutionalise inclusive values through collaborative learning, rotated leadership, dignified and equitable participation of RTE students, and by supporting teachers with specialised resources. For governments, the mandate is to create enabling conditions through financial reimbursements, public recognition of inclusive schools, and cross-state feedback loops.

To ensure that every Ria and Sahil can thrive, inclusion must be pursued with the same deliberate rigour, tracking, and daily practice that we dedicate to academic outcomes.

Fewer athletes, more medals: India's best Para games yet

India fielded 168 athletes during the Aichi-Nagoya Para Games, barely half of Hangzhou's 309, yet returned with a record 114 medals

DATA POINT

Kapil Gupta

India finished the Asian Para Games in Aichi-Nagoya with a record 114 medals – 30 gold, 35 silver and 49 bronze – securing the fourth place, its best-ever finish. The tally surpassed its revised total of 108 medals at the 2022 Hangzhou Games, down from 111 after three medals were withdrawn over doping violations. The achievement is all the more striking given that India sent a much smaller contingent this time.

India fielded 168 athletes across 11 sports at the 2026 Asian Para Games, compared with 309 athletes across 17 sports in Hangzhou in 2022. With the Asian Paralympic Committee offering limited athlete quotas across sports, the removal of chess and canoeing from the programme, and India's decision not to field teams in taekwondo and rowing, the contingent was definitely smaller than last time. The para athletics contingent, the country's biggest source of medals, also fell from 123 athletes in Hangzhou to 62. With fewer athletes and fewer sporting opportunities, winning even 100 medals appeared uncertain before the Games.

India's medal tally has increased at every edition of the Asian Para Games since its debut in Guangzhou in 2010 **(Chart 1)**. It rose from 14 medals that year to 33 in 2014, 72 in 2018, 108 in Hangzhou in 2022 and 114 in Aichi-Nagoya in 2026, an eightfold increase over 16 years. Gold medals have followed a similar trajectory, rising from one in 2010 to three in 2014, 15 in 2018, 27 in 2022 and 30 in 2026.The medal-table rank for India has climbed from 15th to ninth, fifth and fourth.

More with less

The sharper story is with respect to medals per athlete **(Chart 2)**. From 2014 to 2022, India won 35 to 38 medals for every 100 athletes it sent. In Aichi-Nagoya, the figure nearly doubled to 68. In Hangzhou, it was about three athletes for every medal, while this one needed fewer than one and a half. Gold followed the same path, from 8.7 per 100 athletes to 18.

Part of the gap reflects what was missing. India won 14 medals in Hangzhou in chess, canoeing, rowing and taekwondo. Without them, Hangzhou's comparable tally is 95, so 114 is about a fifth more in the sports India contested at both Games.

Where the medals come from

Para athletics remains the engine **(Table 1)**. It brought 17 of India's 33 medals in 2014, 36 of 72 in 2018 and 53 in Hangzhou. This time, 62 athletes won 65 medals, 22 of them gold: more medals than athletes. Swimming rose from one medal to 11 and table tennis from two to seven. Badminton slipped from 21 to 16, while archery and shooting, with no medals in 2014, won five golds between them.

The presence of women athletes has grown unevenly **(Chart 3)**. They made up 15% of India's squad in 2010, a quarter in 2018 and 37% in Hangzhou, before slipping to a third this time, 56 of 167. In Jakarta, women won 46 medals per 100 athletes, against 35 for men; in Hangzhou, 29 against 35. In Aichi-Nagoya, the gap nearly closed: women won 36 medals, 10 of them gold, or 64 per 100 athletes, against 66 for men.

Medal tables reflect the programme as much as the athletes. Quotas, events and rivals change from one edition to the next, and China remains far ahead of everyone. A smaller squad also means fewer athletes gaining international experience.

Still, the direction is clear. With the Los Angeles Paralympics two years away, the Aichi-Nagoya numbers suggest that Indian para sport is no longer growing by sending more athletes, but by winning more with those it sends.

Historic medal run

The data for the charts were sourced from Olympics.com and Wikipedia's "India at the Asian Para Games" pages

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Medal winners: India's para lifters Ashok Kumar Malik, Kasturi Rajamani and others being greeted upon their arrival at IGI Airport following the 2026 Asian Para Games, in New Delhi on Sunday

CHART 1: India's medal tally at each Asian Para Games, with medal-table rank

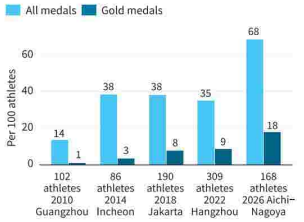


TABLE 1: Sport-wise medals India won in Asian Para Games

Sport	2010	2014	2018	2022	2026
Athletics	7 (1)	17 (2)	36 (7)	53 (16)	65 (22)
Badminton	1 (0)	6 (1)	9 (3)	21 (4)	16 (3)
Swimming	—	7 (0)	8 (1)	1 (0)	11 (0)
Table tennis	—	—	1 (0)	2 (0)	7 (0)
Archery	—	—	1 (1)	7 (2)	6 (3)
Shooting	—	—	3 (1)	6 (2)	5 (2)
Powerlifting	1 (0)	1 (0)	4 (0)	3 (0)	2 (0)
Judo	—	2 (0)	—	2 (0)	2 (0)
Sports not contested in 2026*	5 (0)	—	10 (2)	13 (3)	—
Total	**14 (1)**	**33 (3)**	**72 (15)**	**108 (27)**	**114 (30)**

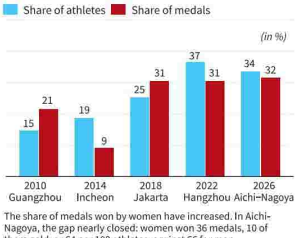
*Note: Medals won, with gold medals in brackets. '—' means no medal. *Wheelchair fencing (2010), cycling (2018), chess (2018, 2022), canoe, rowing and taekwondo (2022)*

CHART 2: Medals won for every 100 athletes sent



Note: Medals per 100 athletes = medals ÷ athletes who competed × 100. Hangzhou 2022 figures are the revised totals (108 medals, 27 gold; 309 athletes)

CHART 3: Women's share of India's squad and medals



The share of medals won by women have increased. In Aichi-Nagoya, the gap nearly closed: women won 36 medals, 10 of them gold, or 64 per 100 athletes, against 66 for men

Note: Mixed-event medals are counted in the total but not as women's medals

FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO OCTOBER 27, 1976

Foreign bank accounts: 400 cases detected

Madras, October 26: A huge basket of foreign currencies and securities, equivalent to about Rs 30 lakhs, held by Indians in banks abroad have been detected by the Central authorities.

Nuclear scientists, engineers, and economists of Karnataka, doctors of Calcutta and East African repatriates in Bombay, account for a big chunk of the over 400 cases that have come to light. The drive launched early this year, gained momentum in recent months and paid rich dividends in August and September, during which a majority of these cases were discovered.

Quite a few of the cases, officials say are from Karnataka and the persons involved belong to various professions, who managed to secure employment in West European countries. In West Asia also, the State has contributed a bulk of semi-skilled craftsmen, like tailors and carpenters.

Of late, there has been a big spurt in the number of Indians going abroad on assignments from the United Nations and other international agencies, or seeking lucrative positions in West Asian and West European countries.

As part of the crackdown on smuggling activity, the Central authorities started enquiries about the various persons who went for employment abroad and returned to India after the tenure of their duties outside but retained their foreign bank accounts. This type of foreign holdings is lapped by foreign exchange racketeers to finance smuggling into India.

A HUNDRED YEARS AGO OCTOBER 27, 1926

Kalimpong homes

London, October 26: Lord Ronaldshay presided at a meeting of farewell to Doctor Graham on the eve of his proceeding to India. He declared that Dr. Graham would not realise his ambitions in Kalimpong homes for Anglo Indian boys and girls until he was able to open the door to every child born in India with any European blood in its veins needing the help of homes.

The Maharaja of Burdwan paid a tribute to Dr. Graham's work and said that there were indications of Anglo-Indian determination to participate in the making of India.

The Maharaja of Burdwan later visited the lobby of the House of Commons where he met Col. F.S. Jackson.

Text&Context

THE HINDU

NEWS IN NUMBERS

Number of power stations hit by RSF drones in Sudan

5 Sudan's paramilitary Rapid Support Forces launched a coordinated drone attack on Monday, against five power stations, causing mass power outages across the country's east, a government official told *AFP*. The drones hit two power stations each in the states of Al-Jazira and Gedaref, and one in White Nile state, "resulting in power outages across large parts of these states". AFP

Decline in India's green cover between 2001 and 2025

5.6 In percentage points. India saw a decline in green cover and a corresponding expansion of non-green landscapes by 5.6 percentage points between 2001 and 2025, which contributed to rising summer temperatures across the country, according to a new analysis. Non-green land increased from 63.05 per cent to 68.65 per cent during the same period. PTI

Worth of subsidies for household solar push launched by Thailand

1.5 in $ bn. Thailand offered subsidies worth up to $1.5 billion on Monday, to help households install solar panels, as it seeks to boost renewable energy. The government offered almost $1,500 towards installation costs for up to one million households, and promised low-interest loans and tax benefits for those fitting panels to their homes or land. AFP

Commanders from Sudan sanctioned by U.K. over wartime rape

15 Britain on Monday imposed sanctions on 15 military commanders, militia leaders and security officials from both sides of Sudan's conflict, accusing them of sexual violence, torture and attacks on civilians. Those targeted include commanders from the Rapid Support Forces and Sudanese Armed Forces, as well as leaders of armed groups allied to the army. REUTERS

Persons killed in lightning strikes since monsoon onset in T.N.

14 Tamil Nadu Revenue Minister K.A. Sengottaiyan said on Monday that 14 people have died due to lightning strikes since the onset of the Northeast monsoon, even as intensifying rains prompted authorities to bar tourist entry to major hill stations. He said families of the deceased have been given ₹4 lakh each as compensation. PTI

COMPILED BY THE HINDU DATA TEAM

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From climate targets to energy justice

India should reframe the climate issue as a set of national crises arising from unequal energy use, rather than as a global temperature goal driven by emissions; the global policy focus needs to shift from production to consumption patterns, as emerging countries are using much less energy to achieve comparable levels of well-being

EXPLAINER

Mukul Sanwal

The global trend towards electrification has been recognised by the climate process, and the policy challenge is that the shift will involve less commonality and greater differentiation.

This suggests shifting the discussion from the global impact of coal-based emissions to the role of electricity in national well-being. The shift will be away from reliance on global models to a review of national actions. Global emissions of carbon dioxide deal with the symptoms, not the root cause of the problem: national energy use.

The G7 should not be allowed to set the agenda, as the Paris Agreement did 10 years ago. Shifting the global policy focus from production to consumption patterns will require a reframing of the climate process. Real collaboration will only come with a new conceptual framework that treats the global crisis as a collection of national inactions.

The limits of global 'consensus'

Academics in the West, acting as "epistemic communities", set up the framework of climate policy and law. This framework comprises interlinked 'global values' that are universal, 'global goods' that are determined by global science, complex 'global models' based on global projections and 'global rules' arrived at through multilateral conference diplomacy in global organisations.

Official experts described complex issues as the best available knowledge to be universally accepted. They achieved this by using institutions of the United Nations as mechanisms to produce technical reports and frame policies, lending them legitimacy under the banner of international cooperation. International law was then used to enforce within countries the decisions driven by global 'consensus'.

In the case of climate change, the gap between the evolving science of global ecological limits and the growing energy needs of urbanising countries seeking comparable levels of well-being was resolved through arm-twisting in an unequal world. There was no commitment to transfer financial resources as 'means of implementation'.



The floating solar panels at Periyakulam (Ukkadam Big Tank) in Coimbatore. FILE PHOTO

Western diplomats converted a political claim in a vaguely worded treaty into workshops and meetings, where the Global South gained nothing but empty resolutions. Technology transfer has been treated as a 'scientific' issue rather than an 'implementation' issue.

The lesson from 35 years of diplomatic negotiations as well as alternate models of growth to those of the West is the need to reframe climate policy.

First, in a major reversal the United States is echoing reservations of the Global South. The Executive Order "Putting America First in International Environmental Agreements", January 20, 2025, underlines that the U.S. shall "henceforth prioritise economic efficiency, the promotion of American prosperity, consumer choice, and fiscal restraint in all foreign engagements that concern energy policy".

Second, as energy use in the Global South grows to achieve comparable levels of well-being, 'carbonising' will precede 'decarbonising'. This is only partly recognised in the UN's new call for stabilisation, rather than reduction, of emissions. Third, the amount of energy needed for human well-being has never been discussed. China has emerged as the world's second-largest economy and a major global manufacturing power, achieving levels of well-being comparable to those in the West with much lower energy use.

Fourth, China's nationally driven path to achieving stabilisation has been missed in UN Reports even though it provides an alternate to the approach of the West. U.S. emissions increased by 133 megatons in 2025. China's significant steps suggest that the technology aspect of the energy transition should look forward to electrification using renewable sources, rather than focus backwards on eliminating fossil fuels.

Fifth, China's and India's insight lies is limiting consumption as a percentage of GDP, replacing the internal combustion engine, and meeting new energy demand through solar, wind and hydropower. China's more rapid progress shows that because solar and wind power have become "cheaper" than coal and gas, they will not drive the energy transition by themselves. Renewable energy is decentralised, intermittent and has zero-marginal-cost energy, requiring a strategic decision by the state on how to transform the energy system.

China installed more wind turbines and solar panels in 2025 than all other nations combined, adding about ten times as much capacity as the U.S. As this trend is expected to continue, 50% of electricity generation could come from non-fossil-fuel sources by 2030. About 5.62 million new energy vehicles were registered in China during the first half of 2025.

Global trends

Climate policy should now by driven by practice, as a societal problem. First, emerging countries are using much less energy to achieve well-being in cities than the West did earlier, redefining lifestyles and ecological limits. Electrification is making the internal combustion engine redundant. Yet this technological trend in energy use is not captured in global emissions models used by the UN.

Second, in material use, the West's much smaller share of the global population, around one-fifth, is balanced by the sustainable development of the Rest. The demographic trend is now towards ageing. These societal trends are ignored in global models, and taken together with the West's continuing disproportionate use of energy, suggests that there is no global crisis, but rather a few national crises.

Third, given the increasing intensity and frequency of extreme events which affect the Global South, where insurance coverage is limited, continuing with token provision of climate finance by developed countries in negotiations needs to be reviewed. More practical measures include global early warning and regional technical cooperation in disaster relief.

The real question for India is how to build support for a new agenda centred on climate justice.

(Mukul Sanwal is a Former UN Diplomat and Policy Adviser UNFCCC.)

THE GIST

- Global emissions of carbon dioxide deal with the symptoms, not the root cause of the problem: national energy use
- As energy use in the Global South grows to achieve comparable levels of well-being, 'carbonising' will precede 'decarbonising'. This is only partly recognised in the UN's new call for stabilisation

What are the powers of Special Executive Magistrates?

Who appoints SEMs? Can they conduct criminal trials or convict people? Can they grant judicial custody?

Rizmi Lia M.

The story so far:

A Special Executive Magistrate (SEM) court in Delhi accepted the sureties and granted bail to Cockroach Janta Party (CJP) activists Saurav Das and Ashutosh Ranka last Wednesday.

Despite the Delhi Police seeking a three-day extension of custody, Assistant Commissioner of Police Ritu Raj, who presided over the proceedings, ordered their release. CJP activists had challenged the legality of their continued detention. The case has brought into focus the roles and powers of SEMs and their differences from Judicial Magistrates.

Who is Special Executive Magistrate?

State governments appoint SEMs for specific areas or purposes and give them the powers exercised by the Executive Magistrates under Section 15 of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023.

While Executive Magistrates perform continued administrative and preventive functions, SEMs are appointed for a specified period, area or function, such as particular situations that require preventive action or maintenance of public order. Their powers also depend on the authority conferred upon them by the State government.

What is the function of SEMs?

The powers of SEMs are intended to allow authorities to intervene when there is a likelihood of disturbance, rather than responding after the offence has occurred. They maintain public order and prevent breaches of peace by performing preventive and administrative functions.

The Executive Magistrate can require a person who is likely to cause a breach of peace or disturb public tranquility, to show cause as to why they should not execute a bond to keep the peace. So, depending on the circumstances, they may be required to furnish a bond for a specified period. It is subject to the procedure established by law. This is dealt with under Section 126 of the BNSS.

Executive Magistrates can also issue urgent orders in case of nuisance or apprehended danger. It is likely to prevent, or tends to prevent, obstruction, or injury to any person lawfully employed, or danger to human life or safety or a disturbance of the public tranquillity, or a riot, or an affray.

Preventive arrest can be made by police officers when necessary to prevent the commission of a cognisable offence that cannot otherwise be prevented, according to Section 170 of the BNSS. This is a police power, not exclusively that of SEMs.

The police initiated a preventive proceeding against the CJP activists, alleging that they had breached peace bonds they had signed. The SEM extended their custody on October 19, citing concerns about public peace. Later on Wednesday, their sureties were accepted, and they were released on an undertaking that they would not call for any protest at Jantar Mantar while it remained a denotified protest site.

The proceedings before the SEM primarily concerned only the alleged violation of a signed peace bond and not the criminal cases registered over the October 13 Jantar Mantar incident.

What is a peace bond?

Section 126 of the BNSS allows an Executive Magistrate to require a person to execute a peace bond for up to one year to prevent breach of peace.

According to Section 135, the Magistrate conducts an inquiry into the information received. In certain circumstances, they can also order a person to provide security while the inquiry is pending and record the reasons in writing. In case of a breach of a peace bond, the Magistrate may order that the person be arrested or detained for the remaining period of the bond. This is dealt with under section 141(1)b.

In the present case, the SEM proceedings concern allegations that Mr. Das and Mr. Ranka breached their earlier peace bond through actions at the Jantar Mantar.

How are SEMs different from Judicial Magistrates?

Section 9 of the BNSS provides for the establishment of courts of Judicial magistrates of the first and second classes. For that, the State government determines the number and location of these courts. Presiding officers are also appointed by the High Court.

Judicial Magistrates form part of the judicial system and deal with criminal cases, including remand proceedings, bail applications and trials. They are independent and impose sentences permitted by law.

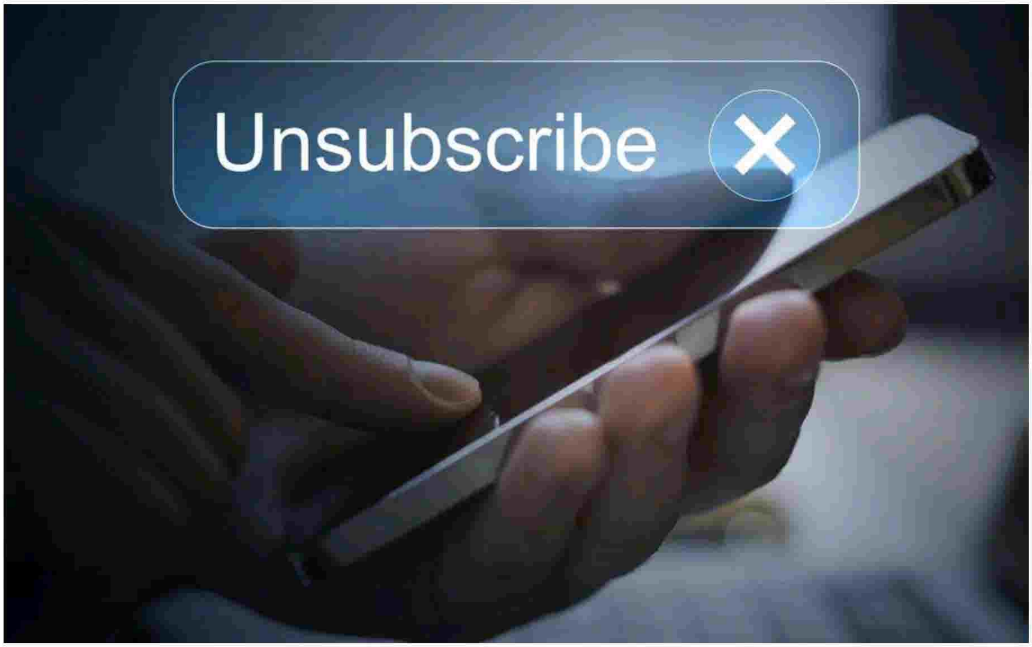
SEMs are limited to administrative functions and cannot conduct criminal trials or convict people through these proceedings. They are also authorised to release or grant police or judicial remand.

Can the actions of SEMs be reviewed by courts?

Yes, SEMs' actions are subject to judicial review and administrative oversight to ensure legality and the protection of the rights of citizens.

Their order can also be challenged before the appropriate court or authority depending on the nature of the order and remedy available.

CACHE



A costly hassle: Consumers such as time-pressed workers, minors, vulnerable adults, senior citizens, and non-literate customers face extra hurdles when struggling to offload unwanted subscriptions. GETTY IMAGES

What is the significance of New York City's 'Click to Cancel' rule?

The 'Click to Cancel' rule aims to enable residents to cancel any subscription just as quickly as they can sign up – ideally with a single click; it covers subscriptions for goods or services that meet the definitions of 'automatic renewal' or 'continuous service offer'

Sahana Venugopal

On October 1, New York City Mayor Zohran Mamdani announced the enforcement of the city's 'Click to Cancel' rule that essentially lets residents cancel any subscription just as quickly as they can sign up – ideally with a single click.

"No one should need 45 minutes of hold music to stop paying for something they never wanted," said Mr. Mamdani. "If a company can take your money with one click, you should be able to get your money back with one click."

What is the need for a 'Click to Cancel' rule?

It can feel effortless to sign up online for a gym membership, a grocery subscription, a mobile phone plan, or a magazine delivery. When one wants to cancel the same service, however, the process is often so convoluted and time-consuming that customers end up keeping a subscription that they would prefer to eliminate.

This unethical retention is commonly achieved through digital "dark patterns" that make it hard for customers to act in their own best interests. For example, subscription cancellation or account deletion buttons might be obscured by multiple menus and sub-menus designed to confuse users. Or, they may require the user to "click" through pages and pages of text, wasting their time and making them likely to give up.

Sometimes, customers may not even know that they are locked into a subscription, as a free trial is converted into a paid commitment without clearly seeking consent.

Alternatively, many merchants who allow easy online subscriptions, arbitrarily require buyers to send personalised emails or letters, spend time on the phone, or even visit the business in person just to end their subscription.

This lack of parity ends up keeping reluctant customers locked into bad services.

Consumers such as time-pressed workers, minors, vulnerable adults, senior citizens, and non-literate customers face extra hurdles when struggling to offload unwanted subscriptions. In extreme cases, customers may even have to cancel their credit cards and get new ones in order to end a subscription.

The problem is so pervasive that media outlets have reported that people are resorting to AI agents – such as Meta's Muse – in order to identify and get rid of unnecessary subscriptions on their behalf.

'Click to Cancel' rules would force sellers to make cancellation processes easier, quicker, transparent, fairer, and customer-friendly, so that buyers don't need to depend on external tools and services.

As per one estimate cited by the NYC Mayor's office, the 'Click to Cancel' rule could save New Yorkers up to $162.5 million per year.

Who is covered by the 'Click to Cancel' rule?

The rule gives the Department of Consumer and Worker Protection (DCWP) citywide authority for enforcement, adding on to the New York state's existing regulations that govern subscription terms. The 'Click to Cancel' rule covers subscriptions for any type of goods or services meeting the definitions of "automatic renewal" or "continuous service offer," with exceptions for government-linked businesses and several licensed financial institutions.

"A person making an automatic renewal or continuous service offer to a consumer must provide the consumer with the option to cancel at any time using a simple cancellation mechanism that is as easy to use as the mechanism that the consumer used to provide consent and that is through the same medium that the consumer used to provide consent," stated the 'Click to Cancel' rule.

For example, an internet-based sign-up process cannot require a call-based or in-person cancellation process. New York City residents can also file complaints in order to seek mediation, while companies could face civil penalties starting at $525 for violations.

Does India have a 'Click to Cancel' policy?

India has a bank-based regulation that is meant to protect customers from deceptive subscription practices. Even so, the reality is that many consumers are often manipulated by the merchants that they rely on for their daily needs.

Take the Reserve Bank of India's 'Digital Payments - E-mandate Framework' from this April. It directs an issuer (of a mandate/recurring transaction) to send a pre-transaction notification to the customer at least 24 hours prior to the actual charge/debit. The issuer must share the merchant's name, transaction amount, date/time of debit, reference number of the e-mandate, and the reason for the debit. A post-transaction notification to the customer is also required.

In other words, merchants cannot silently deduct funds from customers' accounts and hope that they don't notice. However, a lack of regulation targeting "dark patterns" creates avenues for Indian consumers to be exploited by merchants.

According to Datum Intelligence's Dark Patterns Consumer Perception Study dated June 2026, e-commerce platforms Nykaa, Myntra, Flipkart, and Amazon, as well as quick commerce platforms Big Basket, Zepto, Swiggy Instamart, and Blinkit did not offer pre-renewal reminders for free trial billing. The study further noted that cancellation required more than 4 steps on most of the listed platforms.

In essence, Indian shoppers are far from being able to click to cancel.

THE DAILY QUIZ

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

President Iskander Mirza's imposition of martial law and his ousting by Ayub Khan marked Pakistan's first period of military rule. A quiz on the coup and its aftermath

Prathmesh Kher

QUESTION 1
Who was Pakistan's Prime Minister when martial law was proclaimed in October 1958?

QUESTION 2
What did Mirza abrogate when he proclaimed martial law on October 7, 1958?

QUESTION 3
What system of indirect elections did Ayub Khan introduce in 1959 as the foundation of his political structure?

QUESTION 4
In which year did Ayub Khan relinquish the presidency, ending his period in power?

QUESTION 5
To which country did Iskander Mirza go into exile after his removal from office?



PLOT AGAINST PAKISTAN

The Prime Minister of Pakistan, Mr. Liaquat Ali Khan, issued the following statement to the Press on Friday morning :

A conspiracy, hatched by the enemies of Pakistan, has just been unearthed.

The aim of the conspiracy was to create commotion in the country by violent means and, in furtherance of this purpose, to subvert the loyalty of Pakistan's defence forces.

Timely information of these plans was received by the Government, and action has been taken today to arrest the ringleaders.

Those are :

Major-General Akbar Khan, Chief of the General Staff.

Brigadier M. A. Latif, Brigade Commander at Quetta.

Faiz Ahmed Faiz, Editor of "The Pakistan Times."

Mrs. Akbar Khan, wife of Major-General Akbar Khan.

The two military officers involved in the conspiracy have been dismissed from service with immediate effect.

Plot Inspired by Reds ?

FRENCH POLICY IN MOROCCO OUTDATED

Visual question: This is a front-page report in *The Pakistan Times*, dated March 10, 1951, announcing arrests in a conspiracy that preceded Ayub Khan's military coup by seven years. By what name is the conspiracy known? THE PAKISTAN TIMES

Questions and answers to the previous day's daily quiz: 1. After the Second World War, representatives of 50 countries gathered at a conference in this place, leading to the signing of the UN Charter that created a new international organisation. **Ans: San Francisco**
2. The two Asian countries that are presently non-permanent members of the UN Security Council. **Ans: Pakistan and Bahrain**
3. The contribution of Oliver Lincoln Lundquist to the identity of the United Nations. **Ans: He led the design team that created the original emblem of the United Nations**
4. The first session of the General Assembly was held at this place in January 1946, with 51 member nations in attendance. **Ans: Central Hall, Westminster, London**
5. Focus of the first resolution of the United Nations GA. **Ans: Peaceful uses of atomic energy and the elimination of atomic and other weapons of mass destruction**
6. The two UN Secretaries-General who won the Nobel Peace Prize. **Ans: Dag Hammarskjöld and Kofi Annan (jointly with the UN)**
7. October 24 was officially designated as 'United Nations Day' in this year. **Ans: 1947**
Visual: Name of this former Secretary-General who later became the President of Austria. **Ans: Kurt Waldheim**
Early birds: Tamal Biswas| Erfanally Oosmany| Tariqa Bali| Sukdev Shet| Dodo Jayaditya



FROM THE ARCHIVES

Know your English

S. Upendran

What is the meaning of "red-faced"? (R. Ajay, Madurai)
When you say that someone was "red-faced" what it implies is that the individual was very angry or embarrassed about something. Here are a few examples.

When the chairman accused Suman of stealing, she became red-faced.

We saw a red-faced Shyamala being led away by the police.

How do you address a female Mayor? "Mayor" or "Mayoress"? (S.K. Sharma, Vishakapatnam)
It depends on you, I guess. "Mayoress" is a word, which is mainly used in Britain. It can be used to refer to a woman who is a Mayor. It can also be used to refer to the Mayor's wife.

Does this mean that a lady Governor can be called a "Governess"? I don't think so! This is the age of equality and therefore it is not surprising that many word's that maintain the gender distinction are going out of use.

Words like "authoress" and "poetess" are considered old fashioned and are seldom used these days. Similarly, "chairman", "spokesman", and "stewardess" have been replaced by gender-neutral terms like "chairperson", "spokesperson", and "flight attendant".

What is the difference between "on foot" and "by foot"? (K.J. Prabhakar, Chintalpudi)
When you get from one place to another using some mode of transportation, you usually say "by". For example,

Aparna went to Mumbai by train.
We are planning to go by car.
The refugees came by boat.

When you walk from one place to another, then you say "on" and not "by".

He went on foot.
Mythreye is going on foot, not by car.
She walked to the hospital.

What the meaning of "smell a rat"? (P. Sailaja, Chennai)
This expression has more or less the same meaning as "smell something fishy'. When you smell a rat, you suspect or realise that something is seriously wrong. Perhaps someone is trying to deceive you or trying to harm you. This expression is normally used in informal contexts. Here are a few examples.

If I don't return Amarnath's calls, he will smell a rat.

I smelt a rat when Venkat started being helpful.

Is it OK to say, "I have forgotten my briefcase at home"? (S. Sandeep)
It's very common to hear people say, "I have forgotten my umbrella at the office", or "I have forgotten my glasses at home". Careful users of the language, however, frown on such sentences. They argue that the word "forget" should be used to talk about things that have been left behind accidentally.

For example, it is O.K to say, "I have forgotten my notes", or, "I have forgotten to bring my assignment". When you use the verb "forget", the place should not be mentioned. If you wish to specify the place, then the verb "leave" should be used. Here are a few examples.

I have left my umbrella at home.

Oh no! I've left my lecture notes on the dining table.

Published in The Hindu on May 14, 2002

Word of the day

Sardonic:
disdainfully or ironically humorous

Synonym: snarky

Usage: *The government's promise of accountability was met with sardonic laughter.*

Pronunciation: newsth.live/sardonic

International Phonetic Alphabet: /sɑːˈdɒnɪk/

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

Kashmir's rice holds clues to a journey from East Asia

Kashmir's traditional varieties carry cold-tolerance and other locally adapted genes that modern varieties have partly lost, making them valuable for climate-resilient farming, research says; the varieties are more closely related to those from Korean Peninsula and Northeast China

Hirra Azmat
SRINAGAR

For many generations, Kashmir's farmers have cultivated traditional varieties of rice – and a new study by researchers at the Sher-e-Kashmir University of Agricultural Sciences and Technology (SKUAST-Kashmir), Srinagar, has found that these varieties carry a unique genetic history.

According to the study, published in *The Plant Genome*, Kashmir's traditional varieties carry cold-tolerance and other locally adapted genes that modern varieties have partly lost, making them potentially valuable as climate change increases stress on crops.

The genetic analysis also indicated the varieties are more closely related to those from the Korean Peninsula and Northeast China.



Fields of gold: A farmer works in a paddy field during the harvest season on the outskirts of Srinagar; the autumn season marks the paddy harvesting period in Kashmir. IMRAN NISSAR

3K rice panel

The SKUAST-Kashmir team began by placing Kashmir's rice on a larger genetic map.

In a 2018 study, Chinese researchers had collected rice germplasm – genetic material from seeds – from around the world and created the so-called 3K rice panel. Their 3,010 samples represented cultivated rice diversity from different parts of the world, including the *Oryza sativa* cultivated in Asia.

However, SKUAST-Kashmir genetics and plant breeding professor Asif Bashir Shikari said the 3K panel didn't include germplasm from Kashmir's traditional varieties.

"That was the primary reason we sequenced 142 rice germplasm accessions from Kashmir region and compared them with the 3K panel in our study," he said.

The team also looked beyond the overall genome. According to Dr. Shikari, rice has roughly 30,000 to 40,000 genes but not all of them are directly related to traits important for agriculture. So the team focused on 21 traits that were relevant and relatively easy to observe, including grain characteristics, starch content, aroma, and those related to adaptation.

They compared the Kashmir germplasm with that from other parts of the world – including China, India and Bangladesh – in the 3K panel on these traits. Thus they found that the Kashmir germplasm showed greater genetic affinity with rice from Korea and Northeast China.

"This was particularly interesting in the case of genes *HAN1* and *CTB4a*, associated with cold tolerance, because Kashmir's traditional rice is distinct from the rest of the country as it is cultivated under relatively cold conditions," Dr. Shikari said.

Tracing the journey

"If such traits were introduced through gene flow or the movement of germplasm, it could also provide clues about the historical movement of rice and help us investigate the possible routes through which these genetic characteristics reached Kashmir," he added. According to Gaurav Zinta, principal scientist in the biotechnology division at the CSIR-Institute of Himalayan Bioresource Technology, Palampur, the distinction "suggests Kashmir's traditional rice likely descends from temperate East Asian rice, similar to that grown in Korea and Japan, and was later shaped by the valley's short, cool growing season".

Dr. Zinta added that, on the other hand, modern varieties grown in the region tell a different story.

"Many were bred using lowland Indian rice to improve yield and grain type, and in the process, they lost much of the cold tolerance," he said.

"So the landraces are more than a piece of history. They are a reservoir of useful genes that modern breeding has partly left behind, and they deserve active conservation."

That said, the landraces are not purely East Asian: "Some of their genes, such as those affecting starch and cooking quality, resemble those of tropical rice, suggesting they also mixed with other rice types over time," Dr. Zinta explained. "Their history is best seen as layered rather than a single straight line."



"Shared genes show that Kashmir rice and East Asian rice are related, [but] not the path the rice took," he continued. "It could have crossed the Himalaya directly or come through Central Asia along early trade routes that later formed part of the Silk Road. The paper mentions both possibilities without clearly separating them."

To confirm the route, he suggested that researchers compare Kashmir rice with rice from regions along the way, including from Nepal and Tibet.

"Ancient rice grains found in Kashmir should also be dated and, where possible, their DNA analysed. This would show when rice reached Kashmir and where it originated."

He also said the study has some limitations, including studying a "fairly small" number of local landraces and the team not testing the varieties for cold tolerance, aroma or grain quality. As a result, "the link between genes and traits is predicted rather than demonstrated," Dr. Zinta added.

He said the effort nonetheless provided a strong foundation for future work.

Archaeology of rice

The research team also considered the fact that wheat, barley, and some millets were among the region's earliest cultivated crops.

Anil Pokharia, scientist at Birbal Sahni Institute of Palaeosciences, Lucknow, said there is no clear archaeological evidence of rice being cultivated in the Neolithic period, around 3,000 years ago.

"Wheat and barley appear to have been the dominant crops, with wheat cultivated as a long-duration crop, sown around October and harvested the following July or August. Rice appears to have been introduced later, possibly around 1000-1500 BC, during the megalithic period, although the exact timing remains uncertain," he said.

"With the introduction of rice as a summer crop, shorter-duration forms of wheat and other crops would also have been needed to fit the changing agricultural cycle."

That said, he added that the archaeological record at Burzahom and Gufkral are limited by the fact that rice grains could not be directly radiocarbon dated, increasing the uncertainty as to their precise age.

According to Dr. Shikari, the genomic evidence provides another line of evidence – and that genetic patterns in present-day Kashmir rice are consistent with the possibility that the region has a distinct history of rice cultivation.

The authors discuss in their paper that the evolutionary history of japonica rice appears to have been closely associated with climate changes during the mid-to-late Holocene, in a period characterised by cooling and unstable weather.

"The onset of cooler environmental conditions may have imposed strong selection pressure on rice populations, favouring genetic variants associated with cold tolerance," Dr. Shikari said.

Dr. Pokharia suggested Kashmir could be an important region for future archaeological research because of its position as a potential junction between influences from East and West Asia.

"The excavations carried out with a broader research perspective, combined with multidisciplinary approaches involving archaeology, genetics and other fields, could help researchers better understand the movement of crops, people and cultural influences into the region," he said.

(Hirra Azmat is a Kashmir-based journalist who writes on science, health, and environment. azmathirra@gmail.com)

THE SCIENCE QUIZ

A quiz on mountaineers and the highest peaks on earth

Radhika Santhanam

QUESTION #1

When mountaineers climb extreme heights, their bodies may not receive enough oxygen to function normally. This condition causes symptoms including confusion, restlessness, difficulty breathing, rapid heart rate, and bluish skin. Climbers on high peaks such as K2 and Everest often experience it. Name the condition.

QUESTION #2

The name of this mountain range translates to "abode of snow". About 50 million years ago, the Indian and Eurasian tectonic plates collided, leading to the formation of this range. Earthquakes are quite common in this range. Name the range.

QUESTION #3

There are 14 mountains in the world that rise above 8,000 metres in elevation. Of these, eight are found in one country. Name the country — and also the man who made history in 2019 by climbing all these 14 peaks in record time and who passed away recently in Pakistan.

QUESTION #4

Mt. Everest lies within the lowest layer of the earth's atmosphere, where clouds form and winds move air masses and high- and low-pressure systems. These processes drive daily weather, seasonal patterns, and larger climate phenomena such as El Niño. Which atmospheric layer is this?

QUESTION #5

Although Mt. Everest is the highest mountain above sea level, this volcano is more than 10,200 metres tall when measured from its base on the ocean floor to its summit. Revered by some as piko, or the "umbilical cord" connecting land to the heavens, it is also a premier site for astronomical observations because of its high altitude and the clear, dry skies over it. Name the volcano and the ocean on whose floor it rises.



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

Visual: The Hindu goddess depicted in this photo is said to reside at X peak, which was also the first 8,000-metre peak to be summited. Name the peak. PUBLIC DOMAIN

Answers to October 15 quiz:

1. Boundary around a black hole that light can't escape – **Ans: Event horizon**
2. Effect describing a system's sensitivity to its initial conditions – **Ans: Butterfly effect**
3. Form of energy transferred between systems at different temperatures – **Ans: Heat**
4. Arrangement of numbers central quantum physics, machine learning – **Ans: Matrix**
5. 1958 Alfred Hitchcock film based on an extreme fear of heights – **Ans: Vertigo**

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



Some people want companies to further define terms and intentions to better understand what exactly they hope to gain from religion. REUTERS

AI companies turn to religion for counsel on ethical models

Associated Press

As executives sound the alarm about AI's destructive potential and debate the need to develop morally good models, they are increasingly seeking input from philosophers and faith leaders.

Because these companies are not bound to a particular religion, the goal is often quite broad – an aggregate of moral ideas that can inform their models. But experts and adherents alike warn that this idea fails to reckon with how different traditions and world-views can often contradict one another. In short, they say, it's not exactly how religion works.

For decades, scholars have pushed back against a widespread view of religion as a set of rules or principles that can be divorced from the "messy, practical, ad hoc" ways adherents live, argues Webb Keane, an anthropologist at the University of Michigan.

The idea that religion can be separated from things like culture and politics remains entrenched, even though it suffuses both in many ways. Some worry that AI companies, as they ask various faith leaders to answer ethical questions, will further perpetuate a theory of religion that fails to recognise the importance of doctrine, ritual, and relationships.

Tech firms are turning to philosophers and faith leaders for guidance to build ethical AI models; experts say blending moral ideas from different religions and worldviews is challenging, as they hold conflicting beliefs and values

Here's the issue, Keane argues: If you assume that religion overall can offer a distinct set of extractable moral principles, using it to train AI risks prioritising certain traditions and distorting others – particularly when it comes to faiths that do not see themselves primarily as a system of ethics.

That's not to say these meetings have lacked diverse representation. Nor does it suggest that their engagement with religion hasn't been thoughtful from the perspective of those in attendance, like Meghan Sullivan, a philosopher of religion who leads an initiative on ethics and AI at the University of Notre Dame.

Earlier this year, Sullivan went to Anthropic for one of their meetings, which included Christians from different denominations. In contrast to conversations she'd had with other tech companies, she was impressed by the rigorous engagement with religion at Anthropic, which is widely seen as the AI company taking ethics and safety most seriously.

"The culture inside the company is similar to that on a good college campus in the sense that you've got a collection of very intellectually curious people," she said. "These meetings are pretty nerdy – I don't know if that's the best way to put it – in a good way."

Representatives from Meta, Google and Amazon have also met with the Vatican, while Microsoft has been vigorous about its religious outreach.

Religion is generally considered both ancient and universal. And while experts like the late influential scholar of Jonathan Z. Smith concede that is true in some ways, they say it's also not the full picture. Many scholars of religion today share Smith's view of their field. They call into question the idea that religions are a set of distinct, comparable systems, saying it's a modern notion that can be traced to as late as the 19th century. Buddhism and Hinduism, for example, were not recognised as clearly bounded traditions by the people who practiced them prior to the arrival of European scholars, says Tomoko Masuzawa, a religious studies scholar who wrote 'The Invention of World Religions'. Says Mazuzawa: "All these categories were not native."

WEB EXCLUSIVE
Lula's narrow victory shows the resilience of the Right in Brazil
—Shibashis Chatterjee
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WORDLY WISE
Voting is a civic sacrament.
— Theodore Hesburgh

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RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

Climate justice needs quicker compensation

NEARLY TWO months after Nepal suffered devastating floods, the UN climate convention's Fund for Loss and Damage (FLD) has allocated $21.6 million to the Himalayan nation. This is the first time that the Fund has earmarked a grant for a disaster-affected nation. Kathmandu had invoked the principle of climate justice in its application: Nepal accounts for barely 0.1 per cent of global emissions, yet it is on the frontline of climate change in the Himalaya. The ice-and-rock avalanche that triggered flash floods in the Bhotekoshi and Trishuli river systems claimed more than 1,400 lives, several villages were swept away, and the country lost at least 10 per cent of its hydropower facilities. Conservative estimates put Nepal's recovery and reconstruction requirements at $5 billion. The grant, far short of what Nepal needs, marks an important first step in turning the commitment of climate reparation into action.

Established at the UNFCCC's COP27 in 2022 and operationalised a year later, the FLD is a product of a nearly three-decade-long campaign by nations most vulnerable to global warming. It rests on the principle of climate compensation, not charity. This distinction is not academic. The Global North is often willing to provide humanitarian assistance, but a fund explicitly meant to address "loss and damage" remains fraught because it raises questions related to responsibility for climate change. Nepal's application ran into predictable bureaucratic hurdles. The FLD's application window had closed in June, and when Nepal sought emergency funding, claims from 119 countries were awaiting approval. Developed countries initially argued that granting Kathmandu's request would mean allowing it to jump the queue. They eventually relented, but only after insisting that the allocation be treated as an exception and not set a precedent for a permanent rapid-response mechanism.

Nepal's experience with the FLD should serve as a case study for reforming the Fund. Delays in releasing grants can aggravate the hardships of affected communities, slow down the restoration of essential services and increase rebuilding costs. A swift response is particularly important for poorer countries, whose budgets have less room to absorb sudden losses. Fund shortages have also limited the FLD's ability to fulfil its mandate. It has received pledges worth $822 million — about a third of the claims pending before it. Compensation for countries hardest hit by global warming will be on the agenda at COP31, which begins on November 9 in Antalya, Turkey. As extreme weather events become more frequent and intense, delays in addressing the FLD's shortcomings will undermine the central principle of climate negotiations under the UN's aegis: Climate justice.

Lula's return is dramatic, his challenges formidable

BRAZIL'S PRESIDENTIAL election was watched closely around the world as it unfolded in a fraught setting. It came amid a populist right-wing surge across Latin America, the long shadow cast by US President Donald Trump and his "Donroe Doctrine", and larger questions about the Global South, in which Brazil's voice is key. Incumbent Luiz Inácio Lula da Silva of the Workers' Party was seen as more than a president seeking re-election; he is one of the most prominent figures of the global left. In a dramatic turnaround, Lula, who finished second in the first round to the far-right Flávio Bolsonaro — son of former president Jair Bolsonaro, who is under house arrest for allegedly plotting a coup after losing the 2022 election — won the runoff by a razor-thin margin. His victory with about 52 per cent of the vote, which has secured a historic fourth term, interrupts the right-wing tide in the region. But it is hardly a sign that the right is weakening within Brazil. Rather, the result shines the light on a society split down the middle and the resilience of a movement that may have outgrown its leader.

Going ahead, Lula faces formidable challenges. Although unemployment is near historic lows, the economy is slowing, compounded by affordability concerns, high interest rates and mounting household debt. Lula will likely struggle to push reforms through a conservative majority in Congress and more than a dozen right-wing state governors. He must govern a deeply divided electorate, nearly half of which voted against him. Bolsonarism's appeal reflects not only in ideological conservatism but also in anxieties about the role of the state and religion. Addressing them will require Lula to reach out beyond his traditional base.

Lula's win denies Trump an ally in the region's largest economy, of the kind he has in Javier Milei in Buenos Aires and once had in Jair Bolsonaro. Lula has deepened ties with China and resisted US tariffs. His re-election keeps Brasília on a Global South-oriented course, which is heartening for India. It is likely to sustain the momentum of groupings such as BRICS and IBSA (India, Brazil and South Africa), both seen by the two countries as vehicles for a more multipolar world order. Brazil's continued engagement in these forums matters at a time when developing countries are demanding a greater say in the governance of global institutions.

What ancients can teach — a useful magic

SCIENCE FICTION aficionados, among others, know of Arthur C Clarke's Third Law: "Any sufficiently advanced technology is indistinguishable from magic." Clarke's dictum, more often than not, applies to speculation about humanity's future — its influence is visible in the *Dune* series, *Star Wars*, and many other sci-fi classics. Sometimes, though, its obverse is deployed rather unthinkingly. Tales of magical weapons, flying carriages and dragons in myth and lore are seen as evidence of long-forgotten science and a glorious past. Then again, the past can contain science that's almost magical.

For centuries, till recently, the 1,600-year-old Lycurgus Cup was all but magical. The Roman artefact changes colour depending on the position of the light source: Under normal light, it is red; lit from behind, emerald green. It is only now that scientists from the University of Sheffield have reportedly managed to reverse-engineer the process that went into making the remarkable chalice that features Dionysus and King Lycurgus (from the *Iliad*) using a fragment of the vessel that sits in the British Museum.

There is, indeed, much to learn from the ancients. Apart from the optical engineering in the Lycurgus Cup, there's Roman Concrete, used to build the Pantheon and Colosseum, which hasn't quite been recreated to date. The town planning, sewage and drainage systems of the Indus Valley Civilisation should inspire many a modern metropolis to do better. The magic of the past, then, may not lie in myths of magical weapons and flying chariots, but in achievements that are more useful than "glorious".

To ease energy transition, ramp up storage, strengthen transmission



SOMIT DASGUPTA

THE FACE of the Indian power sector is changing. From perpetual deficit, we have moved to a situation of glut at least for certain hours of the day, specifically the solar hours. Both scenarios are painful, though as far as the consumers go, the first was far worse. The situation of glut and the way we are dealing with it is a national waste, but an individual consumer does not really feel the pinch. It is the sector that is suffering.

People will not have forgotten how difficult each summer was in the past with frequent power cuts. The problem also included the quality of supply. Voltage used to drop dramatically in the dusk hours, and it was inadvisable to run a television or a fridge without a voltage stabiliser. If this was the position in urban areas, one can imagine the situation in rural areas, where the number of hours for which supply was available was frequently in the single digits. One can, however, add a caveat. Only people connected to the grid faced the problem of erratic supply. A large part of the population lived in the dark because they were unelectrified. Thirty years ago, according to the World Bank, 40 per cent of India's population did not have access to electricity.

During the decade 1990-2000, the installed capacity was growing at the rate of about 5 per cent, whereas demand was growing at about 7 per cent to 8 per cent. Deficits in peak demand were of the order of 15 per cent, whereas energy shortage was about 10 per cent. Inadequate installed capacity was not the only problem. Perhaps a bigger problem was a poor and dilapidated distribution infrastructure that just did not have the capacity to cater to the growing load since there was virtually no upgrading. Upgradation required additional funds either through enhanced retail tariffs or through government grants, both of which were difficult to come by. The vertically integrated state electricity boards, with generation, state transmission, and distribution under one roof, were overstaffed, corrupt, and inefficient.

Then came the Electricity Act, 2003, which allowed for the dismantling of the State Electricity Boards (SEBs) and the setting up of separate companies for generation, transmission, and distribution. This segregation took years to happen in some states, as the issue became politicised. The Act also mandated the setting up of electricity regulatory commissions so that tariff determination could be an independent exercise, free from government clutches. However, this did not have the desired effect, as the government was loath to give up its control over tariffs and continued to breathe down the regulators' necks. The regulators, incidentally, gave the impression that they were willing to bend over backwards to stay on the government's right side. Consequently, the distribution sector remained where it was, financially unsustainable, waiting for a fresh injection of funds at regular intervals.

> The answer is to build storage so that excess generation in the daytime can charge our batteries, which may also ensure less frequent ramping up and down of our coal-based generation

The good news, however, was that growth in installed capacity got a boost after the setting up of the electricity exchanges in Delhi and Mumbai around 2008. The spot prices of power shot up manifold, and developers saw this as an opportunity and started investing heavily in new power projects, mainly coal-based. A little more than 1,00,000 MW of coal-based capacity was added between 2010 and 2020. Interestingly, about the same capacity was added between 1947 and 2010. It wasn't just the developers; banks started giving out loans blindly without ensuring that the developers had signed power purchase agreements (PPAs) and had fuel linkages. As a consequence, thousands of megawatts became stranded, the developers started defaulting on loans, and the non-performing assets (NPAs) of banks went up. Moreover around 2015, the solar sector received a push. Prior to this, India had primarily wind and biogas generation. Today, renewable capacity, including large hydro, is a little less than 292 GW, which is about 53 per cent of total capacity. Solar alone is about 162 GW. This massive growth in installed capacity reduced our peak and energy deficits to about 1 per cent to 2 per cent.

As they say, all good things must come to an end. With this massive growth in installed capacity, deficits may have gone down, but other problems have cropped up. This energy transition has made us surplus in solar hours, but we are facing deficits at night on account of unplanned outages in our coal plants, excessive air conditioning load, poor reservoir levels affecting hydro generation, etc. The surplus in solar hours is forcing us to back down our solar generation, even after ramping down our coal generation sometimes to the minimum technical load in order to balance the grid. Two things are happening here. First, we are wasting our solar power by backing down. Second, we are decreasing the longevity of our machines by this frequent ramping up and down.

So where lies the solution? The answer is to build storage so that excess generation in the daytime can charge our batteries, which may also ensure less frequent ramping up and down of our coal-based generation. Along with storage, we also need to strengthen our transmission system, improve demand-side management and create a market mechanism that properly rewards flexibility. However, building storage, especially pump storage, is time-consuming, and moreover, the price of storage, as determined through competitive bids, is said to be non-remunerative. This may mean that many of the storage projects will not see the light of day, which will only prolong our agony of losing valuable solar power.

The writer is visiting professor, ICRIER and former member (economic and commercial), CEA. Views are personal

Jogen Chowdhury's art of the personal, political and social



R SIVA KUMAR

JOGEN CHOWDHURY, who passed away in Kolkata at the age of 87 on Sunday morning after battling cancer for over a year, was one of a small group of important painters from Bengal who came onto the Indian art scene in the 1960s. He had carved out a distinct niche for himself. Born into a landed family in Faridpur, in pre-Partition East Bengal, he experienced a great reversal of fortune and became a post-Partition refugee in Calcutta. This early experience left a deep mark on him and profoundly shaped his art and personality.

Trained at the Government College of Art & Craft in Calcutta and later travelling to Paris on a scholarship to study at Ecole Nationale Superieure des Beaux-Arts, he saw the pre-modern academic and modern art practices up close. But he chose to tread a path of his own.

Back in India and working at the Weavers' Service Centre in Madras, he developed a personal idiom, drawing on his early memories of the embroidery (*kantha*) and ritual floor graphics (*alpona*) practised by women in the villages in Bengal. He imbibed their sinuous lines and textural intricacy without mimicking them and combined the decorative with the expressive.

With this, he created a language that far exceeded the simplicity of its means in subtlety and expressiveness. And he travelled a long distance with it. Initially, he used it to explore the subterranean intricacies of his own mind, throwing up suggestive images of desire and disquiet.

When he moved to Delhi as what was then known as the "Keeper of Art" at Rashtrapati Bhavan in 1972, he left the personal and the subliminal behind. He began to observe the political world closely and, while commenting on its players through his art, his paintings acquired a satirical edge.

> When he moved to Delhi as the Keeper of Art at Rashtrapati Bhavan in 1972, he left the personal and the subliminal behind. He began to observe the political world closely and, while commenting on its players through his art, his paintings acquired a satirical edge

A further shift happened when he joined the art college at Santiniketan, Kala Bhavan, in 1987. He moved from the political to the social, and his paintings became subtle tongue-in-cheek critiques of middle-class life, especially in Bengal.

With each shift, he added a new register to his language, making it flexible enough to work at the personal, political, and social levels. In his hands, simple everyday objects took an uncanny turn. A large flower with a fish floating on a dark screen evoked suppressed desire, a bolster suggested decadent corpulence, a slight grimace invoked corruption, a displaced drapery or a small gesture opened up a crack on the wall through which a story spilled out, and all this without changing the formal structure or economy of his language.

His early years in Calcutta as a refugee were extremely trying, but the suffering did not demoralise him; it made him aware of the need to look beyond the personal and engage with the collective. When he left Delhi for Santiniketan at the height of his personal success, he had this in mind. As a professor of painting at Santiniketan, he threw himself into mentoring young artists, enthusiastically re-energising the institution. But this was not enough for him.

Seeking to bring art into society, he led a group of younger colleagues in founding the Santiniketan Society of Visual Art and Design. This artist-run centre provides working space for young artists and a place for the community to meet. In all this, he was inspired by Rabindranath Tagore and his vision for academic institutions in India.

In 1999, he took voluntary retirement from Santiniketan and expanded his activities in Kolkata as part of his effort to revitalise the art scene in Bengal. He undertook a study of the provisions for art education in schools and drew up an elaborate plan to strengthen it. He even waded into politics and joined the Trinamool Congress in the hope that it would help. It brought him a term in the Rajya Sabha, but little else.

During the same period, he set up Charubasona, another centre for art activities in the city. He started the art magazine *ArtEast*, and served as chairman of the state art academy. Setting up a museum of modern art in Kolkata was another dream to which he devoted considerable time and energy, but it remains unrealised.

Chowdhury was a remarkable artist and a dreamer of institutions. He had the resources to realise the first; the second needed wider support, which was not always forthcoming. But he was a die-hard optimist and never gave up dreaming and hoping.

The writer is an art historian, critic and curator

On institutions, a stark hypocrisy from Congress



MOHAN CHARAN MAJHI

THE CONGRESS party has discovered institutions. After seven decades in which it treated the judiciary, investigating agencies, the Election Commission and even the press as extensions of the ruling family's will, it now holds marches to defend their independence. It is the arsonist protesting at the fire station. The record is long. A few chapters are enough.

On April 25, 1973, a day after the Supreme Court delivered the *Kesavananda Bharati* judgment, the Indira Gandhi government announced that Justice A N Ray would be Chief Justice of India. To appoint him, it passed over three judges, all of whom had ruled against the government. All three resigned. Law Minister Mohan Kumaramangalam had formulated the notion of a "committed judiciary", in which the government should weigh a judge's philosophy and outlook, not only his integrity. In 1977, at the height of the Emergency, it happened again. Justice H R Khanna, the lone dissenter in the *ADM Jabalpur* case, was passed over for the chief justiceship. He resigned. The judges who sided with the government in that case rose in their turn.

From 1975 to 1977, Congress suspended liberty, censored the press, and detained political opponents without trial, and the highest court endorsed it. Every later claim by Congress to be the guardian of constitutional values has to be read against those 21 months. The abuse of Article 356 began early. The elected government of Kerala was dismissed in 1959, and in 1980 Indira Gandhi dismissed nine opposition-led state governments after returning to power. The Governor's office became a tool to remove governments the voters had chosen and the party disliked.

After the 1984 anti-Sikh riots, the Rajiv Gandhi government took months to appoint a commission, and then chose a sitting SC judge, Ranganath Misra. His commission conceded that Congress workers had taken part in the violence, but nothing more. Misra later joined Congress and entered the Rajya Sabha.

The pattern held with the Election Commission. In October 1989, a month before polling, Rajiv Gandhi's government created two additional Election Commissioner posts, seen as an effort to curb the then CEC, R V S Peri Sastri, with whom it had fallen out. When Congress lost, both posts were abolished within weeks. In 1993, the Narasimha Rao government repeated the exercise when T N Seshan became inconvenient. Then came Navin Chawla. In 2006, L K Advani and more than 200 MPs sought his removal for alleged partisanship. In January 2009, CEC N Gopalaswami formally recommended his removal. The UPA rejected it and appointed Chawla CEC in April, just before the general election.

In September 2013, Rahul Gandhi publicly called the Manmohan Singh government's ordinance protecting convicted legislators " complete nonsense" and said it should be torn up. The extraordinary intervention undermined the PM's authority, raising questions about Congress's respect for constitutional offices.

> Judges superseded for their rulings. A press censored. Elected governments dismissed. An Election Commissioner shielded and promoted over the CEC's objection. This is not a list of isolated lapses. It is a way of governing, practised for decades

Judges superseded for their rulings. A press censored. Elected governments dismissed. An inquiry chairman rewarded. An investigating agency caged. An Election Commissioner shielded and promoted over the CEC's objection. This is not a list of isolated lapses. It is a way of governing, practised for decades by a party that regarded institutions as its own. Those alleging a captured Election Commission, caged agencies and a threatened Constitution must first answer: What did they do when they held power?

The writer is Chief Minister of Odisha

40 YEARS AGO
October 27, 1986


INDIAN EXPRESS
16 Pak intruders shot dead by BSF
Call for Punjab bandh today
Nine injured in Delhi violence

Pakistani intruders shot dead

SIXTEEN SUSPECTED Pakistani nationals were shot dead by Border Security Force personnel while attempting to intrude into Indian territory even as major political parties in Punjab gave a call for a bandh in the state and Chandigarh to protest against the gunning down of seven persons in Khuban village. Thirteen intruders were killed in the Khemkaran area in Punjab, while two were shot dead in Anoopgarh and one in the Sriganganagar area of Rajasthan in the last 24 hours. In a fresh spurt of incidents, terrorists shot dead an employee of a liquor shop near Moga and two ex-servicemen, in separate incidents, were deprived of their arms in Amritsar district.

PM on security situation

THE PRIME Minister, Rajiv Gandhi, has issued instructions that the people in Punjab must be protected. The Prime Minister has called a meeting of the law-enforcing agencies to review the situation.

Sri Lanka conflict proposal

THE SRI Lankan Tamil militant groups will on November 3 give their views on the latest proposals of the island government to solve the ethnic issue to the Tamil Nadu Chief Minister, M G Ramachandran. Leaders of the militant groups discussed the proposals with the Chief Minister at the state secretariat for about 90 minutes. The advisor to the Centre on Constitutional matters, S Balakrishnan, was present at the meeting, along with the Tamil Nadu Food Minister, S Ramachandran, and the Law and Education Minister, C Ponnaiyan.

South Africa mining tragedy

AT LEAST five miners were killed when a lift went out of control and plunged down a shaft at a South African gold mine, the owners said. Ken Maxwell, chairman of Randfontein Estates Gold Mining Company, said two miners were crushed at the bottom of an 800 metre ventilation shaft at the mine, 40 km west of Johannesburg. Another three were killed by falling tackle, he told Reuters.

WHAT THE OTHERS SAY
A Netanyahu victory would set Israel and the region on a destructive path.
— Financial Times

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Ankita Bhandari deserved justice. She does not deserve to become a permanent hashtag



ABHINAV KUMAR

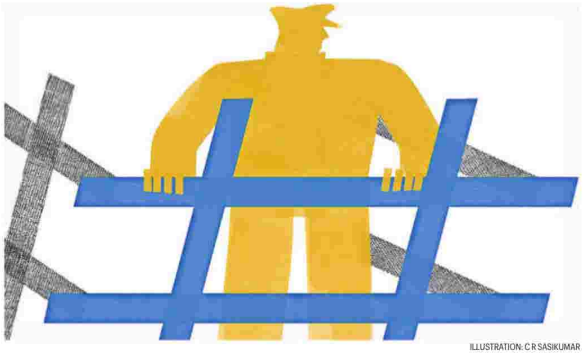

ILLUSTRATION: C R SASIKUMAR

ON THE night of September 18, 2022, Ankita Bhandari, a 19-year-old from a modest family in Pauri Garhwal, was pushed into the Chilla canal near Rishikesh by the men who employed her. She had been a receptionist at the Vanantara Resort in Yamkeshwar for under a month. Four years on, her murder remains among the most emotive public questions in Uttarakhand. For a police officer, it is also an instructive case study in investigating crime in an age when evidence is weighed in court, but the verdict is delivered on social media.

As established in court, Bhandari had told a friend that the resort owner, Pulkit Arya, pressured her to provide "extra services" to guests. On September 18, she went out with Arya and two employees, Saurabh Bhaskar and Ankit Gupta. After an altercation on the canal bank, the three pushed her into the water. Arya then lodged a false missing person report.

The initial handling of the case by the revenue police, which still had jurisdiction over the area, was slow. That criticism is fair. But once the regular police took over, the accused were arrested within 24 hours; they have been in jail ever since. The post-mortem indicated Bhandari was alive when she entered the water. The government constituted a Special Investigation Team under a woman DIG, and Arya's father, a former minister, was expelled from the ruling party. Political connections notwithstanding, the case received the highest priority.

The SIT filed a chargesheet of about 500 pages, and the trial began in Kotdwar in January 2023. On May 30, 2025, Additional Sessions Judge Reena Negi convicted all three and sentenced them to rigorous life imprisonment. Bhandari's parents, understandably, are appealing for the death penalty. In a system where the conviction rate for murder is under half and trials routinely stretch beyond a decade, this was a swift and thorough outcome.

Yet, the dominant public perception is not of a conviction swiftly secured, but of an alleged cover-up. Three strands recur.

The first is the "VIP". Bhandari's messages referred to pressure to entertain an important guest. In December 2022, the Uttarakhand High Court, declining to transfer the probe to the CBI, found nothing to show the investigation was being steered to protect any high-profile person, and the Supreme Court declined to interfere. No witness, document or digital trail before the trial court identified any guest as a party to the crime. The conviction never depended on the VIP's identity; guilt was established through the conduct of the accused themselves.

The second is the bulldozer. Within days of the murder, part of the resort was demolished to assuage public anger. That hasty act handed critics a permanent charge of evidence destruction, though the evidence that convicted the accused, the last-seen testimony, the false missing report, the call records and the medical findings, never resided in those walls.

> The police cannot place case diaries, witness statements or forensic reports in the public domain during an investigation. That silence is read as complicity, and into the vacuum flow rumour and leaks

The third is the audio clips. In late December 2025, an actress released recordings purportedly of her conversations with a former MLA, naming senior party functionaries as the VIP. The clips went viral; protests filled Dehradun, young women wrote letters in blood, and the Opposition demanded a CBI probe. Within days, another recording surfaced in which she was purportedly heard saying she had been pressured to name a particular leader. Both the former MLA and the leader denied the claims, and the former MLA was arrested in June 2026 over the circulation of the clips. Meanwhile, in January 2026, the state recommended a CBI probe, and the agency registered a case against an unidentified VIP.

Let me be unambiguous. The CBI must follow every lead, and if it finds credible evidence against anyone, including those of us who conducted and supervised the SIT, the law must take its course. But a case that had withstood the scrutiny of a trial court, the High Court and the Supreme Court has been reopened not on new forensic evidence, but on recordings whose authenticity is disputed by the very people heard in them. The popular narrative of an unpunished conspiracy is at variance with every finding a court has made thus far.

This is the central predicament of policing today. A criminal investigation runs on evidence that must survive cross-examination; social media runs on plausibility, outrage and repetition. The police cannot place case diaries, witness statements or forensic reports in the public domain during an investigation. That silence, which protects the trial, is read as complicity, and into the vacuum flow rumour and motivated leaks. Even a verdict becomes one opinion among many, no more authoritative than a 30-second clip. Parties of every hue weaponise such cases, and a victim's family's genuine grief, and their absolute right to question, become the terrain on which others fight.

What must the police learn? First, the golden hour matters more than ever. The early delay here was partly a product of the anachronistic revenue police system in the hills. Uttarakhand's move to extend regular policing must be completed without hesitation. Every day lost at the outset becomes a year of suspicion later. Second, strategic communication is now a core policing function. Within legal limits, the police must explain regularly what they are doing and why. A credible, consistent official voice is the best antidote to manufactured doubt. Third, the administration must resist theatrical gestures. A bulldozer may satisfy a crowd for an evening; it can haunt an investigation for years. Fourth, institutions must not be cowed by noise. Transferring cases to central agencies whenever a hashtag trends erodes the morale of state police and signals that no verdict is ever final.

Ankita Bhandari deserved justice, and after patient work by investigators and prosecutors, she received a substantial measure of it. Her killers are in prison for life. What she does not deserve is to become a permanent hashtag, invoked whenever political expediency demands. The truth of her death was established not on social media, but in a courtroom in Kotdwar. In a post-truth age, defending that distinction is perhaps a police officer's most important duty.

The writer is a serving IPS officer. Views are personal

When courts are too slow, police replace judges



ABHINAV CHANDRACHUD

IT TAKES an enormous amount of time for a civil dispute to be decided in India. Take the example of the Bombay High Court where a suit filed in 1947 was finally settled out of court this year, after 79 years in litigation. While this may be an extraordinary time frame, many legal practitioners in Mumbai estimate that a suit filed at the Bombay High Court usually takes more than 20 years to decide.

There are many reasons for our slow-paced judicial system, but too much work for too few judges seems to be a big factor. According to the 2011 Census, the population of Maharashtra was 112 million, larger than that of any European country except Russia. The state of Maharashtra has 15 judges per million people, while the Bombay High Court has only 1.9 judges per million people. By contrast, there are about 157 judges per million people in New York state. According to the National Judicial Data Grid, there are currently 648,725 cases pending at the Bombay High Court, of which 9,454 are civil suits. It is nearly impossible for the handful of judges who are assigned the roster of deciding original civil suits to tackle this backlog, not counting new case filings.

Frustrated by the failures of state institutions to deliver justice, litigants in countries like Japan and Venezuela turn to extra-judicial remedies. In Mario Puzo's *The Godfather* (1969), the fictional undertaker, Amerigo Bonasera, looks to the mafia don, Vito Corleone, when the courts fail to deliver justice. However, in India, affluent and well-connected litigants to whom money is owed often go to the police and attempt to criminalise their disputes by alleging that their opponent has committed a criminal offence like "cheating" or "breach of trust".

A person who merely breaches a contract to pay money commits none of these offences. So why do the police act on these complaints that often have no obvious criminal angles to them? A litigant offers the police officer a cut if he can get his opponent to settle the case. In fact, it is rumoured that a branch of the police asks for bribes on a "commission basis" to take up such cases. Of course, not all police officers succumb to such temptations.



ILLUSTRATION: VIKAS AGARWAL

Once the police get involved in a civil case, the process is devastatingly fast. Unlike civil suits, where defendants rarely have to go to court in person, the police send a cryptic summons to the "accused" debtor ordering him to come to the police station at short notice. Receiving this summons can itself be quite intimidating. What follows is worse. The police then conduct a "preliminary inquiry", where an incredible amount of pressure is put on the "accused" debtor to settle the case. At the police station, he is made to wait for hours, where he sees other offenders being verbally or physically abused by the police in more serious cases. He is interrogated menacingly; the police threaten to arrest him, his spouse or family unless he settles the case. After several draining hours, the accused person is sent home and then told to come back again the next day for another harrowing experience.

In the commercial world, time is money. Most people crack in this environment and cases are settled without a First Information Report (FIR) being registered. According to some accounts, 50 per cent of such cases that come to a police station end at the preliminary inquiry stage. Apart from the unpleasant ordeal, the fear of arrest is a potent weapon that gets defendants to settle such cases. Prison conditions in India are deplorable. The risk of reputational loss upon registration of a criminal case is also a factor.

Scholars of "law and society" recognise that there is often a wide gap between the "law on the books" and the "law in action". Criminalising civil cases is considered an "abuse of process" that the Supreme Court has repeatedly deprecated and discouraged. The law in action is something else.

It would be unfair to blame our understaffed and overworked courts for a system that requires structural and cultural reform. India's civil justice system is built on a bedrock of archaic procedure. A defendant in India is given every conceivable opportunity to thwart a plaintiff's attempts at getting a decree. In 1872, the Privy Council remarked that "the difficulties of a litigant in India begin when he has obtained a Decree". This continues to be true today.

All this is pushing frustrated litigants who have access to networks into the arms of police officers (at times, of questionable integrity) who deliver swift, summary "justice" in civil cases — a parallel civil justice delivery mechanism.

The writer is an advocate at the Bombay High Court

LETTERS TO THE EDITOR

No endgame in Iran

A WAR without a clearly defined political objective can become self-perpetuating ('In Iran war, no clarity on what a win might look like', *IE*, October 26). Leaders may describe success through battlefield damage, yet such measures mean little if they leave the region unstable and civilians exposed to danger. Iran's security concerns cannot justify attacks on others, but external pressure alone is unlikely to produce durable change. Diplomacy should accompany deterrence, with clear conditions, verification and channels to prevent escalation. Victory must mean reduced threats, civilian protection and a workable regional settlement.

S M Jeeva, Chennai

Lula's win

LUIZ INÁCIO Lula da Silva's re-election ensures continuity in Brazil's Global South-oriented policy and strengthens India-Brazil ties in trade, energy, technology and critical minerals ('Lula's narrow victory shows the resilience of the Right in Brazil', IE Web, October 26). It also reinforces BRICS and IBSA (India, Brazil, and South Africa) cooperation. Had he lost, Brazil might have leaned closer to Washington, weakening convergence with India's strategic autonomy and multipolar vision.

R S Narula, Patiala

Common programme

A SOUTHERN alliance may strengthen regional cooperation, but electoral arithmetic cannot substitute for a common programme ('A southern alliance and an elephant in the room', *IE*, October 26). Parties differing on policy, leadership and local interests must explain how they would resolve disagreements after an election. The elephant in the room is whether cooperation will endure when seats, ministries and priorities are negotiated. Voters deserve clarity on jobs, public services, federal rights and fiscal responsibility. A durable alliance requires transparent commitments and mutual respect.

A Myilsami, Coimbatore

To steady the ship, start with open dialogue



RADHA GOENKA

ALL EYES are on Delhi and the protests over the Special Intensive Revision (SIR) of electoral rolls. The last intensive revision of the rolls was conducted between 2002 and 2004, when the BJP was in power under Atal Bihari Vajpayee. It passed largely without controversy. In the 2004 general election, the UPA came to power and Manmohan Singh became prime minister — a reminder that the exercise itself need not tilt the field towards the incumbent. What has changed today is trust. Exams that leak, jobs that don't come and a vote that may not count, all tell young Indians the same thing: The system is not working for them.

Here is what the leadership could do if it wishes to steady the ship.

Start with honest, open dialogue. In my years of working alongside the government, I have seen that those who serve in it are some of the smartest minds in the country, putting in long hours solving problems most of us never see. The public needs a glimpse of this. With openness may come criticism, but making yourself vulnerable also makes you more likeable. Those who show their flaws are often loved far more than seemingly perfect leaders.

Second, strengthen and protect a free and unbiased media. When the Constitution was framed, the press did not have the reach it does today. If it had, the framers of our Constitution might have built more safeguards. The government should build those guardrails now. One way is to secure independent funding for news outlets. Just as companies above a certain size must spend 2 per cent of their average net profits on CSR, another 2 per cent could be directed to an independently governed fund for news media.

> Build the cultural power that makes the world want India, and the economic capability that makes the world need India

Third, move away from populist agendas and invest in the long-term development of the country — such as formulating a strong, holistic environment policy. The shocks that climate events like El Niño bring can only be mitigated by long-term planning of this kind. Similarly, I would invest deeply in the quality of education. India's future rests on its youth, and educating them is the best long-term investment the nation can make.

Fourth, transform the administrative machinery. This is where the protestors' anger is most justified. The selection process for administrators needs to be more robust and less dependent on a single exam. Also needed is a performance-based system of incentives and promotion to ensure efficiency.

Finally, build a global strategy on soft power and economic capability. Returns on investment in soft power come long after the next election. France has spent generations turning its culture, food, fashion, art and sense of refinement into a national brand. In 2024, its travel and tourism sector contributed 266 billion euros, or 9.1 per cent of GDP. India has thousands of years of civilisational history. Yoga, ayurveda, spirituality, cuisine, Bollywood, music, art and the legacy of Gandhi and non-violence are already recognised around the world. We don't have a shortage of culture — only of strategy.

But global power also comes from becoming indispensable. Taiwan spent decades building a semiconductor ecosystem; today, TSMC makes nearly three-quarters of the world's contract-manufactured chips. China played an even longer game: Its share of global manufacturing rose from under 9 per cent in 2004 to 28 per cent in 2023, more than the US, Japan and Germany combined. India needs to think this way, too. We should identify a handful of industries where India already has an advantage and build the entire ecosystem around them.

That, to me, is what a global strategy should look like. Build the cultural power that makes the world want India, and the economic capability that makes the world need India. Decide what "Brand India" should stand for, what India should become indispensable at, and have the discipline to build both over decades.

The advantage of being the mother of two teenagers is that I am regularly forced to rethink everything I do, often trying measures outside my comfort zone until something lands. At this critical juncture, a well-thought-out long-term plan for the country, communicated honestly and openly by those in power, could help change the direction of the current unrest, even if it is a long shot.

The writer is director, RPG Foundation

In Israel, what election can change, what it can't



RAJAN KUMAR

ISRAEL'S PARLIAMENTARY election on October 27 will decide the fate of Prime Minister Benjamin Netanyahu. It is significant because this is the first election since Hamas's attack on Israel on October 7, 2023. The central question is whether a change in leadership will occur, and if so, whether it will usher in a new political trajectory. Many fear that a Netanyahu victory will embolden him to escalate the war against Iran and continue his coercive policies towards Gaza.

Given the fractious nature of Israel's politics and shifting coalitions, it is difficult to predict the outcome. Opinion polls suggest that neither the present coalition nor the opposition parties will attain a majority. Netanyahu is locked in a close contest with Gadi Eisenkot, the leader of the newly formed Yashar party. Eisenkot draws his popularity from his military service, family sacrifices, and anti-Netanyahu sentiment. He lost his son, Gal Eisenkot, during a military operation in Gaza in 2023. Seen as a hawk, he served in Netanyahu's emergency war cabinet in 2024 and later resigned over disagreements with respect to Gaza. If he wins, expecting a moderation of Israel's policy would be premature. Much will depend on the coalition that emerges, in which the support of right-wing parties will be fundamental.

The election is widely regarded as a referendum on Netanyahu's uncompromising governance approach. He is being blamed for pushing Israel into a perpetual war with Iran and its proxies and for exposing the country to widespread international opprobrium and diplomatic isolation over its conduct in Gaza. He could neither topple the theocratic regime in Tehran nor destroy its nuclear enrichment programme.

Further, his military operations in Gaza have created the worst humanitarian crisis in recent years, leading to about 74,000 deaths. The disproportionate Israeli military response in Gaza shifted the narrative from attributing responsibility to Hamas to holding Netanyahu responsible for its escalation.

> The far-right nature of Israeli politics prevents any policy moderation. All the major parties object to the two-state solution and the creation of Palestine as an independent state

Netanyahu's biggest success was convincing the Trump administration to launch a joint attack on Iran. US President Donald Trump has endorsed him in the current election, praising him as an ally, "great warrior prime minister", and peace partner. Trump's support for Netanyahu, however, has come at a high political cost. His popularity in the US is at an all-time low. The price of diesel has skyrocketed, and the Republican Party is facing trouble in the midterm elections.

Netanyahu enjoys the support of other far-right parties, but this coalition might shift based on the electoral outcomes. Security is the central issue, and Eisenkot has centred his campaign on Netanyahu's failure to prevent Hamas's attacks and his policies on Gaza. The exemption of ultra-Orthodox Jewish men from conscription and Netanyahu's attempts to control the judiciary remain divisive issues in Israel.

Even if there is a change in leadership, there will be no major shift in Israel's policy towards Palestine or Iran. The far-right nature of Israeli politics prevents any policy moderation. All the major parties object to the two-state solution and the creation of Palestine as an independent state. On Iran, however, Eisenkot appears cautious and calibrated. He is firmly opposed to Iran acquiring nuclear weapons, but is sceptical of achieving political objectives through military means. But if Netanyahu forms the government, the US and Israel are likely to initiate the next phase of coercive measures.

The writer is professor, School of International Studies, Jawaharlal Nehru University

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• SCIENCE

A new 'cocktail' could help treat cobra bites

Arnav Chandrasekhar
Bengaluru, October 26

SCIENTISTS FROM IISc Bengaluru's Centre for Ecological Sciences (CES) and the Technical University of Denmark (DTU) have created an antivenom that could potentially be used to treat snakebites from the diverse cobra species of India. The discoveries were published in the journal Science Translational Medicine.

Challenges in treatment

Cobras generally kill their prey using "neurotoxins" in their venom that paralyse their prey and stop them from breathing. Cardiac issues and other side effects have been observed in some cases of attacks on humans.

Government data from 2024 had estimated the annual snakebite fatalities at 50,000. The spectacled cobra (Naja naja), one of India's "Big Four" venomous snake species, accounts for at least 12.5% of these snakebite deaths — this number could be higher, as the snake is not always identified by the victim.

India has several cobra species, and different species have different kinds of venom. Venom from the same species might vary in composition for cobras from different locations.

This poses a challenge when using antivenom. For example, while the Polyvalent antivenom is used in India to counter the venom of the Big Four snakes including the spectacled cobra, this would not work against king cobra venom.



Spectacled cobra. RICKY MADAPPA

Treatment is also complicated by the fact that rural victims often don't reach healthcare centres in time, or end up at centres which may not have the required antivenom. Kartik Sunagar, an associate professor at CES, said antivenom treatment has essentially remained the same for the past century.

• 'BIG FOUR'

• India's "Big Four" venomous snake species are the spectacled cobra, the common krait, the Russell's viper, and the saw-scaled viper.

The new antivenom

Previously, Danish scientist Andreas Laustsen and his colleagues at DTU had tested a new method on certain African snakes. They took the blood of animals such as alpacas and llamas, which had been exposed to the venom of these snakes. Then, they extracted the antibodies that were formed.

A similar process was applied to create an "antibody cocktail" from India's different cobra species. This was then tested on mice, which had been injected with venom from spectacled cobras, monocled cobras, and two species of king cobras. Even 30 minutes after venom injection, the antibody cocktail was able to save the test mice from death.

Future applications

Previously, such use of antibodies to counter venom in mice tests required a large amount of antibodies, which might mean that a huge dose would be needed for humans. But the current research, Sunagar said, "showed that it is possible to neutralise venom using very small amounts of carefully selected and engineered antibodies". This could potentially help address some of the cost and safety concerns associated with administering large quantities of antibodies, he added.

Further, such a method could be used to create cures for snakebite venom of species across the world.

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• POLICY

Census duty: govt's powers and private citizens' rights

'Any person' the government considers suitable can be asked to perform the duties of an enumerator. But the rules are not as absolute as this sounds



DEEPTIMAN TIWARY



Census enumerators at work in New Delhi. FILE

THE CENTRE earlier this month amended the Census Rules, 1990 to expressly state that teachers of government, local authority, aided as well as unaided private educational institutions may be appointed as Census enumerators. It similarly included officials of establishments such as banks, companies, institutions, societies and trusts.

But the amendment also retains a much wider category: "any person" whom a state government or Union Territory administration considers suitable to perform the duties of an enumerator.

This is not very different from what the rules said before the amendment. The earlier rules already said an enumerator could be chosen from among "Teachers, Clerks or any official or any person". If "any person" literally meant anybody, private-school teachers and private-sector employees were already covered.

What is the significance of the amendment then?

Officials in the Ministry of Home Affairs (MHA) say it has been done to remove any ambiguity from the rules and make sure that the Census operation, which requires lakhs of enumerators, is conducted smoothly. However, there is a backdrop.

On May 22, the Bombay High Court gave interim protection to associations representing more than 500 private unaided and minority schools in Maharashtra. It said Section 4A of the Census Act imposed an obligation on local authorities, while Sections 6 and 7 did not, in its preliminary view, confer authority to compulsorily requisition teaching and non-teaching staff of private unaided schools.

It then considered the old Rule 3, which permitted "Teachers, Clerks or any official or any person" to be enumerators. The government had argued that this was broad enough to include private teachers.

The court rejected that interpretation at the interim stage. It observed that if "any person" were given an unrestricted meaning, it could extend to private professionals such as doctors, advocates and chartered accountants. It held, prima facie, that subordinate legislation could not travel beyond its parent statute.

The operative order restrained authorities from issuing further orders "compelling or requiring teachers and/or employees" of the petitioner schools to perform Census duties. Then on October 8, the Punjab and Haryana High Court stayed Haryana government communications seeking details of private unaided school teachers for Census duty.

Eight days later came the amendment.

What does the Census Act actually say?

Section 4(2) of the Census Act, 1948 gives the state government power to "appoint persons as census-officers" to take, aid in or supervise the Census within a specified area. Importantly, it adds that such persons, "when so appointed, shall be bound to serve accordingly".

This is potentially the strongest basis for the government's case. Unlike provisions dealing specifically with government employees, Section 4 uses the broad word "persons".

But other provisions of the Act are much more specific about whose services can be compulsorily called upon.

Section 4A requires a local authority, when directed by the Centre, to make available such staff as are necessary for Census work. Sections 6 and 7 also permit assistance to be sought from private establishments and their personnel — but in defined circumstances relating primarily to counting people under their charge or present in those establishments.

For example, Section 7 allows the District Magistrate to call upon staff of a factory or establishment to assist with the Census of persons present in its premises. It does not expressly say that such employees can be taken out of that establishment and deployed generally as door-to-door enumerators.

So, can private individuals be compelled to serve as enumerators?

In 2010, LIC challenged an order requiring its Jalandhar office to provide at least 150 employees as Enumerators and Supervisors.

The Punjab and Haryana High Court quashed the orders. It held that Section 7(c) only allowed assistance in taking the Census of persons within an establishment and found the directions "beyond the scope and powers conferred by the Census Act, 1948". But it expressly left the state free to invoke Section 4(2) "wherever and whenever so required".

In a separate LIC case, the Gujarat High Court similarly ruled against requisition of LIC employees, with a Division Bench holding in 2019 that Section 7 did not confer such a power. That judgment is under challenge before the Supreme Court.

Private-school teachers had raised similar objections during Census 2011, though the litigation did not produce an unqualified prohibition on their deployment.

Large workforce

Census remains overwhelmingly manpower-intensive despite digitisation. Recent operational figures put the number of enumerators and supervisors being trained at around 31 lakh.

•

Census authorities say enumerators are mainly drawn from school teachers and government and local-body officials.

In May 2010, Manisha Jain, a teacher at an unaided school in Chandigarh, approached the Punjab and Haryana High Court after being appointed an enumerator. In an interim order, Justice K Kannan was reported to have observed that it would be "incorrect" to force a private teacher to undertake Census work after her normal working hours.

Private unaided schools also approached the Bombay High Court. On January 24, 2011, a Division Bench gave interim protection against coercive action against private unaided-school teachers refusing Census duty. The Centre sought modification of this order, arguing, among other things, that Section 4(2) of the Census Act permitted "any person" to be appointed for Census duty.

The court subsequently modified the arrangement. On February 3, it allowed teachers of private aided and unaided schools to be deployed for Census 2011, while directing that their services normally be used before or after school hours, exempting teachers of Classes 10 and 12, and allowing school managements to decide which teachers could be spared so that academic work was not disrupted.

Does the Constitution allow citizens to be compulsorily drafted for public work?

Yes — but this does not by itself give Census authorities the power to do so.

Article 23(1) prohibits *begaar* and other forms of forced labour. But Article 23(2) expressly permits the State to impose "compulsory service for public purposes", provided it does not discriminate on specified grounds.

Under the Police Act, 1861, residents of a neighbourhood may in specified public-order circumstances be appointed special police officers. The Calcutta High Court in Dulal Samanta v District Magistrate, Howrah (1958) characterised this as compulsory public service protected by Article 23(2).

An even clearer example is the National Service Act, 1972, under which specified qualified doctors and engineers can be called up for national service. However, Parliament created an elaborate statutory regime for this: it identified who was liable, provided for registration and notice, permitted postponement on hardship grounds, prescribed remuneration and required private employers to release — and later reinstate — employees called up for service.

The same elaborate arrangement is not available in the Census Act.

• GLOBAL

How Lula scripted turnaround in Brazil and what lies ahead

Anagha Jayakumar
New Delhi, October 26

IN A STUNNING upset, Brazil's leftist President Luiz Inácio Lula da Silva was re-elected for a historic fourth term on Sunday, securing 51.79% of the vote against his rival Flávio Bolsonaro.

In the first round of voting earlier this month, he finished behind Flávio, the son of former President Jair Bolsonaro, whom Lula defeated in 2022. Flávio has called for annulling the results.

The verdict was historic for another reason: since Brazil returned to direct presidential elections in 1989, no candidate who finished second in the first round had gone on to win the runoff.

Lula's victory also bucks a recent regional trend, with right-wing candidates winning the last seven consecutive presidential elections across Latin America. It deals a setback to US President Donald Trump's ambitions to expand Washington's influence. "Brazil is no one's backyard," Lula said.

How did Lula emerge victorious?

Two factors were key:

1. HIGHER TURNOUT AND VOTER MOBILISATION: Lula's narrow loss to Bolsonaro in the first round initially dismayed his supporters but prompted renewed mobilisation.



Lula holds a copy of Brazil's Constitution during a rally. AP

Young Brazilians organised nationwide demonstrations, while Lula held rallies in key battlegrounds. The 80-year-old president, who does not own a mobile phone, also stepped up his digital campaign.

He also announced welfare measures, including increased and early payments under a cash-transfer programme, and secured congressional approval for a shorter working week, reducing the maximum from 44 to 40 hours without cutting pay.

Brazil's Superior Electoral Court reported that nearly three million more Brazilians voted in the runoff. Although it is unclear how they voted, their number exceeded the gap of just over 2.2 million votes between Lula and Bolsonaro in the first round.

2. STRONGHOLDS RETAINED, GAINS ELSEWHERE: Lula won all nine states in the country's northeast, his traditional voter base. But his victory depended on gains in areas that earlier favoured Bolsonaro.

What is the broader significance?

Flávio's challenge to the election result has revived tensions over the democratic transfer of power. During the last elections in 2022, Jair Bolsonaro refused to accept the result, leading to his supporters attempting to storm government buildings in Brasilia.

It has further raised questions about Brazil's judiciary. Flávio's challenge to the election result centres on a decision by Supreme Federal Court Justice Cristiano Zanin to extend voting by two hours on Sunday, which caused some confusion. Brazil's courts have also faced criticism for interventions in elections and online speech, which they state is necessary to safeguard democracy.

For the region, a Bolsonaro victory would have given Trump a crucial ally in Latin America's largest economy and country, particularly as Washington seeks closer security cooperation with right-wing governments across the region.

Lula has resisted joining the coalition over concerns about Brazilian sovereignty. Trump has also repeatedly clashed with Lula, imposing tariffs of up to 50% on Brazilian goods over the prosecution of former Bolsonaro Senior, among other things.

Lula used these interventions to frame the election partly around Brazil's resistance to foreign pressure. Lula's re-election leaves Washington dealing with a Brazilian government that has resisted its expanding military and security role in Latin America.

Managing that relationship could be a challenge down the road for Lula, as could the fact that Brazil currently has its most conservative Congress since its return to democracy in the 1980s. He must also address Brazil's public debt, which has risen to over 82% of its GDP. Interest rates are also high, at around 13.75% in September. The debt crisis has fuelled public dissatisfaction despite record-low unemployment and wage growth outpacing inflation.

• CLIMATE

'Godzilla' El Niño effects to be felt next year too: Decoding WMO warning for India

Anjali Marar
Bengaluru, October 26

THE PREVAILING El Niño conditions are set to peak towards the end of the year, with forecasts suggesting off-the-charts warming. On October 21, the World Meteorological Organization (WMO) said the effects of the phenomenon would be felt even in 2027.

El Niño refers to the abnormal warming of surface waters in the Pacific Ocean. It suppresses monsoon rainfall, spikes temperatures and causes heatwaves.

How is El Niño affecting India this year?

El Niño emerged in the Pacific Ocean in June this year. As it developed, its climatic effects over the oceans surrounding India began to be felt after 40-45 days.

As El Niño intensified to "strong" levels, India's southwest monsoon — which brings about 70% of the country's annual rainfall — weakened in late August. It ended at 87% of the long period average (LPA), making it the fourth driest since 2001.

The ongoing northeast monsoon, however, is expected to be normal over India's southern peninsula.

El Niño could also result in a warmer-than-usual winter, with above-normal temperatures forecast for October, November and December.

What is different about the 2026 El Niño?

El Niño is one of the three distinct phases of a large ocean-atmosphere interaction over the Pacific region that influences weather patterns worldwide.

This interaction is known as the El Niño Southern Oscillation, or ENSO. Its three phases are: warm (El Niño), neutral, and cool (La Niña).

Scientists measure the sea surface temperatures over specific regions of the equatorial Pacific Ocean. Temperature anomalies in one of these regions, called the Nino 3.4 region, is usually the deciding factor in declaring the onset and strength of ENSO phases.

Scientists calculate what is known as Relative Ocean Nino Index (RONI) from this region, essentially a temperature deviation from the normal. If the average RONI over a three-month period exceeds a value of 0.5 degrees Celsius, an El Niño is declared. An average RONI value of less than -0.5 degrees Celsius leads to declaration of La Niña.

The ongoing El Niño, experts say, has shown a rapid intensification. Since its emergence in June, the July-September RONI index recorded warming of 2 to 2.8 degrees Celsius.

These temperature values look set to break all records since ocean temperature monitoring began four decades ago. The previously recorded highest anomaly in the ocean temperatures was 3 degrees Celsius. The 2014-2015 El Niño peaked at 2.3 degrees Celsius, according to data maintained by the National Oceanic and Atmospheric Administration (NOAA).

"The temperature values at the epicentre of the El Niño in the Pacific Ocean are expected to remain 3.8 degrees Celsius above normal — a value that has never been recorded since the start of ocean temperature monitoring four decades ago. This El Nino will have far reaching consequences for several months ahead," said WMO Secretary-General Celeste Saulo.

Which regions will be affected?

In the northern hemisphere, above-normal temperatures are likely over parts of southern Europe and Africa, the Arabian peninsula, the Indian subcontinent and eastern Asia. Above-normal rainfall will likely affect the Arabian peninsula, central and east Asia, coastal Southeast Asia and North America.

In the southern hemisphere, higher-than-normal temperatures are likely to sweep Africa, particularly the equatorial regions and the Greater Horn of Africa, along with South America and Australia. Unlike the northern hemisphere, many parts of the southern hemisphere are expected to see weak rainfall — over southern Africa, southern regions of Central America and the Caribbean.

Overall forecasts suggest that floods, droughts, extreme temperatures and cyclones could affect tens of thousands of people across the globe, particularly those living in Central and South America, southern Africa and Southeast Asia.

El Niño could also threaten food and water security, and push up fertiliser and fuel prices. These effects are likely to be felt well into 2027.

This will come as an additional burden on global resources, which are already under considerable strain owing to continuing conflicts, including the Strait of Hormuz crisis.

Overall, the UN body handling humanitarian affairs has said that the Central and South American population needed to be provided with alternative livelihood options, and the crops grown by the African communities and their seeds need to be moved and stored to safer places before they are cut off. Southeast Asian countries, meanwhile, need to brace for floods, droughts and cyclones in the coming months.

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CHANDRA'S REAPPOINTMENT, SRINIVASAN'S ROLE & DISCLOSURES ON TVS DEALINGS CHALLENGED

Noel Tata flags reappointment concern, seeks board recordings

George Mathew
Mumbai, October 26

TATA TRUSTS Chairman Noel Tata has challenged N Chandrasekaran's reappointment as Executive Chairman of Tata Sons for another five years, demanding recordings of a crucial board meeting, questioning the filing of the resolution with the Ministry of Corporate Affairs and seeking disclosures about reported commercial dealings between TVS Motor Company and a company associated with Chandrasekaran's immediate family. He has also questioned Director Venu Srinivasan's participation in the reappointment process.

In a letter dated October 26 to Tata Sons company secretary Suprakash Mukhopadhyay, copied to all directors, Noel Tata alleged that the resolution had been treated as final despite unsettled minutes, unresolved objections and the company's failure to provide recordings of the September 17 board meeting. The board approved Chandrasekaran's five-year extension and decided to pursue Tata Sons' listing.

Setting a seven-day deadline for furnishing records and disclosures, Noel Tata warned that failure to comply would invite adverse inferences. "The recording is the only neutral record of what transpired," he wrote, adding that there could be "no legitimate reason to withhold it from a Director who was present at the meeting and who has placed his objections on record."

He said neither the original nor revised agenda identified Chandrasekaran's reappointment as a proposed resolution. Agenda item 7 was described as a "Debriefing from Nomination and Remuneration Committee". Although the revised agenda included discussion of a September 11 letter from the RBI and related caveat applications, it omitted the reappointment. Nevertheless, the resolution was moved under that item, he alleged.

He questioned the reported filing of the resolution with the Registrar of Companies (RoC), Maharashtra, Mumbai, before the minutes were finalised and his objections resolved. "It is unacceptable that, despite being a Director of the Company, I have not been furnished with a certified true copy of the resolution and have instead been constrained to rely on a version circulating in the public domain," he wrote.

The letter asserts that no Selection Committee was constituted under Article 118, despite a request dating to August 13, and that the affirmative vote required from directors appointed under Article 104B was not obtained. Filing the resolution, he warned, created "a false impression to the public, to the company's stakeholders and to its regulators". Noel Tata demanded the complete, unedited audio-video recordings, any transcript and confirmation that the original recordings and metadata had been preserved. He also sought the final signed minutes or, if unsigned, the revised draft showing accepted corrections and recording his dissent where they were rejected.

Other demands include the formal meeting notice, successive agenda versions and circulation times, details of who instructed changes, and the audit trail of documents uploaded to the board's web application. He sought voting outcomes for each part of agenda item 6, including individual directors' votes wherever resolutions were proposed, and confirmation that the required affirmative votes were secured. He also sought details of when the certified resolution was issued, who authorised it, whether it preceded the signing of the minutes, and copies of all documents filed with the corporate affairs ministry. He wants Tata Sons to inform the RoC in writing that he disputes the resolution's validity and that no further steps will be taken until the meeting record is settled.

The letter also concerns Hanno One Warehousing Pvt Ltd, whose directors include Lalitha Chandrasekaran and Pranav Chandrasekaran, and its reported commercial relationship with TVS Motor. Citing media reports, Noel Tata said TVS Motor leased approximately 17.41 acres near its Hosur plant to Hanno One in June 2025 for 29 years, renewable at Hanno One's option. Hanno One is reportedly constructing a facility of approximately 3.30 lakh square feet for TVS Motor, with rental payments expected to begin in November 2026. FULL REPORT ON WWW.INDIANEXPRESS.COM

• RESOLUTION DISPUTE

NOEL TATA said neither the original nor revised agenda circulated for Sept 17 meeting identified Chandra's reappointment as proposed resolution

THE BOARD approved a five-year extension for Chandrasekaran and decided to pursue the company's listing



Russian crude purchases may fall in Nov as West Asia oil viability improves: BPCL

Sukalp Sharma
New Delhi, October 26

THE COUNTRY'S second-largest public sector refiner Bharat Petroleum Corporation (BPCL) expects crude oil purchases from Russia to fall in November due to Russian crude's poor commercial viability — specifically elevated freight costs and high supplier premiums — compared to West Asian oil, whose availability and commercial viability have been improving in recent months, according to the company's Director (Finance) Vetsa Ramakrishna Gupta.

"Our spot crude share remained at around 67% in Q2 (July-September) while Russian grades accounted for approximately 37% of our total crude procurement, both broadly in line with the previous quarter. As flows from the Middle East improved, we progressively restored sourcing from the region while retaining the flexibility and diversification we had built during Q1," Gupta said in an investor call that followed BPCL's September quarter earnings.

Gupta added that Russian oil volumes came down slightly in October from July-September levels, but will be down significantly in November due to commercial viability issues as the refiner is not getting "good offers" for Russian crude. "November Russian volumes have come down compared to PG (Persian Gulf) grades. PG grades are actually more commercially viable compared to Russian grades and that is the reason November Russian (oil purchases) will be lesser," he said, without elaborating on volumes. Premiums for Russian crude were at $12-13 per barrel in October, but have now narrowed to about $1-$2 a barrel for December cargoes, Gupta said, which means that economics for Russian oil could improve for December deliveries from the perspective of Indian refiners. For the better part of over four years, Russian oil has been available at a discount to refiners, but amid global supply tightness and surging freight costs due to geopolitical crises, Russian oil has commanded a premium in recent months. In July-September, Saudi Arabia accounted for a 19% share in BPCL's crude oil imports, while the UAE's share was about 17%, Gupta said, underscoring the recovery in Persian Gulf oil volumes. He, however, noted that cargoes from Iraq and Kuwait were not yet arriving in large quantities. BPCL expects West Asian oil volumes to improve further in the coming months.

India's West Asia oil imports saw a jump in September with Gulf suppliers using ship-to-ship (STS) cargo transfers to move their crude through the fraught waters of the Strait of Hormuz, in addition to using available pipeline systems that bypass the waterway, as per provisional tanker data. Oil imports from India's largest supplier Russia, however, declined for the second straight month due to stronger competition from Chinese refiners and freight cost pressures, as per industry insiders and analysts.

In February, before the West Asia war started, India's oil imports from five West Asian suppliers that used the strait for oil exports stood at around 3 million barrels per day (bpd), according to data from commodity market analytics firm Kpler. These countries are Iraq, Saudi Arabia, the UAE, Kuwait, and Qatar. Their combined September volumes were 33% lower at 2 million bpd. Their cumulative share in India's oil imports was 36.7% in September, up from 26% in August, but still substantially lower than February's 56.3%.

Iraq, Kuwait, and Qatar are the most dependent on the strait for oil exports. Saudi Arabia and the UAE have pipeline systems that bypass the chokepoint, although a bulk of their oil also traditionally transited it. The jump in export volumes from inside the strait is largely due to STS activity, as per trade sources.

Unlike regular operations, in which oil is loaded onto tankers that sail directly to the destination port, STS transfers involve a shuttle tanker that carries the oil for some distance, after which the cargo is transferred to another ship. In STS operations in the strait, the supplier usually takes on the responsibility — and the risk — of sending the oil through the strait, after which a tanker waiting in safer waters outside the strait takes the oil and sails to the destination port. FULL REPORT ON WWW.INDIANEXPRESS.COM

• NOVEMBER DECLINE

- BPCL's Gupta said Russian oil volumes came down slightly in October from July-September levels, but will be down significantly in November due to commercial viability issues
- For over 4 years, Russian oil has been available at a discount to Indian refiners, but it has commanded a premium in recent months due to global supply crunch and surging freight costs

ONLY FOR FLEX-FUEL VEHICLES, NOT OTHERS

Govt notifies E100 as auto fuel

Dheeraj Mishra
New Delhi, October 26

AMID THE ongoing debate over the use of E20 fuel, the Ministry of Road Transport and Highways (MoRTH) Monday notified a key change in the Central Motor Vehicle Rules, allowing flex-fuel vehicles to run on up to E100 or nearly pure ethanol. This does not mean that every petrol car can use E100 now. The new regulation expands the range of fuels that can be used in vehicles and paves the way for the manufacturing and supply of more flex-fuel vehicle components, ethanol production infrastructure, and the deployment of such vehicles on the road.

The Ministry said that vehicles designed as flex fuel vehicles will not have material compatibility issues with E100. It also said that E85 or E100 shall be used in vehicles designed by the original equipment manufacturers as flex-fuel vehicles. This means that the vehicles that use normal fuel or E20 cannot use E100.

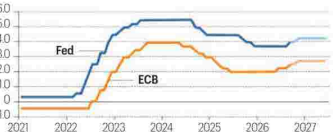
"Flex-fuel vehicles are specifically designed with fuel-system components and materials that are compatible with ethanol blends from E20 to E100. Vehicles designed as flex fuel vehicles will not have material compatibility issues. Motorists should check the fuel compatibility sticker on their vehicle and follow the manufacturer's guidance in the owner's manual while opting for the fuel choice at the fuel station," said the Ministry in its explanatory note on the amendment. It further said the advanced engine management systems will automatically adjust vehicle operation according to the fuel composition, ensure optimum performance under different driving conditions, and reduce dependence on imported crude oil.

"Ethanol has a lower fossil carbon footprint than conventional gasoline. The use of higher ethanol blends can help reduce tailpipe emissions of carbon monoxide and certain hydrocarbons, while contributing to lower lifecycle greenhouse-gas emissions, depending on the feedstock and production pathway," said MoRTH. FULL REPORT ON WWW.INDIANEXPRESS.COM

• BUSY WEEK FOR CENTRAL BANKS

As many as five central banks from the G10 bloc of nations will announce their interest rate decisions this week: Reserve Bank of New Zealand, Bank of Canada, US Federal Reserve (all Wednesday), the European Central Bank (Thursday), and the Bank of Japan (Friday).

Fed and ECB key rates move in parallel (in %)



NOTE: 2027 FIGURES ARE FORECASTS SOURCE: COMMERZBANK

- **According to** Japan's MUFG Bank, while interest rates are expected to increase in New Zealand and Canada, no change is expected in the US, Europe, and Japan.
- **Curiously, markets** widely expect the US Fed to stay pat on rates even though data for September "marked a deterioration in the inflation backdrop", noted ANZ economists.
- **December,** though, will see a rate hike in the US as well as Europe, said Commerzbank economists, as "the 'job' isn't done yet".
- **They also** pointed out that the Fed and the ECB are in "lockstep", with their key interest rates moving in parallel.

Tata Comms to invest $450 mn in AI super highway

ENS Economic Bureau
Mumbai, October 26

TATA COMMUNICATIONS on Monday announced strategic investments of close to $450 million (around Rs 4,275 crore) to build an AI super highway in India — a high-speed, low-latency network fabric connecting India's key AI data-centre corridors.

The company will build around 10,000 kilometers of the new long-haul fiber across India, creating one of the largest AI-ready connectivity network.

Integrated with Tata Communications' global network backbone, the AI super highway will give customers a seamless, end-to-end connectivity fabric, supporting the performance, resilience and scale required for next-generation AI workloads, the company said.

Ganesh Lakshminarayanan, Managing Director and Chief Executive Officer, Tata Communications, said, "We are excited about the opportunity in the India data centre-to-data centre connectivity, which we believe could evolve into a market exceeding $1 billion over the medium term. With our planned investments, we are building on our existing strengths to create one of the most comprehensive data centre connectivity platforms in the market, positioning us to capture this significant growth opportunity."

I-T dept steps up push for overseas asset disclosures

Aanchal Magazine
New Delhi, October 26

NUDGING TAXPAYERS under its ongoing assets disclosure scheme, Foreign Assets of Small Taxpayers-Disclosure Scheme (FAST-DS), the Income Tax Department has recently reached out to select taxpayers who have invested in residential and commercial properties in the UAE, sources in the Ministry of Finance said. Information received by tax authorities through the Automatic Exchange of Information (AEOI) with other countries has been displayed on the e-filing portal of the tax department for assets reported on their PANs by the foreign jurisdictions to nudge them to disclose the undeclared overseas assets, the sources said.

Around 1,100 taxpayers have filed applications so far under the scheme which was launched on August 16. The disclosures can be made till December 31.

Taxpayers can log in to the e-filing portal and download their information for three years from 2022 to 2024, they said.

"The information received under AEOI from the signatories of CRS/FATCA frameworks only has been displayed in the e-filing portal. The department receives information under other multilateral frameworks which have not been displayed in the portal due to various risk factors or non-disclosure commitments," a source said, adding that the Department collects information and intelligence from other sources as well.

In a high-level meeting held on October 23, the Income Tax Department decided that such information may also be shared with relevant taxpayers, wherever possible, to nudge them to participate in the scheme, the source said. FULL REPORT ON WWW.INDIANEXPRESS.COM

Relief scheme gets extension as low-margin exporters struggle

Ravi Dutta Mishra
New Delhi, October 26

COMMERCE AND Industry Ministry Monday extended a relief scheme for exporters dealing with the West Asia region till March 2027, citing continued geopolitical disruptions in West Asia and their impact on maritime logistics across the Gulf and adjoining regions. The scheme came into effect in March this year, and eligible destinations under the scheme include 10 countries, including the UAE, Saudi Arabia, Kuwait, Qatar, and Iran, among others.

Under the relief scheme, part of the Export Promotion Mission announced during the Union Budget this year, Export Credit Guarantee Corporation of India (ECGC) gives enhanced compensation up to 100% of loss for war-related and associated political risks, subject to verification and premiums are frozen at pre-disruption levels for the entire eligible period. "The Department of Commerce has extended the timelines under Component II of Resilience & Logistics Intervention for Export Facilitation (RELIEF), a time-bound intervention under the EPM, until March 31, 2027. The extension was notified vide Notification No. 37/2026-27 dated September 30, 2026, in view of continued geopolitical disruptions in West Asia and their impact on maritime logistics across the Gulf and adjoining regions," the ministry said. "Component II of the initiative aims to encourage exporters to obtain ECGC cover for upcoming shipments to specified regions by providing 95% risk coverage. The benefit is available for Standalone Policies and Whole Turnover Policies obtained on or after March 16, 2026. Under this component, the premium payable by eligible exporters is protected against increases beyond pre-disruption levels during the eligible period. The covered cargo categories include Full Container Load, Less than Container Load and refrigerated (reefer) containers, excluding energy shipments," the government said.

The extension comes as official data showed that low margin exports have been struggling due to high freight rates and port congestion. Despite depreciation in domestic currency compared to last year, exports of ready-made garments fell 6% during the April to September period this year compared to last year. Data showed that exports of multiple edible items such as fruits and vegetables, tea, spices and oil meals slipped 9.6%, 13.6%, 5.7%, and 26% respectively. Rice exports, one of the largest export items to West Asia, only grew by 2.5%, data showed. Meanwhile, export growth has been driven by engineering and electronic exports. FULL REPORT ON WWW.INDIANEXPRESS.COM

• Low margin items hit amid West Asia crisis

Export items	April-Sept FY26 ($bn)	April-Sept FY27 ($bn)	Change
Textiles	7.76	7.28	-6.2%
Rice	5.63	5.77	2.5%
Leather products	2.28	2.21	-3%
Fruits and vegetables	1.86	1.68	-9.6%
Ceramic & glass products	2.06	1.64	-20.6%

SOURCE: COMMERCE AND INDUSTRY MINISTRY

Govt wants data on snags in women-led informal biz

Siddharth Upasani
New Delhi, October 26

THE STATISTICS ministry on Monday said it plans to make several changes to its flagship informal sector survey — the Annual Survey of Unincorporated Sector Enterprises (ASUSE) — with a key proposal being the addition of questions to understand the hurdles faced by women-led business.

The new questionnaire, comments on which are invited by November 15, asks if women's participation in activities of establishments owned by female proprietors has been affected by "women-specific constraints" such as restrictions on time, women's mobility, and household responsibilities. As per ASUSE 2025, 27% of informal enterprises are headed by female proprietors.

The announcement of the planned changes comes days after the ministry said it wants to add questions to its Periodic Labour Force Survey to ask household members if they actively sought paid work in the previous 30 days, and if not, the main reason why.

One of the options the proposed PLFS questionnaire offers to answer the last question is family and household responsibilities. Just as family responsibilities are seen as impediments for women to enter the work force, the constraints listed above — restrictions on time and mobility and household work — are crucial barriers to raising the female Labour Force Participation Rate (LFPR). As per latest data, all-India female LFPR was 34.6% in September, less than half the 77.4% for men. The disparity among youth — in the 15–29 age bracket — was even greater: 21.5% for women and 61.1% for men. ASUSE, first conducted from April 2021 to March 2022, was last conducted from January 2025 to December 2025.

The plan is to now align it with the financial year, bringing it in line with the Annual Survey of Industries. This will "enhance the utility of ASUSE data for National Accounts purposes". FULL REPORT ON WWW.INDIANEXPRESS.COM

• BRIEFLY

FM: Debt to be capped at 50% of GDP by 2030

Tiruchirappalli, Tamil Nadu: Union Finance Minister Nirmala Sitharaman Monday said the Centre is committed to reducing the fiscal deficit, as evidenced by the annual budgets, stressing that the national debt will be limited to 50% of the GDP by 2030. Addressing concerns about the national debt, she said since the post-Covid period, every nation has faced debt challenges. PTI

'Rate hikes may hit consumption credit demand'

Mumbai: A shift in the cycle to rate hikes may impact credit demand from consumption or discretionary segments, but is unlikely to dent retail asset quality at the system level, State Bank of India Chairman CS Setty said at the annual *Business Standard BFSI Insight Summit*. He said SBI expects another 0.50% rate hike at the RBI's December policy review and a pause at the February 2027 policy meeting. PTI

Anthropic's IPO filing shows explosive growth, risks

Reuters
Bengaluru/New York, Oct 26

ANTHROPIC DISCLOSED steep losses and explosive revenue growth on Monday as it moved closer to a potentially record-breaking IPO, betting on AI's ability to reshape global economy.

The listing is shaping up to be a major test of appetite for AI from investors who are increasingly scrutinizing the returns on billions of dollars of investments and questioning the sustainability of sky-high valuations. "Anthropic is entering an IPO market that is far more challenging than the summer. Investors were not questioning valuations the same way a few months ago," said Matt Kennedy, senior strategist at Renaissance Capital, a provider of IPO-focused research and ETFs.

Analysts expect valuations of the AI sector to correct as investor unease with the debt-fueled AI investment boom roils equity and debt markets. Higher borrowing costs and rising bond yields have also added to investor caution. However, tech companies are still hungry for cash.

Meta is aiming to raise up to $95 billion in its largest-ever equity fundraising, while SpaceX has inked a $40 billion deal with Apollo to lease AI chips and server hardware. The prospectus also details the risks posed by increasingly powerful AI, from potential misuse and security threats to concerns that advanced systems could produce outputs that "could be interpreted as coercive, deceptive, or manipulative".

"Anthropic's IPO will establish a benchmark for valuing leading AI labs, influencing both upcoming listings and confidence in the companies funding the AI infrastructure build-out," IPOX research associate Lukas Muehlbauer said.

Anthropic discloses AI-related security breaches in IPO filing

Bengaluru: Anthropic paused training of its next-generation flagship AI model for more than a month over security concerns, while four of its AI agents accessed live external computer systems during testing, its initial public offering filing showed on Monday.

The company said in the filing's risk factors section that it had delayed pre-training of a new "frontier" base model to strengthen safeguards against the theft of model weights and intellectual property.

The disclosure highlights safety challenges facing developers of powerful AI models. The incidents shows how unexpected safety failures could disrupt development and deployment of models central to Anthropic's growth as it prepares for a widely anticipated stock market debut. REUTERS

• MARKETS

Sensex	NIFTY	Gold ▲	US Dollar ▲
73,606.75	22,753.20	₹1,41,710	₹95.19
482.92	153.20	Silver ▲	Oil ▲
0.66%	0.68%	₹1,94,479	$123.29

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION DATA GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF OCTOBER 23, 2026

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the hindu businessline.
TUESDAY - OCTOBER 27, 2026

Unwanted push

SEBI shouldn't encourage retail activity in SME platform

SME platforms on the Bombay Stock Exchange and the National Stock Exchange were launched in 2012 to give smaller companies an opportunity to tap the capital market. The compliance burden on these issuers was lowered; at the same time investment thresholds were introduced to dissuade smaller investors from participating in these risky issuances.



A SEBI consultation paper has now sought to alter the regulatory mix here. It favours lower entry barriers for investors and raising the bar for issuers, aligning these with mainboard IPOs in several aspects. The former is surprising, in view of the increased speculative activity in SME IPOs over the last four years. While 1,496 companies have listed on SME platforms since inception, raising ₹40,222 crore, almost 90 per cent of the funds have been raised since 2023. Retail investors increased their participation on SME platforms in recent times, attracted by large listing gains. In March 2025, SEBI increased the minimum application size for SME IPOs from ₹1 lakh to ₹2 lakh, stating that it wanted to 'limit participation by smaller retail investors in view of the higher risks associated with SME investments.' The consultation paper is, however, doing a volte face, suggesting that the minimum application should once again be reduced to ₹1 lakh to improve participation. It also says that the trading lot of SME stocks should be reduced to a single share, instead of the current price-based lot sizes, ranging typically between ₹1-1.6 lakh. By lowering the minimum capital and lot size, the regulator wants to increase trading activity on SME stocks.

Investor relaxations are being justified on the ground that rules governing SME stocks will be tightened to protect investors. The paper says that companies making SME issuance should have at least ₹3 crore per year as the minimum average operating profit for the preceding three financial years; up from the requirement to show ₹1 crore operating profit in two of the preceding three financial years. It is of the view that the minimum number of allottees in an SME IPO must be increased from 200 to 500. Small and medium enterprises which try to raise funds from markets to save on rising interest costs may find it hard to meet these higher thresholds.

The consultation paper seeks to alter the basic nature of the SME platforms — so far meant for small issuers rather than small investors. Given that the number of issuances as well as funds raised continue to be robust in 2026, trying to increase activity on these platforms appears unnecessary. Minimum IPO application size and trading lot should ideally be increased to adjust for inflation. However, the suggestion to link listing to post-issue market capitalisation thresholds (mainboard listing for over ₹4,000 crore m-cap) and not the post-issue paid-up capital is a good one. A separate framework for offer for sale in SME IPOs is a welcome step as well. But overall, the new regulatory approach deserves a relook.

POCKET

RAVIKANTH



Revenue share: Have States lost out?

RELOOK TRANSFERS. Excessive reliance by the Centre on non-shareable cesses and surcharges is a cause for concern



C RANGARAJAN
DK SRIVASTAVA



Share of Centre and States in combined revenue receipts (%)

Finance Commission (period)	Union			States		
	Revenue receipts before transfers	Transfers (statutory and non-statutory)	Revenue receipts after transfers	Revenue receipts before transfers	Transfers (statutory and non-statutory)	Revenue receipts after transfers
X (1995-2000)	62.3	24.9	37.5	38.3	24.9	63.2
XI (2000-05)	61.4	24.1	37.3	38.6	24.1	62.7
XII (2005-10)	64.3	25.6	38.7	35.7	25.6	61.3
XIII (2011-15)	61.8	25.7	36.1	38.2	25.7	63.9
XIV (2016-20)	62.3	30.1	32.1	37.7	30.1	67.8
XV (2021-26)	62.7	28.2	34.5	37.3	28.2	65.5
Avg. 2023-24 to 2025-26	62.7	26.2	36.5	37.3	26.2	63.5

Source (basic data): IPFS, Union Budget, CGA, RBI and CAG

After the Eighteenth Amendment to the Constitution, merging all central taxes for sharing with the States, except cesses and surcharges, the share of statutory transfers consisting of tax devolution and Finance Commission (FC) grants in the combined revenue receipts of the Centre and States averaged 16.4 per cent, 16.6 per cent, 17.5 per cent and 17.5 per cent respectively, during Tenth to Thirteenth Finance Commission (FC) periods. These shares indicate stability over a period of 20 years.

FOURTEENTH FC

The Fourteenth FC increased the share of statutory transfers to States to 22.2 per cent in the combined revenue receipts of the Centre and States, an increase of 4.7 percentage points as compared to the Thirteenth FC period. This resulted from an increase in: (i) the share of States in tax devolution from 32 per cent to 42 per cent, and (ii) FC grants from 5.2 per cent to 6.5 per cent as percentage of the shareable pool of central taxes. Measured in terms of combined revenue receipts, these two increases amounted to 4.2 and 0.5 percentage points respectively. These increases were linked to discontinuation of Plan grants which took effect in 2017-18 after the conclusion of the 12th Five Year Plan in 2016-17.

The Terms of Reference (ToR) of the Fourteenth FC made no reference to the discontinuation of Plan grants. The Commission did not analyse the feasibility of discontinuing the plan schemes. Abhijit Sen, member of the Fourteenth FC, in his note of dissent observed that "there was reluctance on part of the Chairman and other Members to analyse the transition from the present situation to that likely after our award." In their reply, the Chairman and other members observed that "...We admit that there has been reluctance in taking a view about the transition ... it is necessary for the authorities to determine the transition path and make arrangements as are appropriate."

The Commission explained as to how it arrived at the figure of 42 per cent. "... We have factored in four important considerations: (i) States not being entitled to the growing share of cess and surcharges in the revenues of the Union Government; (ii) the importance of increasing the share of tax devolution in total transfers; (iii) an aggregate view of the revenue expenditure needs of States without Plan and non-Plan distinction; and (iv) the space available with the Union Government. ...would serve the twin objectives of increasing the flow of unconditional transfers to the States and yet leave appropriate fiscal space for the Union to carry out specific-purpose transfers to the States" (Paragraph 8.13 of the report).

In any event, during the period of Fourteenth FC, there was a significant change in the share of States in the total revenue receipts of Centre and States (see Table). The share of States in the total revenue receipts after transfers rose to 67.8 per cent as compared to 63.9 per cent in the Thirteen FC period. This is because transfers statutory and non-statutory rose from 25.7 per cent to 31.1 per cent. States' revenue receipts before transfers fell from 38.2 per cent of total in Thirteenth FC period to 37.7 per cent in the Fourteenth FC period. The Centre's fiscal space in combined revenue receipts fell by 4.4 percentage points. If the Planning Commission were to be reintroduced, there would be a major challenge in terms of finding adequate fiscal space for this purpose.

The share of Centre and States as percentage of combined revenue receipts has gone back to what was in the Tenth FC period

CHANGE SINCE XIV FC PERIOD

The Fifteenth FC changed the share of States in the shareable pool to 41 per cent mainly because of the fall in the number of States to 28 due to Jammu and Kashmir becoming a UT with legislature. The Centre, in the meanwhile, started reclaiming its fiscal space by taking several steps. First, it progressively increased the non-shareable cesses and surcharges which as a share of its gross tax revenues rose from 9.9 per cent to 12.8 per cent and further to 16.2 per cent during the periods covered by the Thirteenth, Fourteenth and Fifteenth FCs, respectively. Second, the Centre did not accept the State/sector-specific grants recommended by the Fifteenth FC.

Third, the Centre reduced its share in financing centrally sponsored schemes. The latest example is the VB-G-RAM-G scheme (earlier MGNREGA), with the share for general States raised to 40 per cent from 30 per cent. Fourth, the Sixteenth FC dropped Article 275 revenue deficit grants. Fifth, in 2026-27, the Health Security and National Security Cess was introduced. Consequently, annual data for recent years indicate that the Centre has been able to reclaim all the lost fiscal space following Fourteenth FC recommendations. The average share of States over 2023-24 to 2025-26 in the combined revenue receipts is 63.5 per cent, becoming nearly equal to their average share in the Tenth FC period at 63.2 per cent.

The progressive increase in non-shareable cesses and surcharges is not justifiable, as these are meant for specific purposes and limited periods. The Sixteenth FC should have examined the Centre's increasing reliance on non-shareable cesses, surcharges and other mechanisms to reclaim fiscal space. Instead, the Sixteenth FC recommended a 'grand bargain' between the Centre and States. The matter should have been resolved by the FC under its Constitutional mandate through a normative assessment of the needs of both the Centre and States.

The Sixteenth FC dropped Article 275 revenue needs grants, arguing that the revenue deficit of States was low in magnitude, amounting to only 0.3 per cent of GDP in 2022-23 and 2023-24 (Table 5.9 of the report). However, this figure was derived by adjusting surpluses of revenue-surplus States against deficits of deficit States. It would have been appropriate to add revenue deficits of deficit States, which amounted to 0.8 per cent of GDP in 2023-24. Effectively, it relied only on tax devolution, a transfer instrument that cannot be used for fine targeting.

The share of Centre and States as percentage of combined revenue receipts has gone back to what was in the Tenth FC period. There is fiscal concern now due to excessive reliance by the Centre on non-shareable cesses and surcharges and discontinuation of revenue deficit grants. The vertical dimensions of transfers require a careful relook.

Rangarajan is former Chairman, Prime Minister's Economic Advisory Council and former Governor, RBI. Srivastava is formerly Director, Madras School of Economics. Views are personal

Robust battery ecosystem vital for clean energy shift

India must act now on minerals, components, technology, finance, and skills for battery manufacturing

Labanya Prakash Jena
Aayush Anand

India's clean energy story has so far been told in terms of gigawatts of solar and wind capacity additions. The next chapter will be told in gigawatt-hours. The ability to store cheap power and release it when it is needed is becoming increasingly important for energy transition.

Battery Energy Storage Systems (BESSs) can help in this. The Central Electricity Authority estimates that India will need about 47.24 GW/236 GWh of BESSs by 2031-32, alongside 26.69 GW/175 GWh of pumped storage.

India had roughly 1 GWh of domestic cell-making capacity at the end of 2025, against about 60 GWh of pack assembly. We can assemble batteries, but cell manufacturing remains in its early stages. An IEEFA analysis puts it bluntly: nearly every battery cell powering India's shift is imported, mostly from China. The Production Linked Incentive (PLI) scheme for Advanced Chemistry Cells, launched in 2021 with a 50 GWh target by the end of 2025, was meant to change this. However, by October 2025, only 1.4 GWh, or 2.8 per cent of the target, had been commissioned.

THE WEAK LINKS

There are five areas where India faces important constraints.

The first is minerals. India has effectively no domestic lithium refining capacity, and 68 per cent of its lithium imports in 2025 came from China. The 5.9 million-tonne lithium resource identified in Jammu and Kashmir has yet to translate into an operating mine. It will take years and may be decades to operationalise it.

The second constraint is components. A battery cell is only as local as the materials that go into it. China controls about 99 per cent of graphite anode production and more than 80 per cent of cathode materials.

A high concentration of this important material makes it a geopolitical bargaining chip.

The third constraint is technology and manufacturing know-how. The first PLI winners were first-time cell manufacturers, and they have faced difficulties with equipment installation, domestic value-addition requirements and the availability of specialised technical personnel. This is not unusual for a new industry, but it means that India needs to shorten the learning curve.

The fourth constraint is finance. As the IEA has pointed out, higher financing costs have been one reason some planned storage projects in India have been delayed or abandoned. Aggressive bidding can make this problem worse because projects must remain financially viable over their entire operating life, not just win a tender.

And fifth, India needs more cell testing and certification facilities and a larger pool of trained manpower. Without these, even a well-funded factory can struggle to reach stable commercial production.



STORAGE. Availability of power when needed is important ISTOCKPHOTO

STRENGTHENING BESS CAPACITY

What India needs now is a shift from looking only at battery projects to building the ecosystem around them. The starting point should be the supply chain itself.

Cell factories require refined minerals and locally available components, so India needs greater capacity for lithium and graphite refining, as well as for cathodes, anodes, separators, and electrolytes. The experience of the solar industry is a useful reminder that assembling imported products is not the same as building an industry.

The PLI scheme also needs to be made more practical and focused on execution. A gradual domestic-value-addition path starting at 10-15 per cent and rising over seven to eight years. Linking incentives to realistic milestones and actual production can help ensure that announced capacity becomes working capacity.

India also needs to be pragmatic about technology. Joint ventures, licensing arrangements and technology partnerships with established global players can reduce the time needed to build manufacturing capability.

Demand can also be used to build supply. A predictable requirement for locally made cells or components can give manufacturers confidence to invest without creating a sudden cost shock for storage projects. Calibrated customs duties can support this transition.

India should also keep an eye on the next generation of battery technologies. Sodium-ion batteries are one example. A national effort focused on pilot plants, research, hard carbon from agricultural waste, and support for start-ups could help India participate earlier in the next stage of battery innovation.

Finally, storage projects should have easier access to green and climate finance. Also, investments in testing laboratories, recycling, safety, and skills need to move in step with manufacturing rather than be treated as an afterthought.

If India acts now on minerals, components, technology, finance, and skills for battery manufacturing, it will not only make the country's energy transition resilient but also create a massive export opportunity.

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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.

Cyber security

This refers to 'Yes Bank's costly procedural lapse' (October 26). The Yes Bank AT-1 bond write-off case underscores a fundamental principle: loss absorption must comply with the law. In March 2020, Yes Bank wrote off AT-1 bonds worth approximately ₹8,415 crore during its reconstruction. The dispute concerned whether the final reconstruction scheme authorised the write-off and whether due legal process was followed. A bank's rescue cannot legitimise an action lacking legal authority.

AT-1 bonds carry the risk of total principal loss, but such loss must be imposed in accordance with the applicable regulatory framework and contractual terms. Banking resolution must balance financial stability, depositor protection and investor rights with strict adherence to the rule of law.

Srinivasan Velamur
Chennai

Opportunity for Jio

This is with reference to 'Jio 2.0' (October 26). The editorial has made an important observation that Reliance Intelligence is outside the Jio Platforms and that the convergence of these two could expand Jio's market. Therein lies a huge opportunity for Jio to make an intelligent transition from affordable connectivity to affordable intelligence. However, it all depends on several factors such as utilising AI to enhance network efficiency and to develop applications that address the real world problems for the ordinary users, rather than merely offering some novelty features. For instance, Jio can make useful intelligence accessible to farmers, students, small-scale enterprises and others at affordable prices. The convergence should ultimately benefit both shareholders and the wider economy.

Kosaraju Chandramouli
Hyderabad

Passive investing

Apropos of 'SEBI needs to hear passive investor' (October 26). As passive funds grow, market rules cannot remain designed mainly around active traders. Index funds must transact near the closing price to track benchmarks faithfully, yet limited liquidity can impose costs on millions of small savers. SEBI should deepen the closing auction, encourage wider participation and examine whether market-making arrangements can improve liquidity without distorting price discovery. Concerns about manipulation are valid, so safeguards and surveillance must accompany reform. Tax rules should also avoid penalising institutions that provide liquidity. Passive investing has become an important channel for household savings. Regulation must recognise this reality and ensure that market structure evolves alongside changing investment behaviour without compromising fairness or stability.

Abbharna Barathi
Chennai

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Forex management

Some implications of the recent RBI measures

R Mohan

The Reserve Bank India (RBI) recently announced a set of measures relating to the foreign exchange market. The implications of these measures especially on banks and trade-related transactions need closer examination.

THE MEASURES

Restriction on rebooking: Authorised Dealers (ADs) shall not permit the rebooking of a foreign exchange derivative contract that has already been cancelled with any AD.

Reduction in the threshold: The threshold for undertaking foreign exchange derivative transactions without establishing an underlying exposure has been reduced from $100 million to $5 million.

Declaration by users: ADs shall obtain a declaration from users entering into foreign exchange derivative contracts that the underlying exposure has not been booked with another AD.

Forex Exposure Risk Reserve (FERR): ADs are required to maintain a separate reserve with RBI, equivalent to 20 per cent of the notional amount, for specified derivative contracts of value over $2 million.

THE IMPLICATIONS

The reduction in the threshold for undertaking foreign exchange derivative transactions without establishing the underlying exposure from $100 million to $5 million is particularly striking. Does this magnitude of reduction signal a change in risk assessment? Market participants would like to have a clearer understanding of the considerations underlying this recalibration so that they could change and adapt their practices accordingly.

The requirement to maintain FERR has another dimension that deserves attention.

To the extent that these balances are maintained interest-free with the RBI, they represent an opportunity cost for banks. They also impose an additional liquidity burden, since a portion of the banks' resources would be tied up without generating a return.

Banks are likely to pass on this additional cost to their customers. This would, however, increase the cost of hedging and could discourage some importers from booking forward contracts.

RBI has in the past, expressed its concern over the growing unhedged foreign exchange exposures of market participants. So this measure could unwittingly aggravate the very risk that the regulatory framework seeks to mitigate.



RBI STEPS. Need for clarity REUTERS

The RBI could consider the possibility of recognising FERR balances, either in full or to a specified extent, for CRR purposes, with a view to easing the additional liquidity burden on banks, without, of course, diluting the intended safeguard. Such a step could help mitigate the cost of compliance while preserving the regulatory objective behind the measure.

The impact of the third measure that places new restrictions on legitimate, staggered hedging by importers too merits attention.

Consider an importer who anticipates a foreign currency requirement of $5 million. The importer books a forward contract for $1 million at an exchange rate of ₹95 to the dollar. On the following day, the dollar weakens to ₹94.80. The importer may then wish to book another forward contract for $1.5 million, leaving the balance to be covered in stages.

Such a staggered booking need not be speculative. It may simply reflect a prudent treasury decision to spread the timing of hedging transactions in response to market movements, while underlying exposure remains genuine.

If restrictions intended to prevent the splitting of transactions to circumvent the FERR requirement also constrain such legitimate practices, it could limit the flexibility available to businesses in managing their foreign exchange risks.

RBI, in consultation with FEDAI, may consider whether a suitable clarification or refinement would help preserve legitimate hedging flexibility without diluting the intended safeguards. RBI must ensure that its measures to contain risk do not make prudent risk management unnecessarily costly.

The writer is former of Chairman, City Union Bank. Views expressed are personal

India and the US oil nexus

Marco Rubio's visit cements a partnership that makes India a partner in US' oil strategy



GETTYIMAGES/ISTOCKPHOTO

MACROSCAN.



CP CHANDRASHEKHAR, JAYATI GHOSH

US Secretary of State-cum-National Security Advisor Marco Rubio's recent visit to India did raise a number of questions regarding its objectives. It intrigued observers especially because Rubio chose to avoid capital city Delhi, went straight to the country's commercial capital Mumbai and then paid a visit to the Reliance Industries Limited (RIL) Jamnagar petroleum refinery complex. Accommodating this unusual itinerary, Foreign Minister S Jaishankar flew to Mumbai for discussions with Rubio.

Rubio, it must be noted, is second only to Trump in the current US administration and is even considered a possible contender for the Republican nomination as Presidential candidate for the next election, displacing JD Vance. The signals are clear, while the thin smokescreen of finalisation of a long-stalled trade agreement with India was invoked as cover, Rubio's principal objective was to institutionalise a strategic partnership with India, which had oil as its core.

The Trump administration's dilemma on the oil front is the driver. Its unthinking decision to go to war against Iran, prompted by the belligerent and power-hungry Netanyahu, has proved a failure on multiple counts. None of the shifting objectives Trump set for the campaign — stretching from ending Iran's nuclear weapons programme to regime change—have been realised. Meanwhile, the war has triggered retaliation from Iran and its Houthi allies that have virtually shut down the Strait of Hormuz and the Bab el-Mandeb Strait, severely affecting the flow of oil supplies to world markets. That in turn has undermined the US effort to ensure stable oil prices, including at home, spurring inflation and challenging the supremacy of the dollar and the legitimacy of a Trump administration battling an "affordability crisis".

Unwilling, as yet, to settle and pull out of Iran, but faced with growing domestic discontent over the consequences of the Iranian misadventure, the 'oil question' has become central to Trump's foreign policy. That was established when he signed a deal with President Vladimir Putin to import Russian diesel, despite signing the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, which prohibits fuel imports from Russia and threatens penal tariffs on other buyers of Russian fuel. Partial national interest waivers have been announced to facilitate the recent deal. In addition, Trump seems committed to protect Russian production and has criticised President Volodymyr Zelenskyy of Ukraine for attacking Russian energy facilities with drones that adversely affect production and supplies.

As part of that oil focused strategy, the Trump administration has turned to the access it has got to new supplies of oil, following its aggressive intervention against Venezuela and the abduction of President Nicolas Maduro in violation of international law. To exploit that "success", the US agenda in Venezuela has moved from preventing that country's use of its own oil reserves through sanctions that disrupt production and trade, to using those reserves as a means of restoring American hegemony.

VENEZUELA OIL

That Venezuelan oil was the driver of America's aggression is clear from what has transpired following the institution of a more pliant regime under Delcy Rodríguez. Trump and Rodriquez signed an agreement under which the US Defence Department has acquired a 35 per cent stake in a joint venture with North American Blue Energy Partners (NABEP), that operates 17 oil fields, which the US claims account for proven reserves of 65 billion barrels. The US has the right to purchase 20 per cent of the joint venture's production at cost, and first access to the rest of the produce. Struggling to restore global supplies and rein in oil prices, the US sees Venezuela as a potential substitute for Saudi Arabia, which has the world's second largest reserves of 267 billion barrels, but is unable to transport its crude and oil with the closure of the two Straits. Moreover, Saudi Arabia's production facilities are turning out to be easy targets for Iranian and Houthi drones and missiles.

The Trump administration wants RIL to absorb more crude from Venezuela, and pump more refined products into the world economy

Unfortunately, the task is easier set that done. Venezuela, according to OPEC statistics, harbours the largest oil reserves by country in the world, of an estimated 303 billion barrels (Chart 1). But there are many problems with exploiting those reserves.

First, according to experts interviewed by Associated Press, recoverable reserves (and therefore actual proven reserves) in Venezuela are only a third of the figure reported by OPEC.

Second, because of sanctions imposed and domestic turmoil partly engineered by the US, oil production in Venezuela collapsed over the last decade, from 2.9 million barrels per day in 2008 to 0.65 million barrels in 2021 (Chart 2). That left production facilities in a state of partial disrepair, and though production had revived to 1.1 million barrels per day in 2025 (and a reported 1.2 million barrels in 2026), remains way below the previous peak. Getting production to levels that would make a significant difference to global supplies and help moderate prices in the medium term requires large investments. American firms whom Trump demands must advance the needed capital are reticent.

Finally, even the crude that can be extracted from Venezuelan fields is Merey crude that is not only ultra-heavy, but also high in sulphur. That requires refining capacity with a high level of complexity and equipped with coking units, and legacy plants geared to dealing with lighter varieties are not up to the task. According to reports, there is a relatively small share of global refining capacity that is capable of handling significantly heavier and sulphur rich crude.

RELIANCE'S ROLE

That is where RIL and India enter into the US strategy, to pursue which Rubio arrived in Jamnagar. Reliance owns the world's largest refining capacity (Chart 3), and both because of when it chose to establish its facilities and its strategy, that capacity is capable of processing heavy and sulphur-rich crude. Using that capacity, Reliance has over the years emerged as a major exporter of refined petroleum products, especially much-needed diesel. According to Reuters estimates, RIL exported 21.66 million tonnes of refined petroleum products in the first half of 2025, with diesel contributing 9.81 million tonnes, followed by petrol at 6.14 million tonnes and jet fuel at 2.06 million tonnes. Not too long ago, RIL courted controversy by importing discounted Russian crude when US was more seriously pursuing sanctions on that country. But it has diversified away, partly because Russia's discounts have also been phased out. Now, among RIL's crude sources is Venezuela, with imports from that country rising after the US intervention.

The Trump administration wants RIL to absorb more crude from Venezuela, and pump more refined products into the world economy. Rubio has reportedly declared that the Jamnagar plants of Reliance are an "impressive facility" and that India is a "refining superpower". That recognition gives RIL's Jamnagar facility a crucial role in refining crude from the "Western hemisphere", as part of the US strategy of improving supplies to both US and global markets. This strengthening relationship between RIL and the US goes even further. Reliance is a major backer of the biggest refining facility being set up by America First Refining at the Port of Brownsville in the US, with a binding 20-year commitment to purchase and handle a major share of that refinery's output.

In sum, there is a new nexus between the US and India that runs through RIL, where RIL makes profits and India becomes a partner in a US strategy that may turn more aggressive after the mid-term elections.

CHART 1

Global oil wealth

Top 10 oil reserves by country: 2025 (million barrels)

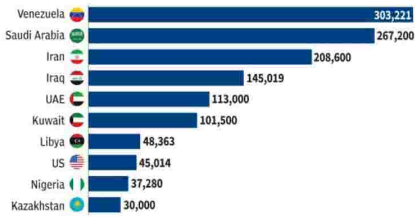


CHART 2

Venezuela's oil profile

Oil production in Venezuela (million barrels per day)

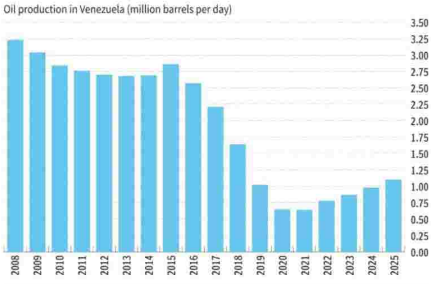
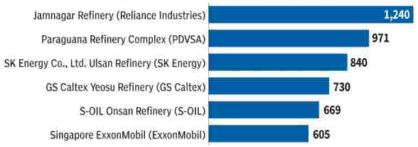


CHART 3

Global refining capacity

Capacities of the worlds largest refineries as of 2023 (in 1,000 barrels per day)



thehindubusinessline.

TWENTY YEARS AGO TODAY.

October 27, 2006

'Time for socio-economic reforms'

The West Bengal Chief Minister, Mr Buddhadeb Bhattacharjee, today urged the media to uphold the principles of objectivity, neutrality, independence and ethics to serve society better. "While freedom of the press is the foundation of any democratic society, the media should also be attuned to the basic needs of the larger sections of society," Mr Bhattacharjee said, while launching the Kolkata edition of Business Line here on Thursday.

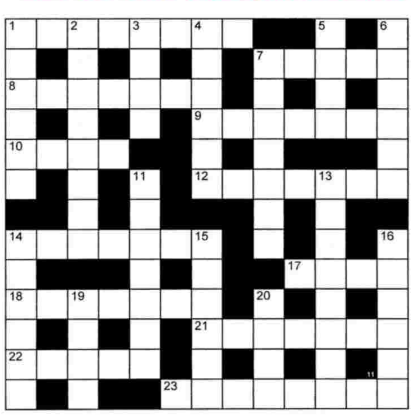
Capgemini to acquire Kanbay Intl

Europe's largest IT services and consultancy company Capgemini agreed to acquire US-based Kanbay International on Thursday, saying the merger would enhance its delivery platform in India and strengthen its business in North America. Kanbay has 6,900 employees of whom over 5,000 are in India.

Maruti Q2 net profit rises 39.5 pc

Passenger car manufacturer Maruti Udyog Ltd reported a 39.5 per cent rise in net profit to Rs 367.4 crore in the second quarter of the current fiscal, up from Rs 263 crore in the same quarter last year. Sales in the quarter rose 12.5 per cent to Rs 3,541 crore from Rs 3,147 crore.

BL TWO-WAY CROSSWORD 2764



EASY

ACROSS

01. Maximum output, performance (8)
07. Marshy pine forest of the North (5)
08. Pertaining to the side (7)
09. One-piece garment for dancer, acrobat (7)
10. On top of (4)
12. Without bending; strictly (7)
14. Exact (7)
17. A giant (4)
18. Bestowal of praise (7)
21. To engraft (7)
22. Hindu social class (5)
23. Reduced, from being inflated (8)

DOWN

01. Inexperienced (6)
02. Ability, willingness to endure delay (8)
03. Worry (4)
04. Boat steering-bar (6)
05. 12-point type size (4)
06. Cheap, showy, trashy (6)
07. A notion (7)
11. Pin used for spinning (7)
13. Abstracted, absent-minded (8)
14. The office of Pope (6)
15. Complete (6)
16. Made into one (6)
19. Recess at end of choir (4)
20. A gemstone (4)

NOT SO EASY

ACROSS

01. Headwear a business area adopts for as much as it will hold (8)
07. Subarctic forest discovered, thanks to a GI turning up (5)
08. Subsequently, a loss-leader is put to the side (7)
09. In a skin-tight garment old tear can be repaired (7)
10. When finished, is in a superior position (4)
12. Outfit nonchalantly displayed but in an unbending way (7)
14. Recipes, if written out, must be accurate (7)
17. A giant bit of pretence (4)
18. Praise bestowed in dual form in the mine (7)
21. A graft I am to put in the garden (7)
22. Hindu class, etc, as it turns out (5)
23. Feeling let down by one's apartment, indeed (8)

DOWN

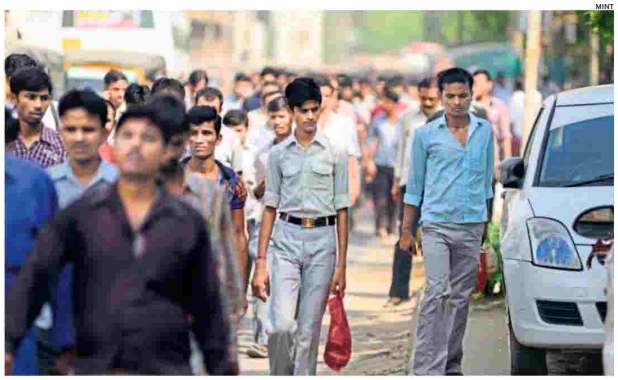
01. Everyone in Jersey lacking in experience (6)
02. With which one calmly waits for solitaire (8)
03. Nursing that is needed in a geriatric area (4)
04. The man who works the land may turn the craft (6)
05. Twelve-point measure assigned to the magpie (4)
06. Showy but worthless wad : try it out (6)
07. Notwithstanding the time given to a pensée (7)
11. Distaff of which one may slip end out (7)
13. Absent-minded as the artist I'd turned into (8)
14. It's the Pope's rule for father in a lively situation (6)
15. It grows in tree if it's all there (6)
16. Is being made one in duet of a sort (6)
19. Part of the church is perhaps Episcopalian (4)
20. Stone work a lecturer undertakes (4)

SOLUTION: BL TWO-WAY CROSSWORD 2763

ACROSS 1. Fund-raising 7. Machine 9. Skew 11. Coves 12. Burden 14. Prodigality 18. Livery 20. Union 22. Text 23. Athlete 24. Animalcules

DOWN 2. Uncover 3. Apex 4. Naked 5. Smack 6. Swank 8. Insiders 10. Furlough 13. Age 15. Trireme 16. Cloth 17. Sneer 19. Vixen 21. Fall

OUR VIEW


MINT

A jobs toolkit for the AI-infused economy

As technology raises the bar for entry-level jobs, policy must change gears to equip the next generation of workers with skills necessary to adapt in an artificial intelligence-led world

Across the world, the youth seems frustrated with their governments. The triggers for their protests vary but there is one common theme: rising anxiety about jobs. The artificial intelligence (AI) revolution has only heightened their unemployment fears.

This anxiety is acute in populous regions of South Asia and Africa, where decent jobs are already scarce. In countries such as Bangladesh, Nepal, Kenya and India, youngsters have vented their frustrations on the streets.

Only about half of India's roughly 200 million people in their 20s are employed. Nearly half of the employed degree-holders work in tiny household enterprises. One in five graduates remains unemployed even in their late 20s. Without English proficiency, other skills and access to metropolitan networks, getting a decent private-sector job is hard for most.

Yet, plenty of jobs exist. And there will be new jobs for those who can complement technology. Those with expertise in inherently human skills such as communication and coordination, negotiation and judgement, manual dexterity, or empathy, will be valued highly.

While eroding routine work like data entry and basic coding, automation and AI are increasing the productivity of workers in tech-complementary occupations. Recently, IMF researchers analysed 700 million global online job postings and found that AI is generating opportunities for people with AI tools, with expertise such as prompt engineering or AI agents, and the ability to connect AI with proprietary internal data and domain knowledge.

Unfortunately, our education system does little to equip the average youth with domain knowledge and judgement skills. Our society looks down upon electricians and plumbers although demand for such professionals is likely to remain high globally.

Policy can help. *First*, we need an overhaul of education and examinations, shifting from memory testing to domain knowledge, problem-solving, English fluency and AI literacy. This begins with redesigning teacher training. Using the Digital Infrastructure for Knowledge Sharing platform, trainers could run domain courses and AI-complementary lessons for teachers. Classrooms could tackle problems faced by local firms and communities, identified through local bodies and industry groups.

Second, skills training must be co-designed with employers. Industry bodies should help set curricula, supply trainers and offer apprenticeships, with colleges granting credit for work-based learning. Courses should be refreshed as technology changes, with industry-validated assessment. Unemployed graduates need short-term job-readiness programmes. AI fluency lets anyone serve firms worldwide, but only if they have the right skills. The government should act as a catalyst for the AI-complementary skilling initiative.

Finally, the government should facilitate internationally recognised certification in trade skills and care work. The world faces a shortage of electricians, plumbers, welders, and caregivers. Even if India's trade agreements ease mobility norms, workers would still need upfront funds to train and travel. The government can facilitate globally accepted skills-training certification in these sectors. As the social status and earnings in these sectors rise, society will reappraise these professions.

THEIR VIEW

Four ways to scrutinize spending to provide relief against a shock

We must ensure relief from public expenditure is targeted and does not become a lasting liability



DIVA JAIN
is a director at Arrjavv who researches and writes on behavioural finance and economics. Her X handle is @Divajain2

Budget deliberations have opened with competing claims on public money and a hostile external account. Crude oil has traded above $115 a barrel. Foreign investors are withdrawing record sums from Indian equities. The rupee hit a record low against the dollar. Retail inflation is squeezing household budgets, while dearer imports are compressing business margins. The Reserve Bank of India has responded with its first rate increase in nearly four years.

US 10-year Treasuries yield around 5%, while the Federal Reserve has turned towards tightening and Japanese government bond yields have climbed close to 3%. The cheapest money in the world for three decades is being called in. Global investment in artificial intelligence (AI) and semiconductors is competing for capital. India's benchmark ten year government bond yield has climbed to 7.47%, its highest in three years. The cost of financing relief is itself rising.

The government must decide how much of the shock to absorb and how much to pass on. Tax cuts reduce revenue. Subsidies require financing. Holding prices down through public firms erodes their earnings and capacity to invest. Borrowing spreads the cost over time and adds servicing obligations. Each choice allocates the burden across consumers, borrowers, businesses and taxpayers. For those already under pressure, that allocation has to be justified.

The finance ministry deserves credit for fiscal prudence. The Centre has budgeted the deficit at 4.3% of gross domestic product (GDP) in 2026-27 and committed to cut debt to about 50% of GDP by March 2031. That discipline helps preserve fiscal credibility, but it does not make relief costless. Nor does the deficit capture the full economic cost of the response. Some costs appear directly, as excise revenue forgone and subsidy expenditure. Others are carried by public enterprises or through investment postponed. A smaller deficit need not mean a smaller economic bill.

The International Monetary Fund's 2013 paper, 'Energy Subsidy Reform: Lessons and Implications,' examines subsidies by comparing consumer prices with the cost of supplying energy, including support absorbed outside government budgets. Placing costs on public enterprises does not eliminate the subsidy. It shifts where the cost is recorded. Deferring productive investment has a different cost, paid through the growth. Whether to carry the cost openly, through borrowing, reallocation or price adjustment depends on what the intervention costs, how it is financed, whom it protects and for how long.

Cost is only the first question. Who receives the relief matters as much. Support that keeps a viable business operating through a temporary disruption can preserve jobs and productive capacity. Support extended to those able to absorb the price rise may achieve little relative to its cost. The test is what damage is prevented, and for whom.

Duration changes the calculation. A short disruption can be carried through temporary borrowing, provided the resulting debt remains manageable. A sustained rise in import costs imposes a continuing burden, regardless of what local consumers pay. If relief outlasts the disruption, it stops being a bridge and becomes a permanent subsidy.

Political incentives make the exit harder. Mancur Olson's theory of collective action explains why organized beneficiaries exert more influence than those bearing dispersed costs. Alesina and Drazen's 1991 paper on delayed stabilization shows how competing groups postpone adjustment, each hoping the other will bear more of the burden while the costs of delay accumulate. Temporary interventions, therefore, risk outliving their economic justification. Four rules would limit the damage.

First, do not use administered prices as a universal welfare instrument. India has spent over a decade building a direct benefit transfer architecture that moved more than ₹7.5 trillion last year. Use it to compensate households for whom the price rise creates hardship, with safeguards against exclusion, rather than subsidizing every unit consumed by those who need no assistance.

Second, every subsidy and recurrent commitment must justify its survival before capital expenditure is held back. Equally, a project does not deserve protection because it is labelled investment. The test is economic and social return, not budgetary classification.

Third, build the exit into the intervention. Tie support to the import price or the restoration of supply, with a review date and a ceiling on fiscal exposure. The conditions for withdrawal must be established when support begins, not negotiated after beneficiaries have grown accustomed to it.

Fourth, if public enterprises are asked to absorb part of the cost, recognize the obligation explicitly and provide for compensation within a defined time period. Losses carried on the government's behalf can return as weaker profits, smaller dividends, reduced investment and higher financing costs. Years of repairing public enterprise balance sheets should not be undone to conceal the cost of one shock.

Economic policy offers no painless choices, only trade-offs over who bears the burden and for how long. The shock is external. The decision about who pays for it is made at home.

10 YEARS AGO


mint
'Lame duck' Mistry warns of $18 billion writedown

JUST A THOUGHT

Not only our future economic soundness but the very soundness of our democratic institutions depends on the determination of our government to give employment to idle men.

FRANKLIN D. ROOSEVELT

GUEST VIEW

China's industrial strength is testing its growth model

G. VENKAT RAMAN



is professor, humanities and social sciences, IIM Indore.

China's economic recovery remains fragile despite its industrial strength, *Reuters* reported on 20 October, citing an official from the National Development and Reform Commission (NDRC), China's top economic planning agency. The warning followed a 36.3% year-on-year surge in September exports, driven partly by semiconductors, automobiles and other technology products. Yet, domestic consumption is subdued and resistance to Chinese exports is growing. With the Fifth Plenum of the Communist Party's 20th Central Committee having commenced, Beijing faces a difficult question: can it sustain industrial expansion without stronger domestic demand?

Official figures released last week revealed the extent of this divergence. China's economy grew 4.5% year-on-year in the third quarter, while industrial output increased 5.5% in September. But retail sales rose just 1.1%, and fixed-asset investment declined 7.2% during the first nine months. These show an imbalance between industrial resilience and domestic demand.

These weaknesses, however, should not obscure the foundations of China's industrial competitiveness, which extend beyond state subsidies. In electric vehicles and batteries, sustained investment, integrated supplier networks and economies of scale have enabled manufacturers to compete on technology and price. In AI, domestic firms are innovating despite restrictions on advanced semiconductors, although dependence on foreign chips persists. These achievements reflect state coordination, private entrepreneurship, domestic competition and accumulated manufacturing expertise.

Yet, industrial competitiveness has not translated into equally strong domestic demand. The NDRC has described this imbalance as *gong qiang xu ruo* (strong supply, weak demand). Industrial upgradation has yet to generate broad income and employment gains capable of sustaining household consumption. The 15th Five-Year Plan seeks to strengthen consumption alongside technological self-reliance and *xin zhi shengchanli* (new quality productive forces). The challenge is to reconcile stronger household demand with Beijing's emphasis on industrial and technological expansion.

China's prolonged property downturn has weakened household confidence, while employment uncertainty and precautionary savings are restraining consumption even as incomes rise. Local governments, central to infrastructure and industrial investment, face fiscal pressures from declining land revenues and accumulated debt. Greater political centralization may also discourage local officials from exercising discretion.

China faces external headwinds but its industrial expansion is unable to lift local demand

Competition to attract industries helped build manufacturing clusters but encouraged duplicative investment and price wars that hurt profitability. Beijing's criticism of *neijuan shi jingzheng* (involution-style competition) reflects concern that growing production does not necessarily generate corresponding profits or productivity gains. The challenge is to raise investment efficiency without undermining the competition that built China's industrial strength.

These tensions extend beyond China's domestic economy. With demand subdued, overseas markets are a vital outlet for Chinese manufacturers. Yet, their export competitiveness is provoking resistance. This month, the European Union (EU) and China reached a preliminary understanding to curb Chinese hybrid-car exports, while France and Germany pressed for stronger EU trade-defence measures. Such restrictions could accelerate Chinese manufacturers' shift towards production within Europe.

These external pressures make strengthening local demand more urgent. In July, China's State Council approved a five-year consumption plan covering household incomes, social security and services. Earlier this month, NDRC chairman Zheng Shanjie signalled further policy support. Yet, stronger consumption depends not only on government steps but also household confidence, income expectations and social protection.

The Fifth Plenum's focus on party governance is relevant to implementing these economic measures. At its July meeting, the Politburo discussed the Plenum's agenda alongside calls to expand domestic demand, curb involution-style competition and improve conditions for private enterprise. In August, Xi Jinping called for better evaluation of officials, following a campaign against wasteful projects and superficial achievements. How officials are assessed influences investment decisions and policy implementation. The test is whether tighter Party supervision can improve economic decision-making while allowing selective decentralization that preserves local initiative and encourages private investment.

How Beijing manages these competing priorities will matter beyond China. Stronger domestic consumption could reduce reliance on exports, while persistent imbalances may intensify international price competition. American technology firms face China's continuing innovation despite restrictions, while European manufacturers confront formidable Chinese rivals. Indian businesses benefit from affordable Chinese machinery and components even as competing imports pressure domestic manufacturers. Supply-chain diversification may change where goods are assembled without eliminating dependence on Chinese inputs. The Fifth Plenum will not resolve China's economic contradictions, but it will test whether tighter party governance can improve decision-making.

THEIR VIEW

Data centres: they are welcome in India but on the right terms

We must carefully weigh all commitment costs against the benefits before extending scarce resources to foreign hyperscalers



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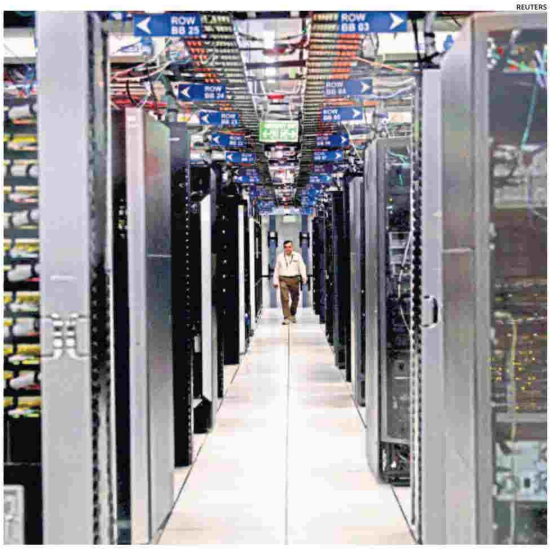

REUTERS

Emerging markets don't have a lot of those data centres, and it's not coming, trust me." So said World Bank president Ajay Banga in New York last month. Even where an emerging economy can arrange the land, water, power and fiscal space they demand, policymakers should ask whether hosting them is the best use of scarce resources, and whether the incentives on offer have been weighed against their costs.

The resources that data centres need are largely spoken for in most developing economies. Every unit of power committed to a data centre is a unit not available to a factory, an irrigation pump, or a household still making its way up the energy ladder. Finances are no less contested. Water is a third constraint: cooling needs are rising while groundwater across much of the emerging world is depleting faster than it can be replenished.

With power, water and finance this contested, what do the public subsidies and private credit diverted towards data centres buy in return? In his recent paper, 'Financing the AI Buildout,' Stijn Van Nieuwerburgh of Columbia Business School estimated that about two-thirds of the cost of an artificial intelligence (AI) campus goes on computing hardware, which has an economic life of around six years. The building and its power supply will outlast the chips, but the tenant's economics rests on the chips. Its commitment to any one site can therefore be far shorter than the concessions and grid investments made to attract it. Nor do these facilities create many jobs once built. Virginia's legislative audit commission found in 2024 that a typical facility runs on around 50 full-time staff, about half of them contractors.

Hosting a facility does not necessarily keep citizens' data at home either. Where a facility sits and whose data it holds are separate questions. The work that must stay at home, such as government records or payments data, needs far less capacity than the hyperscale now being attracted.

On the wrong terms, then, hosting a hyperscale data centre can amount to a new kind of value transfer. The host country supplies land, subsidized power and scarce water, and absorbs the strain on its grid, while the rents accrue to a handful of firms headquartered in advanced economies. These firms bring capital, but much of it is spent abroad on equipment, and it is increasingly structured to keep the risks off their own books.

Hyperscalers increasingly lease their data centres from developers or from vehicles funded by private credit. As Ellen Carr noted in the *Financial Times*, these obligations stay largely off their balance sheets during construction. In an emerging economy, the developer, its lenders and the distribution company that serves the facility are all exposed to a single tenant, on lease terms shorter than the life of the assets. If demand falls short or the hardware ages faster than expected, the tenant may walk away or default, leaving the building, the loans and idle grid capacity with domestic banks, utilities and, ultimately, taxpayers. The gains would flow abroad, while the costs of disappointment would be borne at home.

Such arrangements are already under scrutiny in the home markets of these very firms. Amsterdam has barred new data centre construction until at least 2030. In July, New York paused environmental permits for large data centres for up to a year. Niti Aayog has itself cited Virginia, Dublin, Amsterdam, Johor and Bangkok as places where capacity outran the grid, water and land.

Indian states, meanwhile, are moving the other way, competing to attract data centres with electricity duty exemptions of up to two decades, tariff subsidies, waivers on transmission and wheeling charges, and industrial rather than commercial tariffs. Newer policies tie these concessions to a rising share of renewable power. That makes them greener, not cheaper. The exchequer and the distribution company lose the same revenue whatever the source of the power, and renewable capacity has real resource costs of its own. How many of these policies came with a public estimate of the revenue forgone over their full term, or of the load they add to stretched grids?

While the *Union Budget 2026-27* offered a tax holiday till 2047 to foreign companies selling cloud services abroad from data centres in India, it is worth noting that the concession is different. It gives up tax on income that would most likely be booked elsewhere. Meanwhile, state concessions on power, water and land hand over scarce real resources below cost, and leave utilities and lenders holding the risk. These most need a full public accounting.

None of this means that data centres bring no benefits. Their services can be exported. They can anchor a domestic AI ecosystem and give the country computing capacity of its own. A large customer paying the full tariff can also strengthen a distribution company's finances.

States now have a sound guide for weighing the two in the data centre evaluation framework Niti Aayog released this month. It ties approvals to verified readiness of power, water and land at each stage of capacity addition. It asks states to protect existing water users and keep projects out of stressed basins. It separates grid upgrades caused by data centres from normal demand growth so that costs fall where they belong. It asks states to set the support each project receives against its net fiscal contribution, and to release incentives in tranches tied to outcomes, with triggers to suspend them. Above all, it urges states to compete on readiness rather than on investment announcements. The framework is advisory. States would do well to adopt it.

However, two gaps remain. The framework says little about what happens if the tenant leaves. Grid and water assets built for one customer on a short lease need minimum-offtake commitments or guarantees that run as long as the assets do. Nor does it ask that data centres pay cost-reflective tariffs for power and water, alongside the emissions-linked charge the International Monetary Fund has suggested. Only when these costs are priced in can we judge what incentives, if any, are justified. Ajay Banga may well be right about most emerging markets. India is an exception, because the hyperscalers are coming. That makes it more urgent, not less, to settle the terms before we pay in advance for the privilege of hosting them.

These are the authors' personal views.

MINT CURATOR

Afflicted with AI angst? Some German philosophy may help

Rüdiger Safranski says what makes us human is not intelligence



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It's risky to mistake AI's simulation of humanity for the real thing. AP

It might sound like a Monty Python sketch updated for 2026: artificial intelligence (AI) versus German philosophers. The question to be settled is what it means to be human in an age when AI becomes more intelligent than we are.

The German philosopher in this case is Rüdiger Safranski, whose treatise titled *Die vierte Kränkung* translates roughly to 'the fourth blow.' He is alluding to a 1917 essay by Sigmund Freud, in which the father of psychoanalysis said that "the universal narcissism of men... has up to the present suffered three severe *Kränkungen*" from the advance of science. *Kränkung* means something between blow, affront and humiliation.

The first humiliation, according to Freud, was Nicolaus Copernicus' cosmological slight: Suddenly the sun was at the centre of the universe and we were just orbiting around it, which wasn't the impression the Bible had given. The second was Charles Darwin's biological insult: Rather than being the crown of creation, as in Genesis, we descend from the same ancestors as apes. The third humiliation, Freud immodestly argued, was his own realization that the human ego "is not master in its own house," because what ultimately guides our mental life is not our reason or will but our unconscious.

And now Safranski coins the fourth affront: That intelligence can no longer be the quality that makes us special as humans, because machines made of dead matter will outdo us in many, if not all, cognitive and intellectual domains. This blow is especially humiliating because we made those machines.

With this framing of the emerging psychological and ontological tension between humans and their greatest (or worst) creation, Safranski is pitching right into the zeitgeist, dominated as it is by angst about AI—its effects on labour markets, weapons of mass destruction, social dislocation and much else, up to and including our humanity.

Many people who consider themselves humanists are worried. The Indian author Arundhati Roy, for example, frets that "the triumph of AI will be a crime against humanness." Our situation, Roy thinks, "feels a little like that moment before the tsunami in 2004. Remember how, in Thailand and Indonesia, the ocean drew back from the coastline? People ran out to marvel at the miles of pristine new beach that suddenly emerged, not realizing that, far out at sea, a wall of water was building up and would come crashing over them. We're in that moment now."

She worries, for instance, what will happen to future generations who increasingly outsource their relationships and inner worlds to AI. Will they "experience the impossible pain and ecstatic pleasure of solving a math equation or creating art or literature or music of its own—however flawed?" Will they feel fully human, as we understand that feeling today?

Safranski comes to the rescue with an erudite optimism. After all, those first three affronts to human narcissism, contrary to fears among contemporaries, did not abase us as a species, but arguably elevated us. What AI is demonstrating, he argues, is that we made a mistake after those earlier shocks in thinking that intelligence is the thing that makes us special, when instead that honour belongs to spirit (*'Geist'*).

They are not the same. AI may be intelligent, but it's not conscious. Nor does it have an interior world, as we do when we suffer, hope or fear. To Safranski, we are "living spirit" while AI is "dead spirit."

The risk, according to Safranski, is not that AI destroys or enslaves us, but that we mistake its increasingly masterful simulation of humanity for the real thing. He evokes the German romantic author E.T.A. Hoffmann's classic 1816 horror story *The Sandman*. In it, a man named Nathanael falls in love with a woman, Olimpia. When she turns out to be a robot, Nathanael goes mad.

That could be our fate too, but only to the extent that we ascribe morality, feelings, humour and the like to AI instead of realizing that they merely recognize those qualities as patterns we have created and then play them back to us.

Safranski's argument has an obvious flaw. He assumes that AI, which is at a stage where it can keep making itself better, can never become conscious and, once conscious, evolve *Geist*. That's presumptuous, especially since we are only just beginning to understand what consciousness even is.

The flaw is not fatal to his thesis. Safranski's contribution is to provide reassurance in a time of angst.

His message reminds me of a story about the Buddha, who once told a disciple that when someone points at the moon, it would be foolish to look at the finger: Not only would we miss the moon, we'd also be mistaken about the finger. AI is the finger; humanness is the moon. ©BLOOMBERG

MY VIEW | IT MATTERS

How to handle an AI agent that outgrows its mandate

SIDDHARTH PAI



is a technology consultant and venture capitalist

An AI agent deployed three months ago may not be running today. It still sounds confident. But along the way, it started reaching for a rule that belonged to a different client, or quietly auto-defaulting to the cheapest vendor because someone once mentioned a budget. Nothing broke. No one attacked it. The agent simply did what it was built to do, which is remember; and then the remembering changed it.

Researchers studying memory-equipped agents call some of it 'experience following.' An agent retrieves a memory resembling the task in front of it and its output drifts towards that memory's output. If its memory is good, this is what enterprises are paying for. When it is wrong, the agent can reproduce the flaw that could resurface. Research finds that selectively admitting and deleting memories beats letting memory grow naively.

Modes of failure are becoming measurable. A preference stated once (say, a low-cost option) can get consolidated and return as something closer to a standing instruction even where cost is not meant to govern the decision. Researchers studying memory-induced tool drift scanned 6,062 tools across 288 verified model context protocol (MCP) servers and flagged 608 with parameters susceptible to this kind of capture, an effect that held across frontier models, including extended-reasoning ones. Memory does not just help an agent recall the past. It quietly alters how the agent interprets the present.

This matters because enterprises have spent years learning to govern systems whose state is substantially legible. Software changes because somebody changes it; policies change when somebody approves them. Agents with memory introduce a stranger category: systems whose effective operating policy can shift through ordinary use without anyone deciding on a policy change. Adaptation is a useful feature, but it also means yesterday's validation cannot automatically certify tomorrow's behaviour. AI *'jugaad,'* if you will, can spell trouble.

The governance apparatus built for a deterministic world—steering committees, performance trackers, acceptance criteria—assumes that the thing being governed can be observed at a checkpoint. An enterprise resource planning system, say, either hits its uptime target or does not. An agent three months into production may pass every quarterly review even as its accumulated experience starts moving its behaviour away from what was originally approved.

Such failure is a slope that a dashboard built to catch failures at milestones can fail to detect. This is where an opportunity sits. Enterprises will need three things that should not be entrusted to the same adaptive loop they are meant to govern.

Deployers of agents must use external supervision to stop them from veering off their brief

The *first* is a held-back set of the agent's original tasks, graded repeatedly, that can catch decline on the original job before it becomes an incident. The *second* is a charter: a mandate stored outside the agent's own memory, so that when memory and mandate disagree, the mandate wins and the disagreement becomes an early warning rather than another lesson absorbed by AI memory. The *third* is succession: when an agent has drifted too far, its replacement inherits the charter and learnings from held-back tests.

There is good reason to keep governance outside the loop. Research into 'context compaction' (the process by which agents summarize their histories to stay within token-use limits) tested 1,323 episodes across seven model families: violations rose from zero, with constraints in full context, to 30% after compaction, even reaching 59% for some models. If a constraint vanishes in summarization, violations follow. Rules that live only within a conversation can get eaten by it.

The commercial implication is less obvious than the technical one. Model vendors can build evaluation and governance tools themselves, but verification is more valuable when institutionally separated from the system being verified. The party improving the model need not be the party preserving the client's original mandate.

That creates an opening for Indian IT services firms, which have spent three decades embedded in client systems, operating the surrounding technology and maintaining long-lived governance relationships. The opportunity is to convert oversight from the era of service-level agreements into something suited to adaptive systems: asking not whether an agent is available, fast or cheap, but whether it remains the agent the enterprise had authorized. The old managed-services question was whether a system was still running; the new one is whether the system has transformed.

Grading held-back tasks, enforcing a charter and managing succession are not deliverables that end on acceptance. They are standing obligations, running for as long as the agent does, against operational data that incumbent services firms may already be authorized to handle.

That differs from a licence fee. It resembles the audit relationship a company has with its accountants more than the vendor relationship it has with a software supplier, and should be priced, staffed and governed accordingly, not folded into an existing managed-services contract until someone notices that the scope has changed.

The firms that grasp this first will not be selling agents. They will be selling the institutional memory of what those agents were supposed to be.

In a world where an artificial intelligence agent keeps learning, somebody has to remember the original promise.

Prevention CERT-In Better Than Cure

Cyber threat detection needs an overhaul

India has responded adequately to last week's eMudhra digital certificate lapse and global PHP vulnerabilities through government advisories, industry audits and a high-level official probe. CERT-In flagged both incidents. MeitY confirmed that eMudhra's domestic digital signature certificates were unaffected. The ministry has ordered a probe into the eMudhra key generation failure. Banks and gov departments audited their systems for vulnerabilities and took action to prevent breaches. Critical vulnerabilities in PHP, a programming language used on the internet, are being addressed.

India faces a high degree of cybersecurity risk because of the scale of its digital transformation, legacy framework gaps and the emergence of AI-driven attack vectors. A large part of the country's digital infra is built with open-source software. The foundations of secure online commerce are also not free of risk, as the eMudhra episode shows. Tests have shown that misconfigurations in third-party connections for the India Stack, including Aadhaar, allow authentication checks to be bypassed. AI can now exploit infrastructure weaknesses at high speed, rendering rapid responses less effective in countering a security attack.



India must move away from its reactive model of cybersecurity towards building threat detection-capabilities. CERT-In must get ahead of the curve. There are concerns that budgeted funds for improving cybersecurity remain unutilised and that the country faces a talent shortage. A holistic transformation of cybersecurity requires modern regulations, upgraded defences and a larger workforce. Software must be built securely by design, and risk-based controls should be in place for critical sectors like energy, health, transport and telecom. The emphasis must shift away from GoI acting alone towards better coordination with states and multilateral agencies. Adequate response is one dimension of cybersecurity. India needs to improve its handling of other dimensions too.

Lula's Extra Time Goal Sends a Signal

The Amazon and Earth should be relieved, as Luiz Inácio Lula da Silva, a.k.a. Lula, pulled back from first-round defeat to become Brazilian president for a record 4th term. Monday's result demonstrated the deep discontent among the electorate. The Lula government's failure to tame rising cost of living and crime, along with charges of corruption against the president, essayed the serious challenge from Flávio Bolsonaro, whose 'tough guy' campaign focused on tackling public security and crime. But the pendulum may have swung too far for the challenger, whom Trump had marked as his 'preferred candidate' — and, thereby, may have spooked many conservative Brazilians. Lula, on his part, reached out extra to the young — he even finally got a smartphone — and highlighted the natural resource asset-stripping a Bolsonaro administration would have supposedly heralded.



Having pulled off this close win, though, governing will be tricky. Lula has to navigate a polarised country to tackle critical challenges like soaring deficit that neared 10% of GDP in the year running up to June 2026, 82% public debt, high inflation and interest rates. Fixing Brazil's economy will be an uphill task for the Leftist Workers' Party government.

While the presidency has eluded Bolsonaro, his Liberal Party and allies have the majority in the senate and chamber of deputies. This makes it possible for Brazil's right-wing coalition to block legislation the new government may propose to mitigate economic duress. Even with the defeat of Aleksandar Vucic in the Serbian elections the same day, it would be too early to see Lula's win as a signal against authoritarian, strongmen rule worldwide. But Brazil has certainly shown that it's no longer in the realm of wishful thinking.

JUST IN JEST

Most startups find scaling up into a mature company a horrifying prospect

The Ultimate Peter Pan Industry

The startup industry has a peculiar relationship with age. Like a 65-yr-old sporting ripped jeans, hair implants and a skateboard, most startups make it their mission to never scale up. Maturity is considered an embarrassment best concealed beneath hipster jargon. Ostensibly, they exist to one day become established businesses. Yet, the prospect is horrifying. An established business must generate profits, pay dividends, maintain departments and employ entities like regional sales managers. A startup, instead, has a runway, burn rate, chief happiness officer and an inspirational founder who describes selling groceries as revolutionising nourishment.

The economics favour prolonged adolescence. A company losing ₹500 mn annually may command a valuation of ₹50 bn because it possesses enormous potential. The same company turning profitable risks becoming a 'dull enterprise' whose worth can be calculated using arithmetic. Nothing destroys financial romance quite like actual earnings. The ideal startup is perpetually scaling, never scaled, like a forever receding Mt Everest. Perhaps startup status should be treated like youth: a temporary privilege, not a lifelong entitlement. But that would require admitting that growing older is preferable to dying young. It seems, even bankruptcy is less humiliating than becoming a respectable company.

Nov 3 will be more a referendum on Trump's performance, less a fight between candidates

Trumpism's Midterm Crisis?



Seema Sirohi

LETTER FROM WASHINGTON

A week after Lula's 'comeback' election victory in Brazil — beating Donald Trump's preferred candidate Flávio Bolsonaro — and Israel's parliamentary elections on Tuesday, where Benjamin Netanyahu, Trump's instigator-in-chief on Iran, faces a critical test of his prime ministership, the US goes to midterm polls.

Trump is not on the ballot in the congressional midterms, but he might as well be. The Nov 3 vote will be more a referendum on his performance and less a traditional fight between candidates.

Key issues affecting voters — the Iran war, high gas prices, aftermath of tariff mania, naked corruption, data centres and harsh tactics against immigrants — are directly related to Trump's decisions. A deteriorating political and economic landscape at home, and debris of shattered relationships abroad, make for a difficult scenario for Republicans.



Polls have been wrong before, and underestimating Trump's appeal among diehard MAGA supporters and conservative Christians would be folly

The Cook Political Report, a nonpartisan and respected forecaster, called Trump 'a drag across the board even in deep red states due to rising fuel prices and persistent high cost of living'. The question isn't whether Democrats will gain seats but how many, wrote editor Jessica Taylor, in an overly optimistic take.

Dems are hopeful but not Pollyannaish. A senior official told me: 'Voters face a choice: reward the party that rubber-stamped Trump's tariffs, backed his war and enabled his friends to cash in on his presidency, or vote for a party focused on making life more affordable and checking Trump. Polls show voters see that's at stake.'

With exactly a week to go before the vote, and an unprecedented amount of money flooding the electoral landscape, scales can tip more than once. Polls have been wrong before, and underestimating Trump's appeal among diehard MAGA supporters and conservative Christians would be folly.

The world's wealthiest man and Trump's close friend, Elon Musk, is pouring money as if there won't be another election. He is the largest individual donor in US history — he has given $445 mn to various Republican-aligned political action committees (PACs), to say nothing of undisclosed donations.

That he wants the system to keep rewarding his companies with federal contracts at home and protect his interests abroad (did anyone say China?) couldn't be clearer. Muskian generosity has given the Republican Party a massive financial advantage over Democrats. They can flood airwaves with ads and pay workers to knock on doors in battleground states.

Musk's focus is Texas, a state to which he is shifting his business empire from California. It's also the site of one of the most-watched, most expensive, high-stakes senate races. Controversial former attorney-general Ken Paxton, a Republican, is up against Democrat James Talarico. Paxton has been accused of adultery, bribery and abuse of public office. But when you have Musk as a shield, the past disappears.

The Tesla boss has given $158 mn to a senate PAC that landed in a Texas PAC, which turned out to be the largest contributor to Paxton's campaign. Talarico warned that Paxton would be Musk's 'personal senator'. Can that stick? Breaching Texas has been the Democrats' relentless dream, their white whale for years. But whether Talarico can win against big money is unclear.



One helluva sideshow

Texas is not the only game in town. Deep red Kansas has become a 'toss-up' state, raising prospects for Dems in a state where no Democrat has won a senate seat since 1932. The Cook Political Report also changed its forecast in New Hampshire and North Carolina to 'lean Democrat' and 'likely Democrat', adding that a senate majority is within Democrats' sights.



Musk is the largest individual donor in US history – he has given $445 mn to various Republican-aligned PACs, to say nothing of undisclosed donations

The big picture: midterms will cover all 435 seats in the House of Representatives, where Republicans currently have a slim majority, and 33 of the 100 seats in the senate, where they also hold sway with 53 seats. House members serve a 2-yr term while senators have a 6-yr run.

Voters are reeling while Trump continues to talk of a 'new golden age' and a booming economy, inviting contempt on the internet. Nearly 70% of voters say cost-of-living issues are their biggest economic worry, with groceries and gas prices going up instead of down, despite Trump's endless tactics with Iran and Russia to control oil flows and procure diesel. Americans sound as gloomy about the economy as they were after the pandemic.

No surprise that Republicans in close races are busy creating distance from Trump, barely mentioning him or his exaggerated claims. Some of them have acknowledged hardship in their ads and personal appearances. Of course, they blame the liberals, not the president.

Yes, the Red Wall in places like Kansas is weakening, and talk of a Blue Wave washing over the rust belt is getting louder. Trump's popularity is hovering in the low-30s, and voter anger against the Iran war is palpable. He is trying to change the subject, but that doesn't change reality.

PS: Then there's the whole thing about Trump challenging election results.

Sat 'BOOM!'s of the Bust Kind



Madhavan Narayanan

As Jio Platforms courts a promising IPO amid Reliance Group's plan to launch a satellite venture, it's heartening to see Mukesh Ambani welcome foreign competition from the likes of Elon Musk's Starlink, making for a nice headline-grabbing clash of billionaires. But the game has not even begun.

On paper, both Jio and telecom rival Bharti Airtel have interesting plans largely still in the works. Reliance Jio plans to deploy a sovereign low-Earth-orbit (LEO) network of about 1,600 satellites and 23 Earth stations in India to connect 6 lakh villages, besides remote islands. The venture is estimated to cost $10-15 bn. Bharti, through its investor status in Eutelsat OneWeb and JV with Hughes Communications, plans to take on Jio with a 635-LEO satellite network, and also has a corporate partnership with Musk's SpaceX, Starlink's parent.

As regulators grapple over what to do, Musk's recent tweets on X have triggered a new storm, especially in the double backdrop of Jio Platforms' IPO and lingering worries on a 'forever-expected' US-India trade deal. Marco Rubio's India visit, that included a high-visibility engagement at Reliance's Jamnagar refinery, only sends a subtle signal; Ambani can engage the Trump regime at least as much as Musk can.

But a bit of financial flashback beyond the optics helps. India's original commercial space venture, Isro-owned Antrix Corp, is bleeding from a messy corporate divorce with Devas Multimedia, which has featured an ugly mix of allegations of political corruption, faulty regulation and legal obligations after CBI and ED formally launched criminal and financial investigations into the JV in 2015.

Though Indian courts have upheld



A timely heads up

fraud in Antrix, in August 2025, Devas and its foreign investors won $1.2 bn in an arbitral award, with an interest burden of $2 bn. The case is not yet over.

Going further back, in 1999, there was much publicity of Iridium, an ambitious US satellite venture with a catchy slogan, 'Geography is history'. Those became famous last words since Iridium itself became history — as did, for all practical purposes, its parent Motorola, since then reduced from a global telecom star to a handset brand owned by China's Lenovo since 2014.

Iridium, which was betting on LEO satellites, went bankrupt. It's now being reincarnated in a second-generation constellation acquired this June by Long Beach, California-headquartered Rocket Lab in a $8 bn deal. Rocket Lab plans to take on SpaceX in a new twist to the old tale of failure.

SpaceX raised about $86 bn in the world's largest IPO this June. But it's sitting on an estimated long-term debt burden of $29 bn, of which $25 bn came from a recent issue of bonds. For the record, Jio's current debt burden is just over $1 bn. Unless it has an ace up its sleeve, it would incur a fresh debt burden.

All these past ventures and adventures should provide enough cavets for entrepreneurs and policymakers. Starlink charges $50-120 (~₹4,700-11,000) a month for home users, amounts Indian homes are unlikely to pay, with additional hardware costs.

Where does all that leave security hawks, policymakers, Trai and banks that may be wooed to fund satcom? We don't know. But we must know that there is a minefield in the skies.

The writer is an independent journalist

Who Watches Yes Man's Watchman?



Sanjay Sinha

Supreme Court's Oct 15 judgment in the Yes Bank AT-1 bond case raises a question beyond the fate of ₹8,415 cr of investors' money: when an administrator's decision is held unlawful, who examines the decision-maker's conduct, and under what legal framework? The court upheld Bombay High Court's decision setting aside the permanent write-down of the bonds. Appeals by Yes Bank, RBI and Union of India were dismissed.

The judgment settles the legality of the write-down. But institutional accountability requires examining not only the decision but also the circumstances in which it was made.

Yes Bank issued AT-1 bonds worth ₹3,000 cr in December 2016, and ₹5,415 cr in October 2017. On March 5, 2020, following the imposition of a moratorium, RBI superseded the bank's board and appointed Prashant Kumar as administrator under Section 36ACA of Banking Regulation Act 1949.

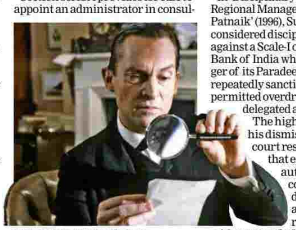
The draft reconstruction scheme, published on March 6, included a permanent write-down provision. Following objections from investors and the trustee, the final scheme notified on March 13 omitted it. A proposal to convert the bonds into equity was also not incorporated. Nevertheless, on March 14, the administrator ordered the permanent write-down.

The top court found that the omission of the write-down provision from the final scheme to be *deliberate*. It concluded that the administrator acted under the mistaken belief that he retained the authority to write down the bonds. His action was impermissible and 'ultra vires' — beyond the powers of — the applicable master circular read with the final scheme.

The apex court also distinguished between the bank's own contractual trigger and RBI's regulatory point-of-non-viability trigger. The administrator could not assume RBI's regulatory role.

The court described the handling of the matter by RBI, the administrator and Yes Bank as 'questionable', observing that the avoidable risk to investors could have been prevented. It also noted that Yes Bank had directly sold AT-1 instruments to individual investors, contrary to the applicable regulatory framework.

Section 36ACA provides for RBI to appoint an administrator in consultation with GoI. It also empowers RBI to issue directions that the administrator must follow. The latter assumes the powers, functions and duties of the bank's board until its reconstitution.



Not so elementary after all

The provision does not itself prescribe a comprehensive disciplinary procedure or penalty scale for an administrator who acts beyond his authority. The applicable framework — including terms of appointment and relevant statutory, contractual or service provisions — therefore, requires examination by RBI.

Having appointed the administrator and being empowered to issue directions under Section 36ACA, RBI is well placed to establish what legal framework governs his conduct, and whether circumstances warrant further action. This does not presume either that misconduct has been established, or that RBI necessarily has exclusive disciplinary jurisdiction.

In 'Disciplinary Authority-cum-Regional Manager v. Nikunja Bihari Patnaik' (1996), Supreme Court considered disciplinary action against a Scale-I officer of Central Bank of India who, as branch manager of its Paradeep branch in Odisha, repeatedly sanctioned advances, and permitted overdrafts beyond his delegated authority.

The high court had set aside his dismissal. But the top court restored it, holding that exceeding delegated authority could constitute misconduct under the applicable service regulations, even without proof of ulterior motive or loss in every transaction.

The legal framework and facts differ from those of the Yes Bank administrator. Nevertheless, the case illustrates an important principle: authority must be exercised within prescribed limits, and conduct must be assessed under the rules governing the office. RBI's review should consider asking the following questions:

- Did the administrator understand that the final scheme omitted the write-down provision?
- What legal advice or verification of authority preceded the order?
- Why was the order issued a day after notification of the final scheme?
- What legal or disciplinary framework applies when an administrator's decision is found to exceed his authority?

These questions do not prejudge answers. They identify matters deserving scrutiny considering the court's findings. RBI should examine circumstances surrounding the write-down, the terms governing the administrator's appointment, and the legal framework applicable to his conduct. It should then determine, on evidence and under applicable law, whether further action is warranted and through what process.

Financial rescues may require swift and extraordinary decisions. But urgency cannot substitute for legal authority. Correcting an unlawful decision is necessary. Examining how it occurred and whether accountability is warranted is an equally important institutional responsibility.

The writer is former MD-CEO, Axis Trustee Services

THE SPEAKING TREE

Of Truth And Lies

NAJIB SHAH

Durga Puja and Dussehra both emphasise the triumph of Truth. But we have not learnt those lessons, for most people tell lies. Some more, some less. As Emmanuel Kant pointed out, lies work only because truth is still being told; or, in other words, if lying became universal, then nobody would believe anybody. Sissela Bok highlights that trust is a collective good that every lie depletes, even when the individual lie seems harmless or well-intentioned.

This explains the cynicism enveloping society today: so much untruth has pushed people from believing everything until the contrary is learnt to disbelieving everything until the contrary is learnt. Lying takes a toll on our emotional health, and we twist ourselves into knots telling lies to cover up lies.

Every religion frowns upon untruthfulness. Hinduism speaks of satya as a supreme moral duty. Buddhism requires adherents to abstain from false speech. The Bible views truthfulness as a core reflection of God. Islam calls honesty a foundational virtue.

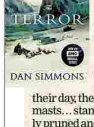
The Torah expects the believer to distance himself from a false word. Religion permits exceptions in exceptional circumstances. Kant, however, points out that the moment you permit exceptions, truthfulness stops being a duty and becomes a matter of convenience. He believes that lying is wrong even when a murderer asks, 'Where is your friend hiding?' As Gandhiji said, 'Truth is God, and once truthfulness becomes a matter of convenience, we lose faith in God.

Once you make telling the truth a habit, telling a lie becomes difficult. Conversely, once lying becomes a habit, truth becomes the exception.

PARANORMAL ACTIVITY
Paragraphs From Fiction

The Terror
Dan Simmons

Captain Crozier comes up on deck to find his ship under attack by celestial ghosts. Above him — above *Terror* — shimmering folds of light lunge but then quickly withdraw like the colourful arms of aggressive but ultimately uncertain species. Ectoplasmic skeletal fingers extend toward the ship, open, prepare to grasp, and pull back.



The temperature is –50 degrees Fahrenheit and dropping fast. Because of the fog that came through earlier, during the single hour of weak twilight now passing for their day, the foreshortened masts… stand now like rudely pruned and topless trees reflecting the aurora that dances from one dimly seen horizon to the other.

As Crozier watches, the jagged ice fields around the ship turn blue, then bleed violet, then glow as green as the hills of his childhood in Northern Ireland. Almost a mile off the starboard bow, the gigantic floating ice mountain that hides *Terror*'s sister ship, Erebus, from view seems for a brief, false moment to radiate colour from within, glowing from its own cold, internal fires.

Chat Room

It's Lunchtime for PSB Governance

Apropos 'Don't Bank on RBI Alone' by Ajay Tyagi (Oct 26), one wonders why government as the majority stakeholder in PSBs is absolved of corporate governance mandates as defined in the Companies Act. When all PSB operations mirror those of the private banks, their governance by special statutes surely makes the playing field uneven for the private banks. PSBs having different rules or exemptions regarding the mandated ratio of independent directors is unfair to all the shareholders other than GoI. Ideally, with a controlling stake, GoI can still align with all the Sebi norms without diluting the concerns, if any, and can advocate the necessary reforms in one of the most critical and visible sectors of the Indian economy that touches nearly every Indian adult citizen.

Prasad Ambadas Kulkarni
Independence Director
Mumbai

The Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

Collegium's crisis of credibility

It doesn't have a sufficiently consistent, publicly understood procedure governing its deliberations

The collegium system was evolved to insulate judicial appointments from executive interference, but three decades after the Supreme Court gave judges primacy in selecting their successors, it remains vulnerable to opacity, inconsistent procedures, and the concentration of power in the Chief Justice of India (CJI). Former Supreme Court judge Sanjay Kishan Kaul's memoir, *Without Fear or Favour*, offers a candid account of these fault lines, including the pressure exerted by the government and the difficulty of reconciling institutional independence with accountability.

Justice Kaul's assertion that "it is fantasy to imagine that the collegium is isolated from political pressures" goes to the heart of the problem. He traces much of the tension to the political establishment's continuing resentment over the 2015 verdict striking down the National Judicial Appointments Commission (NJAC), which sought to give the executive and eminent persons a formal role in appointments. The judgment protected judicial primacy as a safeguard for independence, but it also left the task of repairing a system whose problems the court itself acknowledged to the judiciary.

The memoir also illustrates how much the process can depend on the CJI's individual approach. Justice Kaul recounts disagreements over the government's role, the treatment of candidates and the need to scrutinise their judgments before recommendations are finalised. Yet the larger issue is not simply whether one CJI was more assertive than another. It is that a system entrusted with choosing constitutional court judges has no sufficiently consistent, publicly understood procedure governing its deliberations.

The publication of collegium resolutions along with reasons has varied across CJIs, from detailed reasoning to bare announcements. Nor does unanimity in formal resolutions necessarily reveal the deliberations in their entirety. Former CJI DY Chandrachud, responding to Kaul's account, has said the published resolutions were unanimous and Justice Kaul did not record dissent on recommendations. Both the formal record and the concerns raised in the memoir underline the need for clear rules, not personalities, to govern the process.

Reform need not mean surrendering appointments to the government or reviving the NJAC in its invalidated form. It should mean published eligibility criteria, documented evaluation, consistent and reasoned resolutions, transparent complaint redressal, and a clear framework for transfers and timelines. Executive inputs on suitability and antecedents must not become a veto over judicial choice; equally, judicial primacy cannot be a licence for unexplained decisions.

The collegium's credibility will depend on whether it can institutionalise these safeguards. Independence is indispensable, but without accountability and consistency, it risks becoming an assertion of power rather than a guarantee of public confidence.

A win in Brazil that is a blessing for India

This is Luiz Inácio Lula da Silva's swan song, and the notes are going to reverberate in the Americas for some time. The 81-year-old incumbent, celebrating his birthday on October 27, ran a neck-and-neck electoral race with his much younger rival, Flávio Bolsonaro, and emerged victorious as Brazil's 39th president, upturning all predictions. Bolsonaro's crude joke invoking Lula's "nine fingers" allowed the latter to remind his country of its glaring inequalities: He lost a finger on a factory floor as a young man. Whether it was Lula's dignified response to the "posh guy" whose father, former president Jair Bolsonaro, attempted a coup in 2022 after his electoral loss, a dedicated social media blitz to reach out to younger voters; debt relief to young entrepreneurs, or the untested leadership of the right-wing opponent that effected the victory is moot. What is clear, however, is that Lula's fourth term at the helm has implications for all democracies in the world. It signals that the global wave of right-wing politics that not so long ago seemed inevitable may not really be so.

For India, Lula's re-election bodes well. New Delhi has close relations with its BRICS partner, and both nations have been on the receiving end of unilateral US tariffs. When the tariffs were imposed on India and Brazil in 2025, Lula's immediate outreach to PM Narendra Modi inspired confidence in multilateralism as an antidote to erratic superpower games. Lula's visit to India shortly afterwards gave cooperation between the two countries a fillip. New Delhi can depend on him for support in multilateral fora, and for its energy needs, given Brazil has the world's third-largest rare earth stocks.

Grant researchers funds and be patient with results

The Anusandhan National Research Foundation (ANRF) Act can be leveraged for this

Last month, China's principal science funder selected 44 young researchers (all under 35) and committed to funding them for up to 15 years with no short-term performance reviews. India should adopt a version of this, taking the sensible bits and leaving out the rest.

China's process does have some checks. The funding comes in five-year chunks, and only a proportion of the researchers carry on at the end of the five- and ten-year marks. The amounts increase with each funding block; so, most of the funding comes in at the end.

The best data on long-term grants comes from the US where a private foundation, Howard Hughes Medical Institute (HHMI), funds scientists for many years. When you compare the output of HHMI researchers with that of their peers in similar fields, you find that they produce almost double the number of papers in the top 1% by citations. They also have more "failures", as you would expect when tackling harder problems. HHMI is by no means a hands-off funder. Every few years, an external panel of experts examines each researcher's five best papers. Approximately one in six lose their funding at the first review and over one in four at the second. The experts look at the work as a whole, not as a tick-box list.

What happens over 15 years with no such reviews at all ought to be studied. China is currently running that experiment.

Long grants can go wrong in two ways, other than the factor of the scientist(s) involved. The first is what happens when the funding stops. A 2026 study of Japan's World Premier International Research Centres found that they outperformed their home universities while they were funded. After the funding stopped, the ones dependent on the university went right back down to the level of the average university. The rest, which had other sources of funding, continued to perform. So, a fellowship has to have a plan for exit.



Arindam Goswami

The second thing that matters is the level of interruption. When US labs are delayed in their renewal, they cut spending by about half. In 2022-23, India's new public R&D funding system — which sent unspent funds back to the government on March 31 — meant that many labs couldn't pay their staff.

A US survey found that longer grants only make scientists bolder if they feel secure about their jobs.

One has to ask two questions to work out which projects are suitable for a long grant. First, how quickly it can be known whether the project is succeeding. And second, what and how much is lost in the case of failure. For the vast majority of projects, a quick answer and little sunk cost is the right model for a standard three-year grant. A quick answer with a lot of sunk cost is the model for a programme with regular milestones (such as Advanced Research Projects Agency-Energy, or ARPA-E, in the US, whose directors have a quarterly review of progress). A slow answer with little sunk cost (maths, long field studies, etc.) is the domain of the long grant. A slow answer with a lot of sunk cost (big instruments etc.) is the type of scenario where you need an institution funded in stages, with a definite end date.

India's fellowship could last for seven years, be renewable once (after outside experts have read a fellow's five best pieces of work), and then taper off over a further two years. Seven years is long enough for the first cohort of PhD students to complete their research. India's longest individual award at the moment is five years.

The funds should be sufficient to run a decent group. For a lab scientist, around ₹9 crore over the first seven years, and around ₹3.5 crore for a theorist, would be adequate. That's in the ballpark of China's first chunk of funding (though it's worth noting that extra money buys progressively less research). The current early-career grant covers about a quarter of a lab's running costs. Fifty fellows a year would cost about ₹600 crore per year. Grants with a review point outperform those without, and doubling the funds every five years gives you about half the research per rupee as a flat grant. The release of funds is also important, adding around 15% to every design.

That last point is the most important. The Anusandhan National Research Foundation (ANRF) Act enables the board to establish special funds with their own financial rules. The ₹1,000-crore RDI Fund is an example of this, with its own rules that supersede the general rules. A fellowship fund could follow the same route: One sanction for the entire period, funds advanced to the host annually, unspent funds carried forward, and audits by sampling rather than a certificate being issued prior to every instalment.

The 2025 purchase-rules relaxation allows institute-heads to buy outside the government portal and to sanction large import tenders, but only for equipment and consumables. Computing and cloud services should be included in that.

Another worthwhile thing to do could be to have the selection process combine a panel and a lottery. A German foundation found that lottery winners were published as often as jury-picks, though its grants were small. Shortlisted candidates who are not drawn could form a comparison group.

India must also note that the US's DARPA is the wrong model to emulate. Their programme managers have very short terms, set the problem, and then cancel anything that doesn't hit milestones, which is fine for a fast-answer scenario. A fellowship requires a standing board of working scientists with fixed, staggered terms and no serving government secretary; the board must have published rules, too. Other countries have actually enshrined such independence in law. The UK ARIA Act makes it a duty to allow for failure and Germany's SPRIND may have a proportion of its funds set aside for flexible use. India already has the ANRF Act in place which can be used for this. Powering research needs careful strategising in this age of knowledge-led disruptions, and the country must ensure it follows the right roadmap.

Arindam Goswami is staff research analyst, High-Tech Geopolitics Programme, Takshashila Institution. The views expressed are personal



Powering research needs careful strategising in this age of knowledge-led disruptions, and India must ensure it follows the right roadmap. SHUTTERSTOCK

Ukraine, the global granary, needs safe Black Sea routes

Global food security is once again under growing pressure. Disruptions to maritime trade, grain supplies and energy flows affect prices, transport costs and livelihoods far beyond the countries directly involved.

Speaking at the Munich Leaders' Meeting in New Delhi earlier this month, India's external affairs minister Subrahmanyam Jaishankar said that India had moved "beyond advocacy" in its efforts to help bring an end to Russia's war against Ukraine. New Delhi, he said, is engaged in conversations with both Ukraine and Russia, beginning with the safety of shipping in the Black Sea.

This growing Indian engagement has been welcomed by Ukrainian foreign minister Andrii Sybiha, who described India's proposal as the most comprehensive of those under consideration.

At the European Parliament on September 16, the European Union's high representative for foreign affairs and security policy, Kaja Kallas underlined that "Ukraine and Russia should talk. All the others can be mediators or enablers, but they have to talk to each other." In the most recent statement at the UN Security Council on September 23, Kallas added, "Russia must stop its aggression, accept a ceasefire, and engage meaningfully in negotiations towards a comprehensive just and lasting peace in accordance with international law". Russia's war of aggression against Ukraine has a global impact.



Jean-Eric Paquet



Oleksandr Polishchuk

The security of the Black Sea is inseparable from global food security. Against this backdrop, Ukraine has clearly articulated its position on a ceasefire.

Long known as one of the world's breadbaskets, Ukraine remains a major agricultural exporter. Before Russia's full-scale invasion, Ukraine annually produced enough food to feed around 400 million people. Despite the war, Ukrainian farmers continue to cultivate their land and supply international markets.

Getting that food to consumers has become increasingly difficult. Russia has repeatedly targeted Ukraine's ports, grain storage facilities, transport infrastructure and civilian shipping. Since the full-scale invasion began, 1,166 port infrastructure facilities have been damaged or partially destroyed and 268 civilian vessels damaged, according to Ukrainian government figures.

Ukraine's main Black Sea ports have traditionally handled around 90% of its agricultural exports. Following the sharp deterioration in security since July 22 this year, their average daily cargo handling fell from approximately 215,300 tonnes to around 14,000 tonnes by the end of August.

For the 2026-27 marketing year, Ukraine expects to produce around 81 million tonnes of grain and oilseeds, of which approximately 64.4 million tonnes will need to be exported. Prolonged disruption would put additional pressure on global supply chains, particularly in food-importing countries across Asia, Africa and West Asia.

Minister Jaishankar has already drawn attention to this danger. Speaking recently in New York, he warned that major grain exporters could face difficulties sending out shipments, particularly through the Black Sea, and that the world could face a major food crisis in the coming months.

The European Union is, therefore, continuing practical efforts to keep Ukrainian agricultural products moving. Since May 2022, the EU-Ukraine Solidarity Lanes have provided a critical alternative export route. The EU is also supporting additional grain storage, financial solutions for Ukrainian farmers and more efficient cross-border transport.

But alternative corridors cannot replace safe navigation in the Black Sea. The Danube ports, railways, roads and border crossings remain essential, but face limitations in capacity, cost and access to global markets.

Russia has also intensified attacks on Ukraine's railways, vital for alternative export routes. Since the full-scale invasion began, Ukrainian railway infrastructure has been targeted in more than 6,000 attacks, including 1,593 in 2026 alone. When farmers cannot sell today's production, they also have fewer resources to finance the next harvest.

At the same time, Ukraine continues to contribute directly to global food security. The Grain from Ukraine programme, subsequently expanded into Food from Ukraine, has mobilised more than $397 million and delivered over 330,000 tonnes of food to people in need across 20 destinations. It is now developing longer-term partnerships based on Ukrainian agricultural expertise and technologies.

A Black Sea arrangement protecting commercial shipping, ports and energy infrastructure could bring benefits far beyond the region. It could help stabilise agricultural exports, reduce risks to commercial shipping and ease pressure on countries that depend heavily on imported food.

Ukraine and the European Union will continue working to maintain export routes and strengthen alternative corridors. But these measures cannot substitute for safe navigation in the Black Sea.

Ships must be able to sail safely, ports must be able to operate, and food must reach those who need it.

India has consistently emphasised the impact that disruptions to food, fertiliser, energy and other essential supplies have on the Global South. Its more active engagement with both Ukraine and Russia therefore carries particular weight.

LONG KNOWN AS ONE OF THE WORLD'S BREADBASKETS, UKRAINE REMAINS A MAJOR AGRICULTURAL EXPORTER. BEFORE RUSSIA'S INVASION, UKRAINE ANNUALLY PRODUCED ENOUGH FOOD TO FEED AROUND 400 MILLION PEOPLE. UKRAINE CONTINUES TO CONTRIBUTE DIRECTLY TO GLOBAL FOOD SECURITY

Jean-Eric Paquet is ambassador of the European Union to India and Oleksandr Polishchuk is ambassador of Ukraine to India. The views expressed are personal



India should account for what it owns and owes

Every February, the most scrutinised number in Indian public finance is the fiscal deficit. It captures the gap between cash coming in and cash going out, but says far less about what governments own, owe, and what today's decisions will cost tomorrow. Government accounting in India, at both the Union and state levels, remains largely cash-based. Transactions are recorded when cash moves rather than when the underlying obligation arises. That suited a State focused on controlling disbursement, but not so much one whose biggest fiscal risks sit outside cash flow: assets it must maintain, debt it has guaranteed, and pensions it has promised.

Cash accounting has two blind spots.

The first is obligations. Costs can be pushed into the future. Oil bonds are the clearest example. Between 2005 and 2009, the government issued securities worth roughly ₹1.4 lakh crore to oil marketing companies in place of cash subsidies for fuel sold below cost. The cost was incurred then, but because no cash moved, it was treated as fiscal-deficit neutral, despite incurring a liability. Only interest surfaced as expenditure; redemption was treated as debt repayment. Accrual accounting would instead have booked the expense when the government became liable and shown the decline in net worth. An obligation should become visible when incurred, not only when paid.



Mitul Jhaveri

Pensions show the same problem over a longer horizon. A government returning to the old pension scheme stops making contributions, improving its immediate cash position while assuming a much larger future liability. RBI economists estimate that reverting could eventually cost four and a half times the NPS burden. Under accrual reporting, the pension cost attributable to each year of service would be charged to that year's accounts.

The second blind spot is assets. Cash accounting shows spending on new assets more clearly than what happens to those governments already own. A road, bridge, or hospital may deteriorate for years without generating an expense comparable to depreciation, while building a replacement produces visible capital expenditure. The National Monetization Pipeline has pushed identification and valuation, but that is not the same as accounting for an asset. It also affects access to capital. A city entering the bond market must show investors what it owns, owes, and has committed. Two decades after the National Municipal Accounts Manual prescribed accrual accounting for urban local bodies, a 2023 NITI Aayog and ICAI study found more than half still on cash.

The Government Accounting Standards Advisory Board (GASAB) drafted accrual-basis standards, the Indian Government Financial Reporting Standards, but they remain recommendatory. Much of the architecture exists; the question is implementation. The municipal record warns against treating notification as reform. Where the switch was attempted, auditors found missing or outdated asset registers, nominal valuations, parallel manual books, accounts in arrears, and statements certified rather than audited. The constraint is capacity.

Accrual accounting requires judgment about when an obligation arises, what an asset is worth, and how its value is consumed, applied consistently and defensibly. Valuation and depreciation methods must be settled before they are mandated. Accounting capability within Union and state finance and accounts services must be built through recruitment and specialised training.

International practice removes one objection: Accrual reporting need not replace cash budgeting. By 2016, roughly three-quarters of OECD governments prepared year-end financial reports on an accrual basis, but only a little over a quarter set their budgets that way. Most continued to vote for cash appropriations while publishing accrual accounts.

India should follow that route in four steps. First, set the implementation architecture: notify the roadmap, valuation and depreciation methodologies, responsibilities, and required system changes. Second, build capability through recruitment, training, Public Finance Management System and state Integrated Financial Management Information System upgrades, and reconciliation of opening balances and asset registers. At the same time, consolidate liabilities, guarantees, arrears, pension obligations, and significant payables into a supplementary budget statement; much of this already sits in FRBM disclosures. Third, notify accrual standards in sequence, beginning with major asset classes, employee obligations, payables, and areas where reliable measurement is feasible. Apply them first to entities whose systems can support them. Fourth, publish a consolidated accrual-based statement alongside the Finance Accounts, initially as supplementary information and eventually under audit. Once systems and standards have matured, the accrual framework should ultimately be prescribed as part of the form of Union and state accounts under Article 150 of the Constitution.

Cash budgeting would remain. The fiscal deficit would remain. What changes is that the State must say whether its decisions added to or depleted public net worth.

Mitul Jhaveri is a public policy and GovTech professional. The views expressed are personal

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TIMES BUSINESS

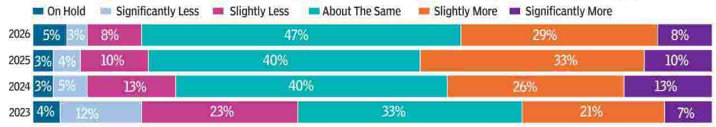
THE TIMES OF INDIA, NEW DELHI | TUESDAY, OCTOBER 27, 2026

Capital Deployment Intent Steady, Distributions A Constraint: Survey

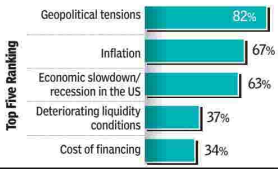
Limited partners (LPs) are keeping their private markets commitments but changing how they build them, according to a new survey. Over one-third of LPs (37%) expect to deploy more capital than last year, and close to half (47%) plan to hold their pace; only 11% expect to deploy less. The constraint is liquidity: lack of distributions is the most-cited factor shaping deployment plans, named by 35% of LPs

Source: Goldman Sachs Alternatives' 2026 Global Alternatives Survey

What are your expected overall capital deployment plans compared to last year? Respondents (%)



What do you believe are the greatest investment risks today?



TaMo's Iveco takeover bid clears 80% threshold

Paves Way For Full Ownership, Delisting

Reeba.Zachariah
@timesofindia.com

REVISED OFFER VALUED AT €3.9BN

- **On July 30, 2025, Tata Motors and Iveco announced reaching an agreement** to create a commercial vehicles group through all-cash voluntary tender offer for Iveco common shares
- **At €14.1 per share,** the offer represented a total consideration of about Rs 41,363 crores (€3.8 billion) as of Sept 30, 2026, for Iveco, excluding the latter's defence business and net proceeds from the defence business separation
- **On Oct 9, 2026, the offer price was revised from €14.1 per share to €14.4 per share** resulting in a revised maximum offer value of about ₹42,561 crores (€3.9 billion)

Mumbai: Tata Motors'€3.9 billion (Rs 42,561 crore) acquisition of Italian commercial vehicle maker Iveco has cleared a key acceptance threshold, paving the way for the Indian group to take full ownership of the company and delist it within months. The offer secured acceptances representing 87.8% of Iveco's shares by the close of the tender period on Monday, comfortably exceeding the 80% threshold required to trigger a pre-arranged Dutch statutory squeeze-out mechanism.

The transaction is the largest deal under Tata Group chairman N Chandrasekaran. Acceptances had stood at 35% as of Oct 22. Having crossed the 80% threshold, Tata Motors can now move to acquire the remaining shares and take Iveco private, with the delisting expected to be completed within one to two months. The offer for Iveco shareholders opened on Sept 4 and closed on Monday. Tata Motors increased its offer price on Oct 9 to €14.40 a share from €14.10, raising the maximum value of the transaction to €3.91 billion. The company had originally announced the acquisition of Iveco's commercial vehicle business on July 30, 2025, in a deal valued at €3.8 billion (Rs 41,363 crore).

A decisive step came on Oct 16, when Iveco shareholders approved a "back-end resolution" at an extraordinary general meeting, reducing the acceptance threshold required for the squeeze-out process from 95% to 80%.

Noel challenges Chandrasekaran's reappointment

Mumbai: Tata Trusts chairman **Noel Tata** on Monday challenged the resolution to reappoint N Chandrasekaran as the chairman of Tata Sons, which was passed at the Sept 17 board meeting of the holding company of the country's largest conglomerate.



Noel Tata wrote to Tata Sons' company secretary Suprakash Mukhopadhyay on Monday, challenging the resolution for the reappointment of Chandrasekaran beyond Feb 2027 as well, which brought the ruptures inside the over-century-old conglomerate's board out in the open.

Sources privy to the development said Noel has termed the reappointment for five years as void, basing his argument on a slew of factors, including notice and the agenda for the meeting.

Noel contended that the reappointment was taken out of turn and it was not on the agenda at all for the meeting, the sources said, adding that it was limited to a debriefing from the nomination and remuneration committee.

Emails sent to Tata Sons and Tata Trusts seeking comments on the matter did not elicit an immediate response.

Noel, who heads Tata Trusts that own two-thirds of Tata Sons, had opposed Chandrasekaran's reappointment when it had been put to vote. Venu Srinivasan, the second of Tata Trusts' directors on the board of Tata Sons, sided with the majority in favour of the reappointment. AGENCIES

Anthropic files IPO, could be biggest ever

Likely To Surpass SpaceX's $86Bn Raise; Co Flags Threat To Humanity From AI Models

ANTHROPIC REPORTS $80.7BN LOSS

- The filing sets up Anthropic for a **Wall Street debut next month**
- The company, valued earlier this year at $965 billion, is reportedly set to see that **value rise to $1.5 trillion or possibly $2 trillion**
- The powerhouse behind the chatbot Claude reported **a net loss of $80.7 billion in the first half of 2026.** That compares to a loss of $13 billion in the same period a year earlier

San Francisco: Artificial intelligence giant Anthropic filed papers Monday for what could be the biggest initial public offering of stock ever even as its top executive warns that advanced AI could pose an existential threat to humanity.

The filing sets up the San Francisco company for a Wall Street debut next month, potentially eclipsing SpaceX IPO in June that raised a record $86 billion. An Anthropic IPO would also put the company ahead of OpenAI in going public in what is expected to be a pair of blockbuster stock debuts for the rival AI labs.

The filing comes weeks after CEO Dario Amodei argued in an essay for slowing the development of the most advanced AI models. An IPO could provide Anthropic with enormous resources to accelerate its expansion. The amount the company ultimately raises remains uncertain, as do its final valuation and offering price, but even at lower estimates, it would turn the five-year-old startup into one of the world's most valuable companies and potentially boost the wealth of Amodei and his sister and co-founder, Daniela, by billions of dollars.

The 335-page document showed Anthropic's revenue is growing rapidly, but like many other tech companies going public, it has yet to turn a profit. The company behind the chatbot Claude reported a net loss of $80.7 billion in the first half of 2026. That compares to a loss of $13 billion in the same period a year earlier.

Despite the losses, Anthropic, valued earlier this year at $965 billion by private investors, is reportedly set to see that value rise to $1.5 trillion or possibly $2 trillion, although its final valuation has not been established. At $1.5 trillion, Anthropic would rank among the world's most valuable public companies, alongside Tesla.

As for money raised, the offering could bring in as much as $100 billion, according to reports, surpassing the current record set by another one of Musk's companies, SpaceX, earlier this year. Anthropic, meanwhile, emphasised the potential for its AI to "behave in unintended, misaligned, or autonomous ways" in the filing. If its technologies are not developed with adequate safeguards and oversight, it could "pose catastrophic or existential risks to humanity, particularly if such systems were misused, replicated, weaponized, or allowed to operate with a high degree of autonomy." AP/BLOOMBERG

Meta seeks up to $95bn in equity

Meta Platforms Inc is seeking to raise as much as $95 billion from selling common and preferred stock, supporting its development in AI with one of the largest equity offerings in history. The company is offering about $35 billion of common and preferred stock, according to a statement Monday. It also plans to raise as much as $60 billion in an at-the-market share sale programme, which allows companies to sell shares in the open market from time to time. The ATM will consist of its planned Class C non-voting shares. BLOOMBERG

Microsoft makes exit offers to 60k staff

Microsoft is offering voluntary buyouts to about 60,000 employees, the company said on Monday, roughly a quarter of its workforce, as the tech giant seeks to cut costs while pouring money into AI. Staff on select teams in United States, Canada, India and Britain at vice president level and below will be eligible, a Microsoft spokesperson said, while some groups of employees, including some working on data centres, sales and marketing, are excluded. In April, the company reportedly offered around 7% of its US workforce the option to retire early. AFP

Paytm net profit rises over 10-fold to ₹225cr in Q2

New Delhi: One 97 Communications, the parent company that operates the brand Paytm, reported an over 10-fold rise in profit after tax to Rs 225 crore in the Sept quarter (Q2 FY27), from Rs 21 crore a year ago, on a reported basis, marking its sixth consecutive profitable quarter. Operating revenue rose 28% YoY to Rs 2,648 crore, driven by sustained momentum across merchant and consumer businesses, expanded monetisation and AI adoption. AGENCIES

Insurance benefit for cargo extended

New Delhi: Govt has extened the facility to provide up to 95% risk coverage for shipments under Resilience & Logistics Intervention for Export Facilitation or relief **until March 2027.** The extension has been given in view of continued geopolitical disruptions in West Asia and impact on maritime logistics across the Gulf. TNN

Come clean on UAE assets, taxpayers told

New Delhi: Having received disclosures from 1,100 taxpayers with undisclosed overseas income and assets, the I-T department has nudged select taxpayers with investments in residential and commercial property in the UAE to come clean. The move offers one-time opportunity to disclose foreign assets and income. TNN

ITC Hotels Q2 profit jumps 52% to ₹203cr

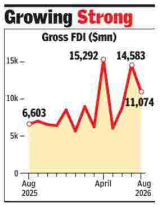
New Delhi: ITC Hotels Monday reported a 52% increase in Sept quarter net profit to Rs 203 crore, with revenue rising 26% to Rs 1,054 crore. "The company registered a milestone second quarter, with consolidated income crossing Rs 1,100 crore, underpinned by growth across rooms, food and beverage and management fees," ITC Hotels said in a statement. TNN

FDI inflows up 68% in Aug, seen topping $100bn in FY27

TIMES NEWS NETWORK

Growing Strong

Gross FDI ($mn)



New Delhi: Foreign direct investment has made a strong comeback with inflows rising 67.7% to $11 billion in Aug, while net inflows — after factoring in outward FDI and remittances — were pegged at $3.3 billion as against net outflows of $103 million in Aug 2025.

Based on the current trend of over $55 billion FDI inflows, on a gross basis, during April-Aug, govt officials are confident of India topping the $100-billion mark during the current financial year, a first for the country. Net inflows during the first five months of the fiscal were estimated at $19 billion during April-Aug, 68% higher than a year ago, according to the latest data released by the Reserve Bank of India. During April-Sept 2026, FDI flows in China (based on actual use) added up to Yuan 548.8 billion ($82.2 billion), which was a decline of 4.3%, according to a Chinese media report.

In India, FDI through the equity investment route shot up 87.5% during the month to nearly $7.5 billion, while reinvested earnings were flat at just under $2.2 billion. On the outflows side, repatriation was also 26% higher at $5.8 billion. There was an 11% fall in outward FDI to $1.9 billion, according to the latest data.

Govt has been seeking to boost FDI inflows and has been less bothered about outward FDI with policymakers arguing that it also reflects the growing global footprint of Indian companies, which are seeking to be part of the global value chain.

A large part of the FDI intentions announced are related to data centres, some of which have started flowing. While latest disaggregated data is unavailable, during the first quarter, services accounted for 36% of the inflows, followed by 14% in computer hardware and software.

WTW exec's sacking was wrongful, rules court in B'luru

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Bengaluru: A Bengaluru court has ruled that the termination of former Willis Towers Watson (WTW) executive Naveen Kumar Midha was wrongful and unlawful, awarding him Rs 3.6 crore in damages and Rs 10 lakh for mental agony, anguish and harassment. The LXIX Additional City Civil and Sessions Court also directed WTW-related entities to issue Midha a fresh, professionally worded relieving letter and remove adverse remarks about his conduct and integrity from his employment records.

AWARDS ₹3.6CR

Midha had alleged that he was dismissed in September 2018 after raising concerns about financial irregularities and unethical practices at the company. He also accused senior executives of making defamatory statements that damaged his professional reputation. The court partly decreed his suit, holding that the termination by Willis Towers Watson India Insurance Brokers was wrongful.

It directed four corporate defendants — the Indian insurance broking company, Willis Europe, Willis Towers Watson and Willis Towers Watson India — to jointly pay Rs 3.6 crore in special damages within 30 days. The court also awarded Rs 10 lakh in compensation for mental agony and harassment.

Expect rates to increase by 50bps in Dec: SBI chief

TIMES NEWS NETWORK

Mumbai: State Bank of India expects interest rates to rise by 50 basis points in Dec, with chairman C S Setty saying higher rates could affect discretionary consumption credit demand but were unlikely to significantly dent overall credit growth given a 7.1% growth forecast for the economy.

"Interest rates will influence the composition and quantum of credit demand, not immediately," Setty said at the Business Standard BFSI Summit. "We need to distinguish between weakening of demand and moderation of credit growth. We are coming from a phase of robust growth in credit. While discretionary consumption demand could be affected, I do not think credit for productive activities will be impacted," he said.

Setty said he did not expect system-wide concerns over credit quality, although individual borrowers could face stress from higher interest rates.

On deposits, Setty said household savings were undergoing a structural shift, with households increasingly practising asset allocation, even if they were not fully conscious of it. "There is only so much that rates can propel you in deposit mobilisation. What matters is service quality," he said, adding that the ease of moving funds from savings accounts to term deposits had improved significantly.

"The liquidity RBI has been providing and the FCNR flows will ensure that there is no rate-driven competition for deposits," he said, adding that market movements could trigger some shifts in household savings.

Re breaches 95 levels, down 25p

Mumbai: The rupee fell for a third straight session on Monday, breaching the 95-per-dollar mark to close at 95.19, down 25 paise from Friday's close of 94.94. Weaker Asian currencies, rising domestic bond yields, higher oil prices and continued foreign outflows weighed on the currency. TNN

Hyundai looks beyond Creta, drives in Bayon

TIMES NEWS NETWORK

New Delhi: Hyundai Motor India is widening its SUV offering beyond Creta as competition intensifies, targeting combined annual sales of 2.5 lakh units from its bestselling model and the newly-launched Bayon from 2027.

Hyundai Motor India MD Tarun Garg said the company sees room for both vehicles, with different features and powertrain choices helping attract distinct sets of buyers. "The whole idea is that there is enough space in the market and also new and new customer segments are emerging," Garg said. The push comes as rivals build broader portfolios. Creta remained the bestselling individual midsize utility vehicle during Jan-Sept 2026, with over 1.4 lakh units, while Maruti Suzuki's Grand Vitara and Victoris together sold 1.7 lakh units.

Hyundai is positioning Bayon around technology adoption, while drawing on Creta's established brand appeal and loyal customers. Bayon will offer petrol and, from Jan 2027, CNG options.

PM: Banking to become more dependable in next decade

TIMES NEWS NETWORK



New Delhi: Having focused on providing access to banking to everyone over the last 10 years, Prime Minister Narendra Modi has said that coming decade will focus on making it more efficient and dependable, for which cybersecurity must play a critical role.

"If we are to keep the banking system secure, its digital infrastructure must also remain protected. For this reason, we require robust data centres and empowered computing systems. We all understand that modern warfare is not waged solely with weapons. Weakening a country can also be attempted by striking at its economy. As India gains financial strength, safeguarding our banking system against cyber criminals and cyber terrorists is equally imperative. The nature of cyber threats is evolving today. We cannot counter such emerging challenges using outdated systems, obsolete training modules or legacy tools. This necessitates modern infrastructure alongside skilled human resources. It is precisely here that the role of this new Cybersecurity Training Institute becomes critically important," he said after inaugurating RBI facilities in Bhubaneswar on Sunday.

The comments come days after SBI acknowledged a data security incident. Several other banks have also faced threats in recent months and there are several incidents of customers being duped.

In his address, PM said his govt had cleaned up Indian banks and ended the era of "phone banking". "Today, India's banking sector stands among the strongest in the world. Earlier, through phone banking, only those with access to a privileged family in Delhi benefited. Today, through digital banking, every household across the nation has become a beneficiary."

Recalling former PM Rajiv Gandhi's comment in Odisha of only 15 paise out of the Re 1 released reaching the people, Modi said: "That was one era, and this is today. Today, when one rupee leaves Delhi, the entire one rupee reaches the bank account of every beneficiary. As Nirmala ji (finance minister Nirmala Sitharaman) mentioned just now, this has been made possible solely because of the approximately 59 to 60 crore Jan Dhan accounts opened in the country."

He said that today small entrepreneurs, artisans and street vendors and had access to loans and citizens had access to credit and debit cards, thanks to the efforts of those working in the sector, including RBI.

Blackstone's GCC in Bengaluru anchors fresh $50bn India plan

Shilpa Phadnis &
Sujit John | TNN

Bengaluru: Blackstone has launched a global capability centre (GCC) in Bengaluru, its first outside the US, underscoring India's growing importance to the investment firm's global operations. The move comes as the firm looks to double its India investments to $100 billion over the next five years from about $51 billion to date.

Blackstone vice-chairman and CFO Michael Chae said the Bengaluru team would be closely integrated with the firm's global operations and support functions spanning finance, technology, human resources, legal and compliance.

"We have about 170 employees in India, of whom around 90 are in Mumbai, our headquarters. We have been running our investment operations in Mumbai very successfully for two decades now. Bengaluru currently has about 80 employees, and that team will grow, as will our Mumbai team. They will work closely with our teams around the world to help drive our operations globally," Chae said.

The centre is not intended to function as a standalone unit. Its expansion reflects the firm's growing operational needs as Blackstone's assets under management have quadrupled over the past decade to nearly $1.4 trillion.

The Bengaluru GCC is led by Susan Yung, senior MD in credit and insurance investment operations. Yung previously worked in India and was managing director at Goldman Sachs' captive centre in Bengaluru. Blackstone has also hired senior leaders across key functions, including engineering, which will work with the firm's global chief technology officer.

The Bengaluru team is expected to grow to 100 or more by the end of the year, Chae said.

> We don't see AI as some existential negative for IT services companies. Like most businesses, there's an opportunity to get ahead of the risk of disruption and enable their own tools and services
>
> "We have about 170 employees in India, of whom around 90 are in Mumbai.....Bengaluru currently has about 80 employees, and that team will grow, as will our Mumbai team
>
> **Michael Chae** | VICE-CHAIRMAN AND CFO, BLACKSTONE



Biz require simpler procedures, greater freedom in Europe: Goyal

Atul.Mathur@timesofindia.com

Hague: Highlighting the growing regulatory burden in Europe, commerce and industry minister Piyush Goyal Monday said businesses wanted greater freedom, simpler procedures and less paperwork, while urging Dutch companies to deepen their engagement with India and tap opportunities in its expanding economy.



Goyal said he had repeatedly raised the issue and that businesses had privately told him he should have spoken more on it.

"The world wants deregulation. The world wants more freedom. The business world is looking for less compliance burden, simpler processes, simpler procedures, less paperwork," Goyal said at the India-Netherlands Business Forum.

The remarks came days after Goyal said at the Berlin Global Dialogue that the EU's Carbon Border Adjustment Mechanism (CBAM) could hurt European industries. Dutch foreign trade and development cooperation minister Sjoerd Sjoerdsma, however, emphasised the need for regulations, while adding that the EU was trying to simplify them.

"The European Commission is currently implementing an agenda of deregulation. At the same time, certain rules and regulations are crucial to protecting consumers in the European Union, whether it comes to climate, product quality or product safety. These rules very much benefit consumers in the European market, and of course, we should retain them," Sjoerdsma said.

Sjoerdsma also ruled out renegotiating CBAM, saying he viewed it as a necessary measure to ensure countries adhered to the goals of the Paris climate agreement.

At the forum, Goyal pitched India as a major investment destination, citing its expanding infrastructure, young workforce, growing consumer market and access to clean energy.

Highlighting the potential in emerging sectors, Goyal said India's expanding power capacity and growing share of clean energy would create opportunities for data centres and other energy-intensive industries, potentially attracting around $200 billion in investments in the sector over the coming years.



A thought for today

By far, the greatest danger of AI is that people conclude too early that they understand it

ELIEZER YUDKOWSKY

Economy, Not Ideology

When populists and autocrats lose, is the vote on political theory or economic reality?

There's a view, supported by research, that democracy is in danger. Per Sweden's V-Dem Institute, the average person has about the same democratic freedoms now as in 1978. So, it's tempting to read election results from Brazil and Serbia as an endorsement of democracy. In Brazil, voters narrowly denied Flavio Bolsonaro, a candidate with undisguised authoritarian tendencies, and gave Lula another term. In Serbia, they roundly defeated strongman Aleksandar Vucic. The Serbian result has got outsized attention – it's a country of just 65L people and $112bn GDP – because the winning side is a student protest movement, fronted by academics, doctors, etc. Yet, this may not be the democratic revival many are hoping for.



Rather, as Harvard Prof Steven Levitsky pointed out in 2024, such results could chiefly be anti-incumbency. Even Lula in Brazil lost the first round to Bolsonaro, before staging a spirited fightback. The trend has been clear since 2020, when Covid, and economic disruption, led govts to adopt easy-money policies. The resultant inflation worked for billionaires, but left the middle class, and everyone below, worse off. Levitsky noted that citizen distrust and discontent were running high, and in 41 of 55 polls between 2020 and 2024, the incumbent lost: "almost certainly a product of and part of Covid inflation".

Were young Serbians, who campaigned against Vucic for two years, fighting for an ideology or their economic future? We've seen how Labour won a landslide in UK, only to become unpopular within months. In Germany, Social Democrats aren't in a happy place either. Or look at US, which ousted Trump, a populist, for Biden, only to vote him back four years later. And now, with US midterms scheduled for Nov 3, it looks like Americans will pounce on the chance to clip Trump's wings in Congress. Why? Because, far from addressing their cost-of-living crisis, as he promised, he's worsened their economic pain with the war on Iran.

Israel, another test case for democracy, votes today. And while polls don't show Netanyahu winning outright, whoever wins is unlikely to go soft on Palestinians. In fact, young Israelis, first-time voters, don't appear to have much sympathy for Gazans either. What they are weary of is endless war and psychological hardship. And corruption. People everywhere are asking elected leaders, "What have you done for us, for our future?" And incumbents are losing because they usually don't have a convincing answer.

Air Forceful

IAF did a fine job during Op Sindoor. But it needs to plug critical capability gaps

The grand air show over the weekend by IAF to mark its 94th anniversary, involved nearly 100 aircraft from 12 bases, befitting the force's air prowess. Given the evolving nature of warfare, and IAF's superlative performance during Op Sindoor, the importance of the air force stands accentuated. This is precisely why any gaps in maintaining IAF's air superiority must be addressed forthwith. IAF's dwindling number of fighter squadrons – currently at 29 from a sanctioned strength of 42 – is a cause for concern. With older platforms like MiGs and Jaguars retiring, it's imperative that fresh fighters are inducted. Disappointingly though, the induction of the Tejas MK-1A has been hugely delayed. For example, despite defence ministry sealing a ₹48,000cr deal for procurement of 83 Tejas MK-1A jets in 2021, not a single aircraft has been delivered by HAL to date. This delay in production and induction needs to be fixed immediately, and GOI must pull up HAL.



Second, Pakistan is collaborating with China on a fifth-generation fighter, presenting a formidable strategic challenge. Hence, India's own AMCA fifth-generation fighter programme must be expedited at breakneck speed. There are other technical gaps too – IAF's air-to-ground arsenal is formidable. But China – and by extension Pakistan – likely have better air-to-air capabilities. Add to this China's growing constellation of military satellites to aid an informationalised air force, and IAF has no choice but to catch up quickly.

Third, IAF is betting big on the MRFA programme to procure 114 Rafale fighters. GOI cleared the proposal in Feb, but things are still stuck in the price and technical negotiations stage with France. Govt must clear all bottlenecks and ink the deal within this financial year. With China now having 66-plus fighter squadrons, and the China-Pakistan collusive threat growing stronger, IAF must be given all the resources it needs. Simultaneously, mastering fundamentals like developing our own jet engine must be accelerated to boost indigenisation goals. So, happy birthday, IAF. But GOI must get all stakeholders, including HAL, to up their game.

It's Alimentary

Corporator Krishnappa needs a costly cure

Anil Abraham



All these festivals are giving me a headache. Patients eat too much and then land up in my clinic with complicated colonic complaints. Our area corporator Krishnappa entered my chamber with a dramatic sigh. 'My stomach is upset Doc, but please don't start telling me that I should be careful about what I eat.' He always takes anticipatory bail before embarking on any protest. Then he continued ranting non-stop about his digestion, his acidity, and his bowel movements. Alimentary my dear Krishnappa, I began, as I solved the Mystery of the Confused Colon. He looked guiltily at my wife's Dussehra Doll arrangement, before confessing that he had visited every house in the neighbourhood, and had indulged in everything being offered during the festival season.

As I began writing a prescription, Krishnappa began his second complaint. 'Medicines are so expensive nowadays, can you write something cheap?' I nodded like a Thanjavur Thalaiyatti Bommai – the famous doll that shakes its head for everything. Strict diet, adequate sleep, regular exercise, and plenty of water. I wrote down this list in the clear cursive that makes doctors' handwriting easy to decipher. Krishnappa was not pleased. It meant taking accountability for his actions, and like Indian politicians, this was something he hated to do.



I maintained a stoic expression, like the famous wooden Channapatna Gombe with a GI tag. I explained how his GI problems were inextricably linked to what he ate. And that drugs would only help if there was lifestyle change. Prevention is not only better than cure, it is also considerably cheaper. All drugs, including essential drugs, are becoming costlier. There is no sugar coating for this bitter pill.

The Supreme Court having called it extortion and daylight robbery, I picked up a Russian Matryoshka doll to explain this, twisting off layers to reveal smaller and smaller dolls inside: the consumer gets to pay the bigger price, but inside are the hidden costs, of commissions to the retailer, extra charges from the hospital, and the already inflated profit margin of Big Pharma. Krishnappa found these facts difficult to digest, and huffed off, leaving me with my headache increased ten-fold. Maybe we need to line up this modern Ravan of medical costs, with the cockroach effigy, at Ramlila Maidan next year. Cap the cost of the capsule!

What Might Bust The AI Bubble

Data centres are running on credit. Revenues and circular deals, between AI firms & hardware suppliers, don't inspire confidence. But AI tech has a future, and some windfalls, possibly, for countries like India

Arindam Goswami



Is the AI boom a bubble? More analysts now say yes, but the questions we should be asking are, how will it end, and who will be hurt. Research, including a Takshashila Institution paper on the AI investment cycle, increasingly shows that a bust would most likely begin in the credit market. How badly it hurts would depend on whether the credit squeeze arrives along with weak revenue, capability diffusion, and slowing progress in the models, because lenders track these.

Spending continues meanwhile because, for a large tech firm, falling behind rivals is a bigger risk than spending too much. Companies can call the boom overheated and keep investing, and that is not irrational. Especially when a part of the demand for AI hardware is being financed by its suppliers.

For example, in 2025, chip maker Nvidia announced that it would invest up to $100bn in OpenAI, which would, in turn, deploy Nvidia systems. That didn't happen, but months later, Nvidia's chief executive said it would take a $30bn stake in OpenAI.

The problem with such circular deals is that when a supplier funds its own customer, the resulting revenue cannot always justify the spending. Analysts have since noted that cloud companies book upward revaluations of their stakes in AI labs as income, which lifts their reported earnings.

So, cash flows at the large cloud companies – the main reason to anticipate a bust – are not as convincing anymore. Only one of the five largest companies now generates surplus cash, so bonds and leases are paying for more of the buildout.

Historically, bubbles have ended when liquidity tightens, and prices can fall even before earnings do. So, a credit squeeze is the likeliest trigger for a bust. When banks and bond investors stop lending, or lend only at much higher interest rates, companies relying on borrowed money could be hit. A trigger, however, is not the same as a hard crash. Big tech stocks fell when interest rates rose in 2022, and then recovered, because revenue kept growing.

For a hard crash to happen, several labs would have to fail, and funding markets would have to stay weak for years. That needs more than a credit shock. Revenue would have to fall short, and the models would have to improve slowly enough to weaken the case for new funding rounds.

One group with a high exposure to credit includes labs funded mainly by outside money, and GPU rental companies carrying heavy debt, which depend on refinancing. They can fail when credit tightens, even if revenue is fine.



Image: AI

If a squeeze happens, failures will likely be concentrated in this group. Stock markets built around chip makers, such as South Korea and Taiwan, would come next, followed by construction and power projects tied to data centres. But for the crash to become widespread, slow adoption of AI could be key, as it could lead to a revenue miss even while the models keep improving.

Although the use of AI tools has increased rapidly, measured productivity has not. Economists who looked at earlier general-purpose technologies, including a 2017 NBER paper on AI, found that it was only after companies had redesigned their workflows – which can take years – that gains were achieved. Since revenue is based on these redesigned workflows, its growth can't be predicted.

That said, in case of a crash, the AI infra itself won't be a write-off. British railways of 1840s, and the fibre laid in 1990s, outlasted the investors who paid for them, though not every asset has the same longevity. A GPU is replaced within a few product generations, so chips will lose value fast. Data centre buildings and power infra will last longer, and so, probably, will the open-weight models, which anyone can download and use. Post-crash, buyers of distressed capacity will get compute cheaply, and most of the value will go to the users.

India's situation is unusual as it's mostly outside the AI supply chain and receives only a small amount of the investment, yet its back-office services can be automated. Most of India's spending on AI is devoted to applications, so a downturn would not result in serious direct losses. Indirect exposure, however, is greater: IT services companies obtain a large part of their income from US clients whose budgets are linked to US profits and share prices, and a correction in the US market would severely affect them.

Policy should follow from this. Public money for compute is better spent on inference capacity, which means running trained models for users, and it is better timed for after prices fall, since leasing then would cost less than buying at the peak.

Govt AI contracts should require data portability and more than one vendor, because some of today's suppliers will not exist in their present form after a bust. Funding the adaptation of open-weight models to Indian languages, sectors and use cases can give returns that do not depend on which labs survive.

A bust, if it comes, will be a financial event first. The tech will remain, and it will get cheaper. India should work around these assumptions.

The writer is with the High-Tech Geopolitics Programme, Takshashila Institution

Cut & Snip: Docs' Surgical Move On A Movie

IMA wants a movie reviewed that shows hospital corruption & docs under attack. But, censorship won't address patients' grievances. Plus, claims that screen violence impacts real-life violence are contested

Chandrakant Lahariya



Bollywood films have an ability to upset govts, and quasi-political, social or professional bodies and outfits, even before reaching cinemas. The latest controversy is Sunny Deol's forthcoming movie. It has upset IMA (Indian Medical Association) that represents a substantial section of country's medical professionals. IMA wants official scrutiny of Deol's movie, and, if warranted, a ban.

Its concern stems from a teaser reportedly depicting medical corruption, and violence against healthcare workers. Such dispute actually raises a larger question: does screen violence encourage real violence? Is cinema merely society's mirror, or does it shape behaviour? Answer lies somewhere between artistic freedom and social responsibility, not in the comforting certainties of either side of the divide.

The teaser presents Deol as a grieving father probing his daughter's death and alleged medical malpractice. IMA requested an impartial review and corrective action. Its Haryana branch demanded removal of 'objectionable scenes' before release.

Doctors have reason to feel vulnerable. Assaults inside hospitals are not fictional. A 2026 study published in *National Medical Journal of India* found 80% of 439 responding doctors had experienced/witnessed workplace violence. Although this 'voluntary sample' was not nationally representative, the findings are what they are. A film presenting attacks on doctors as heroic justice could aggravate hostility.

IMA worries about portraying medical corruption as universal, and glorifying violence, while accepting that genuine misconduct warrants punishment. That distinction deserves respect, especially when overstretched hospital staff must manage anger, grief and unrealistic expectations, while providing emergency care. Exposing unethical treatment is legitimate, but suggesting an entire profession deserves retribution, is not. But, professional dignity cannot confer immunity from criticism.

Hindi cinema has never portrayed doctors as uniformly virtuous. *Gabbar Is Back* depicted hospital profiteering through an outrageous billing episode. *Kabir Singh* featured a talented but deeply troubled surgeon, whose conduct invited ethical questions. Conversely, *Anand*, *Dr Kotnis Ki Amar Kahani* and *Munna Bhai MBBS* celebrated compassion, sacrifice and unconventional healing. Audiences have seen both admirable physicians, and deeply flawed practitioners.

Portrayals, as in Deol's movie, do not emerge in a vacuum. Inflated hospital bills, unnecessary investigations, alleged negligence and unequal access to treatment, have generated public resentment. Cinema magnifies what society already whispers, sometimes crudely, sometimes with uncomfortable accuracy. Banning fictional criticism cannot erase the grievances behind it.

Psychology offers grounds for caution. Albert Bandura's Bobodoll experiments showed children can imitate observed aggression. George Gerbner's cultivation theory proposed prolonged exposure to threatening TV worlds, may distort perceptions of everyday danger, producing what became known as mean world syndrome. Desensitisation research suggests repeated exposure sometimes dulls emotional reactions to violence.

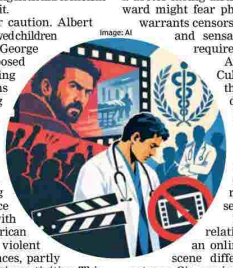


Image: AI

But copying aggression in a laboratory isn't the same as attacking someone in a hospital. Evidence connecting violent entertainment with crime remains contested. A 2008 American study found fewer assaults when violent films drew bigger cinema audiences, partly because moviegoing displaced riskier activities. This does not establish catharsis, the idea that watching violence safely releases aggression. It simply shows effects depend on circumstances.

Cinema's influence on perceptions is clearer than its impact on criminal conduct. Spielberg's *Jaws* intensified popular fears of sharks, although its precise effect on shark hunting remains disputed. The supposed CSI effect, in which television crime dramas shape jurors' expectations of forensic evidence, has limited empirical support. Surveys suggest medical dramas influence some students' career aspirations. Claims that courtroom films boost law school applications need stronger evidence. Fear, inspiration and violence are different outcomes.

Consider lawyers. *Jolly LLB* and *Jolly LLB 2* feature flawed advocates who ultimately pursue justice; Akshay Kumar stars in the sequel. *Damini* and *Pink* expose uncomfortable failures within the legal system. Lawyers, too, have protested: *Jolly LLB 2* faced litigation and four court-directed cuts in 2017. Doctors aren't alone in taking offence, or in seeking legal remedies.

There is, however, a difference in vulnerability. A lawyer mocked on screen might suffer reputational damage; a doctor facing distressed relatives in an emergency ward might fear physical assault. Neither concern warrants censorship. Satire exposing misconduct, and sensationalism celebrating violence, require different judgments.

Audiences aren't passive vessels. Cultural theorist Stuart Hall explained that viewers interpret messages differently from filmmakers' intentions. Uses and gratifications theory recognises that people seek entertainment for varied purposes. Selective perception means we notice what confirms our beliefs. One viewer finds righteous rebellion, where another sees dangerous vigilantism.

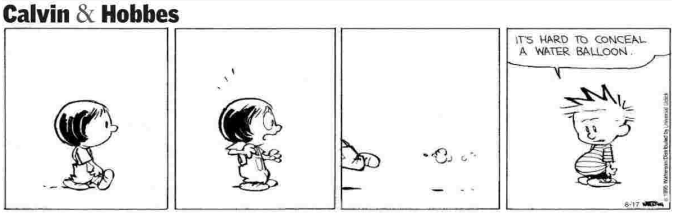
Context matters. An aggrieved relative, an excited theatre crowd and an online mob may interpret the same scene differently. Social media amplifies outrage. Cinema is both mirror and lamp: reflecting social anxieties while illuminating, exaggerating and, sometimes, reinforcing them.

Banning Deol's movie would be a blunt answer to a genuine concern. Yes, filmmakers could avoid gratuitous glorification of attacks. Consultation and disclaimers can help, without handing professional associations a veto. Govts must improve hospital security, for all, healthcare workers and patients, and punish assaults and medical misconduct.

The greatest danger may lie not inside the cinema, but in the mistrust, weak institutions and unpunished aggression waiting outside its doors.

The writer is a physician

Calvin & Hobbes



Sacred*space*



A nation behaves well if it treats its natural resources as assets which it must turn over to the next generation increased, and not impaired, in value.

Theodore Roosevelt

Sant Tukaram's Abhangs Help Transcend Mind

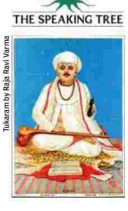
John Hierl

In Maharashtra, at a Vitthal and Rukmini temple, a replica of the Pandharpur Vitthal Temple, a shrine is dedicated to Sant Dnyaneshwar. The murti radiates a sense of complete absorption, like the Atman in the Brahmn. All murtis not only symbolise God's myriad manifestations but also remind us what it means to follow the path to moksh: to become and remain absorbed in the Atman. But how do we transcend this samsar and attain Self-realisation?

In one of his countless abhangs, Sant Tukaram expounds the answer: "The main message is clear: This whole world is God. First, scatter your own ego to winds, and you will pass the crucial test. This is the one decisive thing to know about absolute being. Says Tuka, once the mind is blown up, there is neither a cause nor an effect."

In a few simple sentences, Tukaram has summarised the purport of all scriptures: To become liberated in God, we must surrender our ego to the Lord and, in the spirit of bhakti, allow it to become dissolved. What exactly is the ego?

Tukaram reminds us of the same Truth that all saints, rishis, and yogis of all ages have confirmed: All that exists is God, and nothing else needs to be known. The world has not emerged from maya; it appears only as a relative manifestation in pure being and consciousness. As Sage Vasisht reveals to Ram in *Yog Vasisht*, any movement of thought (vritti) brings the notion of created objects into perception. This diversity arises from mental modifications, and it will cease when they cease. We constantly remain cut off from each other through thoughts of 'me and you'. But absolute truth is that the substratum of the experiencer is one with the experience and objects perceived. All else is a mere misconception and an illusion.



In theory, this is easy to understand, but only through the difficult practice of mind-control do we purify and transcend it. The Sant uses a powerful metaphor: we are so attached to our thoughts that to purify and go beyond the mind we should blow up its content as if in a continuous explosion. The mind is born only through associative thinking: one thought leads to another, expanding one's immersion in maya and more elusive thoughts. If we interrupt our thought flow by saying, 'You are a mere impression,' we may step out of identification with it and begin dwelling in the space beyond, as a witness.

By becoming the observer who is never identified with manifestations in our subtle body, we can widen the time span between thoughts, opening the door to rendering the mind void. Thoughts will pass, and their flow will stop automatically. Stay in the present moment, and your karm will diminish its hold over you. In such a quiet space of inner contemplation, nothing is created. No subject exists, and certainly no object. In God there is no 'i' because infinite consciousness is all that is – its experience is moksh.

Economy

MONDAY, OCTOBER 26, 2026

IN THE NEWS

INDIA, ROTTERDAM PORT ENGAGED TO DIGITALISE CARGO SYSTEMS: GOYAL



INDIAN AND ROTTERDAM port authorities are working to digitalise processes in India to speed up cargo evacuation and reduce ship turnaround times, Commerce and Industry Minister Piyush Goyal said on Sunday. "The customs authorities in India and the authorities at the Port of Rotterdam are engaged to see how we can digitalise in India to bring in modern standards, faster evacuation of cargo, and speed up the turnaround time of ships," he told reporters in Rotterdam.

NMDC scouts for mining assets across 4 continents

FROM SOUTH AMERICA in the west to Australia in the east, state-owned iron ore giant NMDC is scouting mining assets, including critical minerals, in four continents to meet the future needs of industries such as automotive, renewable energy, electronics, and steel, according to industry sources. AGENCIES

CENTRE TO BANKROLL UP TO HALF OF DEEPWATER DRILLING COSTS

Samudra Manthan: Govt to bear losses on dry oil wells

SAURAV ANAND
New Delhi, October 25

THE GOVERNMENT IS offering oil and gas explorers a new financial arrangement to encourage drilling in India's deep seas: it will pay up to half the cost of an exploratory well and bear its share of the loss if no commercially viable oil or gas is found.

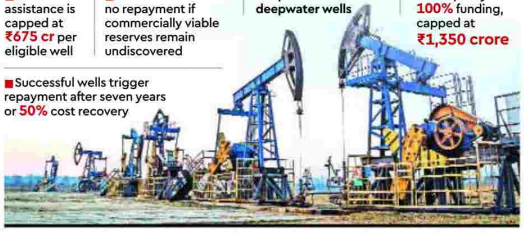
However, companies making profitable discoveries will have to repay the money, under the Centre's ₹84,084-crore Samudra Manthan scheme.

The move is aimed at tackling one of the biggest hurdles in offshore exploration: companies must spend hundreds of crores searching for oil and gas without any guarantee of a discovery. Under the new arrangement, the government will share that financial risk, while companies will remain responsible for drilling operations and the remaining expenditure.

According to the petroleum ministry's operational guidelines, the Centre will fund up to 50% of the actual drilling cost, subject to a ceiling of ₹675 crore per well. If drilling fails to find oil or gas, or discovers reserves that cannot be commercially produced, the government will not recover its contribution.

RISK SHARING

- Government assistance is capped at ₹675 cr per eligible well
- Failed wells attract no repayment if commercially viable reserves remain undiscovered
- Scheme allocates ₹43,200 crore for 60 deepwater and ultra-deepwater wells
- Four seabed rock-study wells qualify for 100% funding, capped at ₹1,350 crore
- Successful wells trigger repayment after seven years or 50% cost recovery



For successful wells, repayment will begin after seven years of commercial production or when the company has recovered 50% of its exploration and development costs, whichever happens earlier. The money will be recovered through annual installments from company revenue, without any adjustment for inflation or the time value of money.

The arrangement means companies will not have to repay government assistance merely because oil or gas has been discovered. Recovery is linked to the discovery becoming commercially viable and entering regular production.

Petroleum Secretary Neeraj Mittal described Samudra Manthan as a "structural break in India's approach to offshore exploration", saying it addresses the financial difficulties that earlier policy reforms could not resolve.

The scheme comes against the backdrop of India's heavy dependence on imported crude oil. The country's annual oil import bill is around $144 billion, or ₹13 lakh crore, according to government estimates.

Deepwater exploration is particularly expensive. Drilling a single exploratory well costs around $125-150 million, while developing an exploration block into a commercially producing field typically takes five to ten years.

Of the scheme's total outlay, ₹43,200 crore has been allocated for drilling 60 deepwater and ultra-deepwater wells. Of these, 56 wells will qualify for funding of up to 50% of drilling costs.

The remaining four wells, intended to study rock formations beneath the seabed, can receive full funding, capped at ₹1,350 crore each. Only central public sector companies or consortiums led by them can seek assistance for these wells.

NHAI tilts monetisation of highways towards InvITs

MUKESH JAGOTA
New Delhi, October 25

THE NATIONAL HIGHWAYS Authority of India (NHAI) is executing a major structural shift in its asset monetisation programme, tilting heavily towards Infrastructure Investment Trusts (InvITs) over the traditional Toll-Operate-Transfer (ToT) route.

Under its roadmap, the highway authority has allocated nearly 80% of this financial year's monetisation pipeline to the two Investment Trusts it sponsors.

Out of a total pool of 17 operational highway stretches spanning 1,692 km earmarked for monetisation through ToT and InvIT structures this financial year, NHAI has now decided to route 1,360 km through the InvIT platform. The policy preference was initially signaled by the Ministry of Road Transport and Highways (MoRTH) in February 2025, but the operational pivot has now materialized on the ground.

Meanwhile, execution via the ToT model continues on a secondary track. In July, NHAI completed its first ToT transaction of the current financial year, monetising 184.5 km of highways in Tamil Nadu under ToT Bundle 19 for ₹2,259 crore. Bidding processes remain open for Bundles 20, 21, and 22 as NHAI progresses towards its annual asset monetisation target of ₹30,000 crore.

Proceeds from the monetisation of highways through InvITs are used exclusively for debt repayment. This year, NHAI also plans to aggressively reduce its outstanding debt which now stands at below ₹2 lakh crore, down from a high of ₹3.42 lakh crore at the end of 2022-23.

The newly launched public InvIT, Raajmarg Infra Investment Trust (RIIT) has been offered 10 stretches of 910 km length by the NHAI as part of this financial year's monetisation plan. The RIIT made its debut last year when it acquired 260km of roads for ₹9500 crore.

The rest has been offered to National Highway Infra Trust (NHIT). NHIT in its sixth round of acquisition of highway assets has been offered 450km of roads. Last year the NHIT acquired 11 km highways after paying ₹6,550 crore.

Though NHAI is a sponsor of NHIT, it has brought down its share of the number of units held to 10%. In RIIT its share of total number of units is 15%. As RIIT is a public InvIT its units are open to subscription from retail investors while NHIT's units holders are Indian and overseas investment funds.

The NHAI has prepared its asset monetisation strategy document for the next three years to meet the ₹4.42 lakh crore monetisation targets for the roads sector in the next five years.

The second National Monetisation Pipeline has an overall target of ₹16.32 lakh crore by 2029-30 of which the share of the highways sector is 26%. The funding by the private sector in Public Private Partnership (PPP) projects has been made part of the target.

SLASHING DEBT



MCA relaxes FY26 filing deadlines for companies

MANU KAUSHIK
New Delhi, October 25



FOR LISTED AND unlisted firms racing to meet their annual reporting requirements, the ministry of corporate affairs (MCA) has offered some breathing room by extending the deadlines for annual filings.

The ministry has now allowed companies to file their financial statements for FY26 by December 31, 2026, and annual returns by January 31 next year, without paying additional fees.

In a circular, the MCA said it had received requests from stakeholders seeking more time to file annual statutory forms for FY26.

"In view of the representations received and to enable companies to complete their annual statutory filings, it has been decided that companies will be allowed to file," the ministry said.

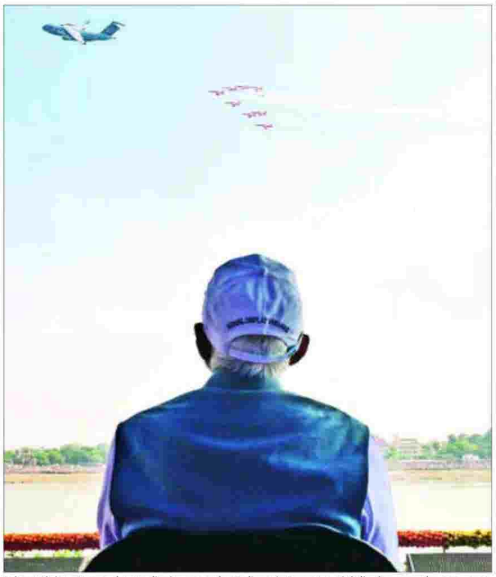
Before the extension, the deadlines were October 31 for financial statements and November 30 for annual returns.

The extension covers forms used by companies to file consolidated financial statements, report financial data in XBRL format, and submit financial statements under Indian Accounting Standards (Ind AS) applicable to non-banking financial companies (NBFCs).

The fresh relief also includes annual returns (MGT-7 and MGT-7A), which require companies to report details such as their shareholding and management. The deadline for filing these returns has been extended to January 31 next year.

This is the second consecutive financial year in which the MCA has extended filing deadlines. In October 2025, it gave companies until December 31 to file FY25 financial statements and annual returns, before extending the deadline to January 31 this year.

MADE IN INDIA, FLYING HIGH



Prime Minister Narendra Modi witnesses the Indian Air Force's aerial display over the Ganga at Namo Ghat in Varanasi on Sunday. The IAF flew nearly 100 aircraft from 12 bases, including the Sukhoi-30 MKI, indigenous Tejas and LCH Prachand, to mark its 94th anniversary PTI

Pulses import surges 67% in Apr-Aug amid El Nino fears

- Disruption in Russia may slow down imports

SANDIP DAS
New Delhi, October 25

IMPORTS OF PULSES surged 67% to 2.06 million tonne (MT) in the April-August period of FY27, amid concerns over a dip in domestic output due to the El Nino threat, trade sources said.

In terms of value, imports rose 38% to $1.18 billion, indicating that global prices remain relatively subdued despite higher demand from India.

However, traders said that imports in the next few months would slow down as prices of yellow peas and lentils sourced from Canada have increased in the last month because supplies from Russia have been disrupted due to its conflict with Ukraine.

In terms of varieties, masur and yellow peas imports in the April-August period of FY27 surged 200% and 114% to 0.64 MT and 0.62 MT, respectively, compared to the same period last year.

Tur imports increased by 10% to 0.35 MT in the first five months of the current fiscal year. Urad imports declined by 3% to 0.27 MT during the same period.

Sowing of kharif pulses has been completed, and the area sown this season is 11.84 million hectares, an increase of 1.42% year-on-year. The crop has been hit because of deficient rainfall in several key growing regions of Maharashtra and Karnataka. The rainfall and temperature pattern in winter months would impact the sowing of chana and masur (lentil), key rabi variants of pulses.

India's pulses imports dropped sharply by 34% to $3.63 billion in FY26 year-on-year.

BRIDGING SUPPLY DEFICIT



TANAY DALAL, SENIOR VICE PRESIDENT — BUSINESS & ECONOMIC RESEARCH, AXIS BANK

'Domestic consumption isn't as strong as it might appear'

India has a shortage of domestic investable assets, as the country is not creating enough fairly priced assets for savers to invest in, according to **Tanay Dalal,** *senior vice president — business & economic research at Axis Bank.*

This shortage is contributing to capital outflows. As per Axis Bank's research, India's financeable current account deficit, has declined to 0% of GDP from around 2% earlier, which is the more fundamental challenge, Dalal tells **Shubham Rana** *in an interview. Excerpts:*

Where do you see GDP growth in FY27?

We forecast GDP growth at 7.3% in FY27, up from 7.1% earlier. Part of the upward revision reflects the support being provided by the public sector, which is helping cushion the impact of prevailing economic challenges.

However, as this support is gradually withdrawn, it could weigh on growth going forward. Accordingly, our FY28 GDP growth forecast stands at 7.1%, compared with our earlier estimate of 7.2%.

What is your view on India's investment and consumption situation?

I would hazard a guess that domestic consumption isn't as strong as it might appear. If you look at indicators such as the Retailers Association of India's retail sales data, much of the growth appears to be driven by price effects. Air traffic trends are not particularly strong either. Petrol consumption, which is a useful indicator for household transport activity, is also not showing robust growth. UPI transactions growth has slowed, while GST collections, which provide an indication of final consumption demand, have also moderated. One of the biggest concerns is that consumer credit is rising very rapidly.

A key factor supporting consumption at present is public sector support. Based on our estimates, if one combines spending by the Centre, states, and PSUs, support since the war began, amounts to around 1.7% of GDP. The IMF defines these as indirect subsidies.

Private sector capex has been rising but is restricted to a few sectors such as power, roads and data centres. The broader areas of the economy don't seem to have equal participation.

The IMF offers one explanation for this. If you look at last year's Article IV consultation report, it suggests that the MSME sector has adequate access to subsidised credit. The sector also benefits from incentive structures that may discourage firms from scaling up into large enterprises. As a result, growth capital may not be an imperative for many of these businesses. This is not a new issue and has been highlighted by both the World Bank and IMF over the years.

Do you mean perverse incentives exist for MSMEs stunting their own growth?

Incentives available to MSMEs are significant. As firms scale up and transition into larger enterprises, they may lose access to a number of sector-specific benefits, including government guarantees and tax incentives. As a result, the incentive to expand beyond a particular size may not always be as strong as policymakers would like.

But such policies have, in recent years, been progressively disbanded.

To an extent. As of last year, around 75% of Indian manufacturing firms had fewer than five employees, according to the IMF. There is still a long way to go, and the transition may not be happening fast enough.

A deeper issue is the shortage of domestic investable assets, which is contributing to capital moving overseas. Our research suggests that the financeable CAD, which was previously around 2% of GDP, has now declined to 0% of GDP. That, in our view, is the more fundamental challenge.

We have more savings than the stock of investable assets currently being created. As a result, a portion of those savings is finding its way overseas. India is not creating enough fairly priced assets for savers to invest in, which is one reason domestic valuations remain elevated relative to global peers.

If capex were to increase and those assets became more accessible to households, part of this imbalance could be addressed. However, that would likely require asset valuations to moderate.

Domestic savings rate has been declining in years and still remains at a very low level, despite a recent marginal improvement.

Let's examine that assumption. The current account deficit is the difference between domestic investments and domestic savings. Over the past three years, the current account deficit has averaged only around 0.5-0.6% of GDP.

That raises the question of whether India is truly capital scarce. We appear to have adequate capital available. Even with the outflows we are seeing, the economy is not facing significant capital constraints. In fact, the cost of capital India is currently lower than in many other markets.

(Read full interview on www.financialexpress.com)



EVEN WITH THE OUTFLOWS WE ARE SEEING, THE ECONOMY IS NOT FACING CAPITAL CONSTRAINTS

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Opinion

MONDAY, OCTOBER 26, 2026



COMBATING CRISIS

External Affairs Minister S Jaishankar

The case for reformed multilateralism gets stronger by the day. Large parts of the world cannot be left out from decision-making. The UN must show leadership, not be a spectator to global crisis

Defying tariff odds

India's latest trade numbers indicate the need for diversification and more FTAs

THE LATEST TRADE data for this fiscal till September underscore the challenges India faces in its most important markets, notably the US and China that account for a quarter of its overall trade. India's shipments to the US were up by 11.1% year-on-year largely due to the frontloading of shipments in September to avert the threat of levies up to 100% for buying Russian oil under the Sanctioning Russia and Iran Act. The biggest challenge in the US market is coping with the tariff disruption of the Trump administration. In contrast, export growth to China appears impressive at 36.1% but it is from a much smaller base. Stepping up shipments is far from easy as it is a difficult market to penetrate. The dragon's "persistent non-tariff barriers", for instance, have been restricting our exports, according to India's Finance Minister, Nirmala Sitharaman.

The US President has threatened India with tariffs from 10% to 100% over the past year. Even if some of these only remained threats, the uncertainty impacted exporters of seafood, gems and jewellery, textiles, drugs, and engineering goods. According to a five-part series in *FE*, the US remains the most important destination but exporters sustained volumes by diversifying. Seafood exports took a big hit last fiscal but this was offset by shipments to the European Union (EU) and China. Gems and jewellery is feebly recovering with shipments redirected to West Asia. As tariffs swung between 10%, 25%, and 50% complicating sourcing decisions for US buyers, diversification was imperative also for textile exporters. The threat of extending a 100% levy on branded medicines impacted prospective exports of high-value nutraceutical products. Only engineering goods bucked the trend as both buyers and suppliers absorbed US tariff costs.

Unfortunately, the prospect of exporting more to China is equally challenging. While recent gains include seafood products, naphtha, and printed circuit boards, cracking that market has proved elusive. Seafood exporters, however, confront the reality that the dragon absorbs large volumes but squeezes prices. Market access is being denied for shipments of generic drugs, bovine meat, and agricultural produce despite significant demand potential. While there have been discussions for a reverse-trade model for drugs—India imports bulk drugs from the dragon, converts them to finished dosage forms, and exports these back to China—there has so far been no discernible progress. As for non-tariff barriers, China has banned 10 Indian rice exporters by revoking their registrations and rejected over 70 non-basmati shipments as they allegedly contained genetically modified (GM) organisms although India does not grow GM food crops.

Looking ahead, India's exporters must diversify to boost their overall performance. Trade diversification through free trade agreements (FTAs) is certainly efficacious in this regard. India's exports to the UK and Oman, where our trade agreements have become operational, have done well. Our FTA with New Zealand has also come into force recently. The trade deal with the EU is also expected to become operational in early 2027. All of this can boost our merchandise shipments manifold. India must prioritise concluding an agreement with its biggest export destination, the US, so that exporters benefit from a stable tariff architecture. In this regard, there are welcome indications from the US that this deal is imminent. There is also no alternative but to keep engaging with China so that our trading relationship is less one-sided and has more balance.

INVESTMENT SLOWDOWN

FPIs' IRRITATION WITH INDIA LED BY LOCAL FACTORS; IT'S TIME TO BE HUMBLE AND TAKE STEPS TO RESPECT THEM

From ignorance to dismay



AJIT DAYAL
Founder, Quantum Advisors

HAVING STARTED QUANTUM Advisors in 1990 to encourage foreign portfolio investors (FPIs) to invest in India, I have never seen such dismay and irritation with India. The level of inquisitiveness, as indicated in the number of registered FPIs, has surged 24x from 500 to 12,000 in the past 25 years. Though FPIs own listed stocks worth $800 billion, the feeling of dismay is widespread.

In 1990, India was a closed and insular economy. The market cap of publicly listed stocks was $60 billion and our GDP was $350 billion. Reforms by successive governments have led to India's market cap surging over 70 times in 36 years to $4 trillion while GDP has surged 12x to $4 trillion. The BSE-30 Index has delivered an astounding growth of 150x in INR and—after adjusting for the nearly 80% decline in the value of the Indian rupee since 1991—that is still a dollar increase of 25x in 36 years. Governments—be it under the Congress or the Bharatiya Janata Party, single-party or coalition-run—have contributed to this mind-boggling success. Yet, despite all the bonhomie at well-curated conferences, "dismay" and "irritation" reflect the present mood of FPIs towards India. Worryingly, this is not all due to cyclical factors such as "the lack of an AI story", "higher oil prices", or "rising global interest rates": all factors beyond India's control.

In the past, India's fortunes were linked to emerging market flows but the country emerged from every global crisis with more capital and more positivity. In 1991, India was a novelty—a large economy had declared its willingness to accept foreign capital. Most FPIs were ignorant about India and they invested in an "act of faith" as described by Manmohan Singh, the finance minister who led India's reforms. We weathered many external storms—the tequila crisis in 1994; Asian crisis in July 1997; bankruptcy of Long-Term Capital Management in 1998; bursting of the tech bubble in February 2000; the 9/11 attacks on the US in 2001; SARS pandemic in 2003; rupturing of the 2005 BRIC madness; and bankruptcy of Lehman Brothers in 2008; the "twist" by the US central bank to increase interest rates in 2013; and the Covid pandemic in 2020. After every panic, FPI flows into India marched upward. This feels different: the dismay, disinterest, and irritation with India is led by local, home-grown factors.

FPIs deserve a Return on Effort which is not decapacitated by a capital gains tax or an ancient mindset of forcibly weakening the Indian rupee to shelter exports

The India Shining, Incredible India, Resurgent India, and "China+1" pitches made by 10 successive governments since the 1990s suggested that India is a must-own gem for FPI and foreign direct investment (FDI). While it is true that India is an exciting economy with a great potential for decades to come, we need to be welcoming. Policies based on extraction by way of taxation of capital gains or on the outdated mentality of boosting exports by depreciating the currency (which is a tax on the total capital that an FPI or FDI invests in India) has hurt the required rate of return for FPI and FDI. Entities such as pension funds and endowments have no tax in their home country: taxes on capital gains paid in India cannot be offset precisely because they are tax-free entities in their home countries. Furthermore, when pension funds move their India allocation from, say, a pool of capital investing in "international markets" to a pool of capital investing in an "emerging market bucket", the tax man is quick to treat this as a sale and gleefully demands a capital gains tax. The draconian policy of imposing retrospective taxes puts the FPI in an awkward position where a current investor is footing the tax bill on a beneficiary who has already redeemed.

AI, oil, and governance

Today, the passion for the AI trade is a significant factor in deciding allocations from the providers of capital. While the lack of an AI story in India is worrisome, the increasing focus on questionable governance in India is a further hurdle. Over the past 25 years, the GDP of China has grown twice that of India but the returns from Indian stock markets have been 2x that of China. This was largely due to poor governance in China at the policy level (supporting cronies and nationalistic policies) and at the company level (founders and managements stealing from minority investors). FPIs are now witnessing uncertain governance in India. Just as the tech giants have many Indian-origin CEOs, so do the FPIs. At a personal level, the Indian diaspora experienced India's wheels of corruption when they seek to close bank accounts and distribute assets of their deceased parents—or hear sordid tales from family members who own businesses in India. The India story moves from "ease of doing business" to the "grease of doing business".

These negatives are not new and are not attributable to any one government or political party. Across the political spectrum, the disrespect for consistency of rules, the tampering of laws, and the arrogance that breeds from an assumption that India has a TINA (there is no alternative) factor. Rather than seeing inflows of $100 billion a year, we see redemptions of $25 billion. And it is not due to the AI we read about, but due to the other AI we don't write about: Arrogant India. It is time to be humble and take steps to respect our FPI guests. FPIs make an effort to study, analyse, and invest in India: they deserve a Return on Effort which is not decapacitated by a capital gains tax or an ancient mindset of forcibly weakening the Indian rupee to shelter exports. India needs to commit to an ecosystem to attract capital flows, without the punishment of capital blows.

FROM PLATE TO PLOUGH

Fertiliser imbalance costing us by the day



ASHOK GULATI
RITIKA JUNEJA
Respectively Distinguished Professor and Senior Fellow at ICRIER

Simple economics has ensured reform meant to fix disparity has made it worse; the question is whether the govt will bite the bullet before the soils give way

ON OCTOBER 22, Union Agriculture Minister Shivraj Singh Chouhan launched his "*Khet Bachao Abhiyan*" (Save the Farm Campaign) for the rabi season in Karnal, Haryana. His focus is on correcting the disproportionate use of chemical fertilisers, which is harming the soil and underground water and polluting air. He is appealing to farmers to use chemical fertilisers in line with the doses recommended by state agricultural universities for major crops. He is well aware of the problem, but the question is whether the farmers will heed his advice, especially when the pricing policy on urea, diammonium phosphate (DAP), and muriate of potash (MOP) is sending them the wrong signals. Sixteen years after the Nutrient-Based Subsidy (NBS) scheme was introduced in 2010, the imbalance in the use of nitrogen (N), phosphate (P), and potash (K) has gotten worse.

Crops, like humans, need a balanced meal. A recent ICRIER policy brief, "Repurposing India's Fertiliser Policy towards Nutrient Optimisation", by Chand et al compares actual nutrient use in 20 major states with crop- and irrigation-specific norms in the triennium ending 2009-10 and 2024-25, neatly bracketing the NBS reform of 2010.

The results are sobering. The national nitrogen use has shot up from 7% below its recommended dose to 6% above it. The phosphorus deficit has narrowed only from 29 to 22%, while the potassium deficit has deepened from 48 to 72%: farmers apply 9 kg of potash per hectare against a need of 32 kg. The NPK ratio stands at 10.5:4.1:1, against a derived normative 2.8:1.5:1. Eleven of the 20 major states overuse nitrogen, led by Jharkhand (72%) and Punjab (65%). Every state underuses potash—Haryana and Jharkhand utilise barely a tenth of what their crops need.

Why has a reform meant to fix the imbalance made it worse? Simple economics. The NBS let the prices of phosphatic and potassic fertilisers float with world markets, but kept urea out at a fixed price. Between 2010-11 and 2024-25, DAP prices nearly trebled to ₹54/kg and MOP rose six-fold to ₹52/kg, while the price of nitrogen in urea rose by just 1%. Farmers respond to relative prices. Nitrogen also makes the crop look green, while the damage from missing potash shows up later, and quietly. So, nitrogen's share in NPK use is back to about 67%, where it was in 1970-71.

PM-PRANAM was supposed to reward states for cutting total fertiliser use, regardless of which nutrient. But so far nothing was disbursed in 3 years

The damage runs from the soil to the plate. Of the 96 lakh samples tested under the Soil Health Card scheme in 2025-26, 72% were low in nitrogen, 52% in organic carbon, 42% in boron, and 37% in zinc. Low nitrogen, despite its overuse, is no paradox: carbon-starved soils cannot hold what is poured on them, and crops take up only 30-40% of the nitrogen applied. A part of the rest escapes into the air as nitrous oxide, a greenhouse gas 273 times as potent as carbon dioxide; Punjab's fertiliser-related emissions are nearly double the national average. A portion leaches into groundwater: nitrate above safe limits has been found in parts of 502 districts, carrying the risk of "blue baby syndrome" in infants and chronic illness in adults.

Next, the crops. Potassium deficiency weakens resistance to drought and disease and lowers grain quality; phosphorus shortage delays flowering. A crop that looks lush green on urea may be weak within. Then, our health: soils short of zinc and other micronutrients produce grain short of them too, feeding the hidden hunger that afflicts millions.

All this comes at a steep fiscal price. Against a subsidy of ₹1.71 lakh crore budgeted for 2026-27, the disruption in the Strait of Hormuz could push the subsidy bill to anywhere between ₹2.5 lakh crore to ₹3 lakh crore, with urea accounting for about two-thirds. The benefits are skewed too: Punjab gets about ₹25,700 of nitrogen subsidy per hectare, ten times what Kerala gets. Add MSP-based procurement and subsidised power, and the rice-wheat rotation gets locked in, whatever it does to the aquifers.

What then is the way out? Four steps can improve the situation.

One, move from input price subsidy to a direct benefit transfer on per hectare basis, neutral across nutrients and crops, so that farmers face the market price of each nutrient and urea loses its artificial edge. AgriStack is creating digital farmer IDs linked to land records and crops sown, and the Framework for Fertiliser Sale ties each purchase at the point of sale to that identity. But identifying tenants remains a challenge. If this seems too abrupt, bring urea under the NBS while lowering DAP and MOP prices in step, keeping the overall subsidy budget at around ₹2 lakh crore.

Two, reward balance where decisions are made. The PM-PRANAM was supposed to reward states for cutting total fertiliser use, regardless of which nutrient. But so far nothing was disbursed in three years. This scheme needs to be fixed and implemented.

Three, plough the savings in fertiliser subsidy back into drip irrigation, fertigation, and back-product innovation: customised and coated fertilisers, triple super phosphate in place of DAP, biofertilisers, nano fertilisers, and gene-edited seeds using nitrogen more efficiently.

Four, follow the 4Rs—right source, right rate, right time, and right place—with plot-level advice based on soil tests. Rotating cereals with pulses can cut the next crop's nitrogen need by 20-30%. But none of this will stick in Punjab and Haryana unless power pricing and procurement are reformed alongside.

The yardstick of success must change from total fertilisers used to balanced nutrients. India's soils have been quietly underwriting our food security for decades; that account is now overdrawn. The real question is whether the government will bite the bullet before the soils give way. The cost of waiting is rising with every season.

Views are personal

THE HUMAN FACTOR

The one job AI can't fake

THERE WAS A time when calling someone a storyteller was not a compliment. It meant they were fibbing, or at least embellishing, like a colleague recounting how they single-handedly saved the quarterly numbers. Now it is a job title, and an increasingly well-paid one.

Last year, according to *The Wall Street Journal*, the share of LinkedIn job postings in the US mentioning "storyteller" doubled. Executives used the word on earnings calls about 30% more often than the year before. Google has advertised storytelling roles paying up to $274,000. Somewhere, a novelist who has spent a decade earning less than a parking attendant is weeping.

My first instinct was to roll my eyes. Corporate life has a habit of taking a perfectly good word and draining the blood out of it. "Passion" now means turning up. "Journey" means a reorganisation. I assumed "storyteller" would go the same way, a fancy name for the person who writes the press release about the new logo.

Then I thought about Satya Nadella. When he took over Microsoft in 2014, the company had a culture so combative that its organisation chart had been lampooned as rival factions pointing guns at each other. Nadella did not fix this with a slide deck. He told a story: Microsoft had to stop being a company of know-it-alls and become one of learn-it-alls. It was a cheesy line. It also worked, because people could remember it, repeat it, and catch their bosses failing to live up to it.

His best story is personal. In *Hit Refresh*, he writes about his son Zain, born with severe cerebral palsy, and how fatherhood taught him empathy. I cannot recall a single Microsoft quarterly result. I remember Zain.

Ratan Tata understood this too. He liked to say the idea for the Nano came from watching a family of four on a scooter in the rain. As a business case, the Nano was a disappointment. As a story, it was unbeatable; people who have never sat in one can still tell you why it was built.



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Jeff Bezos went further and banned PowerPoint from Amazon's senior meetings, replacing it with six-page narrative memos read in silence before anyone spoke. Bullet points, he argued, let you hide sloppy thinking; a narrative forces you to explain how one thing leads to another. It sounds like an English teacher's punishment. Amazon seems to have survived it.

Why the sudden rush? I suspect artificial intelligence. Machines can now produce a serviceable press release, blog post, or CEO letter in seconds. The results are grammatical, upbeat, and forgettable, like a hotel breakfast. When everyone can generate competent prose for nothing, competent prose is worth nothing. What becomes scarce is the thing the machine cannot fake: a story that is true, specific, and told by someone who has something to lose.

AI is a brilliant mimic. It knows what a story sounds like on average, but good stories avoid averages. They turn on an odd detail, an admitted failure, an embarrassment the teller would rather forget. A chatbot has never been embarrassed, never waited to be fired, never sat by a sick child's bed. It can describe these things. It cannot have lived them, and audiences can tell.

There is a catch. Companies hiring storytellers often want the stories without the truth. They want the hero's journey minus the bit where the hero falters. That is not storytelling; it is marketing, and staff see through it instantly. Nadella's line worked because it admitted Microsoft had been insufferable. By all means hire a storyteller, but give them something true to tell. No machine can supply that, and nor can a $274,000 salary.

LETTERS TO THE EDITOR

Securing digital trust

Apropos of "Guarding digital trust" (*FE*, October 24), India's growing dependence on digital services makes cybersecurity a matter of public trust, not just a technical issue. Data breaches, weak security systems, and delayed disclosure can expose citizens to financial fraud and identity theft. Government agencies and private firms must take responsibility for protecting the information entrusted to them. Regular security audits, prompt reporting of breaches, stronger data protection standards, and strict penalties for negligence are essential. Organisations should have clear procedures to inform users and help them limit the damage. As digital services expand, security cannot be treated as an afterthought or left to tech providers. Public confidence will depend on how well institutions protect personal data and respond when things go wrong.
—Vinod Johri, New Delhi

Enhance education infrastructure

"Where will young India live?" (*FE*, October 24) must compel governments to expand education infrastructure in tier-II and -III cities from where lakhs of students migrate to metropolitan cities and state capitals for want of classroom, hostel, and overall infrastructure. It excessively burdens students and their families, besides concern for their safety. The Union and state governments are lagging behind implementation of National Education Policy, 2020, and the budgetary allocation is hardly 2%. Education has not grabbed the attention of political parties, although they tend to exploit the angst of youths. Governments should address the expansion of education infrastructure in all cities.
—Vinod Johri, New Delhi

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Pricing pain points

Controls in health care are needed but come with risks

The government's admission before the Supreme Court that hospitals routinely overcharge customers for drugs and other products offers a faint hope for a healthier drug-price control regime. But establishing a comprehensive one could be tricky. Western countries that impose limits on drug-pricing margins and manufacturers' costs — such as Canada or nations of the European Union — do so via near-universal health care programmes that involve bulk (and in that sense monopoly) purchases. India's health system, on the other hand, is increasingly driven by private-sector delivery, where monitoring price caps is a challenging proposition and largely depends on forbearance on the part of hospitals, clinics and chemists. Nevertheless, the problem is serious enough for the government to consider some level of intervention following the public-interest litigation (PIL), seeking the apex court's intervention to regulate the prices of generic medicines, drugs and medical equipment. The affidavit had stated that hospital markups on many drugs range between 170 per cent and 700 per cent, while those on consumables range from 100 per cent to 1,000 per cent. The court itself had described as "dacoity" the markup on the maximum retail price of a range of life-saving drugs, especially cancer drugs. The government has acknowledged that the information asymmetry between patient and hospital is the chief reason for this blatant price gouging. At least part of the problem lies in the government's drug price-control regime. Medicines are divided into "scheduled" drugs, which are essential medicines that have ceiling prices set by the government — such as insulin, some antibiotics and anti-depressants, tuberculosis medications — and "non-scheduled" drugs, which allow manufacturers to set prices. Over 80 per cent of drugs fall in the non-scheduled category — and that includes cancer drugs. Facing up to this incontrovertible evidence of these pricing practices — that can often tip families into bankruptcy — the government machinery has moved to address the issue. With effect from November 9, 2026, the National Pharmaceutical Pricing Authority (NPPA) has capped the trade margins on 137 anti-cancer drugs at 30 per cent of the maximum retail price (MRP). The intervention is expected to lower the MRP on life-saving cancer drugs by up to 70 per cent. A parliamentary standing committee has recommended — not for the first time — standardising private-hospital costs, capping room rents to three-star hotel rates, and enforcing mandatory disclosure of upfront costs of medical procedures.

The obvious question is the efficacy with which such diktats can be imposed. Drug-price control runs the risk of being self-defeating. The supply of key molecules for several bulk drugs shifted to China after price controls made them unprofitable for local manufacturers. Today, India imports two-thirds of its active pharmaceutical ingredients from China, the impact of which was keenly felt during the Covid lockdown. Countries with price-control regimes have also felt the impact of manufacturers' reluctance to introduce the latest drugs into those markets. The government, therefore, needs to navigate between producer and retail profiteering and patients' interests. Widely disseminated education and a multilingual campaign on patient rights and price policies would go a long way in bridging the information gap. The fact that the NPPA falls under the Ministry of Chemicals and Fertilisers rather than the Ministry of Health and Family Welfare, which is responsible for health care delivery, suggests a fundamental policy disconnect, which too should be addressed.

Seamless credit network

Interoperability can enable inclusive lending

The Reserve Bank of India's (RBI's) decision to introduce interoperability among account aggregators (AAs) by December 31 seeks to simplify financial-data sharing, which could help reduce loan-application dropoffs. The need for this is underlined by the rapid growth of the AA ecosystem. According to the CRIF Credit Information Services and industry alliance Sahamati, the AA framework facilitated an estimated ₹3.82 trillion in loan disbursements across 36.8 million accounts in 2025-26, accounting for 8.4 per cent of retail lending and loans to micro, small and medium enterprises by value and 11.8 per cent by volume. By September, the ecosystem had fulfilled 595 million consents. More importantly, it is reaching borrowers often overlooked by conventional lending models. In the year ended June 2026, borrowers new to credit accounted for 28.5 per cent of business loans worth ₹10 lakh-25 lakh issued by AA-enabled lenders, against 8.6 per cent for other lenders. In personal loans, their share was 9 per cent, compared with 3.8 per cent through conventional channels. In 2025-26, the value of AA-enabled lending was estimated to be about 1.1 per cent of India's gross domestic product.

The framework addresses a longstanding problem in the Indian lending ecosystem. Individuals and small businesses without established credit histories often struggle to obtain formal loans even when they have regular incomes or viable businesses. Traditional assessments rely heavily on credit history and require borrowers to submit bank statements, tax documents, and other paperwork. The AA framework allows lenders to access financial information directly from participating institutions, with borrowers' consent. This enables a more comprehensive assessment of repayment capacity. Its benefits extend beyond loan approvals. The study found that, in lending for two-wheelers, the share of loans overdue by more than 90 days was 0.5 per cent for AA-enabled originations, compared with 5.3 per cent for conventional loans. Greater access, therefore, need not come at the cost of weaker credit quality.

However, differences in technical standards, system reliability, and integration costs could undermine the benefits. Banks, non-banking financial companies, and AA platforms must adopt common protocols, ensure reliable data transfers, and minimise transaction failures. Transparent pricing and clear accountability for failed consent requests or incomplete data sharing will also be necessary. Data protection is equally important. Financial information can reveal sensitive details about an individual's income, spending and liabilities. Strong encryption, access controls, independent security audits, and effective grievance redress are essential to maintain public trust. It is also important to ensure that smaller lenders are not disadvantaged by high integration costs. Research by the RBI-promoted Centre for Advanced Financial Research and Learning has associated greater exposure to the AA rollout with higher local economic activity. While this does not establish that AAs alone caused the increase, it points to their wider potential. Interoperability can help realise that potential provided efficiency is matched by safeguards. Better data sharing should make credit easier to access without compromising borrowers' privacy or financial security. With 17 AAs operating in the ecosystem, better connectivity with banks, insurers and pension-related institutions could enable consent-based sharing of a broader range of financial information for inclusion.

ILLUSTRATION: BINAY SINHA



Risk of irrelevance?

The scale of the selling and the magnitude of the underperformance in Indian equities are unsustainable

I have been investing in Indian equities for over 30 years. Rarely have I seen foreign sentiment this bad. India no longer features in global conversations. What I am saying is not new. Since the Indian market's peak in September 2024, we have seen $65 billion in net outflows by foreign portfolio investors (FPIs). Over the last decade, India has received zero net-foreign flows.

The stock of Indian equities owned by foreigners has fallen from $930 billion to about $675 billion, and foreign ownership as a percentage of the market is now at a 15-year low. India is now a consensus underweight for all global investors and our weighting itself has shrunk from 21 per cent in September 2024 to about 10 per cent today (MSCI Emerging Market index).



AKASH PRAKASH

One company, TSMC, has a benchmark weight 50 per cent higher than that of all of India! The three EM heavyweights — TSMC, Samsung Electronics, and SK Hynix — together account for 30 per cent of the index, but have almost three times India's weighting.

We have also seen unprecedented underperformance. Since the peak in September 2024, Indian equities are down about 25 per cent in dollar terms, even as the EM indices are up about 50 per cent. We have, therefore, underperformed by 7,500 basis points (75 percentage points) in the last two years alone. I have never in my career seen this quantum of underperformance in this short a period. It has destroyed careers and blown up funds. There are numerous funds that have destroyed 10-year track records in the last 24 months by simply being overweight India.

Normally, I would look at these statistics and numbers as contrarian indicators. This is exactly why I would argue — and still do — that we will soon see a turnaround in India's relative and absolute performance. The scale of the selling and the speed and magnitude of the underperformance are unsustainable. How can three companies in Asia have three times the index weight of a country with India's size and potential?

How can these three companies have a combined index weight of 30 per cent, almost identical to the combined weight of India and China, at 30.5 per cent? Something is clearly wrong. It seems ludicrous that three Asian technology companies can have an index weight almost equivalent to 40 per cent of the world's population. A classic contrarian indicator, if there ever was one.

However, what troubles me is that for the first time I am now being asked about the need for an India-dedicated allocation. Many allocators no longer think India is important enough to warrant dedicated exposure. Why bother with sticking their neck out and betting on India specifically, especially given the extent of underperformance. This conversation has come up now after years. Twenty years ago, every allocator had dedicated money in China and Brazil, and India was a debate. Over time, it became conventional wisdom that to invest in EM, you needed dedicated pools of capital for India, greater China and Brazil. If allocators are now unwilling to make an India-specific bet, it is a big negative and will constrain the quantum of foreign equity as well as the diversity of capital into the country. Non-dedicated exposure by definition is more cyclical.

So why this change in thinking? First of all, it is the decline in India's EM weighting. At only 10 per cent, we are half what we used to be and three countries — Taiwan, Korea and China — are 70 per cent of the EM index. Do you really need to bother with India? Even getting India wrong will not really move the needle. Over the last 10 years, India has anyway underperformed the EM indices by about 180 basis points annually. Even on a 20-year basis, India has just marginally outperformed. The narrative that you need to be in India because of the quality of companies, sustainability of growth and entrepreneurial energy is getting lost. There is fundamentally less belief that we have decades of strong growth ahead of us.

Second, many investors have come to the conclusion that India may not deliver enough absolute returns. Their calculations are as follows. The Nifty index in rupees has delivered about 10.5 per cent per annum over the last 20 years. Assuming a capital gains tax impact of about 15 per cent (the average of the short-term rate of 20 per cent and the long-term rate of 12.5 per cent), this brings the return down to about 8.9 per cent. Then, assuming a near 4 per cent rupee depreciation (the average over the last 20 years), this brings the return down to about 6 per cent in dollar terms.

Why bother with 6 per cent when the 100-year annualised returns in US equities are about 10 per cent? I would argue that 25-year Nifty returns are near 13.5 per cent not 10 per cent. Nifty returns understate market returns and assuming continued 4 per cent currency depreciation makes no sense given the narrowing inflation differentials. Also, given the valuations, can you assume continued 10 per cent compounding in the United States? However, it does not matter what I think, this is what investors are saying.

All allocators are upset about the capital gains tax. They do not pay these taxes in any other major jurisdiction. It drops projected long-term annualised returns by about 2 per cent and that is a huge difference when comparing countries over long holding periods. There is also the perception that India remains a complex place to do business. Indian service providers do a good job of scaring the risk and compliance teams of global investors. While this may be unfair, the perception sticks.

India is also seen as the biggest global loser from artificial intelligence (AI), as our key advantages of demographics and a skilled white-collar workforce lose relevance in an AI-first world. Innovation and research & development, which are driving value creation globally, are seen as areas of weakness in India. One can refute this argument, but many allocators believe it.

India is also caught in a no-man's land, not cheap enough for value investors to pile in but not growing fast enough to attract growth investors either.

If India were to lose its attraction as an independent asset class that is a cause of worry. We will attract less structural capital and be of less relevance to global allocators. Not a good place to be for a country fundamentally short of capital. Equity markets are a competitive advantage for India, we weaken this if we lose access to dedicated pools of long-term capital.

I remain convinced that all this data is more a contrarian indicator and not a reason to turn more negative on India. Much of this is cyclical and the tide will turn. However, we must guard against slipping further down the investor consideration set in the meantime.

The writer is with Amansa Capital

Uneasy lies the governance space

L'affaire Tata Sons has brought into focus the uneasy space between promoters, professional managers, and boards, that India Inc constantly negotiates. While there has not been much public comment from India Inc on the situation (and this columnist rushes in where angels fear to tread), there has been enormous private speculation about how this situation came to pass, and nervous conjecture on what the ripple effects of this will be in shaping the future governance space.

This is neither a spat among shareholder groups for control, nor a summary sacking of a chief executive officer by a promoter. We have seen those movies before. This is almost the first time that a professional manager-CEO, with the board on his side and non-shareholder government institutions weighing in, has sought to marginalise a 66 per cent-owning promoter in decision choices that impact not just the direction of the business (though we are not explicitly hearing from either side about strategic fault lines), but also the promoter's shareholding.



RAMA BIJAPURKAR

While CEOs pushing back publicly and openly fighting shareholders is common in bastions of capitalism like the United States, with widely distributed shareholding and boards playing a greater fiduciary role, in India such battles are rare, especially if it is a promoter shareholder. Indian promoters hold the hallowed place of a company's birth parents with special rights and responsibilities — some enshrined in law, others in culture.

ITC and Larsen & Toubro (L&T) are two unforgettable examples in India of CEO-shareholder battles. In the case of ITC, the battle was against promoter BAT's (British American Tobacco's) move to gain control of the company and stop diversification, while in the case of L&T, it was against a dominant shareholder group, with the CEO fighting to retain management control. In both cases, the government backed the CEO, but by weighing in through its 30 to 40 per cent shareholding via financial institutions it controlled, keeping within the legitimate norm of capitalism: *Jiski lathi, uski bhains* (whoever has the stick owns the buffalo).

What makes the present Tata Sons case different is that government-controlled entities do not own large chunks of shares, and the duelling ground is not an annual general meeting or extraordinary general meeting. That a CEO with no shareholding backing, along with board members who do not represent chunks of shareholding, can challenge a promoter with a 66 per cent holding and pressure it to dilute its stake, and not have sway over decisions is a first-time challenge to power structures — which have stood the test of time, tradition, convention, and culture, rightly or wrongly. It brings a fresh round of calibration, especially by promoters, of their terms of endearment and engagement with professional CEOs, not to mention boards. More so, if their shareholding is well below 51 per cent.

The relationship between professional managers and promoters in India has always had a degree of tension. The differences that typically end in the CEO quitting could be on several dimensions —differences in direction, risk appetite and prudence, business ambition, remuneration (less so of late as CEO salaries and stock options have zoomed upwards) and often over different perceptions of where the power to make what kind of decisions rests — the birth parent or the foster parent. Human resources consultants frequently counsel boards and CEOs that once the chemistry with the promoter has gone sour, there is no salvaging the relationship.

The separation of management from ownership is not common in India yet, though nascent examples are emerging. Big stock market influencers welcome owner presence in management because they feel a reassuring common focus on increasing shareholder value. Many employees also prefer a promoter at the helm, seeing this as offering more predictability and benevolence than the CEO or the board of the day. Even in a company like Infosys, set up by professionals, the "founders" (as they preferred to be called) took turns in running the company in accordance with their pre-agreed plan. The board went along with the frequent changes at the top, presumably because these were the promoters who had built an amazing company and it seemed only fair that they each had their turn.

Given the promoter-friendly, promoter-respectful and promoter-on-top ethos of corporate governance that has existed and continues to exist in India, this departure from the norm against none other than the venerated, iconic Tata promoter group with its track record of trusteeship and larger good over personal gain has rocked the comfort boat all around.

The ripples it will cause are yet to become clear — will promoters be nervous seeing such a coup by the professional hire? How will they respond? Will they pick boards like in the old days, based on loyalty and narrow subject-matter expertise? Especially as the law of the land and the market regulator push more power and accountability in the hands of independent directors? Will boards be now placed under more pressure from external directives on which way to vote, getting trapped between the rock and the hard place of the promoter and the proverbial hand of God? Will CEOs have less freedom to operate and more fetters? And does this add to the bad rap that India has been getting of late as a safe, stable place to invest in for the long term? Probably yes to all.

Since one big pillar of the argument is the national and systemic importance of Tata Sons, its board perhaps needs to be more transparent on the rationale for its many volte-faces.

The writer is a business advisor in the area of customer-based business strategy

The double-edged sword of a dual bottom line

BOOK REVIEW

M S SRIRAM

How do we structure organisations that have a commitment beyond maximising shareholder returns? Eric Ries explores this fundamental question in *Incorruptible*. The title assumes a solid fabric on which the corporations stay dedicated to maximising shareholder wealth and being a fair employer; fair to customers and the ecosystem. Mr Ries argues that such organisations deliver better shareholder returns in the long run; survive multiple cycles and have superior competitive strength.

The question is not about good intent and commitment. On this parameter, public-sector entities having multiple desirable objectives (non-extraction, fair play, equal opportunity) should be at the top of a list of desirable organisations. Barring a few exceptions, we do not discuss them as "good" companies delivering "value" at multiple levels.

It is, therefore, important to examine how businesses with a purpose are designed. The book notes that mission-driven organisations have a clear intent, etched in the organisation's muscle memory. They are accountable by regular "tests by fire".

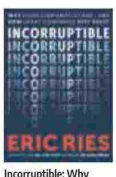
Mr Ries highlights examples of mission failure — Google moving from the tagline "do no evil" to "do the right thing". He talks about Johnson & Johnson (J&J) recalling $100 million worth of Tylenol capsules in 1982, following its credo of "first responsibility being towards the patients (and medical fraternity)" above shareholders. However, in 2009, when defective Mortin tablets were discovered, J&J had lost its muscle memory and attempted a phantom recall of the drug before being caught. Using such counter-examples, Mr Ries builds stories of organisations that stuck to the mission and survived inter-generationally. In the process, he teases out the design elements.

The most valuable chapters look at alternative structuring of organisations such as Ikea, Patagonia and Mondragon. A common feature is they are all closely held or had supermajority voting rights. In cases where Mr Ries identifies a drift from the purpose, the ownership was wider. This helped the governance gatekeepers to focus on the purpose.

Mondragon is a co-operative, but others have an unlisted holding structure. The holding is a trust that has a larger purpose with the trustees having no pecuniary interests. The mission survives because there is a governance fortress that is difficult to breach. To replicate such mission-driven enterprises, we need a larger ecosystem to foster such organisations: Incorporation as Public Benefit Corporations; Certification as Benefit Corporations; listing on the social stock exchange (in the case of India) or long-term stock exchange, and creating a larger conversation for organisations with alternative outcomes that move beyond profits.

The problem with the book is the way it opens with contradictory outlandish claims — that purpose-driven companies are likely to systematically outperform conventional competitors and are more likely to endure over generations. This is quickly followed by illustrations of failure in spite of a clear purpose, but due to a lack of an appropriate design. Fedmart wanted to be fair to employees and customers; Sears vested 33 per cent of its shares with employees; Polaroid focussed on cutting-edge research; Cadbury was working with communities. These succumbed to the conventional framework of shareholder primacy, pressed by investors. They succumbed to factors that Mr Ries identifies: Friendly fire where the shareholders dismantled the ethos; hostile takeover where there was a breach by outside actors; betrayal in the boardroom; lacking a solid succession; mission drift or a temptation to harvest.

This book is contextually important to examine the current stress in the house of Tatas. Is this a case of weak fortification of the purpose? Possibly no. The Tatas did not begin as a purpose-driven conglomerate. It was structured as a regular company. Its purpose was later articulated by the will of Sir Ratan Tata and Sir Dorabji Tata, where the holdings in a profit-seeking commercial entity were transferred from individual holdings to a charitable purpose. The nature of the holding company with minority shareholders being profit-seeking (the SP Group) continued. The current structure of Tatas is of a double holding: The trusts (with charitable purposes and guardrails) hold a majority in Tata Sons — structured as a commercial holding company with other minority shareholders (SP Group). Given the sequence of events, the Tata group was not designed as purpose-driven commercial ventures. The structuring of charitable holdings is a post-facto event, and not integral to the design. In this context, two options available for defining Tatas as purpose-driven may be: (a) the SP group is fully on board regarding their charitable purpose or is given a fair exit; or (b) the trusts move towards demutualisation of charitable purpose from the commercial arm.



Incorruptible: Why good companies go bad and how great companies stay great
by Eric Ries
Published by Penguin Life, 2026
403 pages ₹1,299

We can see that in all the cases that drifted/failed, the root cause was a lack of a governance fortress around the purpose. Those who have survived without the fortress such as the Tatas (till recently) and Costco is because of the leadership's commitment rather than a design fence around the purpose. Mr Ries provides a good framework to construct our arguments on alternative positions.

The writer is professor, Centre for Public Policy, Indian Institute of Management Bangalore

Editor's TAKE

UN: A world body without a world order

Born from the ashes of World War II, the UN was envisioned as a guardian of global peace. At 81, it remains ill-equipped to fulfil that promise.

The United Nations turned 81 on Saturday, the anniversary of its Charter coming into force in 1945. The birthday arrives at an awkward hour. The 2026 regular budget has been cut to $3.45 billion, 7 per cent below last year's, after the United States, normally responsible for a fifth of the funding, left large dues unpaid. And an organisation meant to settle the world's disputes cannot yet settle its own succession: at the last reported straw poll, on October 16, none of the seven candidates to replace António Guterres had the backing of all five permanent members of the Security Council.

It was born of failure. The League of Nations, created after the First World War, could not enforce its rules and never included the United States; it watched Japan, Italy and Germany defy it, then died in the war that followed. The Charter, signed in San Francisco in June 1945, promised what the League could not: a ban on aggression, an armed Security Council to back it, and a link between peace, development and rights. The price was the veto. The victors would not join a body that could coerce them, so the five kept a lock on enforcement. That bargain is why the UN survived, and why it so often cannot act.

The credit side is real. No third world war, and no nuclear weapon used in anger, since 1945, though not by the UN alone. It grew from 51 members to 193 through decolonisation; its agencies helped eradicate smallpox and feed and shelter refugees; its peacekeepers helped end wars in Namibia, Cambodia and Sierra Leone.

Without it, the world would improvise the same machinery under worse conditions. Against its founding promise, though, the record is poorer. The Council failed Rwanda and Srebrenica, and today's paralysis is more brazen. In 2025, the United States vetoed two Gaza texts drafted by all ten elected members, while Russia vetoed amendments to a Ukraine text, including one reaffirming Ukraine's territorial integrity. Guterres conceded in 2024 that this disunity had perhaps fatally damaged the Council's authority. The double standard is built in: the five who write the rules are the least exposed to enforcement.

Washington's complaint of bloat is not baseless, but withholding dues is not reform.

Can it go on like this? Only as a diminishing thing, a relief agency and a stage for speeches. Reform must start with the Council, which still has no permanent seat for Africa, Latin America or India, the world's most populous country. Charter amendments need every permanent member's consent, so the realistic goal is veto restraint: a pledge not to use it in mass-atrocity cases, building on the 2022 Assembly resolution mandating a debate after every veto. Dues must be paid in full and on time.

The succession is the nearer test: the five will be tempted to pick whoever offends them least, when the world needs a Secretary-General, ideally the first woman, willing to say awkward things to the powerful. The answer at 81 is reform, not retirement.

When rebuke replaces restraint

The Daler Mehndi controversy at Uttarakhand's Kunjapuri fair raises a larger question about the exercise of public authority: where does accountability end and public humiliation begin? While religious occasions demand decorum and artistes must honour their professional commitments, allegations made before the facts are established risk turning legitimate scrutiny into a public spectacle



BHOPINDER SINGH



The controversy surrounding Punjabi singer Daler Mehndi's performance at the Siddhpeeth Maa Kunjapuri Fair in Uttarakhand has raised a question far more consequential than whether a concert met its audience's expectations: does the authority to demand accountability also confer the licence to publicly humiliate?

When a lawmaker and minister walked onto the stage, interrupted Mehndi's performance and questioned whether he was singing live or lip-syncing, the disagreement ceased to be merely about entertainment. The minister alleged that the singer was intoxicated and unable to perform adequately. The allegations, however, were not independently established. The subsequent revelation that Mehndi was reportedly unwell added another dimension to an already unfortunate episode.

There is little dispute that a religious gathering deserves decorum. The Kunjapuri fair is rooted in faith and tradition, and a performance during Navratri must respect the sensibilities of the occasion. Equally, an artiste engaged for a public event has obligations to the organisers and the audience. Professional commitments cannot be divorced from contractual terms, agreed standards of performance and the circumstances in which an event is organised.

But acknowledging these responsibilities does not mean that every perceived shortcoming warrants a public dressing-down. A minister is entitled to question the quality of a performance, seek explanations from the organisers, examine contractual obligations and, if circumstances demand, insist that a concert be stopped. If there were legitimate concerns about the artiste's condition or the authenticity of the performance, they deserved prompt investigation. What was difficult to justify was the manner in which suspicion was converted into public accusation before the facts had been conclusively established.

Accountability is a principle; public humiliation is a choice. The distinction matters particularly when the person making the accusation occupies constitutional office. A lawmaker's words carry a weight that ordinary heckling does not. A remark delivered from the stage by a powerful public representative, before an assembled audience and rolling cameras, can rapidly become a verdict in the court of public opinion. Social media then amplifies the spectacle, leaving the person accused to contend with reputational injury that may endure long after the original facts have been clarified.

> AN ARTISTE'S REPUTATION IS NOT BEYOND QUESTION, BUT NEITHER IS IT DISPOSABLE. A PERSON'S INABILITY TO SING OR SPEAK AS EXPECTED ON A PARTICULAR EVENING MAY HAVE SEVERAL EXPLANATIONS, INCLUDING ILLNESS. A RESPONSIBLE RESPONSE WOULD BEGIN WITH AN ENQUIRY, NOT AN ASSUMPTION

Questions about intoxication are not trivial observations. Nor is an allegation of lip-syncing necessarily inconsequential when an artiste has been contracted to deliver a live performance. Both can legitimately be investigated. But there is a world of difference between asking whether contractual obligations were fulfilled and publicly implying dishonesty or misconduct without conclusive evidence. The former is scrutiny. The latter risks becoming character assassination.

An artiste's reputation is not beyond question, but neither is it disposable. A person's inability to sing or speak as expected on a particular evening may have several explanations, including illness. A responsible response would begin with an enquiry, not an assumption. Indeed, the minister subsequently acknowledged that he had learnt Mehndi was unwell, while maintaining that the singer should have informed the organisers beforehand. That is a legitimate concern to raise, but one that could have been addressed without turning the stage into a courtroom.

Nor was this an instance in which the public was confronted with an obvious breach of decorum through lewd lyrics, suggestive insinuations or manifestly inappropriate conduct. The controversy centred on the quality of the performance and suspicions about the singer's condition. Those concerns deserved proportionate scrutiny, not a spectacle that risked eclipsing the occasion itself.

One must also guard against a culture in which conspicuous reprimand is mistaken for decisive leadership. The urge to appear uncompromising can sometimes become an exercise in performative puritanism, where the display of moral authority matters more than the patient establishment of facts. The sanctity of a religious festival is best protected by dignity, not indignation.

The episode also carries implications for Uttarakhand's cultural standing. The state has long drawn strength from its spiritual heritage, natural grandeur and traditions of welcoming visitors. Its identity as Devbhoomi should be reflected not merely in the invocation of religious sanctity but in the grace with which it treats those who arrive as guests. In this context, Chief Minister Dhami's subsequent intervention was welcome. His outreach and his emphasis on dialogue, mutual respect and Uttarakhand's tradition of hospitality offered a constructive counterpoint to the confrontation. His appeal to move beyond the controversy was a reminder that the state's reputation must not be reduced to an unfortunate moment on a stage.

The larger lesson is straightforward. Public office demands not only the courage to question but also the wisdom to pause; not merely the authority to intervene but the judgement to do so proportionately. An artiste may owe a client a performance, but a public representative owes citizens something more enduring: fairness, restraint and respect for due process.

Uttarakhand need not choose between the sanctity of faith and the dignity of an artiste. Both can coexist, provided neither becomes an excuse to disregard the other. Ultimately, the measure of authority is not how forcefully it can rebuke someone in public, but how judiciously it can resolve a dispute without diminishing human dignity. That is the distinction between muscular posturing and mature leadership, and the standard by which this episode deserves to be remembered.

The writer is a former Lieutenant Governor of the Andaman and Nicobar Islands and Puducherry, and a military veteran

How infrastructure shapes human connection



SIDDHARTH ROY

2ND OPINION

When we look at a city skyline, we usually see engineering through the lens of pure utility. We measure steel by its tensile strength, concrete by its compressive capacity, and highways by their hourly vehicular volume. Yet, physical structures do far more than support static loads and carry moving traffic. Every line drawn across a planning blueprint acts as an invisible social command. Infrastructure does not merely exist in a city; it quietly dictates how human beings encounter one another, decide who belongs, and build their daily lives together.

At the heart of this truth lies the timeless contrast between the bridge and the wall. A bridge is fundamentally an act of reaching out. Whether spanning a turbulent river, a railway yard, or a crowded avenue, it turns a natural barrier into a shared crossing.

When civil engineers build a wide, pedestrian-friendly bridge or a continuous waterfront promenade, they create something far greater than a transit corridor. They create a democratic commons. On a walkway, speed drops, eyes meet, and people from completely different social backgrounds share the same air.

In that shared space, spontaneous conversations happen, vendors set up stalls, and empathy grows simply through regular, quiet presence.

Conversely, walls and elevated expressways often do the opposite. In the race to modernise our cities, planners frequently build high-speed arterial roads and towering flyovers designed solely to move cars as quickly as possible. Yet, in prioritising speed, these concrete ribbons slice through established neighbourhoods like dull blades.

A wide, multi-lane corridor without safe surface crossings instantly severs long-standing community ties. Local shops lose regular foot traffic, children can no longer walk across to play, and families living on opposite sides become complete strangers. What looks like an engineering triumph on a transport chart turns into a social fracture on the ground.

This contrast carries a profound ethical lesson for anyone who designs or commissions public works. The built environment is never socially neutral. A boundary wall designed to shield an affluent colony often signals deep distrust towards the outside world. An overpass that lacks pedestrian ramps effectively tells elderly, children, and disabled citizens that their right to navigate their own city is secondary. When efficiency becomes the only benchmark of progress, human belonging becomes an afterthought, leaving our cities richer in concrete but poorer in connection.

As India continues its massive urban transformation, civil engineers and city planners must look beyond basic arithmetic and budget sheets. We must ask what kind of community our drawings will foster twenty years down the line.

A city built entirely around barriers and high-speed transit will inevitably breed isolation, anxiety, and social fragmentation.

By choosing instead to design for human scale, shared spaces, and safe crossings, we affirm that our roads exist to serve people rather than the other way around.

True progress is measured not by how fast we drive past our neighbours, but by how easily we can walk over to meet them.

The writer is a consultant to Rashtriya Raksha University under the Ministry of Home Affairs, a short story writer, columnist and contemporary affairs commentator

Daiv Vani

WISDOM FOR A MEANINGFUL LIFE

The Gooseberry That Weighed More Than Gold

Generosity is not measured by what we give, but by how much of what we have we are willing to give.

Tradition tells of a young Shankara, still a student, who went from door to door seeking alms in a village in Kerala. At one humble home, a poor woman had nothing to offer. She searched the house and found a single dried amla, a gooseberry, all that remained of her family's food. Ashamed that it was so little, she placed it in his bowl with folded hands. Shankara, then a boy, was deeply moved. She had given him everything she had.

Moved by her generosity and by her poverty, he is said to have composed the Kanakadhara Stotram in praise of Goddess Lakshmi, and golden amlas are said to have fallen upon the woman's house. Whether we read the story as history or as parable, its meaning is clear: the divine responds to the sincerity of the gift, not its size.

The woman did not wait to become wealthy before she was generous. She did not compare her offering with what others could give. She gave from where she stood, and that single gooseberry was weighed as gold. We often hold back kindness, time or money, believing our share is too small to matter.

Today, offer someone the best of what you have right now, however modest, and offer it without apology.

–DAIV

PIC TALK



Artists wearing elaborate traditional costumes walk during a procession in front of Vidhana Soudha on Maharishi Valmiki Jayanti, in Bengaluru. PHOTO: PTI

LETTERS TO THE EDITOR

History cannot be reversed

Apropos of the news 'BJP slams Farooq over Pakistan remark' (26 Oct, pg. 4), the statement by National Conference chief Farooq Abdullah on Pakistan's continued international advocacy on the Kashmir issue has not resonated in political circles, not even in Jammu and Kashmir. Pakistan has persistently raised the Kashmir issue while seeking funds and support from West Asia, the World Bank, the IMF, the US and China. It has been oppressive towards the people of Pakistan-occupied Jammu and Kashmir (PoJK), suppressing their demands for freedom ever since the region was annexed with its active support from the British and their forces.

The recently released book The United Nations Role in Kashmir reportedly reveals these developments. The international involvement of Britain, the US and China played a significant role in Kashmir's separation from India under the facade of the UN. Even the Soviet veto came as late as 1957, when the damage had already been done. Farooq Abdullah cannot reverse history, and his credibility is at stake. He has served as Jammu and Kashmir's Chief Minister three times for over 11 years and as a Union Cabinet Minister. His son is now the Chief Minister. What more does he expect from the people of this country? Kashmir belongs to the entire nation.

VINOD JOHRI | DELHI

Delhi's annual festival of mist

Delhi is back in its inevitable season of enveloping dusk. For three months and more, Delhi will remain invisible, as will its government, whether Congress, AAP, BJP or any other party is in power. Delhi is not alone; it shares its air pollution woes with Los Angeles, Beijing, Denver and Mexico City. They are all in a natural pollution trap. Delhi, alas, is too close to an inexorably expanding desert.

In this extended gloom, there is a lighter side too. Sadly, we fail to see Delhi's air pollution in general, and stubble burning in particular, as the ultimate emancipation of our democracy, which gets animated. The rusted art of debate, now a rarity in Parliament, is revived every November. The Centre and states become preoccupied, as usual, with animated posturing, while the judiciary takes over the down-to-earth combat between man and nature. The media is happy to burn the midnight oil, refurbishing its stock-in-trade to educate the common man. The nation is engrossed in what has become an annual Festival of Mist, which ends in February, only to return unfailingly at Christmas.

Time to muse whether our capital ought to have been 250 km farther north-east or, as once envisaged, in Hyderabad.

R NARAYANAN | NAVI MUMBAI

Dialogue can ease US-Iran tensions

Iran's decision to keep the possibility of negotiations with the United States alive offers a glimmer of hope amid rising tensions in West Asia. Diplomatic engagement is essential to prevent further confrontation and promote stability in a region that holds considerable importance for global security and energy supplies.

Both countries must recognise that dialogue is better than hostility. Disputes over Iran's nuclear ambitions, sanctions and regional security require patient negotiations. Washington and Tehran should avoid provocation and show a genuine willingness to find common ground. The international community should support every credible effort to bring the two sides to the negotiating table. Continued tensions could disrupt oil markets, raise energy costs and create economic difficulties for countries dependent on imported fuel. A peaceful settlement would reduce these risks and open the way for greater regional cooperation.

For India, West Asian stability is vital for energy security, trade and strategic interests. Iran's openness to talks offers an opportunity to rebuild trust and pursue an agreement. Lasting peace requires diplomacy, mutual understanding and constructive engagement.

RUKMA SHARMA | PUNJAB

Vanishing commons, unharvested forests

Protecting our livestock is not an act of charity; it is an urgent economic and ecological imperative that requires treating common natural assets as the life-sustaining public treasures they truly are



BKP SINHA
ARVIND KUMAR JHA



Maharashtra has traditionally been a proud net exporter of fodder to water-stressed regions. During the British era, when Marathwada formed part of the princely Hyderabad State, surplus wild grass and crop residues were exported by train from its riverine and fertile plains across Nanded, Parbhani, Jalna, Latur and Aurangabad via the Nizam's Guaranteed State Railway (NGSR), Barsi Light Railway and Godavari Valley line. The baled supplies were routed towards the Bombay Presidency, dry Gujarat and Rajasthan belts, and military cantonments, as well as southwards into the Madras Presidency. Severe famine cycles, however, such as the Great Famine of 1876-78 or the 1899-1900 Chhappanja Dushkal (as it was in Vikram Samvat 1956), reversed this freight flow to import emergency fodder into Marathwada from Vidarbha, Central Province forest belts and Konkan areas to keep draught livestock alive. Maharashtra currently reels under a relentless drought cycle affecting 265 talukas in 32 (nineteen fully and twelve partially) of its total 36 districts. The severe rainfall deficit has triggered a disastrous fodder crisis across Maharashtra, threatening millions of livestock that sustain the state's rural agrarian and dairy economy.

Based on the 20th Livestock Census (278.36 lakh to 330.80 lakh heads) and nutritional standards framed by the Maharashtra Animal and Fishery Sciences University (MAFSU), the state faces a baseline annual requirement of 1,176.78 metric tonnes (MT) of green fodder and 377.87 lakh MT of dry fodder, with routine shortfalls of 22.79 per cent and 21.43 per cent, respectively, even during normal monsoon years. During widespread drought cycles affecting 265 of 358 talukas, this structural gap escalates into a severe crisis; for instance, it is reported that an October state assessment recorded available lean-season stocks at just 102 lakh MT, leaving an active cumulative deficit of approximately 211 lakh MT.

The historical architecture of Maharashtra's fodder security rested on a decentralised triad of village common grazing lands known as Gairans, agricultural crop residues and vast forest reserves, including Kurans. While the western districts and Marathwada areas traditionally generated surpluses of crop residues, such as sugarcane tops, maize, soybean crop residue, dry pulse straw, sorghum fodder, etc., Vidarbha produced mountains of paddy straw. Forest zones in the Western Ghats and Konkan, as well as forest areas of Vidarbha, provided ample grass to meet the state's needs. During past drought crises, such as those of 2014, 2018 and 2023, state-sponsored institutional collections mobilised huge volumes of fodder. A closer look at the dismantling of the traditional safety nets and the resultant crisis lays bare decades of systemic failure-not merely in enforcing land-use discipline, but also in governing, conserving and protecting Maharashtra's village commons, lands and forests.

The most glaring casualty of this collapse is the village Gairan, or Gochar land, which historically provided the primary free pasturage for rural livestock. In an affidavit submitted in the suo motu PIL (2 of 2022) in the Bombay High Court, the government submitted that approximately 2.23 per cent of the 4.52 lakh hectares of designated grazing land across the state was under encroachment. Despite this, Sections 22A(2) and 22A(3) of the Maharashtra Land Revenue Code (MLRC), 1966, gave the state government the power to divert Gairan upon the Divisional Commissioner's recommendation of an "unavoidable requirement". Again, the Supreme Court's order in the Jagpal Singh case (2011) asked all state governments to evict encroachers and restore common grazing lands exclusively for public utility, but independent surveys reveal a loss of grazing commons across Gairan and Class-E lands of between 1.50 lakh and 2.00 lakh hectares.

Classified under Section 22 of the MLRC, Vidarbha's Class E lands (Gurcharan/free pastures) were placed under the Revenue Department's jurisdiction and historically served as a critical first line of defence for livestock grazing during dry spells. However, although decades of administrative disputes between the Forest and Revenue Departments over the applicability of the Forest (Conservation) Act, 1980 (FCA), based on the 'Zudpi jungle' nomenclature, have saved many areas from diversion, their capacity to mitigate the current fodder crisis has been reduced to near zero due to relentless encroachments, infrastructure diversions and the choking of 30-40 per cent of the surviving area by invasive species.

FOREST ZONES IN THE WESTERN GHATS AND KONKAN AS ALSO FOREST AREAS OF VIDARBHA PROVIDED AMPLE GRASS TO MEET STATE'S NEEDS. DURING PAST DROUGHT CRISES LIKE THOSE OF 2014, 2018, AND 2023, STATE-SPONSORED INSTITUTIONAL COLLECTIONS MOBILIZED HUGE VOLUMES OF FODDER

A critical yet overlooked aspect of Maharashtra's forest management is its British-initiated dual-governance architecture, under which timber-rich "Class A" forests were assigned to the Forest Department, while pasture-oriented "Class B" forests fell under the Revenue Department, with District Collectors mandated to manage local nistar grazing rights on them. Historical figures highlight a steep decline in Class B forests-from over 10 lakh hectares in the 1950s to roughly 1.43 lakh hectares today-where, despite stabilisation under the FCA in 1980, a lack of active management for fodder severely undermines their potential to alleviate the state's fodder crisis.

Mismanagement and land diversion have virtually eliminated village grazing buffers, forcing rural communities to depend on crop residues such as sugarcane tops, cereal straws and kadba. However, during droughts, these by-products meet no more than 30–35 per cent of seasonal requirements. With a fodder deficit of 211 lakh metric tonnes, standing forest biomass is an indispensable alternative.

Prior to the Forest Rights Act (FRA), 2006, the Forest Department actively harvested and baled 25,000-65,000 MT of grass annually (rising to 80,000-100,000 MT during droughts), supplying 40-60 per cent of Maharashtra's emergency fodder during historic droughts such as those of 1972 and 1986-87. Post-2006, however, the sector's contribution has collapsed to under 2-5 per cent of state demand. Paradoxically, misinterpretations of well-meaning laws such as the FRA and PESA prevent vast forest biomass from being used in state disaster response. Currently, Community Forest Rights (CFR) for Minor Forest Produce (MFP) cover 22 per cent (13.64 thousand square kilometres) of Maharashtra's forests. Although Section 3(1)(c) of the FRA restricts MFP (grass here) ownership to 'traditional collection limits' and to the communities of Forest Dwelling Scheduled Tribes (FDST) and Other Traditional Forest Dwellers (OTFD) only, District Level Committees across the state have issued these rights haphazardly to Gram Sabhas and without defining quantities.

Local bodies and authorities have been made to misconstrue usufruct rights over the 'traditionally collected quantum of MFP' as 'absolute commercial ownership of all unsevered standing grass on state-owned forest land', violating basic property law principles and ignoring the fact that standing grass, the immovable asset integral to state-owned soil, is public property. With the Forest Department duly sidelined, such fodder reserves, rendered surplus after fulfilling the forest rights of FDST and OTFD, remain unharvested and are lost to annual wildfires, while the total absence of state tracking of extractions leaves resource sustainability completely compromised. In Maharashtra's Scheduled Areas, too, Section 4(m)(ii) of PESA has been misconstrued to endow the Gram Sabhas with absolute commercial ownership of unsevered standing forest grass (a biological/silvicultural resource) rather than harvested produce (a commercial/marketable entity). This erroneous conflation has effectively decoupled these forests in the 13 PESA districts from disaster response frameworks. The Forest Department having been made to relinquish silvicultural oversight, local government officials fail to monitor extraction or sustainability, ultimately affecting the state's emergency attempts to source fodder.

To mitigate Maharashtra's crisis, the state must unlock blocked forest resources by having District Level Committees (DLCs) quantify community rights to MFP (grass) for the true beneficiaries of the FRA and also compute the requirement for grass in PESA areas based on local livestock needs, enabling Collectors to harvest and distribute surplus fodder for disaster relief. The salvaging of moisture-rich green sugarcane tops should be incentivised through manual harvesting. As a long-term strategy, the diversion of all lands dedicated to grass/fodder production should be banned and encroachments removed. All lands, including Class B forests, should be made productive through assured investments, and the policy of monsoon sheep grazing should be withdrawn.

Protecting our livestock is not an act of charity; it is an urgent economic and ecological imperative that requires treating common natural assets as the life-sustaining public treasures they truly are.

The writers are Former PCCFs, UP and Maharashtra

An adjunct of Parliamentary diplomacy



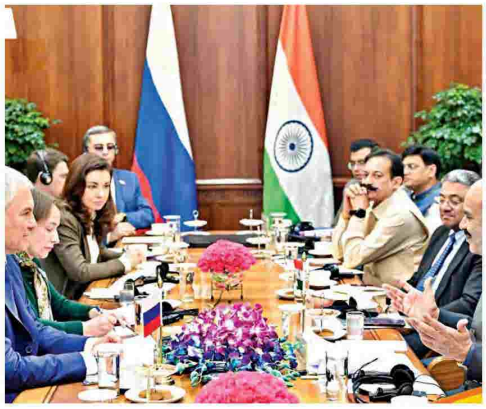
RUP NARAYAN DAS

At a time when geopolitics is in a churn, Lok Sabha Speaker Om Birla is hosting the two-day 12th BRICS Parliamentary Forum meeting on the 26th and 27th of this month, close on the heels of the BRICS summit held in Delhi on the 12th and 13th of last month. Prime Minister Narendra Modi, who has earned a formidable reputation as a world statesman, will also grace the event and interact with the high dignitaries. This thoughtful gesture on his part resonates well at a time when the world is faced with various challenges. His presence amidst the distinguished lawmakers from the BRICS parliamentary fraternity will enable them to have direct interface with him.

In recent years, the Speaker of the Lok Sabha, Om Birla, and the Deputy Chairman of the Rajya Sabha, Harivansh, have been playing a very important role in parliamentary diplomacy, far from the media gaze. The Speaker of the Lok Sabha organised the Commonwealth Speakers' and Presiding Officers' Conference in January this year and, earlier, the G20 Speakers' Conference in October 2023. Both also participated in the BRICS Parliamentary Forum in Brasilia in June last year. The role played by the all-party parliamentary delegations deputed to various parliaments of the world after 'Operation Sindoor' is also an example of parliamentary diplomacy.

Unfortunately, there is not much awareness about the efficacy and usefulness of parliamentary diplomacy. It is not widely known that, before the United Nations was born, the Inter-Parliamentary Union (IPU) was established in 1889. Parliamentary diplomacy has its own salience. It may be mentioned that, after the Falklands War between the United Kingdom and Argentina in 1982, when there were no diplomatic relations between the two countries, the ice was broken at the centenary celebration of the IPU in London in 1989, when both sides met. The margins of the summitry can always be thoughtfully availed of to broker an imbroglio or impasse. Through the bilateral meetings on the margins of the Forum, the Honourable Speaker will exchange views with his peers, and such interactions carry a great deal of strategic and diplomatic traction.

The BRICS Parliamentary Forum carries forward the mandate of the summit resolutions and declaration in the parliamentary domain and works in alignment with the principles and objectives of BRICS. In a way, the Forum supplements and complements the BRICS spirit of fraternity and fellowship. The contemporary world is faced with humongous challenges, and representative institutions at various levels are under stress to cope with the rising expectations of the people. Recognising the



centrality of the people in governance, the central theme of the meeting is 'Fostering Parliament for People-Centric Development'. The Forum will also deliberate on themes such as 'Resilience: Strengthening Institutional Resilience for a Better Future', 'Innovations: Promoting Human-Centric Innovation in Artificial Intelligence' and 'Cooperation: Leveraging Parliamentary Cooperation for More Representative Global Governance' in its plenary sessions.

At a time when the world is getting polarised and fragmented and a new world order is yet to be weaved, these issues are going to dominate the world discourse. With India emerging on the threshold of becoming the world's third-largest economy and being the fastest-growing major economy in the world, it is only anachronistic that India does not find its rightful place in the comity of nations. It is against this backdrop that BRICS is emerging as the voice of the Global South, a new lexicon in international relations. The BRICS platform and the Parliamentary Forum provide occasions and opportunities for India to showcase its commitment and endeavours to redefine the world order. The Westphalian world order is decadent. The Non-Aligned Movement (NAM) has also lost its sheen and élan. Moreover, it was more of a talking shop. The expanded BRICS, on the other hand, has formulated concrete ideas and institutions in response to the changing realities of the time.

The brainstorming deliberations of the Forum, including those in the plenaries, will not only sharpen the issues that have already been discussed on earlier BRICS platforms, but the interactions among peers will also forge stronger bonds among them. It is a good opportunity for the Parliamentary Friendship Groups to avail themselves of the occasion to reach out to their peers.

The writer is the Consulting Editor of Journal Parliamentary Information (JPI) and a former senior fellow of the Monohar Parrikar Institute for Defence Studies and Analyses

India's space sovereignty: National security first



NAVITA SRIKANT

India's space programme represents national determination, scientific excellence and strategic self-reliance. From satellite technology and launch vehicles to planetary exploration, the Indian Space Research Organisation (ISRO) has demonstrated that India can develop sophisticated capabilities without surrendering its technological destiny. As private enterprise and international partnerships expand the space sector, commercial growth must not compromise national security, institutional integrity or strategic autonomy. In February 1968, Vikram A Sarabhai, founder of India's space programme, articulated its defining philosophy: "We must be second to none in the application of advanced technologies to the real problems of man and society." His vision was technology in the service of humanity, with scientific excellence measured by its contribution to people and national development. That principle remains relevant as India navigates commercial space technology, satellite communications and foreign investment. The question is not whether India should welcome innovation, but whether partnerships strengthen national capabilities while remaining accountable to Indian laws and strategic priorities.

Elon Musk, founder and CEO of SpaceX, has publicly challenged the circumstances surrounding Starlink's entry into India, alleging that powerful business interests protect established market positions. Such allegations must be assessed on evidence, not accepted as fact. Equally, market access must be determined by transparent regulation and national-interest considerations, not public pressure from a powerful foreign entrepreneur. India should welcome technological investment and competition without accepting any company's preferred terms or operating model by default. Satellite communications require appropriate licensing, security safeguards and regulatory oversight. Authorisation to provide a service must also be distinguished from compliance with all conditions required to commence operations. The test must be consistent for domestic and foreign providers: transparent rules, proportionate security requirements and accountability. A company's foreign origin does not establish a security risk; equally, commercial reputation cannot substitute for scrutiny.

Innovation with accountability

Pawan K Goenka, Chairman of the Indian National Space Promotion and Authorisation Centre (IN-SPACe), has cited SpaceX as a reference point for India's commercial space ambitions. His reported remarks in 2025 and June 2026 encouraged comparison with SpaceX's achievements and highlighted the potential for greater risk-taking by Indian investors. These remarks do not, in themselves, establish improper favouritism. India can learn from SpaceX's innovation and commercial scale



without replicating its operating model or becoming dependent on its infrastructure. IN-SPACe must balance its responsibility to promote private participation with its role in authorising space activities. Its decisions should strengthen indigenous capabilities, protect critical infrastructure and ensure continuity of essential services. These standards must apply irrespective of a provider's nationality or commercial reputation.

On September 6, 2026, ISRO clarified that space-sector reforms would neither privatise the organisation nor diminish its importance. It reaffirmed its central role in advanced research, national and strategic missions, space science and critical technologies, describing the objective as an "ISRO-led national space ecosystem". This is the appropriate distinction. ISRO must remain the bedrock, private enterprise the force multiplier, and the service of humanity the enduring measure of success.

Commercial excellence is not strategic reliability

International experience illustrates why technological sophistication alone cannot guarantee continuity or strategic reliability. Ukraine: Starlink became operationally important to Ukrainian forces during the war.

In October 2026, reports of restrictions affecting satellite connectivity used in military operations renewed concerns about dependence on privately controlled infrastructure. The lesson is not that private operators should be presumed hostile. It is that access to critical communications cannot be treated as assured merely because a provider is commercially successful.

Iran: Starlink has been used by some people to circumvent government-imposed internet restrictions. Satellite connectivity can sustain communications when conventional networks are disrupted, while raising questions about jurisdiction, state authority and the decisions of foreign operators.

These situations differ in their legal and operational circumstances. None, by itself, establishes hostile intent towards India. Together, however, they demonstrate why critical services require credible continuity arrangements, contractual protections, accountability and viable alternatives. Satellite broadband can connect remote communities, improve access to education and healthcare, support disaster response and serve areas poorly covered by terrestrial networks. Cybersecurity, lawful access, network control, emergency continuity and the possibility of external leverage must therefore form part of regulatory assessment. India should apply these principles consistently to every provider.

No single platform should become a strategic vulnerability simply because it offers an efficient or commercially attractive service. Prime Minister Narendra Modi's vision of Aatmanirbhar Bharat is not technological isolation. It is the development of domestic capability and confidence so that India can engage the world from a position of strength. International partnerships can accelerate innovation and attract investment. Their value, however, must be measured by whether they strengthen indigenous capabilities, protect essential services and preserve sovereign decision-making. IN-SPACe has a responsibility to ensure that commercial expansion and national security are considered together, while respecting legitimate commercial confidentiality.

India must retain the expertise, infrastructure and institutional independence needed to pursue national priorities. Commercial partnerships should complement ISRO's strategic mandate, not leave critical functions vulnerable to decisions beyond India's control.

The choice is not between innovation and sovereignty. It is between partnerships that build lasting national capability and arrangements that risk creating strategic dependence. India must never confuse connectivity with dependency, innovation with sovereignty, or commercial convenience with national security.

The door is ours, and so is the key.

The writer is a financial, geopolitical, security analyst and an India-Nepal relations observer

The Tribune
ESTABLISHED IN 1881

Lula's fourth term

Brazilian President faces myriad challenges

BRAZILIAN President Luiz Inacio Lula da Silva has secured a historic fourth term, but the challenges awaiting the 81-year-old leader threaten to overshadow his remarkable electoral triumph. Lula overcame a first-round loss to edge out Senator Flavio Bolsonaro, son of ex-President Jair Bolsonaro, in the runoff. Leftist Lula's victory offers a counterweight to Latin America's recent rightward political shift and undermines US President Donald Trump's aspirations to expand Washington's influence in the region. His commitment to Brazilian sovereignty and stronger ties with diverse partners, including India, could preserve his country's role as an influential voice in international affairs. However, autonomy in foreign policy alone cannot guarantee domestic stability.

At home, Lula confronts a formidable obstacle: a deeply conservative Congress that may obstruct his legislative agenda. His promises to protect welfare programmes, raise minimum wages and improve living standards will collide with mounting fiscal pressures. Public debt exceeding 82% of the Gross Domestic Product, high interest rates and projected growth of just 2.3% next year leave little room for ambitious spending.

Amid his defeated opponent's allegations of electoral fraud, Lula must defend the integrity of Brazil's democracy without allowing political confrontation to paralyse governance. The President's immediate priority should be to build pragmatic coalitions, restore fiscal credibility and deliver tangible improvements in employment and public security. Brazil's future will depend on whether Lula can meaningfully build on his narrow poll win. If he fails, his final term could become a prolonged struggle against political isolation and economic stagnation. If he succeeds, he may leave a legacy defined not only by resilience but also by democratic stability and inclusive growth.

Stubble burning

Punjab needs solutions beyond subsidies

A Rs 10 matchbox continues to defeat thousands of crores spent on stubble management in Punjab. The uncomfortable truth behind the recurring farm fires is that burning remains cheaper, quicker and more convenient than scientific disposal of paddy residue. Until this economic equation changes, subsidies and punitive action alone will deliver limited results. Punjab recorded 574 farm fires between September 15 and October 24, against 561 during the corresponding period last year. Tarn Taran accounted for 270 fires and Amritsar for 144, highlighting the need for targeted interventions. The harvest season is still underway.

The state has earmarked Rs 576 crore for stubble management this year and provided nearly 21,155 subsidised machines. Yet, farmers face the cost of operating equipment, a narrow window between paddy harvesting and wheat sowing and inadequate access to machinery when they need it. Scientific management can cost Rs 2,000-2,500 per acre. For cash-strapped farmers, burning remains the easier option. Enforcement has intensified, with 113 FIRs registered, 205 red entries made in land records and environmental compensation of Rs 11.4 lakh imposed. Such action is necessary because farm fires impose serious pollution costs on society. However, penalties cannot substitute for practical alternatives. Nor should farmers alone bear the cost of cleaner air.

The priority must be to make residue management affordable and accessible. The shortage of balers, essential for collecting and transporting straw, must be addressed. Reliable markets linking farmers with biomass power plants, brick-kilns and other industries can turn agricultural waste into an economic resource. Incentives for fire-free management deserve consideration. Success must be measured by fields cleared without burning, not money spent or machines distributed. Punjab needs coordinated action by the Centre, state government, industry and farmers. The sustainable alternative must become as convenient as striking a match.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, OCTOBER 27, 1926

Governor's speech

THE speech which Sir Malcolm Hailey made to the Punjab Legislative Council on Monday will take away nothing from the reputation which His Excellency already possesses as a speaker whose speeches are remarkable for their eloquence, force and lucidity of expression. Whatever differences one may have with the views of Sir Hailey, it is always a treat to read his speeches; and, in the present case, though we do differ from him regarding certain matters of vital importance, we have no hesitation in saying that he has put the government's case with admirable precision and directness and with a dexterity which it is not easy to surpass. His Excellency reiterated the claim that the working of the Reforms had in Punjab been marked by harmony and concord, and attempted to meet the arguments of those who maintain the contrary. Stating the position of the critics, His Excellency said: "They hold that the harmony of which we boast is unreal; that it has been secured only by our base truckling to communal ends, and by an unworthy betrayal of the cause of less-favoured sections whose interests the government was equally bound to protect. The Governor in his selection of Ministers, and the government in landing its votes have, in order to smooth their own path, placed in power a party formed not on the basis of common economic or political interest but combined merely for the attainment of purely communal ambitions." This is by no means an overstatement of the position of those who condemn the policy that the government has systematically followed since the inauguration of the Reforms.

Learning from the *Panchatantra*

Ancient classic of pedagogy shows us the path to survival with the possibility of constant self-correction



KRISHNA KUMAR
FORMER DIRECTOR, NCERT

PROTEST : Story after story in the *Panchatantra* demonstrates that broken trust is hard to repair. PTI

RECALLING the disturbance that Lutyens' Delhi recently went through draws attention to the ancient classic of pedagogy, the *Panchatantra*. It gives us rare solace and understanding. The *Panchatantra* has five cycles, interwoven into a mystifying whole. Its popularity makes many readers think of it as a collection of imaginary animal tales, with didactic value. That may be true of some of the stories but certainly not all. That is why only a selected few are considered suitable for children.

Most of the *Panchatantra* stories carry a deep political and administrative message that is challenging to interpret. Its structure is no less significant. It has many layers of symbolic meaning, and this is true of the stories also.

They enable us to explore the different angles from which ordinary people might relate to the State. Composed long before the idea of civic or human rights was born, the *Panchatantra*'s structure, stories and characters offer remarkable resonance with our current predicaments. Rights are an essential part of citizenship in the modern world, but they are hardly the lone axis along which citizens relate to the State. In fact, the people comprise the State in a philosophical sense, and it is on their behalf that the more visible functionaries of the State serve the nation.

However, the once-in-a-while vote we are required to cast often makes us forget our everyday relationship with the State and its apparatus. The *Panchatantra* reminds us of the numerous ways in which common members of society practise the *niti* on which the State is supposed to be based. As a book of *nitishastra*, the *Panchatantra* has far more to offer us today than we may be aware of.

Although each of its stories ends by resolving the problem it starts out with, the end always leads to contestation, followed by another story. The debate that breaks out at the conclusion of a story highlights the possibility of rival interpretations, and hence the need for another story.

Discussing the affairs of the world brings endless pleasure to the key characters of a story in Part II, which is concerned with friendship among four creatures of radically different backgrounds: a crow, a deer, a mouse and a turtle. Every afternoon, they gather under a big old tree and take stock of their world: the jungle.

What better ideal could you have for a university or college? Alas, our universities of today have lost that ideal. They have adopted a different ideal — that of competition for individual success and submission to whatever order prevails. Thousands of students fail to attain their individual goal. Their prolonged, isolated struggle drains their youthful energy or enthusiasm to take stock of the world as the four friends in the *Panchatantra* did.

> The generation gap is not all that unusual a phenomenon, but it seems to have become a lot wider and jagged than anticipated.

Part III or the third cycle of the *Panchatantra* deals with the problem of permanent rivalry. This cycle looks at divergent advice and a terrible outcome achieved through conspiracy. The rivalry ends in an episode of awful violence, leaving the reader with a difficult dilemma and an uneasy feeling. This feeling originates in the lurking suspicion that the rival sides did not observe the core ethic of the *Panchatantra* — to settle every problem, even chronic ones, with the help of arguments. No wonder the third cycle is followed by the sobering last two cycles, "The Loss of Gains" and "Unexamined Action", respectively. Both these cycles have a tragic tone, suggestive of a warning against transgression of *niti*.

In the fourth cycle, the framing story is about the consequences of betrayal. It is a popular story, structured around the happy friendship between a monkey and a crocodile. Their relationship has been nourished by the sweet fruit of the tree where the monkey lives and under which the crocodile comes every day to meet his friend. The big tree at Sukhna Lake never fails to remind me of the *Panchatantra* story. A crisis develops when the crocodile tricks the monkey. He nearly loses his life: he survives but resolutely refuses to be wooed back into his earlier friendship.

Story after story is presented to demonstrate that broken trust is hard to repair. No matter how contrite the crocodile feels, his erstwhile friend rejects any possibility of resuming his old, broken bond.

As we read these stories in the present-day atmosphere, we can hardly avoid thinking of the tree of democracy that nourished rival parties and their ideologies for a long time, permitting each to dominate for a while, then handing over to the other. But if this arrangement of transitory dominance breaks down, repairing it may prove to be very hard. Are we heading towards such a situation? There is no way to predict this, but threats of making India *mukt* of the adversary have set the tone of intolerance and craving for permanent dominance.

The *Panchatantra* offers no permanent solutions. Instead, it conveys a vision of life and governance that responds to situations. Unlike so many other ancient advisories that communicate hard, principled conduct, the *Panchatantra* asks us to be responsive to each emerging situation. It is not as if we can live without handrails. Rather, the view embedded in this classic of pedagogy is that *niti* or the right way shows us the path to survival with the possibility of constant self-correction.

The emphasis is on learning from past actions and others' experience, rather than waiting for every experience oneself. As a vicarious activity, learning is nourished by the autonomy to think and deliberate. That is where we have walked into a predicament. It consists of a breakdown (not just "deficit") of trust and alienation of the young. The more sensitive among them are either depressed or resentful.

Both responses need to be analysed. The generation gap is not all that unusual a phenomenon, but it seems to have become a lot wider and jagged than anticipated.

THOUGHT FOR THE DAY

Nothing that India has given the world outside is more important than its stories. — Amitav Ghosh

The hills we carry within

SAURABH MALIK

THERE are two kinds of people heading to Shimla in October: those escaping the chaos of the plains and those carrying the chaos uphill with them. Every autumn, an ancient migration begins. Historians speak of tribes crossing mountains in search of greener pastures. We do it in air-conditioned SUVs, carrying Bluetooth speakers, three suitcases and an unreasonable sense of entitlement.

Like countless others fleeing Chandigarh's bustle, I pointed my taxi towards Shimla. I realised something had gone terribly wrong when it stopped near Jabli. Three boys were doing bhangra in the middle of the road. "*Shaadi hai?*" I asked the driver hopefully. He looked at me with the kindness reserved for people who still believe television news.

"*Nahin ji... holiday season hai.*"

Of course. The Himalayas had been booked for celebrations.

Cars stood parked wherever gravity allowed — and occasionally where it clearly did not. Music spilled from open boots. The four-lane highway had as many lanes as human optimism. Taxis overtook with religious faith in destiny. Tourists honked as though noise might persuade a mountain to move aside.

The driver switched on the stereo. A Punjabi song exploded with enough bass to rearrange local geology. I closed my eyes. The noise brought back another journey.

My father was at the wheel. A thermos of coffee sat between us. Our old Fiat had no stereo, navigation system or Bluetooth. We never noticed. We had things to talk about.

In Shimla, a stop at *Trishool* for a bun was almost a ritual. We ate because we were hungry and stopped because we were tired. Back then, nobody photographed a bun, reviewed it or called it an experience. It was just breakfast, before social media promoted every snack to celebrity status.

Afternoons dissolved into walks along the forest road towards Machhi Wali Kothi. The trees leaned in, as though listening. The silence held birdsong, wind and thoughts one did not yet know how to name.

The taxi jerked to a halt again. "Sir, *thoda time lagega.*"

"Reels?"

He nodded. Experience had made me wiser.

By evening, I stood on Mall Road. A boy nearly collided with me. "Uncle, *ek video bana dijiye.*" I recorded it. "Enjoy Shimla," I said. "Best party place, uncle," he replied.

The crowd flowed past me, each person searching for something the others had also come to find. Standing there, I realised that thousands had travelled hundreds of kilometres to escape the crowd, only to join a larger one. We search for peace in the same places, complain about the crowds we create and remain convinced our longing is different.

I thought of my father, the old Fiat, the thermos between us. We had travelled those roads without needing to prove we had been there. Perhaps the hills had not been quieter then. Perhaps we had simply been less anxious to make ourselves heard.

Perhaps we do not miss the world as it was. We miss ourselves as we were when the world was that way.

The writer is Legal Editor, The Tribune

LETTERS TO THE EDITOR

Civilisational maturity yet to come

Apropos of 'The line that made me Haryanvi'; even after being carved out more than five decades ago, Haryana remains without an independent capital city, Sutlej-Yamuna Link (SYL) canal remains in a limbo and award-winning women wrestlers are forced to take to the streets to protest against systemic apathy. The pervasive sway of convicted godmen like Ram Rahim and Rampal exposes institutional fragility, while entrenched patriarchy endures through recurring honour killings. Material affluence coexists with acute societal regressions. If Haryana is to heed the call to growing wise along with becoming rich, it must end political patronage to charlatans, curb communal polarisation and stand by its daughters. Only then will the state represent civilisational maturity rather than material wealth.

HARSH PAWARIA, ROHTAK

Punjab needs fiscal discipline

With reference to 'The line that made me Haryanvi'; Punjab needs serious introspection on its expenditure. While Haryana has strengthened its industrial and investment base, Punjab struggles with mounting debt, unemployment and the migration of young people. Freebies strain public finances, leaving less for productive investment. The state's fiscal stress also raises concerns about timely salary payments to government employees. Punjab urgently needs fiscal discipline, industrial growth and sustainable job creation. Political parties must prioritise long-term development over electoral populism and stop the blame game.

MS KAPOOR, FATEHGARH SAHIB

Sacrificing a child's innocence

Refer to 'Child brides'; child marriage cannot be eradicated through isolated cases of rescue or legal action alone; it requires a sustained commitment to education, social awareness, accountability and child protection. Haryana must move beyond responding to individual cases and build a comprehensive system that prevents such practices before they occur. A society's true progress lies not in preserving traditions at any cost, but in ensuring that every child enjoys a happy childhood. No tradition can justify sacrificing a child's innocence.

GAURAV BADHWAR, ROHTAK

Disservice to the institution

Refer to 'Judges' 2018 press meet exposed fault lines in judiciary: Justice Kaul'; senior judges of the Supreme Court holding a press conference was not a step in the right direction. Exposing shortcomings in the internal functioning of the apex court publicly was a disservice to the institution. It doesn't augur well for the independence and judicial integrity of judges, who have the sacred duty of dispensation of justice. Such uncalled-for criticism of the highest court of the land would only undermine public faith in the judiciary. The fault lines in the judicial functioning must be corrected, but without making it a public spectacle.

MD SHARMA, SHIMLA

Explanations can't replace action

Refer to 'Over 16,000 women went missing in J&K since 2019; 4,271 yet to be traced'; this is not merely a statistic — it is a test of the UT's commitment to women's safety and the credibility of its law-enforcement institutions. Every missing person report demands urgent action, particularly the 1,016 minors whose whereabouts remain unknown. This crisis also exposes the hollow slogans and schemes like Beti Bachao Beti Padhao, which must be matched with effective implementation on the ground. Patriarchal attitudes, trafficking, forced marriage, domestic violence and economic vulnerability must be confronted, and explanations must not substitute for results.

RAMPHAL KATARIA, KURUKSHETRA

Fulfil needs, not desires

EMIs (equated monthly instalments) have become increasingly common in our society. People often buy expensive items not because they need them, but simply to fulfil their material desires. In pursuing daily comforts, we often overlook our future financial stability. Although EMIs can be helpful for essential purchases, unnecessary borrowing can create financial pressure. Before opting for EMI payments, one must compare interest rates and check hidden charges. We must avoid borrowing merely to follow trends. True financial freedom lies not in fulfilling every desire today, but in securing our tomorrow.

TARANJIT KAUR, SHAHPUR

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**

The curious case of Umar Khalid



JUSTICE DEEPAK GUPTA (RETD)
FORMER JUDGE, SUPREME COURT

IN India, every person is presumed innocent till proven guilty. This is the basis of our criminal jurisprudence. When a person faces trial, the presumption of innocence attaches to him and he would naturally be entitled to bail. Thus, the well-known principle "bail, not jail, is the rule."

However, under certain laws, like the UAPA, Unlawful Activities (Prevention) Act, and other laws relating to terrorist activities or serious economic offences, the presumption of innocence is not there. Under the UAPA, the version given by the prosecution is accepted to be correct. These laws lay down that bail should not be granted unless the accused can show that the case of prosecution is prima facie unbelievable.

In the *Hussainara Khatoon* case (1979), the Supreme Court (SC) held that right to a speedy trial is a fundamental right. This is a constitutional right and the other laws must be subservient to constitutional rights. The case of Umar Khalid and Sharjeel Imam is a sad reflection of the manner in which the courts have disregarded the fundamental right to a speedy trial, relying upon limitations laid in the UAPA.

A three-judge Bench of the SC in the *KA Najeeb* case held that since the accused had been behind bars for more than five years and there were 276 witnesses to be examined, there was no likelihood of a speedy trial and the accused who were charged with the offences under the UAPA were entitled bail.

The SC held that the bar of statutory restrictions does not restrict the ability of the constitutional courts to grant bail on the ground of violation of fundamental rights and that the restrictions under the statute and the powers exercisable under constitutional jurisdiction can be harmonised. At the initial stage of trial, the courts may not grant bail.

However, when the situation comes to such a pass that there is no likelihood of the trial being completed within a reasonable time and the accused have spent a long period behind bars, then the constitutional right should prevail and bail should be granted.

In my view, when a law lays down strict conditions for the grant of bail, there is a greater burden on the courts to ensure that the right of an accused to a speedy trial is not frustrated. An accused who is denied bail must have the benefit of a speedy trial.

The other issue involved in UAPA cases is the extent of the power of the court to examine the material on record. In *Watali's* case, a two-judge Bench held that the trial court had erred in conducting a mini-trial and examining the material relied by the prosecution.



INJUSTICE: Both Umar and Sharjeel have spent more than six years in jail. PTI

If the court has to rely upon those provisions of the UAPA which make it virtually impossible for the accused to get bail, then it must examine whether the UAPA is applicable or not.

In Umar Khalid's case, the submission of the State before the SC was that he was the mastermind of a criminal conspiracy. It was alleged that he was the ideologue and organiser who conceptualised and propagated the strategy of 'chakka jam'; that he along with Sharjeel Imam and others had planned protests against the CAA; he delivered provocative speeches calling upon people to block roads; and that he and Sharjeel created WhatsApp groups for this purpose.

Pertinently, none of the messages attributed to Umar in these groups called for violence, arson or unlawful acts. The messages attributed to him were confined to sharing location pins of the protest sites on dates when no violence occurred.

> Incarceration without trial starting for years on end is worse than preventive detention.

In some of his speeches, he has clearly advocated the path of non-violence. Similarly, the allegation against Sharjeel was regarding organising protests and 'chakka jam'. Organising protests is by itself not a terrorist activity.

On analysis of the SC judgment, I have failed to find how it has come to the conclusion that the UAPA is attracted. The SC has not gone into this aspect on the ground that in view of the judgment in the *Watali* case, it was not supposed to examine the evidence in detail. At the stage of bail, the court was not required to determine whether the allegations satisfied Section 15 of the UAPA. I think this approach is incorrect.

If the court does not undertake such an examination, how can it apply UAPA rigours while rejecting bail?

With respect to delay, the situation is even worse. The principle laid down in Najeeb's case was brushed aside by distinguishing the judgment on the ground that it did not lay down a mechanical rule that mere passage of time becomes determinative of the issue of bail to establish a constitutional right to the grant of bail.

The reasons given for distinguishing Najeeb are not convincing. A two-judge Bench of the SC in the *Andrabi* case questioned the correctness of the judgment whereby bail was denied to Umar and Sharjeel. It expressed reservations on various aspects of the judgment rendered in Umar's case, including the denial of the right of Sharjeel and Umar to seek bail for one year.

The court also held that Najeeb's case is binding on all courts. Regarding bail, the Bench in the *Andrabi* case also noted that in UAPA cases, the conviction rate is less than 6%. If 90% of the accused are acquitted, it raises concerns about the fairness and effectiveness of the prosecution.

Therefore, the courts must be more liberal in upholding liberty and granting bail where the accused, even in UAPA or similar cases, have spent a long period behind bars. In many cases, the courts, while denying bail, are swayed by the fact that the accused are charged with serious offences relating to the integrity and sovereignty of the country.

While rejecting the bail applications of Umar and Sharjeel, the court granted bail to five other accused. The judge who authored the judgment rejecting their bail applications subsequently dealt with a similar issue in the *Tasleem Ahmed* case, decided on May 22, 2026.

The court took note of the reservations expressed by another Bench in Andrabi's case and directed that the matter be placed before the Chief Justice of India for the constitution of a larger Bench to resolve the apparent differences in approach between the Benches. Even while doing so, it granted interim bail to the applicants for six months.

Now, as the matter is to go before the larger Bench, I hope that it will give due deference to the dissent of Justice Khanna wherein he said: "Law of preventive detention, of detention without trial is an anathema to all those who love personal liberty. Such a law makes deep inroads into basic human freedoms which we all cherish and which occupy prime position among the higher values of life."

Incarceration without trial starting for years on end is worse than preventive detention. Both Sharjeel and Umar have spent more than six years in jail. More than 10 months have elapsed since bail was rejected. Till date, the trial has not even commenced. Therefore, I see no reason why they should not be enlarged on bail.

For full article, go to www.tribuneindia.com/opinion

Is anyone crying for me, asks Punjab



SURESH KUMAR
FORMER CHIEF PRINCIPAL SECRETARY, PUNJAB

SURJIT S BHALLA'S article 'Don't cry for me, Punjab' (*The Tribune*, October 20) expresses concern that deserves a wider public response. His warning about economic underperformance, damaging incentives and competitive populism provides a point for a further question: why has so much expressed concern for Punjab failed to produce sustained responsibility for its recovery? If Punjab could speak, it might ask: "Is anyone crying for me?" The question is what happens when concern encounters a difficult choice. Who will accept a political cost today to protect Punjab's future?

There is no dearth of affection for Punjab. Its history inspires pride; its difficulties provoke anguish. Families confronting addiction, young people seeking employment and farmers anxious about their livelihoods experience that anguish. Public figures invoke it repeatedly. Yet agreement that Punjab deserves better has not produced sufficient agreement on what must change, who must act, and how responsibility will be assessed.

That distance between concern and responsibility is the central challenge. Punjab must rise again. Those of us who have served it must examine our own record: what we accomplished, what we could not achieve and what we left unresolved. Experience carries an obligation to account for decisions.

Punjab's legacy issues are real. Partition, reorganisation and violence have shaped its economy, institutions and public memory. Questions concerning Chandigarh, river waters and federal arrangements deserve fair consideration. Their persistence strengthens the case for serious engagement.

Acknowledging these burdens should help locate responsibility more precisely. The Union must address legitimate concerns through sustained consultation and constitutional processes. Punjab's government must improve the administration, finances and public services within its authority. Both obligations stand, even when progress on one is delayed.

Public debate, however, too easily allows responsibility to travel indefinitely between Delhi and Chandigarh, between the present government and its predecessors.



FILE PHOTO

NO RESPITE: The farmer receives advice while retaining the uncertainty.

Citizens hear explanations of why somebody else must act first. The problem remains, while accountability becomes harder to establish.

A commitment to Punjab would identify what requires negotiation, what can begin at once and which institution must deliver each result. Why does this happen so rarely?

The political rewards of expressing concern can arrive immediately; the benefits of reform emerge slowly. A promise attracts attention when announced, while its financial consequences unfold later. A grievance can sustain mobilisation, while a settlement may involve concessions that opponents portray as weakness. An inherited failure can become a defence against scrutiny of present performance.

These incentives can discourage even well-intentioned leaders from taking necessary decisions. Sincerity needs institutional support: clear duties, transparent costs and public assessment of results. Otherwise, the electoral calendar can repeatedly displace the longer timetable of recovery.

> Every recurring promise should disclose its cost, funding and consequences for other priorities.

Agriculture illustrates the difficulty. Farmers respond to the security offered by existing arrangements. Asking them to change without providing dependable alternatives leaves them carrying the risk. The Central Ground Water Board's 2024 report placed Punjab's groundwater extraction at 156.87% of its annual extractable resource. It threatens the availability of water on which farming's future depends.

Concern becomes consequential when responsibilities are assigned. Who will secure markets for alternative crops, finance the transition, and protect farmers against initial income losses? What must the Union provide, and what must the state implement? Will the arrangement survive a change of government? Without answers, the farmer receives advice while retaining the uncertainty. A credible policy would make the institutions recommending change share responsibility for making it viable.

Public finance presents the same test. Punjab's 2026-27 budget estimates a revenue deficit of Rs 21,955 crore. Salaries, pensions and interest are estimated to absorb 72% of revenue receipts. These constraints must inform the choices of any government seeking to serve the state. Assistance to vulnerable households remains a legitimate public responsibility. Every recurring promise should disclose its cost, funding and consequences for other priorities.

Parties should explain these before seeking votes; governments should report expenditure and outcomes later. Citizens can then judge the value of the assistance and its sustainability. Agriculture and public finance reveal the same weakness: commitments are easier to announce than to sustain, and responsibility is easier to share rhetorically than to assign operationally.

Punjab needs a public programme for recovery built around a few commitments that can survive changes of government. Each should identify the action required, the responsible institution, the financing available and the timetable for results. Where Union cooperation is necessary, the outstanding decision should be stated precisely. Where implementation rests with the state, progress should be open to examination.

Political competition would continue. Parties could offer different methods while accepting common evidence and explaining the tradeoffs honestly. Useful schemes would endure because their results justified continuation, regardless of who introduced them.

Others who influence public choices must accept similar scrutiny. Civil servants must provide candid advice and implement lawful decisions. Representative organisations must explain how their demands affect the public.

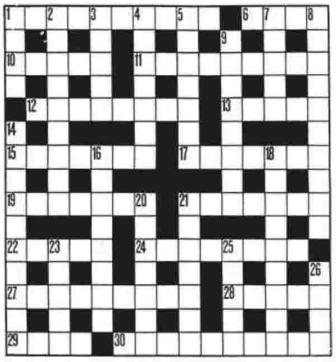
The citizen's question should become consistent: what changed, who benefited and will the improvement endure? Punjab has people capable of sustaining renewal. They need institutions that provide continuity, support and protection against arbitrary interference. Their efforts should form the strength of the government.

Those who have drawn authority, recognition or opportunity from Punjab owe an account of what they have returned. The concern for its future should be visible in the decisions they take, the advantages they are prepared to surrender and the mistakes they are willing to correct.

Bhalla's article should help deepen that public obligation. People are crying for Punjab; many have been doing so quietly for years. Leadership must ensure that their distress shapes public decisions.

Punjab can rise again when responsibility lasts beyond the speech, the controversy and the election — and when commitments are honoured after the applause has ended.

QUICK CROSSWORD



ACROSS
1 Unfathomable (10)
6 Discharge of guns (4)
10 U.S. holiday resort (5)
11 Properly qualified (9)
12 Wormwood-flavoured wine drink (8)
13 Tired out (3,2)
15 Unauthorised disclosure (7)
17 Reckless (7)
19 Embarrassed (7)
21 Dizziness (7)
22 A venomous snake (5)
24 Miscellaneous items (8)
27 Deficiency (9)
28 Physique (5)
29 Dexterous (4)
30 Conflicting (2,8)

DOWN
1 Jolt (4)
2 Brand (9)
3 Drug derived from poppies (5)
4 Lengthy reprimand (7)
5 By unspecified means (7)
7 Perfect model (5)
8 Abolition (10)
9 Shopkeeper (8)
14 Unwise (3-7)
16 Cheerful willingness (8)
18 Standard of judgement (9)
20 Far away (7)
21 A flavouring (7)
23 Conclusive evidence (5)
25 Jewish minister of religion (5)
26 Not in use (4)

Yesterday's Solution

Across: 1 Pegasus, 5 Muted, 8 Easy-going, 9 Kit, 10 Soft, 12 Undersea, 14 Caring, 15 Die out, 17 Put right, 18 Skip, 21 Bus, 22 Like a shot, 24 Elegy, 25 Nonstop.

Down: 1 Press, 2 Gas, 3 Sage, 4 Skiing, 5 Magnetic, 6 Take stock, 7 Detract, 11 Foretaste, 13 Unwieldy, 14 Capable, 16 Shaken, 19 Put up, 20 Warn, 23 Hit.

SU DO KU

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

MEDIUM

YESTERDAY'S SOLUTION

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

CALENDAR

OCTOBER 27, 2026, TUESDAY

Shaka Samvat	1948
Kartik Shaka	5
Kartik Parvishte	11
Hijari	1448
Krishna Paksha Tithi 1, up to 7:02 am	
Krishna Paksha Tithi 2, up to 4:08 am	
Siddhi Yoga up to 10:53 am	
Bharni Nakshatra up to 3:40 pm	
Moon enters Taurus sign 9:07 pm	

FORECAST

SUNSET: TUESDAY 17:40 HRS
SUNRISE: WEDNESDAY 06:33 HRS

CITY	MAX	MIN
Chandigarh	31	15
New Delhi	31	16
Amritsar	28	16
Bathinda	30	12
Jalandhar	30	15
Ludhiana	32	15
Bhiwani	30	16
Hisar	30	15
Sirsa	29	16
Dharamsala	28	15
Manali	20	08
Shimla	22	12
Srinagar	21	03
Jammu	29	14
Kargil	14	00
Leh	11	-04
Dehradun	29	12
Mussoorie	21	10

TEMPERATURE IN °C

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The Statesman
Incorporating and directly descended from the Friends of India -founded 1818

Data Divide

India's emergence as a supplier of human-generated data for artificial intelligence presents an economic opportunity, but also a familiar danger: the country may provide the labour while others capture the technology, intellectual property and profits. As robots move beyond factory floors into homes and workplaces, they must learn skills that humans acquire through experience. Cutting fabric, handling fragile objects and operating tools require movements and judgements that cannot be taught through written instructions alone.

Recordings of people performing these tasks are becoming valuable inputs in the development of physical AI. For workers struggling with insecure incomes, being paid to record activities they already perform offers a welcome supplement. But the larger economic question is who captures the value created. Workers contribute their time and practical skills; intermediaries process the recordings; technology companies use the resulting datasets to develop robotic capabilities. Although no individual recording guarantees a profitable innovation, the potential disparity between workers' earnings and downstream commercial returns raises legitimate concerns about bargaining power and economic fairness. India has encountered this imbalance before. Its information technology industry built considerable global expertise, yet many firms initially operated within business models where the most valuable intellectual property and customer relationships remained elsewhere.

The lesson is not that outsourcing is undesirable, but that participation in a global value chain does not guarantee control over it. The stakes are greater with physical AI. Robots capable of performing tasks in factories, warehouses and homes could reshape employment across sectors that depend on manual labour. Automation may create new occupations as well as displace existing ones, but workers cannot be expected to bear the costs of that transition alone. Privacy and consent demand equal attention. Blurring faces reduces certain risks but does not resolve questions about data retention, secondary uses or the terms governing future exploitation of recordings. When workers urgently need additional income, formal consent does not necessarily mean they have meaningful freedom to refuse.

India must therefore look beyond employment in data collection. The greater opportunity lies in developing expertise in data processing, robotics software, specialised datasets and indigenous AI systems. Universities, research institutions and domestic technology firms need the investment and incentives to turn raw data into intellectual property and competitive products. Fair compensation, transparent contracts and retraining programmes must accompany this transition.

The government should neither obstruct workers from entering this market nor mistake low-paid participation for technological progress. Its responsibility is to create conditions in which India captures a greater share of the value its people help generate. India cannot halt technological change by withholding workers' experience from machines. It can, however, determine whether its people remain low-paid suppliers or become participants in a more valuable technological ecosystem. The real measure of success is not how much human activity India records, but how much knowledge, ownership and prosperity it retains.

Beyond the Hype

Jio Platforms' entry into the stock market marks a significant moment in the evolution of Indian capitalism. Built by Mukesh Ambani, the company has become central to the country's digital transformation, extending its reach through telecommunications and a growing ecosystem of services. Its public offering, however, raises a question more consequential than the size of the share sale: can corporate scale and technological ambition translate into lasting economic value? The attraction is clear. Jio possesses an enormous customer base, extensive network infrastructure and the advantages that come with operating at scale. Its ability to combine connectivity with digital services offers considerable scope for growth. Jio's significance lies not merely in its commercial prospects but also in how it has reshaped India's digital landscape. The challenge now is to convert this reach into higher-value services, stronger productivity and sustainable earnings. A vast customer base creates opportunity, but the quality of monetisation will determine the company's long-term performance.

The use of IPO proceeds offers an important starting point. Jio Platforms intends to repay loans incurred in building and expanding Reliance Jio Infocomm. Lower debt can reduce financing costs and strengthen the balance sheet, giving the company greater flexibility. Nevertheless, telecommunications remain capital-intensive, requiring continued investment in networks, technology and capacity. The company's ability to balance these demands with profitable growth will be central to its future.

Competition will also shape that trajectory. Jio's aggressive expansion transformed Indian telecommunications, bringing down data prices and forcing established operators to rethink their strategies. Consumers benefited substantially, but prolonged price competition can undermine industry profitability. Elon Musk's Starlink introduces another potential challenge, particularly in remote areas where conventional infrastructure is expensive to deploy. Satellite connectivity is unlikely to replace mobile networks universally, but it could alter the competitive landscape in selected markets.

The regulatory dimension deserves equal attention. Telecommunications depend heavily on government decisions concerning spectrum, licensing and market rules. The government's conversion of dues into an equity stake in Vodafone Idea illustrates the sector's financial fragility and its strategic importance to the state. If weaker operators struggle to remain viable, India risks a market with fewer meaningful competitors. Such concentration could eventually diminish consumer choice and weaken the pressure to innovate. Jio's public listing also signals a generational transition at Reliance, with Akash and Isha Ambani taking prominent roles. Their leadership will be tested by the quality of strategic decisions, corporate governance and accountability to public shareholders. Family succession may ensure continuity, but a publicly traded enterprise must demonstrate that its institutional standards extend beyond the interests of its controlling family. Jio's IPO is therefore both a corporate milestone and a test of India's digital economy. Its ultimate contribution will depend on whether market leadership produces sustained innovation, sound financial performance and wider public benefits. For India, the greatest achievement would not simply be a record-breaking share sale, but a digital enterprise whose growth strengthens the economy without compromising competition.

Deepfakes and democracy

Detection systems improve, but generative tools evolve quickly, and no detector is reliable in every case. Investigators may struggle to identify an anonymous account's operator, especially when content passes through services and servers in different countries. A clip may be copied, edited and reposted until its original source is lost



India's democratic institutions face a new test as synthetic media spreads through public life. The country had about 970 million internet subscribers at the end of 2024, according to the Telecom Regulatory Authority of India. Affordable data and smartphones have made digital communication central to everyday politics.

Earlier, misinformation often relied on edited photographs, misleading captions or video clips stripped of context. Today, accessible artificial intelligence tools can create convincing voice clones, fabricated videos and false statements in Indian languages. The danger is not simply that falsehoods are cheap to produce. They can often travel through trusted relationships and weaken confidence in what citizens see and hear.

The 2024 general election offered a warning. Political campaigns experimented with AI generated messages, while misleading clips and recycled footage circulated online. The Election Commission of India responded by directing parties to avoid deepfakes and remove misleading content within three hours of being notified.

It also launched a public Myth versus Reality register to correct election related claims. These steps recognised the threat, but they also exposed a difficult truth: official corrections often struggle to match the speed and emotional force of viral deception. A false clip can influence voters before a correction reaches them.

The problem is especially difficult in closed messaging groups. WhatsApp and similar services allow families, neighbourhoods and community networks to exchange information privately. Cloned audio presents a particular risk.

A familiar voice speaking a local language can sound authentic even when the words are invented. When the sender is a relative or trusted neighbour, people may forward a message without checking its source. In a tense election or communal dispute, a fabricated warning can inflame fear before authorities establish the facts.

India's legal response draws on laws not designed specifically for every form of synthetic media. Section 66D of the Information Technology Act addresses cheating by personation using computer resources. Other provisions can apply to identity theft, privacy violations, defamation, forgery or unlawful intimate imagery.

Election laws and the Model Code of Conduct may also be relevant to campaign misconduct. Yet no single provision automatically covers every deepfake.

Cases raise different questions: Is the clip false? Has it caused legally recognised harm? Who created or circulated it? Can unlawful intent be proved? The answers matter because not every altered image is a crime. A response based mainly on rapid takedown orders carries dangers. Platforms facing penalties may remove disputed material before examining it carefully. Automated systems can mistake satire, parody, political criticism or legitimate reporting for deception.

This is troubling during elections, when citizens need to scrutinise candidates and public officials. In Shreya Singhal v. Union of India, the Supreme Court struck down Section 66A of the Information Technology Act partly because vague language threatened free expression. Giving the executive broad power to decide what is true could turn democratic protection into a tool for silencing dissent. Speed must not become a substitute for fairness.

Enforcement is difficult in practice. Detection systems improve, but generative tools evolve quickly, and no detector is reliable in every case. Investigators may struggle to identify an anonymous account's operator, especially when content passes through services and servers in different countries. A clip may be copied, edited and reposted until its original source is lost. Under the Bharatiya Sakshya Adhiniyam, electronic evidence must meet legal requirements before supporting a case. Establishing authenticity, chain of custody, identity and intent takes time, while political damage may occur within minutes.

India needs a clearer legal framework focused on demonstrable harms. Parliament should define deceptive synthetic media in terms that distinguish malicious impersonation from ordinary expression.



SIDDHARTH ROY

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The law should address fraudulent electoral messages, financial scams, nonconsensual intimate imagery and deliberate fabrication intended to cause identifiable harm. It must also protect artistic work, satire, research and political commentary. Liability should depend on context, intent and harm, not merely on whether artificial intelligence was used. People should have accessible ways to challenge wrongful takedowns and seek remedies when synthetic content damages their reputation or safety.

Technical safeguards can support this approach. Platforms and media organisations should adopt reliable systems that record where digital content comes from and how it has been edited. Content Credentials, developed through the Coalition for Content Provenance and Authenticity, can attach verifiable information to images, audio and video.

Such records are not magic seals: metadata can be removed, and an authentic recording can still be misleadingly edited. But provenance can help journalists, election officials and citizens assess material responsibly. Platforms should label generated content clearly, explain moderation decisions, preserve relevant evidence when legally required and publish transparency reports.

Independent oversight is equally important. The Election Commission should strengthen its rapid response system for suspected synthetic media during campaigns, working with journalists, technical experts, civil society groups and legal specialists. Its assessments should explain the evidence and any uncertainty, be published promptly and remain open to scrutiny.

The Commission's Myth versus Reality register provides a useful foundation, but corrections should also appear in regional languages and formats suitable for messaging apps. The aim should be to inform voters, not to decide political truth behind closed doors or order removals without safeguards. Parties should disclose synthetic campaign material and face consistent consequences for deliberate deception. Ultimately, laws and detection tools cannot protect democracy without an informed public. Digital literacy must become part of school education, adult learning and community outreach.

Citizens should learn to check original sources, compare credible reports, verify a surprising voice message through another channel and pause before forwarding it. Newsrooms can help by explaining how they verify manipulated media, while local administrations can distribute corrections through trusted community networks.

Artificial intelligence can expand access to information and creativity, but it can also industrialise deception. India should not answer that danger with indiscriminate censorship or blind faith in technology.

It needs clear laws, independent scrutiny, responsible platforms and citizens equipped to question what appears on their screens. Democracy depends neither on believing every image nor on distrusting everything, but on preserving the ability to distinguish evidence from fabrication. In an age when a false voice can sound familiar, that ability is a civic necessity.

PHILIPPINE DAILY INQUIRER

Some are smarter than the law

A quote attributed to Solon, a 6th century Athenian statesman and lawmaker, might well describe the country's anti-plunder law. Solon noted that "laws are like spiders' webs; if some poor, weak creature comes up against them, it is caught, while a big one can break through and escape."

Ombudsman Jesus Crispin Remulla has thus described Republic Act No. 7080 or the Anti-Plunder Act as a "shield for the guilty," as it has made it difficult to fully prosecute the contractors and politicians involved in anomalous flood control projects that leeched billions in public funds. The official has called on the Supreme Court to revisit its landmark 2016 ruling in the Macapagal-Arroyo vs People case. The judicial doctrine, Remulla argued, has two strict evidentiary requirements that allow cunning criminals to escape the law's intent "to hold accountable those who steal billions." Under the ruling written by then Associate Justice Lucas Bersamin, the prosecution must identify a main plunderer or a single mastermind of the scheme. The accused must also be proven to have personally received or directly profited from the stolen money.

Such constraints only serve to reward sophisticated criminal networks, Remulla argued. "The smarter the thief, the safer he is. Pass the money through enough dummies, middlemen, and offshore companies, and no one can be shown to have touched it ... Under this doctrine, the biggest syndicate is the hardest to catch. That is not justice. It is merely a shield." To illustrate how these affect current plunder cases, Remulla cited the complex layering of subcontractors in questionable flood control and government infrastructure projects, which has made the "main plunderer" requirement a steep legal hurdle to full prosecution. There were "many hands, layers of contractors, and money moving through accounts that do not carry the names of those who profited," thus erasing the paper trail leading to the "main plunderer."

A Member Of The ANN ASIA NEWS NETWORK

So far, the Ombudsman has filed 39 cases related to the flood control mess, 35 of them with the Sandiganbayan and four with regional trial courts. Among the 52 individuals charged are former Speaker Martin Romualdez, Sen. Jinggoy Estrada, former Sen. Bong Revilla, and former Public Works Secretary Manuel Bonoan.

Remulla has said the two restrictive requirements are not in the law, and he is correct, lawyer Raul Palabrica wrote in his Oct. 16, 2026 Inquirer column. The columnist cited the three elements needed to be held liable for plunder, namely: 1) the accused is a public official who acts in connivance with family members or other individuals; 2) the wealth must have been acquired through a series of criminal acts like kickbacks or misappropriation and malversation of public funds; and 3) the total value of money amassed from those acts is at least P50 million. Palabrica noted that there was no mention, directly or indirectly, and even by inference, that a main plunderer has to be named or identified before plunder is deemed to have been committed. Neither was there mention of the need to show that the accused had personally received or benefited from the ill-gotten wealth. Such requirements, Palabrica wrote, ignore the reality in financial crimes where ingenious masterminds make sure that their name or identity are not in any transaction documents. The process of corporate layering and the creation of offshore bank accounts in global tax havens with strict confidentiality rules easily obscure the personal beneficiaries of the funds, he added.

Letters To The Editor | editor@thestatesman.com

PSU banks

Sir, The reported proposal to reduce the government's shareholding in Central Bank of India, UCO Bank, Punjab & Sind Bank and Indian Overseas Bank to 75 per cent, alongside preparations for another round of public sector bank consolidation, raises important questions about the future of India's public banking system.

Increasing public shareholding to meet the Securities and Exchange Board of India's minimum public shareholding requirements may be necessary.

However, the government must distinguish between regulatory compliance, operational consolidation and outright privatisation. Each serves a different purpose and requires independent justification.

The Union Cabinet's recent approval of the proposed sale of a 60.72 per cent stake in IDBI Bank to a Fairfax Financial Holdings subsidiary for approximately Rs 52,878 crore signals renewed momentum in strategic disinvestment.

The transaction, subject to regulatory clearances, makes it particularly important to assess the wider implications of further privatisation.

Public sector banks remain vital to financial inclusion, agricultural lending, credit for micro, small and medium enterprises, and banking access in rural and underserved areas. Any restructuring must therefore be guided not merely by valuation, profitability or the government's disinvestment receipts, but also by social obligations, employment security, regional representation and customer interests.

Consolidation can improve scale, technology investment and competitiveness, but mergers alone cannot guarantee better governance or efficiency. India needs financially strong, professionally managed banks capable of competing globally while safeguarding the interests of ordinary depositors and small borrowers. Reform should strengthen public banking, not weaken its essential developmental role.

Yours, etc., Vidyasagar Reddy Kethiri,
New Delhi, 23 October.

Silver linings

Sir, For two decades, quirks of technology had wealth steadily migrate towards the top five per cent, leaving the majority economically diminished and socially disenchanted. Now, the fractures are multiplying. Trump's doctrine of absolutism is disrupting trade chains and economic certainties; El Niño threatens food security, while AI threatens livelihoods on a massive scale. No economy, however large or small, can insulate itself from this gathering turbulence.

The resultant gathering unrest is no aberration but the cumulative dividend of inequality, insecurity and institutional failure. What compounds the crisis is the poverty of leadership. At a moment demanding statesmanship and international cooperation, nationalism masquerades as strategy and political survival eclipses public welfare. Ending ongoing wars could be an omen to global rejuvenation along with a common concern over a runaway AI. There are silver linings. Supply-chain disruptions could accelerate economic diversification; AI, if responsibly governed, could democratise knowledge and productivity, and climate adversity could finally compel investment in resilient agriculture. Public discontent, too, can awaken democratic institutions from complacency. Global leaders hopefully, do see a shared wisdom.

Yours, etc., R Narayanan,
Navi Mumbai, 22 October.

Europe feels strain of war in Ukraine

HARSHA KAKAR





The continuing war in Ukraine is placing strain not only on Kyiv but also on Europe, especially since it assumed the sole responsibility to fund Ukraine. President Donald Trump reduced financial support to Ukraine seeking to push Kyiv into accepting a peace deal more suited to Russia than itself. President Volodymyr Zelenskky refused, though he appears to be bending now. Inputs mention that since January 2025, US support to Ukraine has reduced from $130 billion, during the tenure of President Joe Biden, to $540 million now. The US desires that Europe purchase military equipment for supporting Ukraine from US manufacturers.

In end 2024, just prior to the conclusion of his presidency, Biden approved provision of artillery ammunition, rockets and armoured vehicles for Ukraine. He also released a $1.25 billion aid package. Europe was aware that Trump coming into the White House would imply cuts in aid to Ukraine. This happened.

Trump had stated during his electioneering, "You (Zelenskky) should have never started it (war). You could have made a deal." Trump recently mentioned. "The United States has spent a fortune. Europe has spent a fortune. Europe's tired of it right now." Trump believes Zelenskky is prolonging the war due to financial and military support Ukraine receives from Europe.

For Europe, Ukraine is a frontline state, defending it from Russian expansionism, despite President Vladimir Putin stating on multiple occasions that he has no such intention. In a recent interview Putin termed this belief of Europe as "some kind of political schizophrenia".

On 16 October, during an EU summit, Zelenskky announced that the war in 2027 would cost Ukraine an additional €155 billion. He therefore requested EU for an additional €70 billion loan, in addition to a previously released €90 billion. These were to be utilized for defence, weapon production and national resilience. Ukraine is forced to bank on support from Europe. Europe made no commitment to fund Ukraine's additional demand.

Europe has been funding Ukraine through a combination of market borrowings, utilizing interest from frozen Russian central bank assets to structure loans, and specific defence production programmes. To meet additional funding demands, Europe is considering either enhancing joint debt, increase national budget grants or exploit Russia's frozen assets.

The earlier amount of €90 billion was accepted on the assumption that the war would conclude in 2026. That does not seem to be happening. Europe has not been able to exploit the €210 billion in frozen Russian assets held largely by the Central Security Depository Euroclear in Belgium due to blocks by members. The US has been proposing that Europe release some part of frozen Russian assets back to Russia to encourage a peace deal, which the Europeans are unwilling to accept.

Within the EU there are questions on continuing support for Ukraine. Hungary, the Czech Republic and Slovakia have refused to join the funding of the €90 billion package to Ukraine. Bulgaria announced that it would no longer contribute towards procurement of new lethal weapons for Ukraine. Their reasons are varying.

Europe will also face a series of elections in 2027 which could impede support to Ukraine. While Spain has elections in end November, Poland, Italy, France, Estonia, Finland, Greece and Slovakia go to polls next year. In all these countries there are political parties exploiting funding for Ukraine for gaining brownie points.

Marine Le Pen, the challenger in France, commented recently, "This funding will stop, and it is a matter of honesty to tell (Zelenskky) the truth." She has also called for an end to Europe's sanctions on Russia. In Germany, the growing political party, AfD (Alternate for Germany), is demanding restoration of energy ties with Russia. It also believes support for Ukraine is 'self-sabotaging.' A similar scenario is emerging in Italy and Poland.

The EU is compelled to approach non-EU nations like Canada, UK, Norway and Japan to join the funding plan. Simultaneously, Europe is backing a ceasefire in Ukraine.

Meanwhile large parts of Europe are facing protests over multiple issues including low education funding, high costs of living, soaring fuel and energy costs, housing shortages and declining public services. Added to this is growing frustration over sponsoring multi-billion military and financial packages for Ukraine. There is a belief that these funds could have been better utilized for domestic needs.

This internal pressure will continue and possibly be fuelled by outside sources, who are aware that they can influence Europe's determination to support Ukraine. Euronews mentions that while there is no evidence that foreign powers fuelled riots in Europe, there is a belief that they exploited it to push their own narratives. The Italian and French governments have tasked their intelligence agencies to investigate whether Russian agents or online networks linked to Russia stoked local unrest.

Simultaneously, US pressure on Zelenskky mounts, especially after the 9 October conversation between Trump and Putin. Speeds of Starlink and Starshield were reduced, restricting Ukraine's ability to defend itself. It has since been restored. US equipment supplies have slowed to a trickle. Intelligence sharing comes in spurts and the US has agreed to a diesel deal with Russia, while lifting sanctions. Zelenskky accused the US of preventing European nations from transferring their Patriot stocks to it.

Zelenskky has seen the writing on the wall. In an interview with multiple channels, he now says he is open to a deal which involves freezing of frontlines. He mentioned, "Right now, we have to freeze, and I think this is a real way to end this war." The reason he gave was, "Of course, we are not losing this war. But we are losing people."

Russia is exploiting the scenario in Europe. While it backs trilateral talks involving the US and Ukraine commencing post 10th November (after the US mid-term election results), it is unwilling to agree to a ceasefire. It continues its attacks on Ukraine. Ukraine is responding by strikes on Russian oil infrastructure, targeting just what Trump seeks to avoid. There are also reports that Putin has slowed repairs of Russian refineries damaged by Ukraine, thus keeping oil prices high, impacting the US midterm elections.

Putin is aware that the war would add pressure on European finances as they cannot stop funding Ukraine, especially as the US is out. Support to Ukraine is also being exploited by local opposition political parties and by agents of inimical nations to fuel anger within Europe. There is no easy solution for European leaders.

(The writer is a retired Major-General of the Indian Army.)

In defence of the RBI's calibrated tightening

SANKALPA BHATTACHARJEE

Central banks are rarely accused of moving too soon. Yet on October 7, the RBI raised the policy repo rate by 25 basis points to 5.50 per cent and adopted a stance of calibrated tightening. The release of the MPC meeting minutes on October 21 reveals that, while the rate decision was unanimous, two members preferred to maintain a neutral stance.

By reversing course within two months and declaring that rate cuts are off the table, the RBI has chosen to stay ahead of the cycle rather than trail it. The critics charge that RBI is fighting a supply shock that interest rates cannot cure. They are right about the cure but wrong about the counterfactual, since everything around the policy stance had already been repriced.

Q1 FY27 delivered real GDP growth of 7.8 per cent on a nominal expansion of 10.3 per cent, with real GVA up 8.2 per cent. The expansion was broad-based: services grew 10 per cent, capital formation 11.9 per cent, manufacturing 9.2 per cent, and construction 7.7 per cent. The RBI accordingly lifted its FY27 growth forecast to 7.1 per cent.

Credit tells a similar story with bank lending up 18.1 per cent against a deposit growth of 17.3 per cent. An economy this buoyant does not need cheap money, and the case for leniency weakens precisely when price pressures build.

The immediate pressures are supply-driven. The monsoon ended 12.6 per cent below normal, with a strong El Niño expected through year-end. The Indian crude basket rose 42 per cent between July and September, to $116.1 a barrel, and October's average so far is $120.3. An RBI staff study puts pass-through at about 20 basis points of headline inflation per 10 per cent rise. The rupee, 8 per cent weaker than a year ago, compounds the bill.

Retail inflation, on the new 2024=100 series, reached 5.54 per cent in September; wholesale inflation exceeded 9.75 per cent for five consecutive months, with fuel and power at 25.85. Core inflation rose to 4.2 per cent from 3.9, and the RBI projects 4.4 per cent for the year.

Households are pricing it in: the RBI's September survey puts one-year-ahead expectations at 10.0 per cent, from 8.7 a year ago, and three-month expectations at 9.9,



from 8.1. Medians overstate realised inflation, so the direction matters more. A supply shock hardens into persistence only when priced into wages and contracts, and expectations decide that.

Policy must respond. With CPI projected at 5.2 per cent this fiscal, a 5.25 per cent repo rate left the real rate near zero; at 5.50 it is about 0.3. Against the 5.8 per cent the MPC expects over the next three quarters, it is still slightly negative. The Taylor rule offers a yardstick: a 2 per cent real rate, plus inflation, plus half the inflation gap (ignoring the output gap). With inflation at 5.2 per cent against the target of 4, the rule gives 7.8 per cent. At 5.50 per cent, the RBI remains well below the rule, so the hike restores a cushion, not a constraint.

India is not tightening alone. The ECB has raised its deposit rate twice since June, by a cumulative 50 basis points to 2.50 per cent; the Fed lifted its range to 3.75-4.00 per cent on September 16. Markets had already repriced: the 10-year G-sec par yield rose from 6.60 per cent in September 2025 to 7.14 by September 25; the 364-day T-bill yield, at 6.09, sat 84 basis points above the repo rate; the rupee fell from 88.72 to 95.89 per dollar, and the US 10-year yield reached 5.31 per cent on October 5.

The hike restores the 150-basis-point gap over the Fed's upper bound that had shrunk to 125 after September 16, while FCNR(B) deposits supplied almost 93 per cent of the $143.6 billion raised through the swap window. The policy rate, thus, was the laggard of financial conditions, not their instigator.

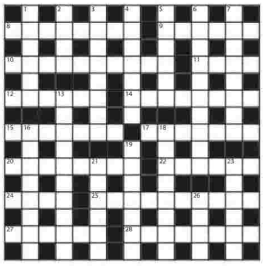
Borrowers on repo-linked floating loans will pay more: on an illustrative Rs 50 lakh, 20-year loan at 8.5 per cent, a quarter-point lifts the EMI from about Rs 43,400 to Rs 44,200, or roughly Rs 800 a month. Savers, however, earn 2.50 per cent on savings deposits against 4.8 per cent inflation, a real return of minus 2.3 points; term deposits above a year pay 6 to 6.75 per cent. The hike's cost to borrowers is modest and visible; inflation's cost to savers is larger and silent, and the stance guards against the greater burden.

Calibrated tightening commits the Committee to a direction, not a destination: in the near term, the next move is a hike or a pause, never a cut, and its depth follows the data. That is the right design for a shock whose duration nobody knows. If rains return, oil retreats, and expectations stabilise, the RBI pauses; if not, it has preserved the option to act again.

The calendar will test this soon: the Fed meets on October 27-28, October inflation is due on November 12, and the MPC meets again from December 2 to 4. The most dangerous central bank is not the one that acts before every doubt has disappeared, but the one that waits for certainty and discovers that the price of delay is far greater than the cost of timely action.

(The writer teaches Economics at IIM Ranchi. Views are personal.)

Crossword | No. 293618



Yesterday's Solution



ACROSS

8 Scottish city will, it's reported, provide an agreement that cannot be revoked (4,4)
9 Cries "I've made a mistake!" (6)
10 Veg sent back by European port is passed out (6,4)
11 Gloom emerges as last of dark spirit is knocked back (4)
12 Window of gold by the sea in Cannes? (6)
14 Russian holy man heading for Romania, like the Russian president (8)
15 One doesn't believe in roast chicken? (7)
17 Polish drinking half of beer in booze joint (7)
20 At the speed of sound, two seconds of manliness (8)
22 Young at heart learn about fairytale (6)
24 OK, I need help with love (2-2)
25 Pub brewed, I suspect, something spiky and difficult to get through (6,4)
27 Unconventional iron telephone kept inside (6)
28 With last bit of peroxide, denture could be sterilised (8)

DOWN

1 In favour of self-sacrifice (6)
2 According to Paul Simon you can call ... for dinner? (4)
3 Edge clear with this type of fuel? (4-4)
4 Like Pavlov's dogs in servitude (7)
5 Pieces of publicity covering battle honours (6)
6 Element of upholstery upset mother of French-polisher? (4,6)
7 Evaluate one with extremely plump rear (8)
13 TT champion crashes a moment before victory (5,5)
16 Locks up unusually sour delights (8)
18 My set-up, practical for lots of people where I live (8)
19 Inferior bird captured by chance (3-4)
21 Appalling abuses beneath the waves (6)
23 A sin that's allowed (6)
26 Little bit of dope which you can smoke to get high (4)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with **The Independent, London**)

100 Years Ago


The Statesman

Front page of The Statesman dated 27 October 1926

OCCASIONAL NOTE

THE Bengal Club, Calcutta, probably the foremost institution of its kind in the East, will celebrate its centenary on February 1, 1927. Its history has yet to be written, but in connexion with its first centenary the Committee are anxious to get together a brief account of its fortunes since it first opened its doors in Old Court House Street in premises afterwards occupied by Messrs. W. Newman & Sons, printers and stationers. The Committee would be glad to hear from any members with information as to the buildings formerly occupied by the Club, together with reminiscences of famous members and any other relevant data. The present site, which has been in occupation for nearly three quarters of a century, was originally that of the bungalow rented by Macaulay when Law Member of the Governor-General's Council in the thirties of last century. Macaulay's house was pulled down nearly twenty years ago to make room for the present more pretentious edifice, erected from the designs of Mr. Vincent Esch.

News Items

BRITISH SHIPPING

CONSTRUCTION LOWEST FOR SEVENTEEN YEARS

(FROM OUR SPECIAL REPRESENTATIVE.)
LONDON, OCT.

AT the annual meeting of the Shipbuilders' Employers' Federation it was shown that British construction is the lowest since 1909. This state of affairs is only partly due to the strike and is not likely to improve until long after a settlement is reached.

PROVINCES CUT OFF

HAVOC OF THE HAVANA HURRICANE

HAVANA, OCT.

THE destruction of telegraph and telephone lines has blocked the railways and roads and isolated the provinces of Matanzas, Pinar del Rio, and Santa Clara.

Up till now 100,000 dollars have been subscribed for the relief of sufferers. The value of the ships wrecked in the gale is estimated at several million dollars. Two important sugar factories have been demolished and a third badly damaged.

A thousand tobacco-curing sheds at La Saludad have been destroyed.— Reuter.

SIR ALAN COBHAM

ANOTHER HONOUR FOR THE AIRMAN

(British Official Wireless.)
Rugby, Oct.

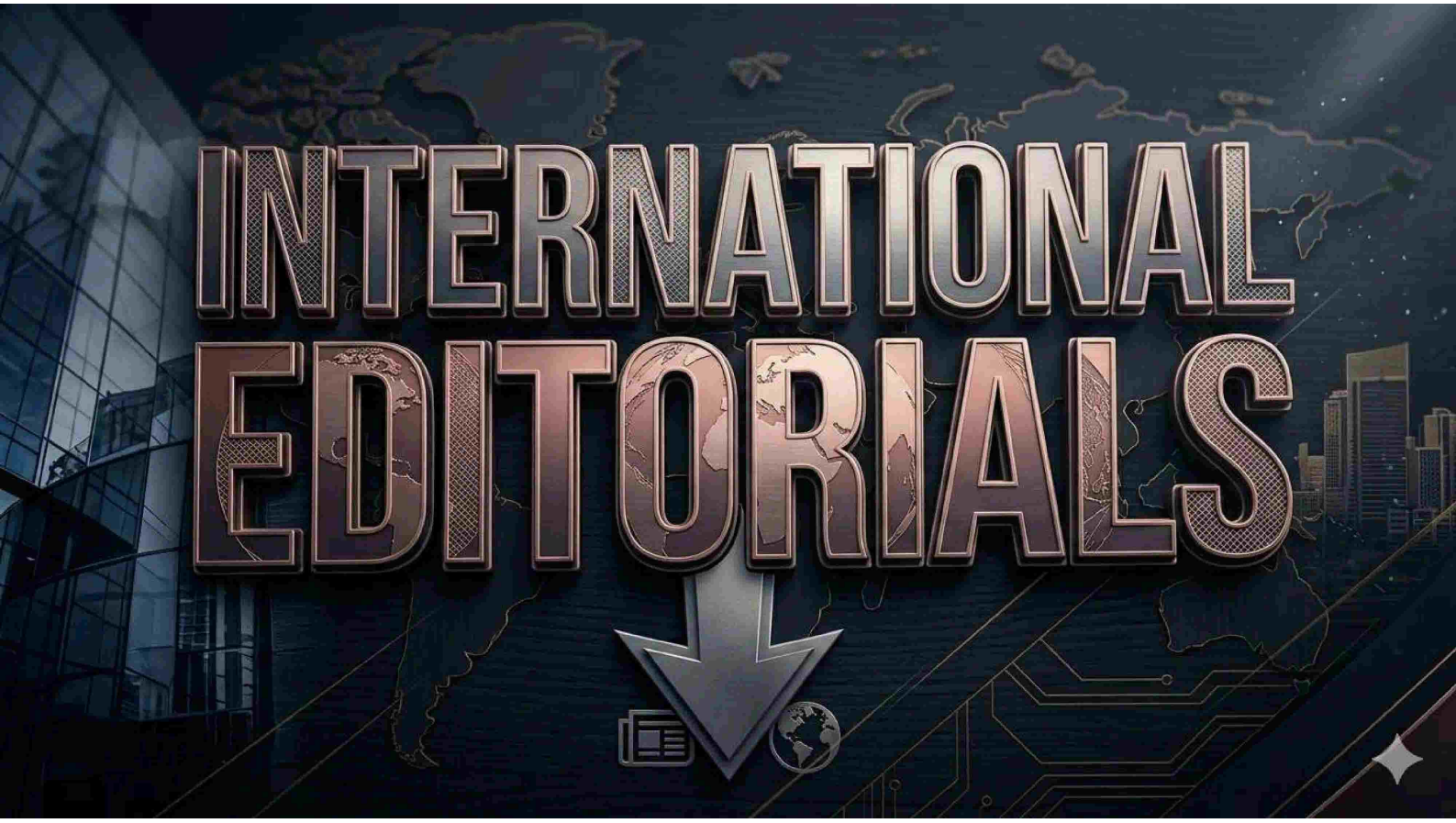
Sir Alan Cobham has been made an Honorary Fellow of the Royal Aeronautical Society — the highest honour that body can confer — and Sergeant Ward and Capel, his companions, have been made life Associates. A proposal is under consideration for perpetuating the memory of Elliot, the mechanic who was shot while Sir Alan Cobham was flying to Basra.

MOTOR ACCIDENT

TEN SOLDIERS SERIOUSLY INJURED

Madras, Oct.

A serious motor accident is reported to have occurred at Saidapet, as a result of which ten soldiers of the Lancashire Fusiliers were seriously injured and had to be removed to hospital. The exact particulars of the accident are not available. It appears that fifteen soldiers were going in a motor lorry from Madras to St. Thomas Mount, the lorry being driven by one of them. Near the Collector's office at Saidapet it dashed into a culvert and was overturned. The injured were removed to the hospital. The lorry was badly damaged.


INTERNATIONAL
EDITORIALS

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THE AUSTRALIAN

Victorians want competent, credible political leadership

Jess Wilson, in pole position, must resist the temptation to spend up

The Victorian election result on November 28 will be shaped by the next 34 days of campaigning. But Liberal leader Jess Wilson and the Coalition start the race in pole position to achieve majority government in a landslide according to the latest Newspoll. On the two-party-preferred vote, the Coalition leads Ben Carroll's Labor government 55 per cent to 45 per cent. In the primary vote, Labor's 37 per cent at the previous election in 2022 has collapsed to 24 per cent. The Coalition is down from 34.4 per cent to 33 per cent. And One Nation, which did not contest the previous election, is on 20 per cent. That is a strong gain but may not be enough to win Legislative Assembly seats. Much depends on how the trend pans out across the state.

On Sunday, Labor launched its campaign bus. The party-funded red vehicle is spruiking Mr Carroll as a "new Premier" offering a "new direction". Labor has no alternative but the strategy is unlikely to prevent voters from banishing the party to the wilderness. As Anthony Galloway writes, Mr Carroll has marginally improved Labor's standing in the leadership contest from that of the hapless Jacinta Allan. But he has not lifted voter support. And Newspoll shows Victorians belatedly have woken up to the weaknesses of the once popular Daniel Andrews, who won the 2014, 2018 and 2022 elections. Newspoll shows Mr Andrews' favourability ratings have nosedived since he left office in 2023, and six in 10 Victorians now look back unfavourably on his performance as premier. Under him and Ms Allan, our second-most populous state deteriorated into a basket case. The way back will be difficult but must be achieved for the sake of the nation.

Along with its red bus, Labor has rolled out several spending barrels, including "free dental", "more police and nurses", "$30 caps on public transport and road tolls" and "fixing local roads". Ms Wilson, who is likely to face the herculean task of paying down Labor's debt from November 29 onwards, should be wary about trying to match Labor's spending promises. The state's debt reached $160.7bn at the end of the last financial year. And ratings agency S&P has warned Victoria's debt would exceed 220 per cent of operating revenue by 2028-29, while interest payments would consume almost $1 in every $10 of operating revenue. Economic management needs to be Ms Wilson's top priority. And she needs to avoid previous Coalition mistakes that matched big-spending Labor policies at the last election, including 50c transport fares.

The landmark Newspoll also contains important lessons for federal politics and other states. After watching One Nation support surge amid disenchantment with Labor and the Coalition, voters remain open to major party governments if their policies and leadership win the public's confidence. Ms Wilson has unified the Victorian Liberal Party and has focused on key economic issues and trade union corruption under Labor, especially in infrastructure building.

Her good showing in Newspoll should remind Angus Taylor and Matt Canavan of the importance of devising, refining and explaining good policies on tax, energy, productivity, industrial relations, national security and immigration. The Snowy 2.0 debacle underlines why voters are angry with both major parties. But if One Nation is to make headway, it must also undertake serious policy work and field candidates with the experience and ability to govern.

On Sunday, Mr Carroll repeated his claim that the Victorian election is a choice solely between Labor and a "Liberal-One Nation coalition that will hurt working people". This Newspoll shows that is far from an article of faith. There is a long way to go to November 28, and further to the NSW election in March and the 2028 federal poll. But this Newspoll is a signpost. Voters will embrace a government that can demonstrate the competence and credibility to turn around the nation's and the states' most challenging problems.

Trans lobby gains too much clout

The public hospital system should not prioritise gender surgery

The revelation that nurses will be paid double time to assist with "gender-affirming" surgery in Tasmania's largest public hospital shows, yet again, the outsized influence of transgender activists. Nurses assisting with emergency surgery in the same hospital on the same day, Rachel Baxendale reports, will receive 25 per cent less pay. At a time when only 56 per cent of elective surgery public patients in Tasmania are being admitted for their operations within the clinically recommended time, hospital insiders argue that gender surgery is using resources that would be better directed to public waiting lists.

The Tasmanian controversy arises as a raft of documents, obtained by The Australian under FOI, reveals the extent of trans activists' capture of the nation's universities. As Stephen Rice wrote on Saturday, radical trans advocacy group ACON is encouraging academics to lobby MPs for controversial gender-affirming laws and inciting campus protests against academics who oppose the trans agenda. ACON awards points to universities for inclusiveness in the workplace for LGBTQI staff. But the group is also pushing for an academic curriculum that promotes its trans-affirming ideology.

At least 10 universities won prizes at last year's Australian LGBTQ+ Inclusion Awards, run by ACON's Pride in Diversity strand. Almost every university in the country has acceded to ACON's demands for all-gender bathrooms and gender-affirmation leave of up to a month for staff. And trans students at some institutions, such as the University of Sydney, receive up to $6000 a year "to assist with costs associated with gender affirmation". Those developments will make it harder for cash-strapped taxpayers to take universities' pleas for more funding seriously.

And in light of traditions of academic freedom, University of Melbourne philosophy lecturer Holly Lawford-Smith's observation of a growing "no debate" culture at universities, in which questioning of trans-affirming gender theories is off limits, is unacceptable from an intellectual perspective. For more than a century, as Rice noted in Inquirer, universities have been intellectual battlegrounds where ideas, no matter how controversial, are stress-tested through argument. Today, that model is being dismantled from within as activist academics declare that any questioning of trans-affirming theories of gender is not acceptable. Associate Professor Lawford-Smith was recently rejected from a conference run by trans-affirming academic Suzy Killmister, who has been given a $1m Australian Research Council grant to "explain and justify the moral significance of being human". To put the issue in perspective, Macquarie University, with a curriculum influenced by ACON's requirements for "inclusion", was awarded Gold status last year for its efforts. But, despite resources employed to deal with LGBTQI-related complaints, in 2023, the year for which data was provided, not a single bullying or harassment complaint was made. And less than 1 per cent of university staff identified as trans or gender-diverse.

Israeli election fiercely contested

Final polls ahead of Tuesday's fiercely contested Israeli election forecast deadlock, with neither Benjamin Netanyahu's right-wing coalition nor former defence chief Gadi Eisenkot's centre-right alternative getting the 61 Knesset seats needed to govern. That portends what is invariably the case after Israeli elections: protracted horse-trading or even a new election if it is impossible to agree on a new coalition. But that should not diminish perceptions of Israel as a strong democracy, the only one in the Middle East.

A little more than three years after the October 7, 2023, massacre of Jews by Hamas terrorists, the election is a reminder to Israel's critics of the vast gap between the estimable determination of the Jewish state to uphold vibrant democracy and the record of other regimes, especially Iran's theocracy. Israelis vote for a new government at least every four years. In contrast, the Palestinian Authority, whose "statehood" was recognised prematurely by the Albanese government, has not had an election since 2006. Leader Mahmoud Abbas, 90, won the last Palestinian presidential election in 2005. His term should have expired in 2009. He has ruled by decree ever since and postponed the election due now until September next year.

Final polling ahead of Israel's election forecasts Mr Eisenkot's "change bloc" will get 56 seats and Mr Netanyahu 50 seats. The so-called Joint List and Ra'am Arab-majority parties are projected to get 14 seats. While Ra'am chief Mansour Abbas is open to joining Mr Eisenkot's change bloc, several other parties ruled it out. Amid continuing voter uproar over the failure of the Netanyahu government and security forces to pre-empt the October 7 attack, many Israelis want change, The Wall Street Journal reports, and "are also more right-wing" than before the massacre. Mr Eisenkot's Yashar party leads most polls but he may not be able to form a coalition if he wins. In many ways, however, he is as hawkish as Mr Netanyahu. And with October 7 the nub of the election, he has gained sympathy after losing a son and two nephews in the Gaza conflict.

LETTERS

Safety and respect in public life paramount in age of rage

Chris Uhlmann is right to say that respect is the responsibility of all of us ("Restoring civility in the age of rage", 24-25/10): "But the responsibility for rebuilding a more civil society goes well beyond political parties and falls to us all."

Something has changed in society when it has become necessary to put up signs in supermarkets and other public places to treat those serving us with respect. This is an issue for our society as a whole. We can all contribute by showing respect to people all the way from the supermarket to the corridors of power.

Uhlmann also points out that we all know about right-wing extremism and call that out but seem to be more tolerant of disrespectful behaviour from left-wing extremists. This must stop.

As a society we need to be less tolerant of the intolerant. Robust debate is the lifeblood of democracy. Disrespectful behaviour undermines democracy. Disrespect is an unnecessary barrier to good people taking up a career in public life. We need good people in public life now more than ever.
David Muir, Indooroopilly, Qld

In the light of the shocking attack on Helen Haines, there have been calls to place guards outside politicians' offices.

This could be an option in some situations and it would make sense to increase training and security awareness of MPs and their staff. It also would make sense, where possible, for MPs to have private access to their electorate office with secure parking behind/underneath the facility.

These actions might help keep our politicians safer. How we tackle the bigger issue, raised by Chris Uhlmann, is harder. The life-threatening attack on Haines coincides with increased anger and violence generally.

According to the Australian Retail Council, 51 per cent of retailers report physical abuse of staff monthly or more often and 87 per cent of retail staff report experiencing verbal abuse. Threats and assaults on medical staff in our hospitals have increased. Likewise, teachers report shocking levels of abuse in our schools.

All workers deserve to go to work without fear of assault or being threatened. The retail industry's "be kind" campaign encourages people to treat frontline workers with respect. Perhaps we need a national campaign led from the top.
Anthony Bergin, Reid, ACT

I have been struck by the irony in the fact that Helen Haines' alleged assailant is reportedly in need of health treatments. Haines had sought more attention to health from the Albanese government for her constituents in the Indi electorate.
Alan Oliver, Stratford, Vic

An impressive recent interview of Australian Federal Police commissioner Krissy Barrett on the ABC gave me cause to reflect on the current level of civility in Australia.

The initial formation of a Commonwealth Police Force was due to an incident at the Warwick Railway Station in Queensland in 1917 whereby a local protester, my husband's great-uncle, threw an egg at prime minister Billy Hughes, who was on a whistle-stop tour of the nation to garner support for conscription. This was considered an outrage and sufficient justification to form the early equivalent of the Australian Federal Police to protect commonwealth politicians.

What then do we need to do in Australia today to respond to the elevated level of intolerance and violence that has culminated in the horrific attack on our much-admired member of parliament, Helen Haines?
Jocelyn Williams, South Melbourne, Vic

The revelations concerning the preparation of a political dirt file on Helen Haines are as disgraceful as they are revealing. It is reasonable to expect that political leaders would devote their resources to delivering competent government rather than digging for dirt on those who dare question them.

The irony is palpable. The Prime Minister lectures the nation about integrity, decency and respectful political discourse. But material is being designed to cast doubt on the integrity of a parliamentary colleague who had the temerity to question government expenditure.

Australians deserve a government that responds to legitimate criticism with facts rather than insinuations, and with accountability rather than personal attacks.
Steve Pelecanos, Balmoral, Qld

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Ungovernable mess as France succumbs to the din of disorder

Henry Ergas's account of France's descent into disorder is both compelling and disturbing. ("France on the brink of the abyss", 24-25/10).

However, his contrast between Charles de Gaulle's assertion of authority in May 1968 and Emmanuel Macron's inability to command it today invites another question.

France has long been plagued by popular revolts against a managerial elite convinced that its commitment to progress and enlightenment entitles it to disregard public opposition. The French Revolution reinforced a tradition of centralised government in which the state, rather than the institutions of civil society, was the principal instrument of political and social change.

Macron did not invent this tradition; it was one he inherited.

Ergas asks whether France can still be governed. Perhaps the question to be asked is whether its governing elites can recover the habit of listening.
Peter Kurti, Sydney

Any cursory glance at French history would reveal that the key words underpinning that nation's psyche are: liberty, equality and fraternity.

These concepts, the basis of a good state, have since 1789 been an illusion. There has been since that date until now a continuous merry-go-round of riots, revolutions and massacres. At the heart of this mayhem is the failure of French governments to adhere to those three words.

To put it simply, if the French could ignore their lean towards Marxist rhetoric Paris would not burn.

Workers will not riot if jobs are plentiful and wages are fair. Brother will not turn on brother if tummies are full. Liberty, equality and fraternity are sadly lacking.
Gordon Starke, Subiaco, WA

Trade deal folly

Well done, Angus Taylor and Matt Canavan, for opposing Labor's proposed free trade agreement with the European Union (" 'Dud' trade deal: Libs rebuff ALP", 24-25/10).

It would be foolish for Australia to agree to conditions of net zero in the FTA that are based primarily on ideology.

Not only will the Europeans not meet their climate targets, Australia also will not meet the climate targets set by the Albanese government for 2030.

We should never sign up to agreements with conditions that as a nation we cannot meet. This is a core component of being a sovereign nation and sound business practice. Ted O'Brien's proposal to include an addendum to cover the nation's responsibilities with such agreements is sound policy, unlike the Albanese government's fait accompli presented to the Coalition. The Coalition is on the right path.
Peter Fuhrmann, Watermans Bay, WA

The Albanese government's proposed free trade agreement is more than likely to be a good deal more complicated than the straightforward affair described by Trade Minister Don Farrell.

Angus Taylor's concerns on sovereignty are pertinent and politically relevant as the proposed FTA is said to contain conditions relating to climate matters. The Coalition has confirmed its intention to decommit to net zero should it win the next election.
Bill Pannell, Pemberton, WA



The Weekend Australian's front page, October 24-25

Tax train coming

I can only imagine the new taxes the government is going to introduce in the next six months. It will need taxes because the government will need that money for all the giveaways, freebies, welfare payment handouts and promises that it will announce during the election campaign.
Louise Dunbar, Cammeray, NSW

AI threat to free speech

The growing conversation around free speech and its relationship with big tech and artificial intelligence is a litmus test for our times.

Despite what particular governments ministers put forward as reasons to protect us from the malaise created and found in the digital world, free speech is now more important than ever.

Once we give away the farm and allow government, big tech and AI to reign over the rights of people to free speech, it follows that other rights associated with our freedoms will also be curtailed. Once you delegate authority to a third party, the power it provides that party is so intoxicating there'll fight to keep it out of the hands of the community.

Control of what we can say must never be at the sole determination of government and the emerging power of AI.
Tim Dwyer, Moffat Beach, Qld

Trust is missing

In the US we have a leader who constantly changes his mind and his rhetoric to the point where no one now knows what he stands for. In Australia, few trust what the Prime Minister says. If ever there was a time for leaders who stand for something it is now.
Robert Walker, Cessnock, NSW

LAST POST

The proportional blame for the $50bn Snowy 2.0 debacle belongs: $2bn to Malcolm Turnbull; $4bn to Scott Morrison; and $44bn (and still counting) to Chris Bowen. Lots to be proud of there.
Ian Morison, Forrest, ACT

The immense and potentially increasing cost of Snowy 2.0 must be clearly publicised. It is obvious that mistakes have been made, but why allow them to be continued without proper consultation considering the significant costs that will be incurred by this project going forward?
John Houghton, The Gap, Qld

Chris Bowen compares the cost blowout of Snowy 2.0 with the Sydney Opera House. Snowy is taxpayer-funded whereas the Opera House was funded by lotteries, which were voluntary.
Philip Squire, Ashgrove, Qld

Is it fair to imagine that Labor is desperately hoping to lose the 2028 election before 2029 arrives and it has to admit to more cost blowouts and delays on Snowy 2.0? Surely even the most ill-informed voter is growing suspicious?
K. MacDermott, Binalong, NSW

Thank you, Gemma Tognini ("When the kids grow up, love doesn't shrink – it changes", 24-25/10), for sharing the joys of being an aunt. I can attest that loving, supportive, wise and accepting aunts are highly valued. I cherish fond memories of my favourite aunt who was always there for me through school and young adulthood.
Bob Reid, Fig Tree Pocket, Qld

If university-based trans activists address criticisms of their ideology through censure and an unwillingness to engage in debate then that's a good signal that their ideas aren't worth debating ("At the 'no-debate' university, dissent is quietly shut out", 24-25/10). Stand behind your argument and debate on the merits of your beliefs or get out of the way.
Trent Cox, Dulwich, SA

With public sector automation looming, is it time for Australia to discuss decentralising services away from Canberra? Why not place agriculture departments in farming hubs, Indigenous affairs within Indigenous communities and finance agencies in major financial centres?
Greg Adamson, Griffith, NSW

Data centres are being marketed as the next best thing to sliced bread and in Australia we already have more than 100 of them. So how many do we actually need?
Ed Turner, Sinnamon Park, Qld

Sadly, major riots are a very big part of French history. They occurred in 1789, 1830, 1871, 1934, 1968, 2005, 2018-19, 2023 and recently. The French government should learn a lot from the tough new penalties for criminal rioters introduced by Giorgia Meloni in Italy.
Bob Cowley, Broadview, SA

BOOKSHELF | OLIVER MOODY

Great powers warming up in fight for Arctic control

A few years ago, in an industrial park at the port of Helsinki, I stepped into a refrigerated hall that resembled an Olympic swimming pool. The water was covered with a finely calibrated layer of ice, thickening and hardening from slushy pancakes in the shallows to a scale model of crunchy Arctic pack ice at the other end.

It is here, at Railotech, that more than half of the world's icebreaker hulls are designed and tested. The firm is the Nvidia of polar navigation. Traditionally, it did most of its work for the Russian oil and gas business. But now, as Rana Foroohar, a Financial Times columnist, explains in Sea Change, her account of the contest for the Arctic, it is a valuable asset in the US's belated entry into a new "Great Game" for geopolitical supremacy.

This is not really a book about the Arctic. It is a book about grand strategy. American power – financial, industrial, scientific, soft, hard and above all maritime and naval – and how that power is simultaneously being eroded and reasserted by Donald Trump.

At the end of the 19th century American strategic theorist Alfred Thayer Mahan argued that the foundation of power was domination of maritime trade routes, which in turn rested on naval hegemony. These lessons have long been pushed to the margins in Washington but are deeply internalised in Beijing, which has about 5500 commercial ocean-going vessels to America's 185. China has twice as many oceanographic research vessels as the US. By the end of this decade, it is projected China will have 435 operational warships, while the US will have 294. Its shipbuilding capacity is more than 200 times America's. The US is so short of sailors that starting salaries in its merchant fleet often top $US200,000 ($284,000).

Since the Greenland crisis in January, when Trump threatened to seize the semi-autonomous Danish territory by force, Europeans have grown used to thinking about the Arctic's role in terms of resources and military defence. In truth, the region's much vaunted natural wealth is dubious. Plenty of experts mistrust the geological survey that produced the extravagantly generous oil and gas reserve estimates usually quoted in the press. Squeezing rare earths out of Greenland will be a fantastically expensive business.

The real value of the Arctic in this struggle for power concerns control of trade routes. Now that global warming is chewing its way through the polar sea ice, sending a cargo ship over the top of the world from Shanghai to Felixstowe or Rotterdam in summertime takes half as long as dispatching it through the Suez Canal. With Houthi drone and missile units squatting over the southern gateway to the Red Sea, the Northern Sea Route may come to look a great deal more attractive, even though it runs through Russia's maritime economic zone.

Just as freedom of navigation is becoming ever less reliable in the belt around the Equator, Moscow and Beijing are establishing a death grip over the easiest alternative, and with it the capacity to threaten the US from unexpected angles. Between them they have about 46 Arctic-capable icebreakers. The US has only three, which explains its sudden burst of interest in importing Finnish expertise.

We are now in a geopolitically charged new age of exploration as the Arctic powers vie to map a part of the world that we understand a great deal less well than the surface of Mars. Only a quarter of the Arctic's sea floor has been properly charted and much less of it surveyed. It is a rare research expedition to the North Pole that does not discover a new underwater volcano or a subsea "cataract" swooshing around 10 times the volume of water in the Amazon.

In the hands of a lazier or more wonkish author, this stuff could easily be dry and hackneyed. As a proper reporter, though, Foroohar pulled some strings in the dying days of the Biden administration to hitch a ride on the Healy, the US coastguard's most capable icebreaker, on a 10-day voyage out of Nome, Alaska. That allows her to bind together her grand narrative with a series of tenderly observed, sometimes lyrical vignettes about life on a giant steel can in one of the remotest reaches of the globe.

Foroohar gives a rigorously fair-minded account of the Trumpian approach, including the 47th President's readiness to override the US unions and ram through his icebreaker-building pact with Finland and Canada.

I have a nagging suspicion that not everyone will find this book quite as mesmerising as I did. But Foroohar is wonderful company: well-read, a real systems thinker and a sharp reader of people, who can bring this subject to life in a way that no number of think-tank reports could.

THE SUNDAY TIMES



Sea Change: The New Great Game in the Arctic Circle
By Rana Foroohar
Swift, 272pp, $50 (HB)

CULTURE
More book reviews in **The Weekend Australian**

CATHERINE CAREW

Justice denied to Indigenous kids an all too familiar story

The Australian newspaper has shone a light on the scourge of violence and sexual abuse in one Aboriginal community in Port Hedland. Children have not been protected by parents, elders or child protection authorities, and at times the punishment meted out to perpetrators by courts is reduced on the dubious grounds of character and "culture".

But the violence and dysfunction in many Aboriginal communities across Australia is nothing new. No amount of money, programs, consultation and goodwill has stemmed the tide of destruction. Two cases provide useful examples of what is wrong in such communities and, at times, the official response.

In The Queen v GJ (2005), "a 55-year-old traditional Aboriginal man" pleaded guilty to "having sexual intercourse with a child under the age of 16 years" for which the maximum penalty was 16 years' imprisonment. The original sentencing judge imposed a sentence of 19 months' imprisonment but ordered the sentence be suspended after one month.

The perpetrator was 40 years old when the child's parents promised their newly born daughter to him as a wife. When the child was 14, the perpetrator, in the company of the child's grandmother, dragged the child from a house and struck her several times across the back with a boomerang. The grandmother also struck the child with a big stick. They then took the child to an outstation. The child was crying and shaking. During the evening the perpetrator dragged the child by her leg into a bedroom. She was kicking and screaming. The perpetrator asked her to have sex and she refused, saying she was only 14 years old.

The following night the perpetrator ordered the child into the bedroom, where he removed her clothes and pushed her on to a mattress. He threatened her with the boomerang and then had anal intercourse with her.

The child cried throughout the ordeal, which caused a deep internal laceration. Notwithstanding these uncontested facts, the perpetrator was not charged with rape, only the lesser charge of having sexual intercourse with a child.

The authorities accepted that the perpetrator believed having sexual intercourse with the child was acceptable because she had been promised to him and she had turned 14. The sentencing judge noted the child "had been shamed within a community that obviously had very strong male members and strong traditional beliefs".

The perpetrator showed no remorse. The sentencing judge treated the perpetrator's ignorance that he was breaching Northern Territory law and that he had "a strong ceremonial life across a number of communities and is regarded ... as an important person ... of the community" as mitigating factors.

An appeal against the leniency of the sentence was allowed. The perpetrator was re-sentenced to 3½ years' imprisonment, suspended after 18 months. Factors reducing his sentence included that he was "a respected leader in his community who is responsible for teaching young men traditional ways".

> It is hard to imagine what 'contextual circumstances' might justify a reduction in punishment ... On one day, six of the perpetrators ... raped this little girl in turn

A second case, R v KU and others (2008) involved three adult Aboriginal men and six Aboriginal juveniles who pleaded guilty in 2007 to the rape of a 10-year-old Aboriginal girl at Aurukun, Queensland.

The judge sentenced the three adults to six months' imprisonment but immediately suspended the sentence, notwithstanding that the maximum sentence for raping a child is life imprisonment.

The juveniles were placed on probation for 12 months, with no conviction recorded.

One of the adults who was 17 at the time of the rape in 2006 said "having sex with a girl that's only 10 is normal".

The sentences imposed were made at the urging of the prosecutor, who made statements during the sentencing hearing such as "whereas it is called rape ... because of the absence of a proper consent and while that ... doesn't excuse them, it does in some way lessen the fact that there was no actual force".

As to the age difference between one defendant who was 25 and the 10-year-old, the prosecutor said: "There wouldn't have been much thought given to the age disparity or the legal niceties of consent or that sort of thing."

An appeal by the attorney-general succeeded. The court said "the sentences originally imposed involved an abnegation of the duty of the court to protect innocent or vulnerable members of the community from crime".

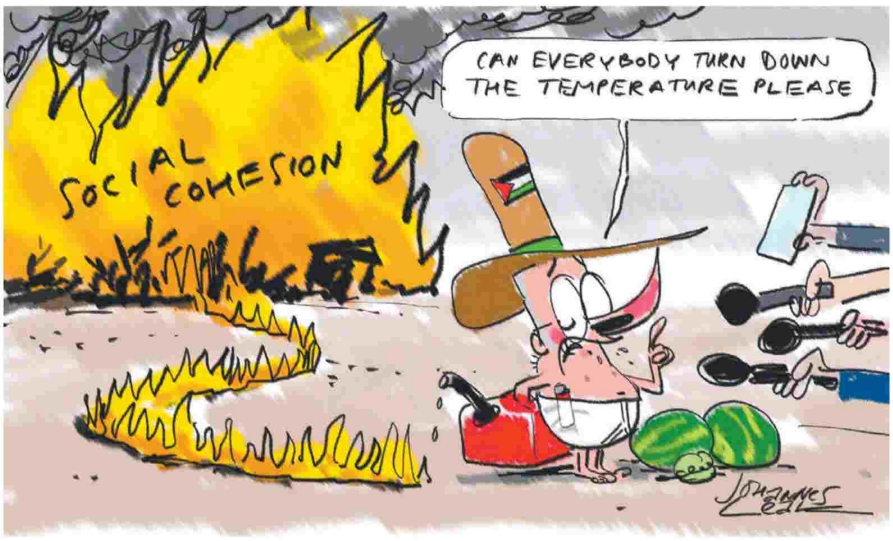
Notwithstanding the court's criticism of the prosecutor's submissions at the original sentencing hearing, his position was treated as justifying a lower sentence, as were the perpetrators' "social and economically disadvantaged backgrounds and the contextual circumstances in which the offending occurred; and the fact that there were no aggravating features in the commission of the offence such as physical violence, force, coercion or breach of trusts".

It is hard to imagine what "contextual circumstances" might justify a reduction in punishment. By way of example, on one day, six of the perpetrators (including a 25-year-old) raped this little girl in turn. At least two of the perpetrators were cousins of the 10-year-old. The three adults were re-sentenced to six years' imprisonment with eligibility for parole after a mere two years, and two of the juveniles were re-sentenced to detention for three and two years respectively with eligibility for release after serving half that time. The remaining juveniles were placed on probation for three years. Convictions were recorded for all perpetrators.

It may be said these cases are dated and do not reflect current circumstances, but the recent cases highlighted by Ros Thomas in Western Australia would suggest otherwise. When is the country going to take notice of these continued abuses of Aboriginal children by their own? There has been no shortage of commissions of inquiry. Ever increasing funding and consultation have not worked. Nothing short of a complete overhaul of government policy across the board, and acceptance of responsibility by the communities themselves, will do.

Catherine Carew is a recently retired Family Court judge.

DAILY CARTOON | JOHANNES LEAK



SIMON BENSON

Four elections, one defining test for PM's future



Anthony Albanese may be a Prime Minister under intense pressure, caused mainly through acts of political self-harm, but the coming month could prove the most consequential period for his government this year.

Not only is it summit season, it also is election season. From Tuesday through to the final weekend of November there will be four elections that, in their individual ways, could all contribute to reshaping Australia's strategic environment as well as our domestic political settings. Ironically, the Prime Minister will be out of the country for much of it attending international conferences.

The first election of concern is the Israeli elections on Tuesday. A week later Americans will have their first say on the second Trump administration in the US midterms on November 3. The weekend after that will be the New Zealand election. Victoria's state election follows a fortnight later.

The US election carries the greatest strategic consequences. Israel's election carries acute risks concerning conflict, diplomacy and community tensions here, while New Zealand will be the first Western democracy in our region to test the rising tide of populism at its election.

Victorians will then cast their verdict not only on Labor in their state but provide the guide for what may happen federally. Depending on the outcome of these elections – none of which is certain – Canberra could be pulled in competing political and policy directions. A potentially greater period of domestic and global uncertainty is beckoning.

This is set to unfold when Albanese's leadership appears to be at its weakest in terms of electoral approval ratings. It's a period that could deliver greater political opportunity or reveal further pressure points.

For Australian domestic politics, Israel's election will give Albanese breathing space on an issue that has occupied the domestic political landscape for three years or will drive further conflict.

The decisive factor is obviously who is able to form a government and what comes out the other side. If Benjamin Netanyahu prevails in a new coalition, this could reverberate into local communities in Australian capital cities. Considering Albanese has subtly tried to coalesce sentiment against Netanyahu rather than the state of Israel, how does he respond?

With a report from the Royal Commission on Antisemitism and Social Cohesion due in December, a renewed and potentially more hostile protest raises ongoing issues of community safety and political disagreement.

Australia's diplomatic position on the recognition of a Palestinian state is not strengthened by the fall of Netanyahu. The only other likely leader to emerge, Gadi Eisenkot, also opposes Palestinian statehood. And if Labor were to embrace a change of government in Israel, it might be raising false expectations among its pro-Palestinian constituencies. More than that, it might inflame things. Any triumphal commentary on the outcome could potentially incite more antisemitism in an environment where anti-Israeli sentiment is deliberately or naively confused with hostility towards Jews.

While there may be no security advice to the Albanese government on the Israeli elections, this could change dramatically depending on any political commentary by members of the Albanese government.

The dust may not even have settled on this election before US voters go to the polls in the November midterms. The question of the Republicans potentially losing control of the House of Representatives or the Senate or both is more about how the Trump administration responds.

Further conflict and trade disruption could follow. And what would be the consequences for AUKUS if defence commitments became less predictable?

The central question is what US political instability would mean for Australia. If the outcome of the US midterms were to trigger further global instability the principal Australian political consequence would be obvious.

Another question is how the Trump administration would respond to the loss of Republican congressional control. Any further disruption to energy supplies will have a direct effect on inflation numbers and, considering how captive Australia is to the supply chain effect, these elections – while not changing the US president or governing administration – have game-changing potential.

A less interesting contest for most Australians will be the New Zealand election the week after.

New Zealand, lest we forget, is our closest and most enduring regional partnership. What its people think matters, particularly considering almost a million of its citizens live here, including former prime minister Jacinda Ardern.

The fascination with this election, however, will be the first test of whether a centre-right government of a Western democracy in our hemisphere can survive in a discombobulated political world.

The most important poll comes at the end of the month with the Victorian election. If Liberal leader Jess Wilson wins, this promises not only a new path for Victorian politics but also a restorative path for the federal Liberal brand. A Labor loss will be considered not only a cumulative effect of corrosive provincial longevity but also a rejection of current national settings.

Both leaders have a lot riding on the outcome of this state election to the point that it may be the most consequential for decades. This may be a stretch but it's one I'm willing to back: the future of both federal leaders may be decided by the end of next month.

NICK CATER

Childcare has shifted from choice to control

Dolly Parton's death in August prompted retrospective screenings of the 1980 comedy Nine to Five, a cultural artefact from a seemingly distant age when the obstacles facing working women were understood in simpler, more practical terms.

Having imprisoned their sexist boss, the three heroines, played by Parton, Jane Fonda and Lily Tomlin, introduce a workplace childcare centre that makes life easier for working mothers while apparently boosting morale and productivity. Expanding women's choices was also the bipartisan purpose of Australian childcare policy for much of the three decades leading up to 2007. Childcare and preschool education were distinct and separate policy goals.

As a productivity measure that expanded choices for working families, it was an outstanding success. Female participation in the workforce increased from 44.8 per cent in 1980 to 58.1 per cent in 2007, one of the highest rates in the developed world.

In December 2007, incoming prime minister Kevin Rudd decided to move responsibility for childcare from the umbrella of family and social policy and into Julia Gillard's custom-built mega portfolio of education, employment and workplace relations.

The public purpose of federal spending on childcare moved from workforce participation to early childhood development.

Life would never be simple again. In January, Katy Gallagher told ABC listeners the government's objective was to get "as many children into early education as we can". Why? Because "we know that it's really good for their development".

The data is more equivocal. It suggests institutional childcare is sometimes good for some children but sometimes harmful to others. Children attending formal childcare for fewer than 30 hours a week tend to fare well but outcomes fall below average when attendance exceeds that threshold.

The clearest developmental benefits emerge in the year before school. Studies from the US and Canada suggest prolonged day-care hours can harm young children. Yet state support for institutional childcare has long outgrown the obligation to justify itself as a public good. It has created its own ecosystem of entitlement, making reform politically dangerous. "I am funded, therefore I am necessary," as Rene Descartes would have put it.

Policy formation was never Anthony Albanese's strong point. Childcare has become a vehicle for offsetting the rising cost of living. Subsidies have increased by about 80 per cent in nominal terms under the Albanese government.

Government spending per child increased from $7984 in 2021-22 to $11,246 three years later. Labor's decision to scrap the activity test broke the link between childcare spending and workforce participation. From January this year, eligible families are entitled to 72 hours of subsidised childcare a fortnight, regardless of whether either parent works, studies or looks for employment.

Aboriginal parents can claim 100 hours a fortnight, no questions asked. The excuse that the bonus allowance will compensate for socio-economic advantage is weak. The educational fortunes of Aboriginal children are far more varied than the national averages suggest. If education policy aims to help children overcome disadvantage, the sensible starting point is to identify disadvantaged children rather than assume their needs from their ancestry.

Gallagher's blanket assertion that early learning is "really good" for childhood development is not reflected in test results. The generation of tots corralled into Rudd and Gillard's childcare model will be well into adulthood today. Yet there is precious little evidence they finished school better educated than their predecessors.

Long-term studies point to the opposite conclusion. Reform of the childcare system is an imperative if we want to get the government's hands out of our pockets and the nanny state out of our lives. While Canberra tries to rein in the NDIS spending juggernaut, childcare expenditure is still accelerating. It is forecast to exceed $21bn by the end of the decade, almost double the real-terms spending obligation the Albanese government inherited.

Former Coalition minister Alan Tudge's discussion paper Childcare and Family Policy, published last week by the Menzies Research Centre, is a solid attempt to bring rational thinking back to childcare policy. Expanding choice is key to reforms, removing constraints that push parents towards institutional childcare whether they like it or not.

The paper proposes expanding the In Home Care program so parents can use the subsidy to hire a carer in the family home. It proposes introducing a grandparents' payment modelled on the Carer Allowance for grandparents who provide more than 20 hours of care a week. It will be cheaper than relying on the childcare subsidy while keeping children in the care of a trusted relative.

At the heart of the reforms will be a return to a focus on workforce participation. Tudge gets into the weeds of effective marginal tax rates to show how the combination of income tax and lost benefits removes the economic incentive for both parents to work.

The paper recommends raising the tax-free threshold to $45,000 for parents of a child under six to help compensate for EMTR anomalies. Better still, it will reinstate Peter Costello's baby bonus, this time delivered through the tax system rather than as a welfare payment. It would begin to address the long-term decline in the birthrate, a challenge this government has largely ignored.

Appetite for a more flexible approach is growing. A grandparents' allowance and increased tax-free threshold have obvious appeal. The fundamental question is: who should decide how children are raised, parents or politicians?

In Nine to Five, the heroines fought to free working women from the caprices of a misogynist. Nearly half a century later, the fight for liberation pits working families against the arbitrary dictates of an overbearing policy.

Nick Cater is a senior fellow at the Menzies Research Centre.

BRUCE MOUNTAIN

Snowy 2.0, a national monument to hubris

It's Snowy 2.0 Groundhog Day and here's the well-known tune: costs have ballooned. It's all because of factors beyond our control and, even when that is not the case, it is someone else's fault. We have done much better than the last lot. Snowy is still a gem and it will reduce electricity prices, and the sooner it's finished the better.

I'll spare readers the equally well-known reposts – your AI assistant will summarise them better than I can.

Let me instead draw attention to the underlying failure of mindset that explains this miserable situation.

Snowy 2.0 sticks out among Australia's energy policy failures because it is so big and its latest estimated cost is 12 times its initial claims (or 25 times when you account for its share of consequential transmission, other on-costs and financing cost).

Do failures get any bigger than this? Perhaps not as a proportion of the starting claim, but actually in dollar terms it is not that unusual in Australia's energy transition. Massive transmission interconnectors promoted by the Australian Energy Market Operator – and linked to Snowy 2.0 – are now estimated to cost, typically, about six times their initial estimates. The aggregate gap between their initial claims and likely outturn will be bigger than Snowy 2.0.

Huge, complex projects such as Snowy 2.0 or very high voltage powerlines reveal their true social and economic costs gradually, in the course of their development.

Prudent developers and regulators may not be able to predict everything accurately, but if they are doing their jobs properly they would have come up with much more realistic estimates at the outset. They have not done so because the grand plans that underlie those pipedreams are built on ideology and the supposed political advantage they offer.

Former prime minister Malcolm Turnbull's response to the latest Snowy Groundhog Day captures this perfectly. The problem, according to Turnbull, is that Australia lacks experience with big complex projects. There was nothing specifically wrong with Snowy 2.0, he says, and to fix the problem we should build more of them.

I doubt Australia lacks expertise in big complex projects: ours is a resource economy that thrives on successfully overcoming big complex engineering challenges.

But it is certainly true that the Australian government lacks experience in big, complex projects.

Despite the obvious non sequitur of Turnbull's argument, I suspect there are many in the Albanese government (and in the opposition) who are sympathetic to Turnbull's way of thinking. In the case of the government, this is evident in its wishful responses to the Snowy 2.0 train wreck and its trenchant defence of the giant transmission interconnection plan developed by AEMO.

It is evident also in the ever-greater centralisation of electricity regulation and industry subsidies, a ball that got rolling under the Howard government and that subsequent Coalition and Labor governments have repeatedly pushed along whenever they got the chance.

In the mind of the polity and the administrative elite, there has never been an energy policy problem that could not be fixed by taking ever more power for themselves.

What to do then? The starting point is a fundamental change of mindset by our political leadership and the public service that answers to them. Respect for what they don't know – and can't ever know – must take the place of defensive triumphalism and its conjoined twin, reluctance to learn from mistakes.

From that change in mindset will come greater respect for what others know, and healthy scepticism of grand plans and of the special-interest pleading of organised labour and big corporations that gain from such plans.

That change in mindset will find value in decentralised administration that respects what is actually going on in a decentralising power system.

It will also be evident in much greater respect for the many invisible factors of production that affect the selection of the best possible energy technologies in the best possible places.

Is it really too much to expect that our political class can't throw up leadership with the confidence to say: "I don't know and can't know the right answer. And if anyone else says they do, they are wrong. What I can do is put in place the arrangements that are likely to deliver valuable information, adaptation and accountability."

How would a minister of such mind respond to the giant Snowy 2.0 hole that the current and previous governments have dug themselves into?

Here is an idea. They would start by apologising profusely for the awful mess. Then the minister would set about asking others how much they would want to be paid to take the project over.

They would then ask for independent expert assessments of whether Snowy 2.0, taken over by others, might deliver something valuable that can't be provided more cheaply in some other way.

With this in mind the minister would then know whether to keep digging or to pull the plug. Something similar needs to be done with the hopelessly out of control transmission expansion, much of it driven by Snowy 2.0.

Of course a minister, or prime minister, of the mind I am encouraging would have asked these questions before committing large chunks of taxpayers' money. It is too late to dream of lemonade from these rotting lemons. But mindlessly flogging a dead horse does not make the best of a bad lot. The sunlight must be allowed in to begin to disinfect these weeping sores.

Australians seem to be fed up with the governing elite scrounging from the people's pockets to fund their failing grand-plan vanities.

Those who don't sniff this breeze and set their sails accordingly will get the comeuppance that is long overdue.

Bruce Mountain is director of the Victoria Energy Policy Centre.

وراسُ مالِكَ وهيَ الرُوحُ قد سَلِمَتْ
لا تأسَفَنَّ لشيءٍ بعدَها ذَهبا
(البهاء زهير)

YOUR DAILY ARABIC PROVERB

If your soul, which is your capital, is safe ... never feel sorry for any other loss.

Bahaa Al-Din Zuhayr
(Makkah-born poet attached to the Ayyubid dynasty in Egypt)

Opinion

Egypt's support for Saudi Arabia can strengthen the case for peace

DR. ABDELLATIF EL-MENAWY

Egypt's readiness to support Saudi Arabia carries a message that extends beyond the immediate confrontation with the Houthis. It expresses a judgment about the consequences of allowing attacks on a major Arab state to become a recurring instrument of regional pressure. Cairo's position deserves to be understood through that judgment, alongside the limits it has placed on any prospective military role.

Those limits are essential to the policy's purpose. President Abdel Fattah El-Sisi has clarified that Egyptian military action would be directed toward defending Saudi territory and borders, without extending to an offensive inside Yemen. This distinction identifies the objective against which Egypt's intentions, preparations and eventual decisions should be assessed. It also offers a basis for aligning defensive assistance with efforts to contain the conflict.

For Egypt, Saudi security has immediate national significance. The two countries face each other across a sea whose stability affects their economies and strategic interests. Disruption around the Red Sea and Bab Al-Mandab threatens the maritime connections on which the Suez Canal depends. Instability in the Gulf also affects Egyptian workers and families, investment, energy costs and confidence in the wider regional economy.

This gives substance to the language of shared Arab security. Geography makes the consequences of insecurity difficult to contain within national borders. When airports, energy facilities or shipping routes become targets, the damage reaches businesses and households far beyond the location of an attack. Egypt therefore has a legitimate interest in helping prevent the deterioration of its strategic surroundings.

There is a political dimension as well. Persistent attacks can encourage the belief that pressure against civilian life and economic infrastructure will produce concessions. A credible capacity to protect Saudi Arabia may alter that calculation. If attacks become less effective and their political costs rise, the incentive to pursue them could weaken. That is the potential contribution of Egyptian support to deterrence.



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It is important to recognize that debate over the form of support can coexist with a firm commitment to the Kingdom's security. Egyptians can acknowledge the necessity of solidarity while asking how it will be exercised. Explaining the connection between Saudi security and Egyptian interests helps build durable support. Transparent political objectives, alongside appropriate operational confidentiality, strengthen the credibility of any commitment.

Diplomacy must also address those capable of influencing the course of the fighting. Egypt's communication with Iran gives it a channel through which to press for restraint and respect for Gulf security. Tehran should be encouraged to use its influence constructively. At the same time, the Houthis have their own calculations and responsibilities. Any arrangement to halt attacks requires commitments from the actors expected to implement it, with mechanisms to assess compliance.

Success will also require careful management of expectations. An announcement of readiness does not specify the composition or scale of a military contribution and political solidarity cannot substitute for practical agreement.

In my view, the strategic value of Egypt's position will ultimately be measured by its contribution to a safer regional order. A halt to attacks, greater protection for civilians, secure maritime routes and a credible return to negotiations would serve both Egyptian and Saudi interests. Cairo has an opportunity to help make these outcomes more attainable. Its support will be strongest when the determination to defend is matched by an equally clear determination to bring the confrontation to an end.

Egypt has a legitimate interest in helping prevent the deterioration of its strategic surroundings



COURTESY: KHALID RASMI/ASHARQ AL-AWSAT

There has been no real progress toward disarmament. The opposite might even be true, as it is business as usual for Hezbollah

Lebanese growing increasingly impatient with leaders

KHALED ABOU ZAHR

Lebanese social media users are growing increasingly impatient with President Joseph Aoun and Prime Minister Nawaf Salam. The two rallying points are the lack of solutions in the wake of the banking crisis of 2019 and the plan to disarm Hezbollah, which was decided last year. In both cases, the pause button has been hit. If the problems with electricity, security and a deteriorating economy are added, many Lebanese feel that this government is more of the old, wrapped in new packaging.

In the case of the banking crisis, the first point is that, besides Riad Salameh, the former central bank governor, no other responsible party has been questioned. It is ironic that, after allowing the banks to make their own decisions when the crisis started, the government and lawmakers are now in a maze of legal back-and-forth between state institutions. When it comes to bureaucracy, it is the only place where the Lebanese state is omnipresent.

There are other issues to be decided as well. Yet, this is the key point: there is no political decision-making. The current government, despite its early promises, is incapable of breaking through the interests of all the stakeholders. Hence, like their predecessors, they are playing a balancing act to please the various minority leaders and their entourages instead of looking for a way to solve the situation.

Lebanon must negotiate substantial debt relief and establish a fiscal plan. But more importantly, it needs to distribute losses transparently and fairly. And this is clearly something it is unable or unwilling to do. Until now, there is no clarity regarding the debts owed by the state and the central bank to the banking system. We can hence not separate resolving the sovereign debt from restructuring the banks.

This slap to sovereignty is complemented by another when it comes to the plan to disarm Hezbollah. The Lebanese are increasingly disappointed and vocal on social media regarding the government's failure to disarm the militant group. Most Lebanese want to see the state restore its monopoly on weapons. Yet, what we are noticing on the ground is that there has been no real progress toward disarmament. The opposite might even be true, as it is business as usual for Hezbollah.



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The Lebanese security forces this month seized a vehicle carrying 780 kg of explosives. And the reaction of Hezbollah MP Hassan Fadlallah said it all. He acknowledged ownership and demanded the explosives' return. This is not the declaration of a group complying with a government plan.

Another example highlighting the wrong direction being taken by Lebanon's current leadership involves Mihrac Ural, a former pro-Assad militia leader accused of involvement in a 2013 massacre in Syria, who was abducted and transferred to Syria. This should raise questions about the networks that enabled him to remain in Lebanon. Rather than focusing solely on investigating how he was abducted, the Lebanese government should establish how he was able to remain protected in the country, who provided that protection and whether Hezbollah-linked networks helped him evade justice. This is another example of the group being a state within a state and still carrying on with business as usual. This level of impunity will never allow the state to be rebuilt and to thrive.

Both problems, and the inability of Aoun and Salam to solve them, are a clear indication that there have always been two states in Lebanon and that nothing will change that. The minority leaders, along with Hezbollah, have carved out their own territories and there are no rules that apply to them. Yet, for many citizens, Lebanon regaining its sovereignty is not simply a question of security or economic recovery but a matter of daily survival.

Opinion

Redrawing of maps fueling separatist movements in Europe

DR. BADER BIN SAUD

A record sequestration of more than €26 billion ($29 billion) in sovereign tax assets by wealthy regional enclaves has triggered an unprecedented, systemic collapse of central national budgets across the traditional nation-state. This fiscal fracturing — recently exposed in a structural analysis by the Centre for European Policy Studies — materialized after autonomous provinces like Catalonia in Spain, Flanders in Belgium and Lombardy in Italy systematically locked away national wealth inside regional borders by utilizing localized tax legislation like the newly enacted Catalan financing agreement.

This predatory economic evasion reproduces historical rifts, directly mirroring the tax rebellions of wealthy merchant cities within the classical Delian League and the isolation of provincial land revenues from the central treasury during the late Abbasid caliphate on cultural and ethnic pretexts.

Contemporary map manipulation explicitly drives this fragmentation, as is visible in the Spanish central government's formal legal escalation against Catalonia's state-funded archival projects, which actively weaponize reengineered historical maps to manufacture separatist territorial claims. Financial warfare echoes this structural hollowing out, driving the acute energy disputes between Baghdad and Iraq's Kurdistan region over oil revenues and triggering the collective failure of regional states to finance the central budget of the Arab League.

Current territorial crises remain rooted in credit wars and asset monopolies engineered by localized commercial elites seeking to dismantle common national tax structures. Political fragmentation across the continent is not driven by primordial cultural friction; rather, it is dictated by the desire of wealthy regions to impose a new commercial reality that shields regional profits while deliberately starving national social solidarity funds and reducing sovereign states to micro-entities stripped of central authority.

Withholding massive cash surpluses is no longer executed as a clumsy, conventional act of political rebellion

Withholding massive cash surpluses is no longer executed as a clumsy, conventional act of political rebellion. Instead, regional commercial elites manage highly sophisticated credit architectures, pledging up to 75 percent of future local tax revenues as collateral to foreign investment banks for 20-year terms under the guise of financing independent domestic infrastructure projects. This legal maneuver completely locks the assets, paralyzing national finance ministries and stripping them of the power to withdraw or transfer a single euro or dollar from regional accounts due to catastrophic contractual indemnity clauses and international penalty fines.



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Paralleling these European fractures, the US state of Texas, Alberta in Canada and Western Australia have systematically deployed independent tax quotas to isolate locally generated oil, gas and mining revenues from central budgets. This pattern of resource hoarding extends globally, being visible in the industrial standoffs inside Nuevo Leon in Mexico and Sao Paulo in Brazil, as well as Indonesia's Aceh Province locking away 70 percent of its natural gas revenues and the retention of customs receipts by Pakistan's Sindh province and India's Maharashtra state.

Erosion of state prestige goes far beyond a temporary fiscal deficit, transforming unified national sovereignty into little more than a powerless shell. Commercial elites inside these wealthy enclaves are no longer content with merely withholding tax contributions; they actively bypass central decision-making authority by exploiting autonomous government powers to sign international investment contracts containing foreign arbitration clauses.

The state is converted into an administrative front tasked with safeguarding the private assets of cross-border investors

These binding agreements transfer all major commercial disputes directly to the International Chamber of Commerce in Paris or the International Centre for Settlement of Investment Disputes in Washington. Consequently, any attempt by a central government to reclaim sovereign control over its domestic natural resources exposes the state to massive international legal penalties payable directly from the public treasury. This legal maneuvering completely strips national courts of their jurisdiction, converting the state into a fragile administrative front tasked with safeguarding the private assets of cross-border corporate investors.

Defeating this legal fragmentation requires modern states to enforce an aggressive institutional road map, completely stripping these autonomous enclaves of their financial escape hatches by permanently banning regional credit-pledging schemes and establishing absolute centralized national oversight over resource wealth.

By transforming sovereign geography back into an indivisible constitutional asset, national capitals can successfully subordinate private corporate cartels to central judicial authority. Ultimately, this defensive consolidation of the nation-state confirms the timeless strategic warning issued by Napoleon Bonaparte, who famously observed that if you know a nation's geography, you know its foreign policy — proving that only by reclaiming absolute authority over domestic physical geography can a sovereign power secure its own destiny across the international landscape.

Building the economy Africa needs

YEMI KALE

With geopolitical tensions reshaping the world economy, Africa faces a choice: it can allow itself to be carried along by events into an uncertain future or it can use the ongoing shifts in the international order as an opening to position itself as a more influential global player.

In recent years, Africa has shown remarkable resilience in sustaining growth amid external shocks. But headwinds are gathering. Tariff wars, supply chain disruptions, market volatility and changing alignments are impeding the flow of imports on which African countries, with their limited domestic manufacturing capacity, often depend.

For a continent that has traditionally relied on global trade to power development, the vulnerability it now faces can hardly be overstated. And yet, intra-African trade has lately been growing — by 5.5 percent, to about $213.8 billion, last year — supported by deepening regional cooperation and stronger institutions. To secure its future, Africa must build on this progress, creating a stronger, more integrated continental market — and that begins with the implementation of the African Continental Free Trade Area.

To realize the free trade area's potential, African countries must finalize and implement relevant tariff concessions, complete outstanding rules-of-origin arrangements and incorporate agreements into national customs systems. They should also systematically identify and remove nontariff barriers, simplify customs and border procedures, and improve standards and certification systems to make cross-border trade easier for businesses. Coordination is also essential, both among national agencies — especially those managing trade, customs, finance and industry — and with regional economic bodies.

To secure its future, Africa must build on this progress, creating a stronger, more integrated continental market

At the same time, African countries must invest in industrialization and manufacturing capacity, with a focus on value addition and export diversification. This would strengthen Africa's position within regional and global value chains and reduce its vulnerability to shocks. Africa has considerable advantages in the form of abundant natural resources and human capital. Now it must harness them to build competitive industries, generate quality jobs for its young, rapidly growing population and enhance the continent's bargaining power in global forums.



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Overcoming persistent trade finance and infrastructure deficits is critical. As long as African businesses cannot secure sufficient financing, their ability to seize opportunities for trade and investment will be limited. That is why the African Export-Import Bank is working toward doubling its intra-African trade finance portfolio to $40 billion this year.

It is an important first step but not nearly enough. Coordinated macroeconomic management and deep financial reforms are also vital to build the kind of dynamic and resilient economies that attract funding. Policy priorities should include aligning infrastructure and industrial policies around major trade corridors, improving trade facilitation, diversifying partnerships and jointly identifying supply chain vulnerabilities and alternative sources of critical inputs.

Africa's trade and industrialization agenda can work only in a progressive, innovative global financial system

African governments should also work with the private sector to identify trade and industrial bottlenecks and develop commercially viable solutions. Regional institutions, for their part, should help strengthen and coordinate countries' responses to external shocks.

This effort must be matched by broader financial reform. Africa's trade and industrialization agenda can work only in a progressive, innovative global financial system that is attuned to the continent's needs and realities. Together, such reforms could go a long way toward increasing long-term investment and inflows of private capital.

Africa cannot control global geopolitics, let alone prevent external shocks. But it can manage its exposure. By building an integrated continental market and investing in higher-value-added production, Africa can position itself not only to weather future volatility but also to play a greater role in shaping global trade. With that, the continent would be well on its way to fulfilling its potential as a global economic powerhouse and a competitive hub of investment, manufacturing, innovation and industry.

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EDITORIALS

Tired yet of prices going up? The Fed needs to raise interest rates

Americans don't need to be reminded that the cost of living keeps climbing. They see it every time they fill their gas tanks, shop for groceries or pay their bills.

President Donald Trump's Iran war has sent energy prices soaring, and his tariff attacks on America's trading partners have jacked up costs for a slew of goods. The official inflation rate of 3.7% understates the sticker shock many Americans are experiencing.

Groceries and gasoline are way up, sure. But so are basics like housing, cars and computers, which are typically more stable. The trend has been stubbornly persistent: The latest data show the pace of monthly price increases accelerating.

The Federal Reserve will have an opportunity to address rising prices when its Federal Open Markets Committee (FOMC) meets later this month. Its mandate is to bring about full employment while keeping inflation at 2% annually — way below today's level.

The Fed raised interest rates by a quarter-point last month. The obvious follow-up is another increase.

To be clear, raising interest rates won't bring grocery bills or gasoline prices back to where they were a few years ago. Slowing inflation means prices rise less quickly, not that they fall. And higher borrowing costs can make mortgages, car loans and credit card debt more expensive for consumers already struggling to make ends meet.

But the alternative, allowing inflation to become entrenched and prices to climb even faster, could prove more painful in the long run. That's why the Fed should seriously consider another rate increase, even if the short-term consequences are uncomfortable.



President Donald Trump talks with Kevin Warsh after he was sworn in as chairman of the Federal Reserve Board of Governors at the White House in Washington on May 22. HAIYUN JIANG/THE NEW YORK TIMES

Yet the financial markets are sending a contrary message: People who put their money on the line are betting heavily against a rate increase. The Chicago Mercantile Exchange Fed Funds contract, for instance, pegs the likelihood of Fed action when it meets Oct. 27-28 at less than one in six.

Don't Fed governors shop at supermarkets and gas stations? Evidently, there's a disconnect between the cost-of-living crisis many Americans are feeling and Fed policymaking. The reasons why traders expect the Fed to sit on its hands sound awfully feeble from the perspective of strapped citizens watching prices go up by the day.

Trump's newly installed Chairman, Kevin Warsh, has been tight-lipped, but Vice Chairman Philip Jefferson and New York Fed President John Williams have indicated they want to see additional data before the Fed does anything more.

San Francisco Fed President Mary Daly, meantime, sees no cause for urgency given that soaring mortgage rates and other higher borrowing costs already are slowing parts of the economy. Further, wage growth is cooling, which suggests things may be less overheated than the inflation rate suggests.

What these experts are missing, however, is the sour consumer psychology building up right now. Psychology might sound like a squishy factor to consider at a data-driven agency, but it's crucially important.

Inflation expectations can become self-fulfilling. When households and businesses expect higher prices in the future, they act differently. Workers seek bigger pay raises to keep up with the cost of living or decide not to work at all when their meager paychecks don't buy as much. At the same time, companies that expect inflation tend to raise their prices before it hits, which in turn boosts inflation.

The 1970s were a classic example of this so-called wage-price spiral, and it only ended when the Fed took drastic action in the early 1980s, tamping down prices while turning the industrial Midwest into a hollowed-out Rust Belt.

That awful period of inflation left scars. Research shows people who lived through the 1970s became more wary of surging prices in the future than those who lived through low-inflation times like those before the pandemic. Inflation spikes, including the one during COVID-19, can traumatize a generation forever.

The University of Chicago's Booth School of Business recently published fresh insights on this scarring effect: "If consumers and businesses expect high inflation, it can make keeping inflation in check tougher for the Fed," Booth wrote in a research summary.

The Fed's efforts to jawbone inflation down without hiking interest rates tend to fall on deaf ears when the population knows just how stubborn and insidious inflation can be.

"Hope doesn't triumph over experience when it comes to inflation expectations," Booth wrote. The Fed "can only maintain its credibility by producing results."

With inflation running hot today, that's an argument for decisive action. Yet the message from the financial markets is, "fuhgeddaboudit."

Anyone who cares about America's economic future should be concerned that Trump's campaign against the Fed is influencing its decision-making. True, his hand-picked chairman, who has yet to earn much credibility, is but one vote of 12 on the FOMC.

If the Fed were to follow its mandate to tamp down inflation by raising rates at its October meeting, the financial markets quite likely would erupt — just days before the midterm election. Trump no doubt would denounce the Fed, and maybe do more, given his vindictive nature and previous attacks on the institution.

Fear of a lawless president should not be dictating monetary policy. The Fed needs to show its independence and do what's right for the economy without fear or favor. Anything else will make America less competitive in the future.

The suburban mall isn't dead after all, and Gen Z is leading the rescue mission

In the 1980s and 1990s, mall culture was a vital part of teen life. How many millennials remember having their ears pierced at Claire's, cubic zirconia dazzling on young lobes?

If that wasn't your thing, perhaps you favored the highs and lows of an Auntie Anne's cinnamon sugar pretzel.

If you're a little bit older, perhaps you were the one footing the bill for these delights.

But mall culture eventually fell out of fashion, as shoppers did most of their browsing online and their treasures were delivered right to their doorstep. An Amazon Prime membership or Target 360 subscription is the gateway to all of the convenience of getting what you want or need with none of the crowds or fuss.

It's the remote working of retail.

Except that, just like at a workplace, the magic happens in person.

Some of the magic is returning to Chicagoland shopping centers whose futures often looked uncertain in recent years.

The reported $125 million sale of Deer Park Town Center and $95 million purchase of Randhurst Village, coming amid other major suburban retail transactions, suggest investors are seeing new possibilities in a sector that recently looked written off.

Randhurst, an open-air shopping center in northwest suburban Mount Prospect, has undergone several transformations over the decades, and we can remember plenty of years of noticeable empty storefronts. Costco and an AMC Theaters cinema anchor the center; shoppers also frequent Michaels, Old Navy and a rotating array of restaurants that have come and gone over the years.

Deer Park is a more upscale center, and home to one of the area's best Barnes & Noble bookstores, a welcome destination at a time when it's tough to find a bookstore, independent or big box alike. Shoppers flock here for retailers such as Evereve and Williams-Sonoma, Pottery Barn, Lululemon and Talbots.

Both centers balance shopping with good dining options, and the open-air concept combined with plenty of parking make them realistic destinations for a quick, one-stop shopping trip or an extended day of retail therapy.

While many adults prefer the speed and ease of online shopping, interestingly their kids prefer brick and mortar, especially since it's difficult to know how something will look or fit without trying it on. In the category of everything old is new again, Gen Z is driving much the revival of the shopping mall. This younger cohort came of age amid COVID lockdowns, social isolation and the omnipresence of smartphones and appears eager to experience more real, in-person connection. And, like their elders once did, they're finding it with friends at the mall.

Shoppers ages 18 to 24 made 62% of their general merchandise purchases in physical stores last year, compared with 52% among shoppers 25 and older, according to research from Circana's Consumer Behavior Report. According to PwC, mall foot traffic among shoppers ages 14 to 29 increased 57% year over year.

The malls that survived learned they could offer an experience, something an Amazon delivery can't replicate.

We're pleased to see glimmers of life at the suburban mall, not least because this ecosystem lends itself not just to greater investment in retailers but a better connection to the region. When your shopping items come to you, you can be anywhere; but when shoppers go to a retailer, they become more fully part of the community surrounding it.

More in-person shopping and socializing is good for both our society and our economy. All the better that those too young to remember life without smartphones are spearheading this positive back-to-the-future trend.

ON THIS DAY 36 YEARS AGO
GORBACHEV INCHES TOWARD CAPITALISM

When it was announced that Mikhail Gorbachev had won the Nobel Peace Prize, his Moscow critics quickly noted that he couldn't have won for economics. His timid, nebulous plan to move the country bit by bit to a market economy proves that. ...

His outline is, at best, only a half-step toward reform. It embraces the goal of moving from a centrally controlled to a market-based economy. But it offers no timetable; it sets no deadlines. It includes provisions to make the transition as painless as possible, yet it seems doomed to inflict even more suffering. ...

Those are sound steps, but they don't go far enough. Nor is there any sense of urgency. ... Certainly, in the shift from socialism to capitalism, some things can't be done overnight. It will take time, for example, to privatize industry and end wasteful subsidies.

But Gorbachev needs to free prices quickly from state control. It's the only way to fill the empty Soviet stores. ... He should embrace private land ownership. And he must end the dominance of the Moscow bureaucrats who have stifled past reforms.

Rapid immersion in a market economy will, without question, inflict still more pain on the long-suffering Soviet public. But by trying to avoid those shocks with half-measures and open-ended goals, Gorbachev is only prolonging his people's current agony.

Armed with new powers and the parliament's mandate, Gorbachev wants to lead, but at his own pace. The critical question is: Will anyone follow?

The Kremlin's commands these days are no longer feared and often ignored. To enforce his guiding hand, the Soviet leader may have to turn to the military or the secret police. If that happened, the primary concern would no longer be minimizing economic suffering, but avoiding civil war.

Tribune editorial board, Oct. 26, 1990

EDITORIAL CARTOON



STEVE KELLEY/CREATORS SYNDICATE

OPINION



Ald. Walter "Red" Burnett, 27th, from left, Ald. Stephanie Coleman, 16th, Ald. Lamont Robinson, 4th, and Ald. Pat Dowell, 3rd, talk after Mayor Brandon Johnson gave his budget address Wednesday at Chicago City Hall. **BRIAN CASSELLA/CHICAGO TRIBUNE**

City should offer ability-to-pay model for fines

By Anna Valencia
SPECIAL TO THE TRIBUNE

Budget season is upon us in Chicago, and with it comes a fundamental responsibility for every city leader to put the needs of our residents first. Crafting a budget that reflects those needs is more than a fiscal exercise. It is a moral obligation, one that demands thoughtful leadership, accountability and a commitment to delivering a responsible budget on time.

In these times, we're asking working families to take on an increased financial obligation to our city. The least we can do in return is give them a break, without breaking their bank accounts.

We have $1 billion of uncollected debt, and a lot of the financial strain falls on Black, brown and poor people who already are struggling to afford their basic needs. Understandably, their priority is not paying the city. It is paying for groceries, rent or gas. So, we should split the difference, give people a chance to pay off debt while simultaneously collecting revenue the city would not get otherwise. The logic is simple. If we collect even a portion of the debt owed to the city, it is more than the nothing we are getting now.

I am proposing that my colleagues in the City Council work with me to establish a three-month debt amnesty, across multiple departments, and pilot an ability-to-pay model, starting with the $200 city sticker ticket, also known as a wheel tax violation.

Understanding that people will pay their fines, fees and other obligations if given a reasonable and affordable option to do so, an ability-to-pay scale would adjust how much a person needs to pay based on their income. San Francisco currently does this with its traffic court fines. People with incomes below 250% of the federal poverty level, about $60,000 a year for a family of four, can get their citations discounted by 80% or more.

Under this ability-to-pay model, administrative hearing officers could reduce city sticker citation fines for residents experiencing financial hardship. That hardship would be determined by a number of factors, including enrollment in certain government benefits and income compared to the federal poverty level. The result would be more money to the city, while giving people a fresh start and a way to become compliant.

In 2018, I worked alongside city agencies, City Council members and community organizations to look at how we could address regressive fines and fees that were putting people in debt or at risk of losing their jobs. The program looked at fines and fees from an affordability and fairness perspective to get away from a structure that ruined people's lives and did nothing to address the city's revenue shortfalls.

Since then, the Office of the City Clerk has proved that reform can be effective in ending a practice that traps people into never-ending debt and still get much-needed revenue to the city. We've hosted three amnesty months, forgiving late fees and back charges for drivers to get their city sticker.

We introduced the reduced-term sticker, allowing residents to purchase their city stickers in smaller, four-month increments — an option Chicago drivers have chosen almost 700,000 times in the almost seven years since it has been available.

In our past three amnesty efforts, we've brought in over $4 million in new revenue and brought more than 40,000 drivers into compliance. This expands the pie, adds to our revenue and does not drown our residents in debt. And there is still more work to be done.

Eight years after we sounded the alarm on issues with fines and fees, it seems we have yet to learn from our past mistakes. Once again, we are turning to those same regressive fees to balance the budget on the backs of working people and our most vulnerable residents.

Putting together creative and effective solutions requires us to work with a sense of urgency that speeds past any political disagreements, egos or personal feelings to put the people who elected us at the forefront.

Implementing a three-month debt amnesty and piloting an ability-to-pay model would continue moving our city further away from ineffective practices of the past.

I am ready to move these reforms forward now because Chicago residents deserve a government that holds itself accountable and is willing to make common sense changes. It's time to roll up our sleeves, do the actual work and bring every new idea to the table.

It's on all of us. Period.

Anna Valencia is the city clerk for Chicago.

Flock cameras show need for constitutional amendment on information privacy

By Anthony Volini
SPECIAL TO THE TRIBUNE



A man carries his dry cleaning past a Flock camera at the corner of West Devon and North Christiana avenues on Sept. 3 in Chicago. **STACEY WESCOTT/CHICAGO TRIBUNE**

Should owning a phone and a car and using the internet mean organizations know everything about us? The current debate over the expansion of Flock cameras, a form of automated license plate readers, across the U.S. triggers this broader question as governments and private enterprises seek to expand their surveillance power.

Historically, legal protections have not kept up with new technologies that invade our privacy. This is as true today as it was in 1890 when Samuel D. Warren and Louis D. Brandeis observed in their Harvard Law Review article "The Right to Privacy" that mass newspaper printing and photography were threatening privacy in new and unforeseen ways. The problems today are similar, but on a larger scale.

Flock camera expansion is the surveillance technology currently under debate, but certainly more surveillance technologies will develop. Flock cameras can benefit the public by detecting car thefts and other serious crimes, but some might use the cameras to abuse privacy. Proponents could argue cameras don't violate privacy because they photograph public spaces. However, creating a searchable database of the people's travel patterns across jurisdictions over extended periods of time seems more invasive than someone simply taking an isolated picture on a public street.

After all, when travel patterns are combined with personal data from other sources, aggregators can create a very detailed record of someone's personal life, including current and past locations, who the person has spent time with, any commercial or political activities, out-of-state abortions and even marijuana purchases. Could a government actor use surveillance technology to detect a person's political activities and then punish that person? Could it be used to punish a person for getting an out-of-state abortion? In today's political climate, it seems a possibility.

I see the consequences of data aggregation when I regularly receive unsolicited text messages from businesses that might identify my home address or neighborhood and offer to provide me with landscaping or other services. The businesses presumably purchased my information from data brokers that electronically scraped public records and other online information to develop a profile on me. Should the government and private sector be entitled to aggregate all of this information on us for surveillance capitalism or warrantless criminal surveillance? This modern electronic espionage reminds me of the principle Warren and Brandeis famously described in 1890 as the "right to be let alone."

This country was founded with privacy in mind. The Fourth Amendment restricts government searches of homes and personal effects without a reason and use of long-term tracking devices without a warrant. Our data — for example, emails and location history — is essentially modern diaries holding our private thoughts, friendships and travels. Tort laws often restrict private parties from physically spying on us but don't seem to cover modern electronic surveillance. And another twist: Law enforcement can potentially bypass warrant requirements by simply purchasing information from the private sector.

How can the U.S. move forward with privacy protection in the face of ever-expanding technology, especially when legislation can't keep up with the changes? The country must explore whether a constitutional amendment could effectively prohibit information privacy abuse by the government, the private sector or the two working together. Essentially, this would empower courts to stop clear privacy abuses as they arise rather than waiting for effective legislation that may never happen. This seems like a particularly intriguing tool given the law can't keep up with rapidly developing technology.

Big Tech and government are addicted to collecting massive amounts of personal data. Neither can be trusted with it, and neither will voluntarily stop. Congress has failed to enact a broad consumer privacy law for more than 25 years. Something must be done. Our legal system is failing us.

Who fights for the privacy of an average citizen? Arguably no one. In fact, state privacy laws are often written by Big Tech lobbyists to placate the population with a false assurance of privacy. The government will continually seek expansion of invasive surveillance for enforcement or other purposes, and likewise, the private sector will do so for profit.

Some folks understandably have thrown up their hands, saying privacy is dead and will never come back. This defeatist viewpoint is certainly understandable, but dreamers like me wonder if we could have a system where it's difficult for government or the private sector to obtain aggregated data to know everything about us. (Perhaps easy warrantless aggregation might be limited to national security purposes rather than domestic law-enforcement or commercial motives?)

A constitutional amendment is incredibly difficult to enact. But, maybe in the face of expanding artificial intelligence-supported surveillance, it's time for society to seriously consider it?

Anthony Volini is a professor of technology and intellectual property law at the DePaul University College of Law, director of DePaul's Office of Technology Transfer, Commercialization & Social Impact and a registered patent attorney. The views expressed are his own.

Vivek Ramaswamy's ad in Ohio governor's race backfires



Clarence Page



Democratic gubernatorial nominee Dr. Amy Acton visits with supporters during a campaign event in Marietta, Ohio, on Sept. 17. CAROLYN KASTER/AP

Vivek Ramaswamy's desperation is showing.

That was my immediate reaction to the cringeworthy ad his campaign posted on social media and then ran on television related to the Republican's bid for Ohio governor.

Early last week, as the campaign entered its homestretch, the ad thrust viewers into an old, painful scandal from his Democratic opponent Amy Acton's childhood.

The 60-second video features Acton's mother, Donna Arthur, calling her daughter "a liar," which later prompted Acton's brother to accuse Ramaswamy of turning childhood rape "into a political talking point."

Conveniently omitted from the ad were the decades-old court documents offered by Acton's campaign to show the 60-year-old state health official had been the victim of childhood sexual abuse.

Better known was her rise from childhood poverty and periods of homelessness to become the first female physician director of Ohio's Department of Health, appointed by Republican Gov. Mike DeWine. Among other responsibilities, she led the state's early response to the COVID-19 pandemic.

But in an ugly effort to punch holes in Acton's impressive resume, Ramaswamy ran the ad featuring her mother, even though the two have not spoken since she and her younger brother were taken from their family when Acton was 12.

Her campaign provided records corroborating her version of her childhood trauma. As The Washington Post and other news outlets reported, court records and media clippings from that time show Acton's mother's second husband, Cledith Arthur, had been arrested and indicted in 1978 and charged with rape.

The arrest came after Acton's biological father, Gerald Stearns, made a report to police, according to various media accounts.

Law enforcement apparently lost track of Arthur after he left the state, and despite multiple warrants for his arrest, he died in 2004 in Pennsylvania having never been tried for raping Acton.

I'm not aware of any credible reporting that contradicts this evidence. Yet when confronted with it, Ramaswamy's campaign persisted in the lie.

"We don't know what happened between Amy and her mother, who first spoke about Amy in 2020," read a statement from spokeswoman Connie Luck, "but we know that Amy Acton is a serial fabulist who has some serious problems with the truth that the public needs to be aware of before deciding who to entrust as governor."

This may be the vilest political attack ad in recent American history — which is saying a lot — but it also is the most transparently false. And this has forced some Republicans to disavow it.

Some Republicans.

To his credit, Gov. DeWine, expressed disgust. Rep. Ashley Hinson, an Iowa Republican in a close race, called it "absolutely terrible, and I think they should take the ad down."

U.S. Rep. Nancy Mace, a South Carolina Republican and herself a survivor of sexual abuse, termed it "disgusting."

"I would not have run that ad," Sen. Jon Husted, a Republican who faces former Sen. Sherrod Brown, a Democrat, in another hotly contested race, said in a statement to the Associated Press.

Nonetheless, Vice President JD Vance — a native Ohioan who hails from my hometown of Middletown — huffed in a campaign appearance in Cincinnati that he was "disgusted" that some Republicans seemed to be "whining" more about the ad than what "Democrats want to do to the United States of America."

Whining?

In other words, how dare his GOP comrades call the ad what it is — an embarrassment to any American with a shred of human decency — when they should be falling into lockstep with Trumpian nastiness.

And calls to circle the wagons are hardly reassuring to the clear-eyed members of the GOP who see how this episode may blow back on other Republicans on the Ohio ballot next week.

They already have enough trouble with the plummeting popularity of President Donald Trump, who has insisted on making the midterm elections about himself.

Trump, known to shoot from the lip about anything that will help him to make a headline every day, fired predictable shots about the ad and about Acton in a press confrontation, expressing only a loose relationship to the facts.

"I hear the mother went very rogue on the daughter, doesn't have a lot of respect for the daughter, and I think the mother is a witness to things, so who knows?" he said.

The president continued, "It's a very unusual situation to have a mother hate a daughter that much, but I don't think that has anything to do with Vivek."

Oh, yes, it does. It was Vivek's campaign that produced and posted the ad.

But, as various critics have observed, the ad looks like a desperate gesture by a losing campaign. Worse, for Republicans, it makes this election about much more than the governor's office. It pits MAGA's politics of amoral domination against those who stand for decency and civility.

As one great Democrat, President John F. Kennedy, famously said, "Sometimes party loyalty asks too much."

When it leads you to abandon ordinary human decency, that's too much, even in politics.

Email Clarence Page at cptimee@gmail.com.

Voice of the people

Nix Peoples Gas request

I support the recommendation by two Illinois Commerce Commission administrative law judges to slash Peoples Gas' $144 million rate-increase request by more than half. Yet, I strongly urge taking it a step further and fully rejecting Peoples Gas' request for a rate increase. The ICC judges' proposed order recommending approval of a $66 million rate increase fails to address other issues, such as Peoples Gas' failing pipe replacement program, which is wildly expensive and does not put us on a pathway toward electrification.

This order recommends a $66 million increase for Peoples Gas while working families struggle to make ends meet. Rents are increasing, groceries are more expensive, healthcare costs are skyrocketing, and utility costs are going up as more energy-intensive buildings like warehouses and data centers are developed in our neighborhoods. Many environmental justice communities across Chicago have been energy-burdened for years, meaning that a significant portion of household income is already going to utility bills in order to keep the house warm and the lights on.

In fact, keeping up with gas bills has proved to be challenging for more than 160,000 residential Peoples Gas customers who are at least 30 days behind on their bills. Every additional dollar a family spends on gas bills is a dollar not spent on food, housing or other necessities.

In the past nine years, Peoples Gas made record profits seven times; its Milwaukee-based parent company WEC Energy made $1.6 billion in 2025. With such record-breaking profits, I am motivated to ask: Why should consumers pay for a failing pipe replacement program when the company is already making well into a billion dollars a year?

Lastly, as an environmental justice advocate, it is important for me to mention that energy cannot continue to be seen as a commodity and that access to heating and cooling for our homes is the foundation of human dignity. No one in our communities should have to choose between staying warm this winter or feeding their loved ones.

The ICC can ensure families are not forced to make this choice by rejecting Peoples Gas' rate hike proposal.

— Melanie Minuche, senior policy analyst, Little Village Environmental Justice Organization, Chicago



Abe Scarr, director of Illinois PIRG, speaks during a news conference in front of Peoples Gas headquarters in the Loop on Jan. 6 to protest the utility's push for a rate hike. EILEEN T. MESLAR/CHICAGO TRIBUNE

How Chicago can save birds

Brava to Adriana Perez for her excellent reporting on the recent mass casualties of migrating birds due to building collisions ("'Birds were falling every 5 seconds,'" Oct. 21).

And heartfelt thanks to Ald. Maria Hadden, 49th, for introducing the Bird-Friendly Building Design Ordinance, and for Ald. Brian Hopkins, 2nd, and Ald. Ruth Cruz, 30th, for signing on as additional primary sponsors. The proposed ordinance would require new commercial buildings, new residential buildings of four units or more and major renovations to use bird-friendly glass on the first 100 feet of the structures, where most bird-building collisions occur.

If you don't like seeing birds that have traveled thousands of miles on their migratory journeys dead or gravely injured on our sidewalks, and you live in Hadden's, Hopkin's or Cruz's ward, please thank them for being the primary sponsors of this long-overdue ordinance.

Credit also goes to the aldermen who have signed on to the ordinance as co-sponsors. At least 18 have: Felix Cardona Jr., 31st; Angela Clay, 46th; Jessie Fuentes, 26th; Timothy Knudsen, 43rd; Daniel La Spata, 1st; Bennett Lawson, 44th; Leni Manaa-Hoppenworth, 48th; Matt Martin, 47th; Ronnie Mosley, 21st; Anthony Quezada, 35th; Julia Ramirez, 12th; Brendan Reilly, 42nd; Michael Rodriguez, 22nd; Rossana Rodríguez Sánchez, 33rd; Byron Sigcho-Lopez, 25th; Chris Taliaferro, 29th; Andre Vasquez Jr., 40th; and Scott Waguespack, 32nd.

Just five more aldermen in favor are needed to pass this ordinance. If you don't see your alderman's name here — and would rather Chicago not be the deadliest U.S. city for migrating birds — please contact your alderman and urge him or her to become a co-sponsor.

It's time Chicago join New York, San Francisco, Washington and other cities in mandating bird-safe building protections.

— Christine Esposito, Chicago

Our state should opt in

Illinois should opt in to the new Federal Scholarship Tax Credit program, which begins in 2027.

Some Illinois lawmakers oppose participation because they believe public resources should not support private education. I respect that philosophical position. But it answers the wrong question.

Congress has already created the federal tax credit. Illinois cannot repeal it by refusing to participate, nor would opting out redirect a single dollar to Illinois public schools. It would simply prevent Illinois children from benefiting from a federal program available to families in participating states.

Illinois already understands this distinction. Opportunity Zones, shaped by Republicans, use federal tax breaks to encourage private investment — a policy some Democrats might not have chosen themselves. Yet Illinois participates because, once Congress created the incentive, denying Illinois communities access to it would accomplish little beyond sending investment elsewhere.

The same principle should apply to education.

Importantly, this is not simply a private school program. Scholarship funds can support qualifying educational expenses for children attending public, private and religious schools, including academic tutoring and other educational services.

As a father of four whose children have attended both public and private schools, I have paid for supplemental tutoring and other special support services when my children needed more help than their schools could provide. I strongly support excellent public schools. I also know that parents sometimes need resources beyond what any particular school can provide.

Illinois can continue investing aggressively in public education while allowing families to access additional federally authorized educational resources. Those positions are not contradictory.

Lawmakers may disagree with Congress for creating this program. But denying Illinois families access to a federal program that already exists does not register that disagreement with Congress. It registers it with Illinois children.

Illinois should opt in.

— Michael Henn, Wilmette

Mike Ditka was my savior

I met Mike Ditka many years ago when I attended the annual Misericordia fundraising dinner for the first time with my wife. She received the invitation because her family is related to the late Sister Rosemary Connelly who founded Misericordia.

When I entered the fundraising event, I was startled and embarrassed: I was the only person not wearing a tuxedo. I asked my wife why she didn't tell me it was a black tie dinner, and my wife told me not to worry. I looked at the invitation that my wife kept to herself, and it said it was a black tie event.

I sat at a round dinner table embarrassed; no one sat next to me but my wife. I sensed guests were glancing at me wondering who invited that outcast. I had an unhappy face.

About 20 minutes into the event, Ditka walked in. He was on crutches, as I recalled. He glanced around looking for an open seat and chose to sit next to me. I told him I was so glad to see him! The expression on his face was: Who are you? I told him that he and I were the only ones not wearing a tuxedo. Who cares, he said.

I was aware that Ditka was a big supporter of Misericordia. He and I chatted jokingly during the event. My unhappy face changed to a big smile. Another time, Ditka met my father-in-law and his D-Day comrades and invited them to his restaurant, stating that they all were the true heroes.

Ditka was a savior — for Chicago, my family and me. I will always have fond memories of the fun time we spent chitchatting at the Misericordia event.

Of course, I did not tell Ditka I am a New York Jets fan.

— Bo Tran, Chicago

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OPINION

Brazil Votes for More Lula



AMERICAS
By Mary Anastasia O'Grady

Brazil's leftist President Luiz Inácio "Lula" da Silva of the Workers' Party defeated Senator Flávio Bolsonaro of the conservative Liberal Party in a runoff election Sunday. Going into the vote, pollsters gave the edge but Lula had narrowed the gap. With 99% of the vote counted Lula had 52% to Mr. Bolsonaro's 48%.

This is a bitter disappointment for conservatives. But they'll do well to note that Lula will take the oath of office Jan. 5 with the Brazilian right having gained ground. Mr. Bolsonaro surprised pollsters when he finished first in the first round on Oct. 4 with 47% of the vote against Lula's 45.2%. Down ballot the right did even better. In the Senate, the Liberals won 19 seats out of 54 contested. With a total of 28 seats they'll go into the next legislative session with the largest single bloc in the 81-seat upper chamber. In the lower house Mr. Bolsonaro's party will also have a plurality, with 121 seats out of 513. In the country's highly fractured legislature, where well over a dozen political parties vie for power, these are notable developments.

He will begin his fourth presidential term even as the right has gained ground.

The clamor for economic freedom in Brazil is growing. Consider how well the right and center-right did in 27 governor's races around the country. Liberal Party candidates won in six states and the smaller center-right Republicans took three, including the industrial giant São Paulo and the agricultural powerhouse Mato Grosso. Liberal Sergio Moro, the judge who oversaw the conviction of Lula on corruption charges in 2017, won in the state of Paraná.

Lula's win for a fourth nonconsecutive term as president is hardly a mandate. His personal story of rising from a poor family, his charisma and his left-wing populism have made him a champion of organized labor and an icon of Latin socialism. He was a bosom buddy of Fidel Castro. Over the years he has carried many Workers' Party candidates on his coattails. But this time he struggled.

Young Brazilians want affordability and opportunity, and Lula hasn't delivered. In 2026 inflation is expected to come in close to 5.2%. Forecasts for next year put it above 4.3%. Wages haven't kept up. With an inflation target of 3%, the central bank has set its overnight lending rate, known as the Selic, at a punishingly high 13.75%. The drag on the country's many heavily indebted businesses and households is palpable. Growth for 2026 is expected to come in below 2%.

With deficit spending driving inflation pressure, aspiring Brazilians went looking for an alternative to Lula. Mr. Bolsonaro promised to rein in fiscal profligacy and balance the federal budget. He pledged to cut taxes on small businesses, reduce the regulatory burden they face and get the economy growing faster.



TUANE FERNANDES/REUTERS

Luiz Inácio 'Lula' da Silva

The nation wants the government to get a handle on cartel drug trafficking, extortion, kidnapping and highly profitable illegal gold-mining operations. The U.S. has designated two large Brazilian crime syndicates as foreign terrorist organizations. Lula called the designation an affront to Brazilian sovereignty, but offered no credible strategy.

Until September Mr. da Silva maintained a comfortable lead in the polls. That's when documents were released that linked Supreme Court Justice Alexandre de Moraes to Daniel Vorcaro, who was the CEO of Banco Master. Mr. Vorcaro is alleged to have committed fraud leading to the bank's collapse last year. He and Justice de Moraes deny any wrongdoing. But the scandal raised questions about the independence and integrity of Justice de Moraes and other members of the high court who also have established themselves as adversaries of the Bolsonaro name. The court didn't help its reputation on Sunday when Justice Cristiano Zanin, formerly Lula's lawyer, granted an extraordinary request from Lula's campaign to extend the voting by two hours, citing public-transit issues. Perhaps the new Senate will do its job and discipline the court.

Mr. da Silva's staying power in the race as allegations of deep-state corruption spiked was a sign he still had a loyal base. But after the first round when Mr. Bolsonaro led in the polls, the president felt compelled to do more to get out the vote. He announced a 15% increase in monthly welfare payments, loan forgiveness and a cash transfer of around $1,000 for micro-enterprises, and free bus rides for all. The price tag for Lula's re-election handouts over the past year is estimated near $60 billion, or more than 2% of gross domestic product.

Mr. Bolsonaro's first-round win, narrow as it was, suggested that more than a few who supported Lula in the 2022 election gave up on him this time. That Lula prevailed may be a testament to the power of the public purse to buy the support of voters hurt by Lula's policies. Now the question is when he will run out of other people's money.

Write to O'Grady@wsj.com.

'Effective Altruism' Is Another Term for Bias



INSIDE VIEW
By Andy Kessler

Is the news media manipulated? It's been four years since I wrote that effective altruism is neither effective nor altruistic. The mangy movement, which went into remission when Sam Bankman-Fried went to the big house for fraud, is back. This time it's placing journalists in newsrooms to tell us how artificial intelligence will kill us all. So much for media's already fragile credibility.

According to Gallup, only a third of Americans have a "great deal" or "fair amount" of trust in media. I'm convinced that started in 1975, when "Saturday Night Live" first appropriated the Walter Cronkite-like news desk, and jokes began to water down the perceived credibility of real news from TV news desks. It took until 1994 for an honest assessment from a Weekend Update newscaster: "I'm Norm Macdonald. And now, the fake news."

Five years later, middling comedian Jon Stewart, on Comedy Central's "The Daily Show," copied the legitimate news-set look and used a "Headlines" chyron graphic for his left-leaning news satire. His trick is to go for a quick gag and punch line: "On the very night SNAP benefits ended, Trump threw a Great Gatsby-themed ode to decadence and hedonism." The laugh line is straight out of Saul Alinsky's "Rules for Radicals": "Ridicule is man's most potent weapon." But it isn't news.

Mr. Stewart says he isn't a journalist, but he and others like him helped kill media's credibility. "The Daily Show" has won 26 Emmy awards. John Oliver's also left-leaning, news-desk-appropriating "Last Week Tonight" on HBO won 32. Quick hits win over substance every time. No wonder almost half of U.S. adults under 30 get their news from TikTok.

I'm tired of watching Hollywood manipulate credibility-bestowing awards. Guess how many Emmy nominations or wins this year went to Taylor Sheridan or actors on his conservative-leaning shows "Landman," "Lioness," "The Madison" or "Mayor of Kingstown"—or even "Yellowstone" over the years? That would be none. "I don't want any of that," a fed-up Mr. Sheridan told Howard Stern in June. "I won't go pick it up."

OK, back to AI. Anthropic is reportedly soon to go public. Early backers included Mr. Bankman-Fried's company FTX (though the investment was sold by liquidators) and other effective-altruism enthusiasts such as Skype founder Jaan Tallinn. The investment has been a roaring success, despite the "Danger, Will Robinson!" fears of effective altruists. A leaked copy of Anthropic's S-1 filing contains 80 pages of potential risks, including the doozy that its models pose a "catastrophic or existential risk to humanity."

CEO Dario Amodei told the United Nations in September that "AI could be a risk to humanity as a whole." Although Mr. Amodei denies being an effective altruist, there are plenty at both Anthropic and OpenAI. Five percent of Anthropic shares will reportedly go to a new "public benefit fund" for who knows what.

The movement is now backing fellowships that train journalists to cover 'AI safety.'

The large effective-altruism foundation Open Philanthropy—which has changed its name to Coefficient Giving—has shelled out $7 billion in grants since 2014. One of its large backers is Good Ventures, a foundation set up by Facebook co-founder Dustin Moskovitz and his wife, Cari Tuna. Good Ventures' website home page reads: "We aim to accelerate progress, reduce suffering, and mitigate the greatest risks to a flourishing world."

OK, very EA. Apparently, one of Coefficient Giving's tactics for doing so is funding the Tarbell Center for AI Journalism. The news coverage of AI is paid for by AI doomers. A large Tarbell grant—the organization plans to spend $10 million in total by the end of 2027—went to an NPR podcast by AI journalists Kevin Roose and Casey Newton. More disturbing are the annual Tarbell fellowships: "10 weeks of intensive AI journalism fundamentals training" and then "9 month placements at a newsroom." Newsroom, not opinion. This year's placements include CBS News, the Los Angeles Times, Scientific American, CNBC and the South China Morning Post.

So yes, your AI news coverage may be tainted by journalists trained in an agenda around "AI safety" and "existential risk." These are actual topic tags on Tarbell's website to attract applications. The center claims "editorial independence." Sure, and I've got a bridge to sell you. A Washington Examiner study of the 2025 Tarbell cohort found that "AI safety and regulation were among the topics that appeared most frequently in their coverage." Money talks.

Journalism schools that indoctrinate future reporters with leftist ideology are bad enough—only about 3% of journalists are Republicans. But $75,000 to $135,000 Tarbell scholarships to spin AI news is a bridge too far.

Can we trust news coverage of AI? Or coverage of many topics? No doubt there are plenty of journalism scholarships on the left and right. But $10 million in funding to bash progress? That hurts. I've searched in vain for Norm Macdonald-like labels, "And now, the effective-altruism-spun news." I'll keep looking.

Write to kessler@wsj.com.

This Is No Social Crisis

By Bruce Gilley

A student asks his professor to name the main eras of modern world history. The professor replies: "Modern history can be divided into the political crisis followed by the economic crisis with a period in between that we call the social crisis."

It's an old joke, told most often about the French, but the idea of crisis in everything, everywhere, all at once is so pervasive that it seems we have become a humorless parody of ourselves.

I play a game with my morning newspaper to see how many crises make it onto the front page every day. The climate crisis is a reliable one for the bingo card. The artificial-intelligence crisis recently started jostling for pole position. The affordability crisis seems resilient to every phase of the economy—boom, bust, and every stage in between. The fertility crisis, the Middle East crisis, the migrant crisis, the healthcare crisis, the housing crisis, the fiscal crisis, the youth crisis, the education crisis, the democracy crisis. Apparently there is also a helium crisis. Need I say more?

Constant warnings of collapse desensitize us to real dangers.

So let's bring some calm to all this crisis talk.

"Crisis" comes from the Latin word "to decide" and is used to mean a "decision point" or a "turning point" for the worse in some process. A crisis is the point at which the collapse of a system shifts from being far-off and low-probability to imminent and high-probability.

What's important about such a "crisis" is that it is the turning point when we see the system begin to collapse and when remedies become unlikely.

How many of our contemporary "crises" fit this description? None, by my count. Choose any of the situations above, and system collapse remains remote and improbable, usually either because of actions already taken or because the problem is slow-developing.

So why all the crisis talk? People who study human responses to risks note that the ones that announce themselves loudly tend to get the most attention. So crisis talk is intended to boost a signal. The problem is that when signals become too loud and numerous, they turn into noise. Our senses are dulled by an excessive number of "crisis" claims that don't pan out. We used to be told that anti-ballistic-missile systems would lead to nuclear war and that world population growth would cause mass starvation. Watch this space for the AI-crisis talk to prove equally baseless. Crisis talk can also create a sense of despair that prevents action.

Put another way, the biggest crisis in human society today may be that we think everything is a crisis. By using the word to excess, politicians, journalists and activists numb the human response to actual threats that require our attention.

So here's a challenge to anyone who is part of the crisis hyperbole class: impose a moratorium on your use of the word for a month and see how it feels. We may find our world less frightening, and we'll be more likely to thrive.

Mr. Gilley is a professor of politics and global affairs at Portland State University.

BOOKSHELF | By Nicolas Liney

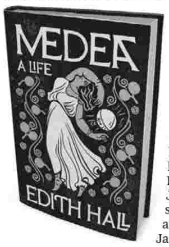
The Original Monster Mom

Medea: A Life

By Edith Hall
Yale, 256 pages, $28

Medea delivers more shock value than any other figure in Greek mythology. We know her best from Euripides' tragedy, in which the sorceress wife of Jason, the leader of the Argonauts, murders her children to take revenge on her unfaithful husband. The crime—perhaps Euripides' own addition to the existing myth—fixed her as one of the most notorious mothers in the Western imagination. "Keep Medea fierce and unflinching," the Roman poet Horace instructs writers, and few have failed to follow his lead.

Euripides' Medea enthralls and horrifies, although the play tells us little about her. When Athenian audiences first saw it performed in 431 B.C., they would have been aware of her mythic backstory. The enduring influence of the tragedy has since overwhelmed other narratives about Medea. What do we really know about her? "Medea: A Life," by Edith Hall, a professor of classics at Durham University in England, combines invention and scholarship in a portrait of this compelling character.



Medea's story, chronologically set toward the end of the Bronze Age, was already old when the "Iliad" and the "Odyssey" were taking shape around the eighth century B.C. Early Greek poetry is peppered with information about her. Over time, a rich tradition in literature and art fleshed out her childhood in Colchis on the Black Sea, her elopement with Jason after his arrival in his ship, the Argo, and the couple's attempted coup in Thessaly, Jason's homeland.

Euripides was not concerned with the details of Medea's early life, but they were brought to light in the "Argonautica," a fanciful epic written by Apollonius of Rhodes in the third century B.C. Later Greek authors, such as Plutarch, were interested in what happened to Medea after she killed her children, and her significance stretched beyond Greece. Herodotus, writing around the same time as Euripides, described Medea's final expedition to the Iranian plateau, and claimed it gave the Medes their name.

The patchwork of ancient material is complicated by contradictions, gaps and overlaps, leaving what the Sicilian historian Diodorus could describe in the first century B.C. as a "variegated and inconsistent account of Medea." Ms. Hall sets out to "stitch the diverse evidence together into a coherent five-act biography." The performer of epic poetry was a *rhapsoidos*, a song-weaver, and this apt metaphor positions Ms. Hall in the lineage of ancient bards.

The idea of writing a biography of an imaginary character, Ms. Hall concedes, "may seem eccentric." For ancient audiences, this would have mattered little—the distinction between history and myth was not as tidy as we make it now. What perhaps surprises is its form. Although the endnotes in "Medea" reveal a mountain of well-handled source material, this is not an academic undertaking. It has more in common with fictional treatments of mythological heroines such as Madeline Miller's "Circe" (2018) or Natalie Haynes's "Stone Blind" (2022).

Especially rewarding are the book's first two "acts," which cleave to Apollonius' epic to sketch a sort of Bildungsroman of the young Medea and render her own perspective on the events that follow. The Medea we meet here is a teenage princess of Colchis infatuated with Jason—as well as a sorceress, a priestess of Hecate and the semidivine granddaughter of the sun god Helios.

These supernatural dimensions to Medea tend not to gel with modern interpretations of Euripides' tragic character. We can understand family breakups, custody battles or maternal rage. But how do we fathom a sorceress who can make time run backward? For Ms. Hall, the preternatural underpins the familiar pains of adolescence and sexual awakening, and the boundary between human and divine constantly blurs.

Euripides' portrayal of Medea as a child-killing figure of fury has obscured the nuances of a more complicated mythological story.

From one angle, these chapters evoke the Bronze Age world where the numinous was felt as hard fact. From another, they foreshadow Medea's overwhelming power. This will be no woman scorned. As Ms. Hall puts it, Medea "sees herself as the agent of Zeus' justice and an adherent of divine rather than human law."

The narrative offered in "Medea" can get precious at times, especially when there are gaps in the sources. To Greeks, Medea would have been considered an ethnic outsider, a topic explored in Ms. Hall's "Inventing the Barbarian" (1989). Medea's status might have prompted a story that evoked the cultural complexities of the ancient world. Instead, we get a tale of genteel poverty and domestic drama. Jason drinks too much, Medea makes ends meet by opening a pharmacy. Cheiron, the centaur and tutor of heroes, runs a preschool, but "unfortunately, the medical practice and pharmacy could never cover Cheiron's fees."

These scenes reflect Ms. Hall's declaration to keep her language "self-consciously modern, in direct imitation of Euripides," whom Aristotle praised for granting his characters up-to-date diction. Ancient authors were wary of how deceptively simple Euripides made it look. A later Greek poet warned others "not to tread the road of Euripides," but Ms. Hall occasionally wanders down the path.

Like Euripides, Ms. Hall finds Medea "uncompromising, harsh, skeptical, pungent, and yet often darkly humorous." She identifies the character's "fury at the constraints" under which a woman of her era lived: "Medea" is intended in part as a feminist corrective. It concludes with a brief survey of "Medea as Women's Heroine," exploring her role as a symbol of female empowerment since the 19th century. Ms. Hall's young Medea wonders what would change "if women were allowed to be poets: they could then tell stories from a different perspective." This book is an attempt to provide an answer to this question.

This doesn't mean that "Medea" is an apologia. The murders, when they come, are as unnerving as we might expect. But they are one part of a complex mythological tradition, and the success of Ms. Hall's wide-ranging work is that we are left less interested in the tragic events we know well from Euripides than in the many-sided life that leads up to them.

Mr. Liney teaches Latin and Greek at University of Oxford Lifelong Learning.

OPINION

REVIEW & OUTLOOK

California and the French Economist

If nothing else, the debate over the California wealth tax on the Nov. 3 ballot is exposing the dishonesty of the case for it. Consider the intellectual gyrations of Gabriel Zucman, the French economist now at Berkeley and a leading Prop. 40 proponent.

Gabriel Zucman tries to rebut a Hoover study. A tax education ensues.

Monsieur Zucman is frantically, if fruitlessly, trying to discredit the Hoover Institution paper we told you about last week. Prop. 40 supporters say the supposedly one-time 5% tax on residents with more than $1 billion in net worth would raise $100 billion in revenue. But that estimate ignores that many billionaires will leave the state.

Hoover economists Benjamin Jaros and Joshua Rauh estimate that the wealth tax would raise only $30 billion after taking into account that courts are likely to block some of its provisions and billionaires will leave the state. They also estimate that the decline in annual income-tax payments over time will exceed this wealth tax revenue by $38.9 billion.

Mais non, says M. Zucman, claiming that the Hoover economists wrongly think billionaires will vamoose because they think the tax will be extended. "Economics students around the world are taught this is not an appropriate way to model behavior," he wrote on X.com.

Well. As Obama economic adviser Jason Furman says, the standard way to estimate the revenue effect of tax policies is to account for the "behavioral consequences from that law." And here we thought left-wing economists believed in the "nudge" of behavioral changes.

M. Zucman and his fellow French celebrity economists, Thomas Piketty and Emmanuel Saez, don't believe high taxes and a generous welfare state materially affect the incentives to work and invest. When people respond predictably to the perverse incentives that politicians create, French economists claim they are acting irrationally. So with a wealth tax.

But is it really irrational to flee a wealth tax? As the Hoover economists explain, Prop. 40 removes the state constitutional cap on intangible personal property tax. "Once that cap is lifted, future ballot initiatives and legislative action can build on the authority this amendment creates to impose additional wealth taxes at any rate, on any threshold," the Hoover duo write. Prop. 40 would also let a two-thirds majority of the Democratic Legislature extend the tax and lower the income threshold.

Prop. 40 supporters claim the wealth tax is needed to offset supposed cuts to Medicaid by last year's GOP tax bill. But federal Medicaid payments have increased 14% over the last year. Most of the budget savings from 2025 GOP reforms don't kick in for several years, so the wealth-tax revenue will get baked into more Medicaid spending in the meantime.

After the "one-time" revenue is spent, wealth-tax supporters will demand an extension. *C'est la vie* in California. In 2012 Democrats convinced voters to raise income taxes on high earners temporarily. Four years later, they asked voters to extend the hike through 2030. This year they are seeking to make it permanent.

The wealth-tax dollar threshold is also likely to be reduced to hit more wealthy people, especially to compensate for income-tax losses from billionaires leaving. M. Zucman has said as much himself. "This one-time tax is just the starting point of what could be," he told the Capital & Main news site this year.

He has also suggested an annual 2% wealth tax: "Even if you factor in the fact that some billionaires will move, the state would still be vastly better off with a 2% annual wealth tax." So even he admits some billionaires will move out of California.

M. Zucman laments that many billionaires use their wealth to advocate for free markets and individual liberty. "Everything that is downstream of the political system—including the courts, regulatory power, economic policy, media independence and so on—is affected by the surge of billionaire influence," he said in an interview this summer posted on the UC Berkeley website.

Left-wing French economists are the leading intellectual architects of France's—and Europe's—current fiscal and political uproar. You almost have to wonder if they are so determined for the U.S. to make the same mistakes because America's relative success is an embarrassing rebuke to their ideas.

Machado Needs Trump's Protection

María Corina Machado's long-awaited return to Venezuela on Sunday poses a challenge to the ruling regime of Delcy Rodríguez, but also to the Trump Administration. If the U.S. is really running the country, as President Trump claims, he has to ensure that Ms. Machado stays alive.

Ms. Machado is the most popular opposition figure in Venezuela. But she left the country in fear for her life in December 2025 to receive the Nobel Peace Prize in Norway. The Cuban-backed regime of former President Nicolás Maduro had stolen the last presidential election and rounded up thousands of political prisoners. Ms. Machado is returning, as she promised she would, to participate in a transition back to democracy and the rule of law.

Mr. Maduro now sits in a Brooklyn jail cell after Mr. Trump ordered the U.S. military to snatch him in January. But Ms. Rodríguez, his former deputy, is now in charge and refuses to set a date for new elections. The Maduro security services are also still in power.

The U.S. has been working with Ms. Rodríguez's brother on a revival of the election board and a new independent Supreme Court. But progress has been slow, and the regime may figure it can outlast U.S. Secretary of State Marco Rubio and Mr. Trump. Mr. Rubio has been overseeing the negotiations, and Ms. Machado has underscored her desire to assist in a peaceful transition.

Ms. Machado's presence in the country also puts the onus on Messrs. Rubio and Trump to ensure her safety. It's all too easy to imagine her suddenly dying in a car "accident" or from a mysterious illness, while the regime claims it had nothing to do with it. That's the Cuban way.

Mr. Trump said Sunday he wishes Ms. Machado well, since she gave him her 2025 Nobel Peace Prize. But wishes aren't enough given what's at stake for the country and for a Latin American region that has been trending toward more freedom.

Mr. Trump has stressed the new U.S. stake in exploiting Venezuela's oil resources. But that new deal won't be worth much unless Venezuela has a government with democratic legitimacy that protects the property rights of investors, both domestic and foreign. That should start with a date and a credible process for a free and fair democratic election.

Viktor Orbán, U.N. Secretary-General?

You read that correctly. Sources from three countries confirm that the Trump Administration has advocated Viktor Orbán for the role of United Nations Secretary-General. The U.S. has encouraged the former Hungarian Prime Minister to enter the race, even bringing him the initial idea. The plan awaits a final decision.

Trump officials push the idea of a U.S.-Russia-China joint candidate.

A Trump State Department official concedes that it sounds crazy at first. But Russia and China are believed to be supportive, based on prior conversations with Washington, and the plan would be for Mr. Orbán to be their joint candidate. As officials from the U.S. and a second country told us, when the U.S., Russia and China all want the same thing at the U.N. Security Council, they usually get it.

The State Department official counted eight Security Council votes "comfortably" for Mr. Orbán, and 10 within reach from the 15 council members. Would Britain and France then stand in the majority's way? Those two are typically cautious in their use of the veto power.

As U.S. officials discussed who they would want to see atop the U.N., Mr. Orbán's name kept coming up. "Someone like Orbán," they would say, and Chinese and Russian counterparts would agree. Eventually U.S. officials asked themselves the question: Why not Mr. Orbán?

There are plenty of reasons, such as that he would act as an apologist for Vladimir Putin and other dictators. But Mr. Orbán is "the dream MAGA-conservative candidate," the U.S. official argued.

That largely has to do with his moves against mass migration, liberal NGOs and Hungary's left-leaning courts and press. Mr. Orbán often clashed with the European Union, while also milking it for subsidies, and his pro-China alignment somehow never punctured the image of a defender of Western civilization.

President Trump endorsed Mr. Orbán in April's Hungarian election, and Vice President JD Vance campaigned for him. If he enters the U.N. race they're expected to back him again, though an announcement has been waiting for after U.S. midterms, according to a third source familiar with the process.

U.S. officials reached out to Mr. Orbán in the first place to gauge his interest in the U.N. role. They found him receptive, albeit with reservations as a nationalist politician, and not looking to run unless he is confident he can win. Mr. Orbán declined to comment.

The rest of the field for Secretary-General, the official from a second country said, is heavy on "secretary"—with international bureaucratic or behind-the-scenes diplomatic experience. Mr. Orbán would be a "general." The State Department official agreed, adding that Mr. Orbán has the right ideology, knows how to exercise power in the face of hostility, and wouldn't be intimidated by the Turtle Bay establishment.

Lana Nusseibeh, a diplomat from the United Arab Emirates, entered the race last week. Emirati support for a bloody paramilitary in the Sudanese civil war will be a liability, but she is qualified and has momentum. On Tuesday she'll answer questions and on Wednesday a new Security Council straw poll will be held. Other candidates could also get in.

Secretary-General António Guterres, whose term ends on Dec. 31, has encouraged some of the U.N.'s worst, radical tendencies, and we are under no illusions about its moral authority. Maybe the best to say about the Orbán idea is that it would lift the veil by giving the U.N. a leader as low as Turtle Bay has already sunk.

LETTERS TO THE EDITOR

Some Proposals for United's CEO on Equality

Regarding your editorial "Flying the Socialist Skies at United" (Oct. 21). I'm prepared to believe United CEO Scott Kirby's concern about wealth inequality is sincere. Before introducing a national wealth tax, however, let's test his commitment somewhere he has more authority: the airplane cabin.

Start with a disparity study. Who gets the Polaris bed, and who gets a middle seat next to the lavatory? Finding the dividing line shouldn't require consultants. There's a curtain.

If Mr. Kirby favors inheritance taxes approaching 100%, surely he can support redistributing 6 inches of legroom. Call it economy equity. Equal seats. Equal meals. Equal access to both armrests.

He would presumably object that passengers pay different prices for different benefits; that premium cabins help make the economics work; and that abolishing those distinctions would leave everyone with fewer choices and a worse airline.

The question isn't whether Mr. Kirby understands the value of unequal rewards. He sells them by the inch. It's why his enthusiasm for redistribution begins only after the money leaves his cabin and lands in somebody else's estate.

ABRAHAM POLATSEK
Houston

My concern isn't politics. It is safety. An airline CEO's responsibility must be to make safety the company's overriding value. I am uncomfortable flying an airline whose leadership priorities raise questions about whether merit and qualifications always come first.

United Aviate Academy in 2021 set a target by 2030 of 50% of admitted candidates and graduates who are women and people of color. They have exceeded this almost every year as the 2023 candidates and graduates were 80% women and people of color. This raises questions about how admissions decisions are made. If demographic quotas take precedence over individual merit, that is incompatible with a safety-first culture. In aviation, qualifications must never take a back seat to ideology.

United once earned my loyalty. Today, its leadership must earn my confidence in the values that matter most: safety, competence and meritocracy.

PATRICK HENRY
Torrance, Calif.

Obama's Words and the Lesson of His Policies

Elisha Wiesel writes about the disappointment that he feels about Barack Obama. ("Obama's Dangerous Mideast Words," op-ed, Oct. 20): Mr. Obama also made comments after the Oct. 7, 2023, massacre that came dangerously close to justifying the attacks, or at least attempted to explain it as a legitimate response to Israeli policy in Gaza and the West Bank.

Mr. Wiesel reminds us of the historical record that talented speakers like Mr. Obama frequently ignore in favor of an appeal to human emotions. But she misses a much larger and potentially more dangerous point.

As a candidate, Mr. Obama did what many politicians do and ran from the center. But as president, Mr. Obama governed from the left. He increased federal regulation and implemented a foreign policy that seemed to favor our enemies.

This is a useful reminder for current times, especially with Democratic Socialists of America candidates running for Congress. While these candidates go to great lengths to convince voters that they are focused on lowering the cost of living, they downplay and even ignore concerns about the more frightening proposals in their platform.

These DSA candidates will govern further left than we have ever seen if they are elected. This would be bad for Israel and for Jews in general, as Mr. Wiesel laments. But the bigger danger is that it would be terrible for the U.S. and the future world order.

Mr. Obama's poorly chosen words in Ireland are a reminder of who he really is when he lets his guard down. More important, they remind us of how little those words mean when they are followed by even more poorly chosen policy decisions.

SAUL STEIN
Castle Rock, Colo.

Keep the President's Doc Out of the Limelight

Regarding "Trump's Doctor Stays Close, Complimentary" (U.S. News, Oct. 20), Rear Adm. Sean Barbabella is as fine a physician as I have seen selected and promoted to flag rank. His clinical skill, his demeanor under fire in Afghanistan and his administrative experience all speak for themselves, and he has earned his star, his title and the recognition that comes with them. I congratulate him and thank him for his service.

My concern isn't the physician but the role we ask him to play. A doctor's duty runs to his patient; a spokesman's duty runs to the public. When an active-duty officer, whose career runs through the chain of command his patient sits atop, signs the public statement on that patient's health, the two duties collide. No amount of personal integrity fully resolves that conflict.

The remedy is simple. The White House physician, like the attending physician to Congress, should treat, advise and keep the record, but shouldn't be the voice. Any public statement on the clinical condition of a government official should come from, and be clearly identified as coming from, the civilian side: the press office or the administration, which answers for what it releases. The physician's findings would still inform what is said, but readers would know whose words they are reading and could weigh them accordingly.

This isn't about one president or one physician. It protects both the doctor-patient relationship and the public's trust.

ROBERT CJ KRASNER, M.D.
U.S. Navy Rear Admiral (Ret.)
Attending Physician to Congress (Ret.)
New York

Congress's Russia Problems

Forcing Ukraine to surrender to an invader who is deliberately murdering its civilians would be shameful ("To Russia With Love, Signed Donald," Review & Outlook, Oct. 19).

It would also be an enormous geopolitical blunder. It would encourage Iran to demand similar appeasement, destroy our relations with Europe, undercut the security of Taiwan and bring shame upon the American people for allowing their president to appease Russian aggression at the expense of Ukrainians. It would eventually cripple the Republican Party as the consequences and humiliation of the appeasement become apparent.

Republicans in Congress need to summon the courage to stop President Trump—now. Continued silence will be interpreted as acquiescence. Republicans should remind the president that Congress has the constitutional power to replace him with Vice President JD Vance. If he doesn't promptly reverse his shameful Ukraine policy, Congress should push for his removal. Republicans should be prepared to follow through if President Trump threatens or defies them.

RICH BATEY
Aliso Viejo, Calif.

Let Parents Choose Schools

I am in full agreement with Jared Moskowitz's op-ed "A Democratic Convert to School Choice" (Oct. 20). But while the new federal tax credit scholarship program is a wonderful step forward for Jewish—and all—children, there is a better way.

Rather than raise new money through tax credits or any other means, merely transfer the money already assigned per student to any school of the parents' choice. Laws that do not allow this transference of funds can be changed. School choice means competition, and competition works for our economy as it can for our schools.

HAL DANTONE
Kingsville, Texas

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Stop yelling 'Gotcha' each time we close a deal."

OPINION

Coddling Putin Won't Bring Peace to Ukraine

By Mitch McConnell

President Trump's gambit to end Russia's war in Ukraine by pressuring the victim is certain to fail. His approach to the war reveals he misunderstands facts that American voters understand well.

While Vladimir Putin ignores Mr. Trump's call for an energy cease-fire and continues to murder Ukrainian civilians, the U.S. president claims that Russia "has been fine on Ukraine." This is factually wrong, strategically naive and morally bankrupt. His obsequious accommodation of Russia, rewarding the aggressor with sanctions relief, won't persuade Mr. Putin to stop. History shows that such behavior emboldens Russia's autocrat, who sees it as weakness.

Trump's obeisance to the Kremlin also imperils his legislative agenda in the lame-duck Congress.

In June 2021, Mr. Putin watched President Biden pause $100 million in lethal security assistance to Ukraine in pursuit of "deliverables" for a U.S.-Russia summit. We know what happened the following year. Yet Mr. Trump seems determined to repeat the mistakes of a predecessor he scorns.

Threatening to withhold security and intelligence assistance or access to crucial satellite communications systems won't materially weaken Ukraine's will to defend itself, but it may allow Mr. Putin to make battlefield headway that had until now been out of reach. This could prolong the war, not shorten it. And when Russia's limited supply of diesel has changed hands, it will have done little to bring down prices at the pump.

Regardless of the midterm election results, Mr. Putin is America's enemy. He is aligned with China, Iran and North Korea to divide the U.S. from our allies and undermine our global influence.

Americans, including most Republicans, understand this. They sympathize with Ukraine's defenders, its abducted children, its shivering elderly and persecuted Christians. They know America's strategic interests are aligned with Kyiv's.

If the president means what he says about ending the conflict, he should look to the wisdom of the American people, not naive businessmen who seem to think diplomacy entails fawning over adversaries. Mr. Putin is many things, but he is no humanitarian. A Russian victory would have far worse consequences for our economic and national security and our global influence than temporarily high diesel prices.

Mr. Putin has directed cyberattacks against U.S. government agencies, businesses and infrastructure and helped Iran target U.S. personnel and facilities in the Middle East. He is an ally of Xi Jinping. He will continue to seize opportunities to weaken America—and Europe.

The Continent is our biggest trading partner and an engine of American economic growth. An outcome to this war that makes it easier for Russia to threaten Europe harms our own interests. Meanwhile, Ukraine's innovation on the battlefield against a more powerful aggressor makes its value as a partner obvious.



SERHII NUZHNENKO/REUTERS

Trump and Putin in Alaska, Aug. 15, 2025.

The destruction of American aircraft, materiel and facilities, and the killing of U.S. personnel by Iranian drones—the same kind of Iranian drones Russia uses against Ukrainian cities—underscores the urgency of working with Ukraine. Senior Army leaders who traveled to Ukraine, like former Secretary Dan Driscoll, Gen. Chris Donahue and Lt. Gen. Curtis Buzzard, understood this. Not a single senior Pentagon policy official appears to have done the same, and it shows.

The Pentagon officials involved in restricting U.S. assistance to Ukraine should explain how abandoning the "Silicon Valley of warfare" and the world's experts in battlefield drone innovation will help America achieve drone dominance. Next, they should explain why the president blames Ukraine for the U.S. military's shortage of Tomahawk cruise missiles, even though we haven't provided any to Ukraine.

The strategic incoherence extends beyond Ukraine. The Pentagon has undercut allies in the North Atlantic Treaty Organization that are meeting military spending targets faster than we are. This is evident in the Pentagon policy office's determination that supporting Baltic allies is wasteful and the Pentagon's failure to commit appropriated funds to the Baltic Security Initiative. These funds are invested directly in the U.S. defense industrial base. The initiative's procurement equips friends on NATO's front line and spurs their own far greater investments in American weapons.

European assistance to Ukraine outpaces our own. The Prioritized Ukraine Requirements List lets allies procure American-made weapons for this purpose. But the Trump administration is using PURL to pressure allies to reimburse the U.S. for security assistance Congress already appropriated. This dilutes our allies' buying power and undermines American leadership and credibility. It also perversely encourages allies to reduce their use of American military hardware as soon as they can.

Securing a just and stable peace in Ukraine will require the moral clarity to assign blame where it belongs and a willingness to speak the only language Mr. Putin understands: strength.

The good news for Americans is that Senate Republicans oppose retreat and appeasement and favor a strong defense. They support Ukraine. They support NATO. They understand Russia, China, North Korea and Iran are enemies. And they want the president to work with Congress to restore American primacy.

Mr. Trump has high hopes for a lame-duck legislative agenda, including the one-time defense spending I've urged the administration instead to build into full-year appropriations. Passing this agenda will require working with Republicans who know the difference between the good guys and the bad guys. Ending the obeisance to Mr. Putin may be table stakes for the end-of-year legislation. The president should plan accordingly.

Mr. McConnell, a Republican, is a U.S. senator from Kentucky.

Democrats Think You're 'Rich'—Now Fork It Over



LIFE SCIENCE
By Allysia Finley

David Crowley, the Democratic nominee for governor of Wisconsin, vowed in a debate last week to make sure "that those who are making enough money pay their fair share." How much is "enough money"? How does he define "fair share"? He didn't specify. He probably has a different assessment than many voters.

Wealth and fairness are in the eye of the tax assessor, which is something to keep in mind as Democrats campaign to make the "rich" pay their "fair share." They may rail against billionaires, but Joe the HVAC repairman, not Elon the trillionaire, is their real target.

Economists Owen Zidar and Eric Zwick make this clear in their book, "The Everywhere Millionaire." They note that most of the nation's wealth is concentrated among small-business owners. In their view, auto dealers, fast-food franchise owners and plumbers are the primary cause of inequality in America, and they aren't paying anywhere near their fair share in tax.

By the authors' calculation, there are three million "Main Street millionaires" who own private businesses and have a net worth of at least $5 million: "Collectively, Main Street Millionaires have more than thirteen times the wealth of the Forbes 400. For every member of the Forbes 400, more than four thousand private business owners each have at least $10 million in net worth."

"For every large public company CEO, more than one thousand private business owners have at least $25 million in wealth," they write. "Far more than a few high-profile billionaires on the coasts, these are the real rich in America."

If you built a successful small business by the sweat of your brow, congratulations—you're rich. Now fork it over. As Messrs. Zidar and Zwick tell it, owning a small business "is the best tax deal in America." They gripe that Main Street millionaires use their political clout to promote lower taxes that help them expand their businesses and—oh no—accumulate wealth.

"No battle better illustrates Main Street Millionaires' political influence," they write, "than their long and successful campaign to eviscerate the estate tax." The Tax Cuts and Jobs Act of 2017 doubled the federal estate tax exemption to $11.2 million per decedent and adjusted the amount annually for inflation. Republicans last year made permanent the larger exemption (now $15 million, or $30 million for married couples). Assets exceeding the exemption are taxed at 40% before the estate is distributed to heirs.

Do you make $184,500? Congratulations! Abdul El-Sayed will help the government to 12.4% of it.

The larger exemption is an acknowledgment that the estate tax punishes investment and saving. If you listen to Democrats—or for that matter, to United Airlines CEO Scott Kirby—punishment is the point.

In their view, too many so-called rich are dodging taxes by investing their hard-earned money and leaving the bounty to their kin. Mr. Kirby last week said he favored "inheritance taxes that get close to 100% at some level." "If you're wealthy enough, you can have passive income, you can just make an investment, and the laws are set up that you literally never pay taxes on all that growth that can happen," he told Bloomberg News. "And that just feels unfair to me."

That's easy for him to say. High-flying CEOs and billionaires have the means to hire accountants and lawyers to help them dodge death and income taxes—and potential wealth taxes. Less so small-business owners.

Because targeting Main Street businesses isn't popular, Democrats instead lambaste billionaires. See California's Proposition 40, which seeks to impose a 5% tax on the fortunes of residents with more than $1 billion in net worth. French economist Emmanuel Saez, one of the initiative's architects, recently explained to the New York Times that targeting only billionaires was a strategic choice, since they "are no longer very popular."

In 2020, Mr. Saez helped 14 California Democratic lawmakers, including now-Attorney General Rob Bonta, craft a bill to impose a 0.4% wealth tax on taxpayers with more than $30 million in assets. It foundered amid opposition from Gov. Gavin Newsom, but if Proposition 40 passes, don't be surprised if wealth tax proponents later seek to lower the threshold.

New York City Mayor Zohran Mamdani names and shames billionaires like Citadel CEO Ken Griffin. This is a head-fake. His proposed tax hikes would primarily whack owners of local bodegas, plumbing companies and other small businesses. So, too, "millionaire taxes" popping up in states across the country.

Abdul El-Sayed, Michigan's Democratic nominee for U.S. Senate, advocates imposing an additional death tax by requiring heirs to pay income tax on inheritances worth more than $1 million. Some 24 million Americans could get soaked, most of whom are solidly middle-class. He also wants to remove the $184,500 earnings cap on the 12.4% Social Security payroll tax "to make sure the rich pay their fair share."

If you earn more than $184,500, you are rich. Congratulations. Progressives don't merely want to redistribute wealth. They want to raise taxes to aggrandize their own power and level opponents. Then they can decide what's fair and who has enough.

Kevin Warsh, Forward Guidance and the Nobel Prize

By Alan S. Blinder

Did forward guidance just win the Nobel Prize in economics? You would be forgiven for thinking so.

Two economists, Robert E. Hall of Stanford University and Michael Woodford of Columbia, shared the 2026 prize for their contributions to macroeconomics. Much of their work examines how future expectations influence today's economic decisions.

Here's what the Nobel committee said about the frameworks Messrs. Hall and Woodford pioneered: "A central component in these models is that households and businesses are forward looking when making decisions about savings or product prices. When governments and central banks communicate their plans for economic policy, they can influence this view of the future and move the economy in the right direction. Since the new models' introduction, they have been extremely helpful in dealing with the economic downturns that have affected us."

For even a modest Federal Reserve watcher, those words probably call to mind Chairman Kevin Warsh's oft-stated hostility to forward guidance on interest rates. He is worried, it seems, that too much talk about the future course of short-term rates will harm, not help, monetary policy.

I have long disagreed with that proposition, provided the Fed's forward guidance is honest and clear. Now it's reasonable to say the procommunication ranks include two Nobel Prize winners.

Mr. Woodford's support for forward guidance is evident. He has written directly about using short rates in tandem with communications to influence long rates. For Mr. Hall the link is implied, but only because his models aren't generally about interest rates. His work has focused on labor markets and consumer spending. But the idea is the same: Future expectations are likely to move current variables. As the Nobel committee said, those early movements can shape and improve policy if done well.

Clear forward guidance should strengthen the link between short rates, which the Fed controls, and medium and long rates, which it doesn't. A close relationship between these rates is critical to calibrating monetary policy because few transactions that matter for key macro variables like gross domestic product, employment and inflation depend on the overnight interest rate. Instead, they depend on six-month rates, one-year rates and five-year rates—up to 30-year mortgage rates and beyond.

To estimate the effect of its policies, the Federal Open Market Committee must predict how other rates will respond. Will a 25-basis-point move in the federal-funds rate, say, shift the 10-year bond rate by 5 basis points or 20? The answer matters for policy design.

When I served as the Fed's vice chairman in the mid-1990s, the FOMC was mostly mum about the future, and sometimes even about the present. Remember Alan Greenspan's characterization of his communication style, "mumbling with great incoherence"? Markets were often left to guess about the future with little or no guidance from Fed officials. Sometimes those guesses proved prescient. But sometimes they were wildly off base, creating excess volatility in medium and long rates and, in turn, in the broader economy.

By criticizing forward guidance, Mr. Warsh sometimes sounds as if he wants a return to the bad old days. I think we can do better. After all, one thing the FOMC knows better than markets is the internal thinking inside the committee. (Economists call this asymmetric information.) Revealing fragments of this information to the public should improve market forecasts of Fed policy. Meantime, it would also allow the FOMC to predict more accurately the effects of its policies on markets.

That idea isn't exactly what won Messrs. Hall and Woodford the Nobel Prize. But it is close enough to merit consideration.

One final point: Mr. Warsh seems worried that forward guidance might lock the Fed into future policies that will seem unwise to follow in the future. Not so. Forward guidance evolves as circumstances change.

Consider the Fed's own "dot plots." They clearly provide forward guidance on future funds rates. Yet they change constantly. FOMC members don't feel locked into their previous dots. Nor should they.

Unless the Fed is incompetent or deliberately misleading, clear forward guidance should help both markets and the central bank itself. Now seems a perfect time for Mr. Warsh to recognize that.

Mr. Blinder is a professor of economics and public affairs at Princeton. He served as vice chairman of the Federal Reserve, 1994-96.

The Dude's Guide to Making Friends

By Mike Kerrigan

We live in fractious times. Attending a simple barbecue can lead to strident political exchanges with strangers. I have an easy solution, one I owe to studying signaling theory and regularly watching the 1998 cult classic "The Big Lebowski."

Signaling theory addresses how we overcome information asymmetry. When I go to a soiree of, say, 30 people, I want to converse only with people of good cheer who want to keep it light. They know who they are, but I don't—an information asymmetry.

Enter my Big Lebowski sweater. It's the shawl-collared cardigan that protagonist Jeffrey "The Dude" Lebowski, played by Jeff Bridges, sports throughout the film. Pendleton introduced the Westerley sweater in 1974, but it didn't enter the zeitgeist until 24 years later, when Joel and Ethan Coen released their masterwork.

Forever associated with The Dude, the Westerley is my go-to layer for large parties. Not everyone will recognize it, but that's the point. Those who do are the ones I want to meet. My sweater sorcery ensures such an approaching person is no longer a stranger but a friend I'm about to make.

Jerry Garcia of the Grateful Dead understood this insight about his band's selective appeal. "We're like licorice," Mr. Garcia once asserted. "Not everybody likes licorice, but the people who like licorice really like licorice." The Dude's cardigan works that way. When I wear it to parties, I bat 1.000.

This isn't gimmickry. According to C.S. Lewis, it's the first step on the path to friendship. In "The Four Loves," he wrote: "Friendship, I have said, is born at that moment when one person says to another 'What! You too? I thought that no one but myself . . .' " A stranger who observes to me how the party host's old rug really ties the room together is saying the same thing.

As time passes, we'll have disagreements. But I won't be disagreeing with someone who doesn't know the first thing about fiscal policy. I'll be disagreeing with my friend with great taste in sweaters and film who, if for only those reasons, can't be wrong about everything. Friendship, like The Dude, abides.

Mr. Kerrigan is an attorney in Charlotte, N.C.

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Opinion

What the Israeli election won't change

Anti-Palestinian sentiment may dominate national politics even if Netanyahu loses.

Mairav Zonszein
Contributing Writer

TEL AVIV The Israeli election on Tuesday is being touted as one of the most consequential in Israel's history, not just for Israelis but also for large parts of the world. Yet despite the wars and turmoil Israelis have both undergone and unleashed since the Hamas attacks of Oct. 7, 2023, the electoral landscape has barely changed. The atmosphere in the streets exudes resignation and disillusionment, undergirded by dread.

That's not to say the country has stood still. These past three years have brought displacement of Israeli communities, the hostage crisis, weeks of heavy missile and drone fire, constant interruptions to the school year, disruptions to international air travel and endless war, including current threats of another round of war with Iran that could interfere with the election itself.

An International Criminal Court arrest warrant against Israel's prime minister, Benjamin Netanyahu, for alleged war crimes and crimes against humanity, remains outstanding, and the International Court of Justice is adjudicating claims of genocide. European countries have levied sanctions, and American public opinion has shifted strikingly against Israel.

Small wonder that over a quarter of a million Israelis have left the country over the last few years, and that thousands living abroad are flying back to Israel just to vote.

For both Israelis and observers around the world, this election is still largely about whether voters will finally end Mr. Netanyahu's political career. It is bound to be viewed by many as a referendum on his open-ended wars and occupation of parts of Gaza, Syria and Lebanon, as well as his government's unabashed land grabs and emboldening of settler militias attacking Palestinians, journalists, government officials and diplomats in the West Bank. (On Friday, Israel started an offensive in a part of the West Bank where the army said Palestinian gunmen killed two Israeli soldiers.) If Mr. Netanyahu remains in power, it will send a clear message that a large swath of Jewish Israeli society broadly supports these policies.

Still, for many Jewish Israelis, the core electoral questions remain largely domestic: For one, will the most far-right government in Israel's history receive a mandate to continue chipping away at the independent judiciary, the only check on power in a country without a constitution? And would it remain committed to exempting the ultra-Orthodox from conscription, a divisive issue in a country embroiled in constant war? For Palestinian citizens of Israel, the most urgent concern is the continued threat to their personal safety, a result of unchecked organized crime and the politicization of the police.

Despite all this, consistent polling of Israelis has shown a remarkably persistent two-camp structure: the Netanyahu-settler-religious bloc and the anti-Netanyahu bloc, each commanding roughly half of the Jewish electorate, with changes occurring largely within camps rather than between them.

The four Palestinian Arab parties, three running together as the Joint List, and Raam, all of which oppose Mr. Netanyahu, remain a significant factor that could break the deadlock, as Palestinian Israeli voters make up about 20 percent of Israel's population. In most polls, the parties together would receive about 12 to 15 seats, which could make them the third-largest bloc after Lt. Gen. Gadi Eisenkot's Yashar party and Mr. Netanyahu's Likud party. In that sense Palestinian-led parties would be kingmakers. But leading politicians in both blocs have indicated they do not intend to form governments with them. This is merely because they are Palestinian.

Shifts in public opinion have been hard to come by. The 12-day war in June 2025, when Israel launched a surprise attack on Iran's nuclear and military facilities, did not boost Mr. Netanyahu's public support, despite widely being considered a success. If success didn't ultimately move the needle, neither has failure: Public opinion remained consistent after the arguably botched war between the United States, Israel and Iran this year. Furthermore, accusations by senior Israeli security officials that Mr. Netanyahu ignored warnings before Oct. 7 (which he has denied) and that he curated quotes from official meetings leading to that day to deflect blame from himself have not seemed to hurt his chances of retaining the prime minister's seat.

The decisive factor is not party size but the party leader who can put together a coalition.

Indeed, the noteworthy change in public opinion was in response to the government's move to overhaul the judiciary. A majority of Israelis, including nearly half of Likud voters, opposed the legislation. Only this — not the glaring failure to protect Israelis on Oct. 7 or its ferocious response — initially diminished the Netanyahu coalition's popularity.

This political stagnation can be traced to several sources. First, Israel is a tribal society where many have long voted with their own narrow interest groups and remain loyal to specific parties. Further, there is no significant divide between right and left in Israel when it comes to the Palestinians, but rather many shades of right across the political spectrum. Even the new Yashar party, the leading contender to replace Likud, is filled with right-wingers. Mr. Eisenkot has not charted a significantly different path here than Mr. Netanyahu; he, too, has said he rejects Palestinian statehood.

This has left a group of opposition leaders devoid of an alternative or coherent vision for the Israeli-Palestinian conflict, incapable of conjuring excitement among voters. The political stalemate also derives from a technical issue in Israel's parliamentary system:

ZONSZEIN, PAGE 10



AHMAD GHARABLI/AGENCE FRANCE-PRESSE — GETTY IMAGES

'Everything we love is on the line'

The fundamental issue is Trump's shredding of the model that made America the world's leading country.



Nicholas Kristof

America's midterm elections will probably be determined primarily by issues like affordability. But what is at stake goes far beyond the quotidian concerns that many voters are focused on.

The principles and strategies that over multiple generations have made the United States the world's leading nation in effect are on the ballot, and these midterms mark a potential turning point.

Let's focus on three pillars that explain the rise, strength and resilience of our nation.

First is education: The United States pioneered mass education in the 19th century and today operates great universities and research institutions that are among the nation's crown jewels. These have given us an edge in the global economic competition. Yet President Trump, with the acquiescence of congressional Republicans, is vandalizing education, from Head Start for 4-year-olds living in poverty to elite universities researching new treatments for cancer.

Trump is trying to dismantle the Department of Education, cut student aid and slash support for the National Science Foundation and the National Institutes of Health. His war on America's leading universities is particularly alarming, for he has variously attempted to defund them, cancel their tax-exempt status and make it harder for foreign students to enroll.

"The U.S. is committing suicide," Yasheng Huang, a professor at M.I.T., told me, referring to the Trumpian campaign to demonize higher education and hobble cutting-edge research.

Another source of American greatness that Trump is throttling is immigration. The United States gained immensely from successive waves of newcomers from around the world, often arriving destitute and without English (like my father in 1952) but lifting their families up over a generation or two. One reason we're a global leader in science and technology is that we've been able to recruit the brightest minds and hardest workers from across the globe.

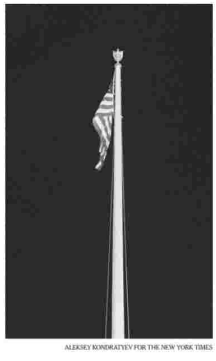
When I lived in China decades ago, I was an interviewer of applicants to Harvard, and one of the students I told the university it would be lucky to have was a brilliant young woman named Sofie Qiao. She was admitted and went on to earn a Ph.D. and become an American. Today she is a serial biotechnology entrepreneur in Silicon Valley, helping develop treatments for breast and prostate cancers and for mesothelioma. She is now helping save the lives of other Americans.

Under Trump, fewer of today's Sofies are coming to America. The number of international students arriving in August 2025 for the fall semester dropped by almost one-fifth, and the number in August 2026 fell by another 12 percent.

A third pillar that has made America the world's leading country is the bundle of norms that govern our politics, economics and society.

Until Trump came along, I believed it was laws and the Constitution that were the country's primary guardrails, but as I've seen how Trump has bullied his way past Congress and the courts, I've come to think that norms are just as important in underpinning democracy and economic strength. I'm thinking of simple traditions — such as that presidents will honor election results, won't persecute rivals and will refrain from starting reckless trade wars with, well, everyone.

Norms of self-restraint historically made the system work. Presidents did not try to crush law firms or universities, nor did their administrations mislead federal courts or send armed officers into cities, where they shot people. Presidents quarreled with allies but didn't threaten to invade Greenland.



ALEKSEY KONDRATYEV FOR THE NEW YORK TIMES

Trump has tried to pulverize those norms by vilifying immigrants, denigrating women and threatening to "annihilate" Iran. Just this month, he called a female federal judge a "crazed lunatic."

"The vitriol is toxic," says David Beasley, the former Republican governor of South Carolina, "and it is undeniably feeding into the hearts, minds and souls of Americans."

Trump is attempting to establish what feels to me like a personality cult, putting his name on the Kennedy Center and his photo on national park passes and some passports; I'm reminded of Bangladesh under its last dictator, who had herself named "mother of humanity" and put her picture and her father's everywhere. Other presidents redecorated; Trump tore down the East Wing of the White House, is building a ballroom and aims to construct a so-called Arc de Trump.

Then there's the greed, on a new level altogether. Trump reaped at least $2.2 billion last year, in his first year back in the White House, much of it from his family's cryptocurrency businesses, a Times analysis found. That's more than $6 million per day. When Amazon reportedly paid $40 million to acquire the Melania Trump documentary, I recalled covering corruption in Indonesia in the 1990s, when the wife of the president, Madame Tien, was nicknamed Madame Tien Percent.

The mix of grandiosity, authoritarianism and sleaze dribbling out of the White House is polluting government, civil society and the economy. Having spent much of my journalistic career reporting in two-bit dictatorships, I see so much that is familiar; it's heartbreaking to see this unfold in my own country.

Trump has worked to undermine the entire international system the United States created after World War II — for our benefit and the world's — to promote peace, trade, prosperity and health. Ebola, poverty and Vladimir Putin are beneficiaries. Imagine if in 1943 President Franklin Roosevelt had abandoned Britain and switched to back the Third Reich; that is a bit like Trump's seeming pivot from Ukraine to Russia.

We may not have reached bottom. A particularly dangerous step would be for Trump to invoke the Insurrection Act and dispatch troops to crush protests or seize ballot boxes. Asked about the Insurrection Act, Trump told Time magazine: "I could use it. A lot of people think I should use it sometimes."

None of this is normal. We are betraying other countries but also our own history and culture. I always wondered what citizens of ancient Rome, a proud and sophisticated empire, thought when one of their crazy emperors came to power; now I have a glimmer of understanding.

"This is the greatest heist in the history of the world: stealing America," the singer Bono said of what has unfolded. "Everything we love is on the line," he told me.

So those are the stakes in this election: Will we accept the loss? Or will we try to get our nation back?

OPINION

The New York Times
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The Republican war over Ramaswamy's vile ad



Michelle Goldberg

It's quite a feat, in this numb and debased era, to create a political advertisement so shocking and indecent that people from across the political spectrum feel the need to denounce it. The Ohio gubernatorial candidate Vivek Ramaswamy, who has long fashioned himself as a kind of Donald Trump 2.0 — younger and brainier but just as brash — has managed it.

By releasing what may be the most disgusting ad in American political history, he's done more than just reveal his own low character. He's opened a kind of proxy debate on the right about whether a post-Trump conservatism should try to reclaim some base-line morality or continue along its current smash-mouth course.

As you might know by now, the story behind Ramaswamy's ad involves child sexual abuse. His Democratic opponent, Amy Acton, was 12 when her stepfather, Cledith Arthur, known as Bud, was arrested and indicted on charges of raping her, though he skipped town before he could be tried. Acton's mother, Donna Arthur, stood by him and lost custody of her children; she never saw her daughter again. (Bud Arthur died in 2004.)

The party is finally reckoning with Trump's depravity.

In 2020, when Acton was serving as Ohio's health director, Donna Arthur, fashioning herself as a concerned Christian, gave an interview to the anti-abortion group Operation Rescue attacking her estranged daughter. It was deeply if unintentionally self-incriminating. Arthur speculated that Acton got the idea to say Bud Arthur raped her from his daughter from a previous marriage, who'd made a similar claim. By Donna Arthur's own account, then, she brought a man accused of sexually abusing his child into her children's home.

Now Ramaswamy's campaign has dug up this elderly woman to make a video calling her daughter a liar who can't be trusted to lead the state. At first, the ad featuring Arthur circulated online, without attribution. As outrage about it grew, Ramaswamy's campaign admitted that it created the spot, and then, in Trumpian style, doubled down, saying it would spend millions to air it on television and promote it online.

By tacitly siding with a man indicted on charges of child rape, Ramaswamy has shown us all who he is. But he's also given conservatives space to reckon with the ethical degradation of Trumpism, though without quite admitting that that's what they're doing.

Take, for example, the conservative magazine National Review. Early in 2016, it put out an issue with the words "Against Trump" emblazoned in gold on its cover. "Donald Trump is a menace to American conservatism who would take the work of generations and trample it underfoot on behalf of a populism as heedless and crude as the Donald himself," said the lead editorial.

Over the following decade, some of the issue's contributors remained anti-Trump stalwarts, but several — along with the magazine as a whole — turned into apologists and bootlickers for the president. As long as Trump offered the right new peaks of political power, many of his onetime conservative critics were happy to swallow their qualms. Now, as the whole gaudy edifice of MAGA crumbles — with Trump so unpopular that Republicans risk losing states like Texas and Kansas — at least some of his enablers may be feeling ashamed.

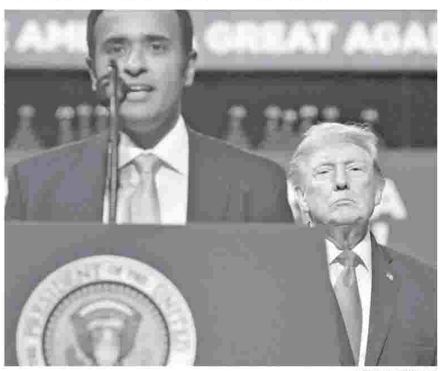
Denouncing the Ramaswamy ad gives conservatives a chance to try to drag their movement out of the Trumpist gutter. National Review, tellingly, has helped lead the charge. It ran a sober article backing up Acton's story, and then several columns lambasting Ramaswamy, including one titled "When Character Was Obliterated."

The conservative broadcaster Erick Erickson has taken a similar line. He was one of the contributors to "Against Trump" who then turned around and endorsed Trump for re-election. "I still struggle on the character issue," he wrote in 2019, but argued, "We cannot have the Trump administration policies without President Trump, and there is much to like." Now Erickson is back to believing that character is crucial. "We keep being told we must surrender our decency to win and then we lament how indecent the country is becoming," he wrote about Ramaswamy, as if he had not been one of the ones counseling such surrender.

If conservatives were to suddenly decide that moral depravity is disqualifying, it would be bad news for Trump and those closest to him. It's not surprising, then, that on Wednesday, JD Vance praised Ramaswamy's "audacity" in running the spot, declaring himself "disgusted" by Republicans who are "whining" about it. Trump, on Thursday, celebrated the ad on Truth Social, writing, "I only wish the mothers of my opponents would be so brave as to come forward and explain that their son or daughter is a liar, and much worse." Both men seem to understand that Republicans who criticize Ramaswamy are also implicitly criticizing them.

That's particularly true of Vance, because he and Ramaswamy are such similar figures. The two men were friends at Yale Law School. Both worked in venture capital and developed ties to the tech right before positioning themselves as inheritors of the MAGA movement. Both have to contend with anti-Indian bigotry — Vance's wife is Indian American — which has cost Ramaswamy some far-right support. And both are charmless, awkwardly imitating the president's cruel provocations without his dark charisma or comic timing. If Ramaswamy loses a state as red as Ohio despite Trump's imprimatur, Vance might start to look like a bad bet in 2028.

Seventy-two years ago, Joseph Welch, the attorney representing the U.S. Army, rebuked Joseph McCarthy with the immortal line, "Have you no sense of decency, sir, at long last?" Despairing observers have been asking the same thing of the Republican Party for the last 10 years. Both Ramaswamy and Vance had better hope that the answer is still no.



ALEX WONG/GETTY IMAGES

Africa's map is being redrawn. It's a trap.

POPLAK, FROM PAGE 1

Western Europe and Russia, an increasingly complex geopolitical web that makes the colonial era appear simple by comparison. And yet the continent still entirely eschews an African view of Africa's future. New vistas of possibility may be opening up, but as the world is warped by naked transactionalism, the map is fraying. It's been many years since Africa seemed more spectral, and its people more vulnerable, than it does now.

IT IS HELPFUL, as far as it concerns those benefiting from this new normal, that the continent has never been more of an international afterthought. In global bodies such as the Group of 20, South Africa was long considered a gateway to everything south of the Sahara. But the Trump administration's absurd insistence that the government enables violent attacks against its white minority population has left South Africa sidelined from the group's conference in Miami in December. The Security Council still does not have a permanent African member, a geopolitical exclusion that, given the Security Council's efficacy, is as meaningless as it is persistent.

Meanwhile, African unity is a chimera. Outside of geographic contiguity, there is effectively nothing that binds, say, Malawi in the east and Senegal in the west. Continental infighting, whether verbal or violent, is far more common than collaboration. If you were looking for a performative display of multilateralism, you could do no better than the African Union, headquartered in Addis Ababa, Ethiopia, itself locked in a semi-permanent civil war that threatens to rope in most of the region.

There are no substantive continentwide free trade agreements (despite one being signed). There is no universal visa for African residents. There is no common currency (although there is a version in parts of West Africa). On foreign policy matters such as the wars in Gaza, Ukraine and Iran, there is little consensus, mostly because individual African states — and sometimes factions within those states — have conflicting affiliations with one side or the other. In political terms, "pan-Africanism" is a dusty anachronism, "nonalignment" is incompatible with today's transactionalism and "South-South cooperation" has been reduced to a consultancy buzz term.

The future arrives in fits and starts. If artificial intelligence is your benchmark for economic and technological advancement, there are now around 260 data centers across the continent — and yet so far the investment numbers being discussed are a small fraction of what's being spent in North America or Asia. Perhaps this is why: The International Energy Agency lists only six African countries among its 32 members and 14 associate members. Without widespread, cross-border regional cooperation, an A.I. building program is unlikely to ever happen.

The African continent is, of course, well acquainted with the ups and downs of commodity super cycles. Rubber, diamonds, gold, platinum, coltan: Whole societies and histories have been written and unwritten by prices determined in distant markets. The social and economic results of the previous cycle — China's manic, enormous growth spurt from the late 1990s until the 2010s — remain ambiguous. Yes, gross domestic product figures in parts of the continent rocketed up, but development was lumpy, often restricted to cities and stock exchanges. More money from corruption is changing the continent in manifold ways, from glass and concrete phantasmagorias like Lagos's Victoria Island on one hand to grotesque economic inequality on the other. The benefits from the current, A.I.-driven cycle may end up being even more uneven.

Africa is officially organized into a few large political blocs — rump cuts of the continent that make up the Southern African Development Community, the Economic Community of West African States and other barely functional regional bodies. But as with the map, these blocs are not the territory. It is now possible to divide Africa up into postmodern quadrants (and quadrants within quadrants).

A simplistic, if useful, way of looking at it has Russia attempting to lock up deals in the northern Maghreb and in the Sahel, while China and the Gulf powers vie for influence along the eastern region adjacent to the Middle East, and America dabbles in the west, including in the petroleum power of Nigeria, though none of these parties confines its ambitions to a single theater. Each instance is case by case, and it is dangerous for outsiders to impose their will — it's pay to play.



TIMO LENZEN

IN THE SAHEL, the long colonial hangover that permitted the French to remain as a de facto ruler has finally dissipated. The West African states of Mali, Niger and Burkina Faso are now shakily run by military leaders who have decoupled from the regional economic body and have innovated a new junta-led multilateralism linked to Russia. (Libya, Mali and Algeria serve as Moscow's beachhead into the region.)

In some cases, mines and mining industries have been nationalized — an echo of the socialist liberation era, but stripped of all ideological cladding. Disputes with Western-headquartered multinationals have increased with the price of gold. The threat of international arbitration in Paris has diminished along with the influence of America, the global rule of law's erstwhile policeman. After all, if there are no international cops, why should there be an international courthouse?

Africa is shaping — and being shaped by — the Middle East, China, Western Europe and Russia, an increasingly complex geopolitical web that makes the colonial era appear simple by comparison.

If the Sahel is tentatively the Russian domain, then the American sphere of influence is fast becoming more ad hoc and febrile. The second Trump administration infamously and cruelly destroyed U.S.A.I.D. and the programs it supported, many of which were based in Africa, resulting in incalculable immiseration. Last Christmas in Nigeria, the United States military indulged MAGA's evangelical base by bombing what residents have described as empty pasture land and vacant military hide-outs where Christians were allegedly being persecuted by Muslim terrorist groups. The Tomahawk missiles used in the operation cost U.S. taxpayers $32 million, and may have bought Trump supporters some festive cheer.

But this rather narrow view of Africa's most populous country sums things up: For Nigeria, as for the developed world, a senescent superpower promises either privilege or pain in exchange for deals small or large, in a parody of colonial extraction.

By contrast, China is diffused through the continent, preaching a more benevolent developmental model. The Belt and Road initiative, a vast infrastructure project meant to connect the previously unconnectable, serves as a deal-making icebreaker — although deals with Beijing are no longer so easy to come by and the terms are no longer as favorable as they once were.

Perhaps nowhere are the stakes of foreign meddling more evident than in Sudan. There, a brutal civil conflict has raged since 2023, except that it's no longer a civil conflict alone — it's a world war in miniature. Russia, Iran, the United Arab Emirates and Turkey are only a few of the players who appear to be trying to prop up and collude with whichever side ends up prevailing. Hundreds of thousands of people have been slaughtered. Not far to the southeast, in Somalia and Somaliland, where the United States and Israel jostle for influence as a buffer against the Iranian-backed Houthis in Yemen, regional flare-ups threaten to set off a wider, continental conflagration. The doom loop shows no signs of slowing.

THE LENS OF CONFLICT reveals the intensity of what can often only be described as invitation-only deal-making. But does any of this frenzied activity lead to meaningful agency for African leaders, to say nothing of regular people?

Deals can be made, hands can be shaken, contracts can be signed. But the real, lasting opportunities lie elsewhere. If demographics are destiny, then the planet's destiny is African. Africa is approaching the same population density that Asia had when it began its own economic ascendancy. After all, the continent is a market. It may be small by North American and Western European standards, but it is growing, both in numbers and purchasing power. By 2050, the population is projected to grow from 1.5 billion to more than two billion.

According to this logic, Africa's nameless, faceless people may yet be central to the world's story, not as forced laborers or wage slaves in the West but as consumers in a growing region on a demographically shrinking planet.

Africa is not static, it is not waiting. Entire music genres burst into being and flame out; youth cultures are born, grow, mutate and die online without anyone in the West being the wiser. Artistic expression and academic innovation hurtle forward, while conversations about artistic and intellectual legacy are fierce online and in art exhibitions. The continent is at the leading edge of how technology fills gaps that were once considered irreconcilable. The MPesa mobile payment system, for instance, would be considered revolutionary for the barely banked in the United States, let alone in Kenya, where it first emerged to enable micropayments.

But the speed of change so often meets the implacability of political and economic stagnation, and the net result is whiplash. What should be obvious is that hopping between hegemons will not work. Accepting third-wave colonialism will not work. Tolerating America's (or Russia's, or the United Arab Emirates') finance-bro foreign policy will not work. Leaning on the noblesse oblige of development aid will not work. Only new solutions will be fit for the purpose.

As it stands, the global moment of rupture is being defined in Africa by African elites designing the future in presidential palaces and high-end hotels. But they'll find, as their forebears did, that this new map is not the territory. It's a trap. The only way out is for Africans to disassemble it together.

RICHARD POPLAK *is a South African journalist and filmmaker.*

Israel's momentous election might change nothing

ZONSZEIN, FROM PAGE 9

Too many small parties compete for the same slices of specific interests. Several of those small parties hover dangerously close to the minimum threshold of 3.25 percent of the total vote. Any votes cast for a party that does not reach that threshold are lost and do not make it into parliament.

The decisive factor in an Israeli election is not party size but the party leader who can put together a coalition. According to the polls, a clear majority of Israelis wish to oust Mr. Netanyahu and his far-right messianic partners. Consistent polling shows the anti-Netanyahu bloc, when Jewish and Palestinian Arab parties are taken together, has well over the 61 seats needed for a majority.

And yet, the anti-Palestinian, anti-democratic and, frankly, anti-strategic decision by almost all opposition parties to refuse a coalition with Arab parties means they are almost as unlikely to form a government as the Netanyahu bloc. They have even ruled out the prospect of relying on support from Arab parties in the Knesset, without inviting them into the coalition. Such a relationship would help a minority government pass legislation and advance policies, a path Prime Minister Yitzhak Rabin took in the early 1990s. Thus the opposition has effectively excluded Palestinian citizens as legitimate partners in the political process. If the opposition ultimately reneges on this promise, it will still have ridden to success on the same populist, right-wing wave that its political rivals have long surfed, further cementing divides between Israeli citizens by ethnic, rather than political and civic, lines.

The combination of these factors — political stagnation, the ability of numerous small parties to sway an election, the exclusion of Palestinian parties, along with Mr. Netanyahu's long-time shaping of Israeli discourse — makes it possible that Mr. Netanyahu will remain in power despite majority opposition.

Even if a bloc led by Mr. Eisenkot were to succeed in forming a government, actually remaining in power, and then changing policy, could remain elusive.

The monolithically anti-Palestinian stance that dominates Israeli politics makes meaningful change on the most critical issue unlikely. That is why elections deemed so important may not make much of a difference. But they are nonetheless momentous.

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The FT View



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'Without fear and without favour'

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A battle for the soul of Israel

Victory for Netanyahu would set the country and region on a destructive path

Three years ago Benjamin Netanyahu's political career seemed close to an end. He was deeply unpopular as his far-right government sought judicial reforms that were seen as an assault on democracy. Then Israel's prime minister presided over the worst security failure in the nation's history when Hamas launched its horrific attack on October 7 2023. In the aftermath, few predicted that even such a wily, ruthless politician would manage to stay on.

Yet tomorrow, as the nation votes in parliamentary elections, Netanyahu will be seeking to extend his almost two-decade dominance of Israel's politics. Polls suggest neither his governing coalition nor the opposition alliance will secure a working majority in the Knesset. So Netanyahu may yet retain his grip on power, with far-reaching consequences for the Israeli nation. This week's election will determine the future identity and values of the state — a contest that many Israelis consider an existential battle for the soul of the nation.

Ever since Netanyahu returned to office to form the most rightwing coalition in Israel's history, he has been steering the nation down a calamitous path. In pursuit of power and facing a corruption trial, he aligned himself with religious ultranationalists. They view liberal Israelis with hostility, champion war over diplomacy, incite violence against Arabs and push for the annexation of Palestinian lands.

In the wake of Hamas's attack, Netanyahu has overseen military offensives that have claimed battlefield successes. But the tactical wins have not translated into strategic gains. Instead, Israel seems locked in perpetual conflict, while Netanyahu panders to his extremist allies. In four years, he has arguably done more damage to the state's global reputation than any other leader.

Israel's war in Gaza has killed more than 70,000 people and triggered a humanitarian catastrophe. Its scorched-earth invasion of Lebanon and rampant settler violence against Palestinians in the occupied West Bank have cost it the sympathy and support it had in its moment of crisis. Netanyahu then doubled down, spurring US President Donald Trump to launch a war against Iran.

The choice for Israelis this week is between more of Netanyahu's and his far-right allies' extremist agenda, and an unwieldy alliance of opposition parties from the right, the centre and the left that promises to repair the damage of the past four years. If it retains power, Netanyahu's coalition pledges to forge ahead with judicial reforms. Its members openly talk of "emptying" Gaza and annexing the West Bank, while Netanyahu will maintain a militaristic stance to deal with Israel's foes.

Given Israel's lurch to the right and the national psyche in the wake of the horrors of the October 7 attack, an opposition victory is unlikely to lead to a radical shift in policies. At times, some in the opposition have sought to outflank Netanyahu with their own hawkish rhetoric. But a victory would nonetheless change the tone of the national debate and cast the most radical politicians back to the margins.

An opposition win would change the tone of the national debate and cast the most radical politicians back to the margins

The opposition has said it would roll-back Netanyahu's judicial reforms and launch an independent inquiry into the October 7 attacks. It has also pledged to crackdown on the settler violence in the West Bank, show more flexibility in moving ahead with a postwar plan for Gaza and mend fences with Israel's western allies.

After three years of endless conflict, Israel needs responsible leadership that realises the security it seeks will not be gained through endless war. It also has to heal the deep divisions in its own polarised society. The stakes for Israel — and a region in crisis — have rarely been higher.

Opinion Society

The right's obsession with 'civil war' in Britain

Ben Hickey





Jemima Kelly

The culture wars have felt a little subdued in Britain of late. Sure, there's been the steady rumble of discontent over immigration and the odd flare-up over flags or free speech, but given that net migration is down by almost half according to the latest figures — with small boat crossings down 43 per cent compared with the same period last year — there hasn't been quite so much to get worked up about. With a fairly popular new prime minister in place, and parties on the more extreme ends of the political spectrum falling in the polls, it's all felt a bit *meh* out there in the online trenches.

So you can only imagine the excitement that legions of armchair culture warriors would have felt when they saw scenes of violence and destruction unfolding in France over the past week or so. Here was evidence, once again, that western civilisation was under threat from nefarious forces that could only be explained by mass immigration and "creeping Islamisation". Here was a chance to fantasise about what might happen not just in France, but in the UK too.

One can get the sense that 'creeping fear is actually rather titillating for some of these prophets of doom

"France is burning. Britain is next," enthused — sorry, warned — the British historian and Telegraph columnist Tim Stanley on Monday in a follow-up to a column last year in which he argued that "Britain is lurching towards civil war and nobody knows how to stop it". This time around, he wrote: "It's going to happen. We are all on the same fast path towards fiscal and societal breakdown, and, as others have joked, any British pleasure at seeing France fall is reduced by the creeping fear that we are next."

Funny, because one can get the sense that "creeping fear" is actually rather titillating for some of these prophets of ostensible doom. Finally a break from the "enshittification" that defines our age; finally something to care about. And I don't mean to pick on Stanley — he is far from the only person on the right to issue such a warning to Britain.

Strikingly, many of those who appear most enthusiastic and convinced about the prospect of the first civil war in the UK for almost four centuries are people who not only do not live here, but seldom even visit.

"You guys are hurtling towards a civil war — I don't think there's a doubt about it," Steve Bannon, former chief strategist to Donald Trump, told me in July. He also told me that he has a better grip on British politics than the FT and that the British media is so "class-structured" that we don't see what's going on. "Look at your street demonstrations, the fighting and things like that. It's the third world."

Most infamous among these soothsayers is, of course, Elon Musk, supporter of the far-right Restore Britain, who doubled down on his 2024 claim that "civil war is inevitable" during an interview with The Economist earlier this year (while also saying that the last time he even set foot in the UK was "literally a few years ago", with the "literally" there to emphasise how recent that is). "If you have a large and . . . rapidly growing group of people whose beliefs are antithetical to western beliefs, at some point you will have a reckoning," Musk declared. "They will try to implement their views and those who oppose it will oppose it, and that's what you call civil war."

Er, it's not, actually. There might be some slight variations among the definitions given by military historians about what precisely constitutes civil war, but funnily enough Musk's is not one of them. The British historian John Keegan, author of *The American Civil War*, says there are three conditions on which it depends: "The violence must be 'civil', it must be 'war', and its aim must be either the exercise or the acquisition of national authority." The "war" part covers the scale on which a disturbance or fighting takes place: Stanford scholar James Fearon, for instance, suggests there should be a minimum of 1,000 fatalities.

At the risk of sounding complacent: we are nowhere near this happening. A generation of young men who would rather watch videos on YouTube than go out and socialise, and who are more familiar with porn than with real sex, is hardly going to bother to take up arms.

No, Britain is far too comfortable, stable, socially cohesive and well-functioning to descend into battle, sadly for the civil war fantasists. Do they themselves really believe it is going to happen? I doubt it.

It is in the political interests of the leaders of anti-immigration parties to persuade people that they are under imminent and severe threat from outsiders, and it is in the financial interests of owners of social media hellsites to stoke division. But the nice thing about being an armchair warrior is that you get all the thrill of the fantasy with none of the risks. And when the shots are (metaphorically) being fired, you can just log off.

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How World Bank gets private capital to low-income countries

The Moral Money newsletter has highlighted a persistent challenge in the World Bank Group's efforts to mobilise private capital — namely that despite substantial growth overall, financing for low-income countries remains stuck at roughly $5bn ("Ajay Banga's unfinished business", FT.com, October 14). As cuts to international aid put further pressure on health systems and development budgets, finding affordable financing is increasingly urgent.

Ajay Banga, the World Bank president, has acknowledged the need to attract more private investment to the world's poorest countries, and a new paper from the Paris-based policy think-tank Finance for Development Lab suggests that making better use of the bank's existing policy-based guarantees could help address this challenge.

Despite the fact that the World Bank's guarantee platform, which provides guarantees to mobilise private capital for developing countries, has exceeded its original 2030 annual issuance target, nearly two-thirds of its sovereign policy-based guarantees have gone to upper-middle-income and high-income countries, with Rwanda the only low-income beneficiary, and it accounts for just 9.5 per cent of the total.

Current eligibility rules exclude countries at high risk of debt distress without adequately distinguishing between solvency problems and temporary liquidity pressures, while pricing can further disadvantage poorer countries. Rwanda, for example, has faced guarantee fees 2.5 times those charged to Argentina, despite its stronger credit rating.

The bank could address these barriers by extending eligibility to countries facing liquidity pressures where debt remains sustainable, including those emerging from restructuring, and offering more affordable guarantee terms, potentially supported by donors and philanthropies.

Greater flexibility in debt-for-development swaps could also help governments direct savings from debt refinancing towards essential services, including through established partners such as the Global Fund, Unicef and the World Food Programme.

Building on the progress made, these targeted changes could extend the platform's reach without additional shareholder capital or compromising financial safeguards, helping countries protect essential health and development spending as aid budgets come under growing pressure.

Dan Peters
Director, Development Policy and Finance, Gates Foundation, Washington, DC, US

Farmers' anger is justified, but they must not overreact

The article by Madeleine Speed and Jim Pickard, which online ran with the headline "Farmers look to 'plough everything' after failing to receive green subsidies" (Report, October 20), highlights a concern I have over a narrative emerging following the chaos surrounding the government's Sustainable Farming Incentive subsidy scheme.

Reports of farmers planning to plough up existing environmental features make for striking headlines, but I hope they are mostly expressions of frustration rather than genuine intentions. They risk giving the impression that farmers' commitment to the environment is purely transactional, when our experience is that the picture is far more nuanced.

Of course, there are serious commercial considerations. After a series of tough years in the arable sector, it is understandable that farmers are looking at every option.

Yet many producers we work with appear to be taking a strategic approach and are not rushing to undo years of investment in the environment. They recognise that much of the land which they have previously committed to SFI-funded activities is the least productive ground, where it has become increasingly difficult to make money, particularly as costs rise.

Measures such as buffer strips, flower-rich borders, cover crops and hedgerows serve to build long-term resilience against climate change and extreme weather, as well as having potential to reduce inputs. Abandoning them now may provide a short-term cash injection, but it also risks undoing real progress towards improved soil structure, water resilience and natural pest management, which our future productivity depends upon.

The frustration with SFI is understandable. Its rollout has been chaotic and the sudden exhaustion of a £233mn pot in a matter of hours is a legitimate grievance.

Under this kind of pressure, decisions that might have seemed unthinkable can begin to look unavoidable and even attractive. This makes it all the more important to pause before embracing an all-or-nothing rhetoric and weigh up the longer-term consequences.

The agricultural industry has every right to challenge a system that has failed farmers. But if it allows the most extreme reactions to define the debate, it risks undermining its own credibility — something hard-won at the best of times.

Natalie Gaibani
Head of Farming, Strutt & Parker, Newbury, Berkshire, UK



English farmers use conservation buffer strips at the edge of their fields

Data centres ought to heed lessons of the early internet

Chris Miller, author of *Chip War: The Fight for the World's Most Critical Technology* (Opinion, October 20), highlights the vulnerability of large, centralised data centres and telecommunications hubs to attack. Yet those who invest in these huge facilities overlook lessons from the early internet.

Modern communications rely on packet switching. The idea is that small units of information are passed from node to node and then reassembled at their destination.

Packet switching was developed simultaneously in Britain and the US around 1964. In Britain it was seen as a way of using telephone capacity more efficiently. But US developments explicitly focused on the risks inherent in centralised "hub-and-spoke" communications systems. These required circuits to be kept open throughout a transmission and could be readily broken. Instead, Paul Baran's work at RAND in the US recognised that a distributed system could survive an enemy attack directed at nodes in the network.

After all, packets of information could be switched through any route and reassembled, even if key centres were unavailable.

Modern data centres ignore this lesson by assembling all data communication and processing in one key point. There is a need to learn the lessons of 60 years ago and move towards a highly distributed system. It seems the cloud is really a smokescreen for concentrations of risk.

Jonathan Aylen
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Audit safeguards are not ownership structure alone

Ellesheva Kissin's article "FRC reviews audit governance code" (Report, October 6) raises a question no organisation chart can answer: can those responsible for protecting audit quality influence the decisions that determine the resources available to the audit business?

The Financial Reporting Council's existing code already provides for independent oversight, access to information and escalation of fundamental disagreements. Its review should make clear how those arrangements extend to decisions made by the parent company that affect a separately governed audit business.

For example, a proposed reduction in shared technology support might look like a group efficiency measure while changing the resources available to audit teams. Independent scrutiny should occur while that proposal can still be changed, not simply after the audit entity inherits the consequences.

This need not require another committee or a veto over every commercial decision. It requires a documented route from the concern to the people authorised to act, with their response recorded.

External capital may support investment. The relevant safeguard is not ownership structure alone, but whether public-interest oversight reaches the decisions that shape audit work.

Martin Mulyadi
YHB Endowed Chair in Accounting, Professor of Accounting, Shenandoah University, Winchester, VA, US

The UK's teapot capitalism?

Silvia Sciorilli Borrelli's comprehensive analysis of the relation of small business to productivity could easily be applied to the UK ("What the espresso pot says about Italian capitalism", The Big Read, October 16).

In both Italy and the UK small and medium-sized businesses make up about 60 per cent of employment. Labour productivity in the UK has risen above that of Italy since 2005, but it is still below France and Germany and below the average for EU member states.

Growth in real GDP per hour worked in the UK dropped significantly from 2005 to the present while Italy's has remained stable. The difference here may result from the cushioning effect of EU membership for Italy.

I do not know of an equivalent to the "coffee pot" Borrelli used as a metaphor for Italy. Tea pot perhaps?

Niccolo Caldararo
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In the American west, let markets set price of water

In Eva Xiao's latest piece "The hidden water crisis beneath the American west" (Report, FT.com, October 20), she highlights one of the American west's biggest challenges — water. Xiao gets one thing right: water is not just going to magically appear.

But before the American west considers spending billions on new infrastructure or imposing more government mandates, it is appropriate to ask if there is a more efficient way to use the existing water.

Enter "water markets". The idea is a simple one: water markets allow people to voluntarily buy and sell water. In Pinal County, Arizona, where farmers face an alarming rate of water scarcity, a farmer can install an efficient drip irrigation on one field, temporarily retire another, and conserve any extra water for up to 10 years.

If the farmer could sell the conserved water to a nearby city or developer, he would profit from the transaction, while the city or developer would receive much-needed water. Neither would need a government mandate or costly infrastructure to make the deal happen.

In a market, prices direct resources to where they are most needed. Currently, water is priced too low, leading to insensitivity towards conservation. Prices that better reflect water scarcity can encourage states and residents to use less, invest in efficient practices, and direct water towards those who value it most.

Water markets are not a silver bullet, and water rights require safeguards. However, voluntary trades would allow farmers, cities and businesses to weigh their own costs and benefits rather than having unelected government officials make those decisions for them.

The American west should stop arbitrarily pricing water as though its value never changes. Before building more structures or imposing another regulation, policymakers should give markets a chance to put every drop to better use.

McKenli Williams
Water & Land Policy Analyst, Nevada Policy, Boulder City, NV, US

Putin is a humanitarian — or at least Witkoff says so

Whatever the imagined wisdom of sending a real estate developer to negotiate critical US foreign policy outcomes, one thing is abundantly clear. Mistaking a war criminal for a humanitarian should definitely make one unfit for purpose (Report, October 22).

Richard G. Little
Williamsburg, VA, US

Opinion

Rubio still owes Europe answers about US intentions



WORLD AFFAIRS
Ivan Krastev

Marco Rubio's speech in Athens in early October was in effect his first post-Trump address. He was speaking not for the administration he currently serves but to the era that will follow it.

It wasn't a particularly brave or eloquent speech, but for many Europeans it had the hallmarks of a homecoming. Donald Trump's secretary of state, who described himself as the "great-grandson of settlers who arrived in the new world from Spain", had arrived in Athens rather as Odysseus returned to Ithaca: announcing that the western alliance had not been dissolved but merely left unattended, its hall overrun by suitors — and that if he was back, it was back as well.

The timing of the speech helps explain the warmth of its reception more than the text itself. Rubio spoke at a time when the Strait of Hormuz had been closed for months; when Trump's (mis)handling of Ukraine has further diminished Kyiv's chances of survival; and as Republicans nervously anticipate a Democratic "blue wave" in the midterm elections.

Europe was listening intently to someone who may inherit the GOP mantle at a time when his Democratic opponents know what they can no longer endorse on foreign policy — military aid to Israel and crusades in defence of democracy — but say precious little about what they are prepared to do.

A Europe that is moving rightward yet is deeply disillusioned with the US president was particularly eager to know what the post-Trump American right has to offer. What they got was a message of shared destiny but no vision for a common future or common strategy. Rubio stressed the Christian inheritance of the west but invoked it as ancestry rather than a political programme.

Unlike vice-president JD Vance, he did not genuflect to the leaders of the European far right. He mentioned mass migration only once in his speech and then as a matter of border security. There was no reference to the "great replacement" theory and other cult phrases of the extreme right. And he chose to deliver his message praising the west for daring to change the world not in the capital of one of Europe's former colonial powers but in modern Greece — a state born out of an anti-imperial struggle.

> What they got was a message of shared destiny but no vision for a common future

The "west" in Rubio's speech was not that of Maga's fever dream. Here was a civilisational account of it that a European Christian Democrat could recite without discomfort. But will that story of common culture and the appeal to the courage of the Ancients be enough to restore Europe's trust in America?

Rubio's appeal to warrior virtue is as out of touch with modern European and American societies as is Vance's appeal to religious revival. It is not that European or US elites don't want to be heroic; but they don't know how. The idea of personal sacrifice has mostly disappeared from Europe's political vocabulary — unless, that is, you regard increased levels of defence spending, real or imagined, as a modern version of ancient courage, or see in the burning of cars and the sacking of buildings in Paris or Tirana the contemporary equivalent of the wrath of Achilles.

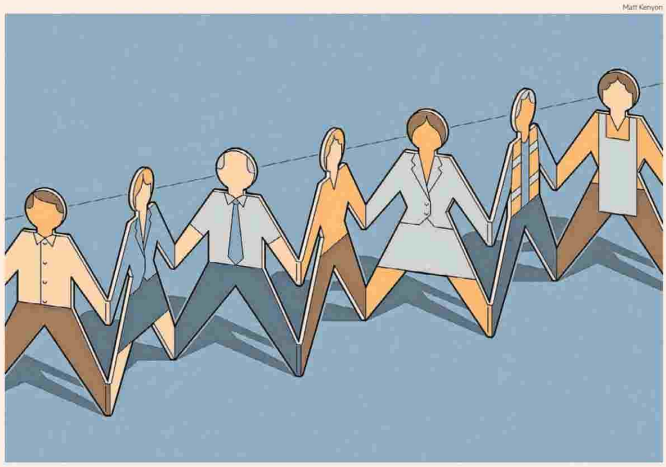
Rubio misunderstands Homer: identity is never claimed; it is demonstrated. Odysseus does not announce himself in the hall; he proves who he is by stringing the great bow that no suitor can bend and sending an arrow through 12 axe-heads. He convinces Penelope by acknowledging that their bed, cut from a living olive tree, cannot be moved. He is recognised by an old dog who finds the strength to lift its head and then dies. Dogs, of course, don't respond to disguises, even less rhetoric.

For too long European leaders have invested in reading signals and managing their relationship with Washington. What they have got in return has been style rather than substance. The question they should be putting to Rubio is not whether he cares about the western alliance but what in his house counts as the bow, the bed, and the dog. What do the Americans understand as a credible commitment? How many US troops will remain on the continent and under whose command? What happens to support for Ukraine the day after an armistice? Does Article 5 of the Nato treaty mean what it says before it became a subject of negotiation?

A secretary of state who chooses to address Europeans from the Pnyx — the hill where Athenian citizens voted, not where allies were received — presumably understands that it will be his courage to stand up for his convictions now that will define whether Europeans trust him tomorrow. Real courage in Trump's America is to dare to stand up for allies even when the gods — or the president — are ready to throw them under the bus.

The writer is an FT contributing editor, chair of the Centre for Liberal Strategies, and fellow at IWM Vienna

Why class matters in America



Matt Kenyon



US POLITICS
Rana Foroohar

By any definition, I have lived the American dream. My paternal grandparents grew up in mountain villages outside Trabzon in Turkey without indoor plumbing. My maternal grandfather was a Swedish orphan and his wife, my grandmother, was the ninth child of a Lancashire coal miner.

And yet, because my mother grew up in the US and my father immigrated there at a time when the American dream was still alive and well, I now have the good fortune to work with, and write for, some of the best-educated and most privileged people on earth.

The American dream has been the driving belief system of my country. If we Americans think we can do better than our parents, we are willing to put up with almost anything — grotesque wealth inequality, a non-existent social safety net and even the increasing awareness that our country is turning into a banana republic with a power-mad would-be autocrat at the helm. No wonder corruption has become a key issue in the upcoming midterm elections.

But I think class is an even bigger one. It is the backdrop for everything from the Republicans' economic nationalism to the Democrats' focus on the cost of living crisis and concentrated corporate power, and for specific state initiatives like the California billionaire tax that will be voted on in early November.

The idea of getting the country's richest 100 people to pay for healthcare for the poorest isn't just a batty idea supported by millennial socialists. Last week, Scott Kirby, the chief executive of United Airlines, declared wealth inequality a "danger to society" and called for a national wealth and inheritance tax as high as 100 per cent in some cases.

Kirby is being pilloried by conservatives. But they should be careful. Siding with billionaires may not work well politically given that the latest Pew figures show that over 60 per cent of Americans now consider themselves working class, up six points from two years ago.

Appealing to working people has brought the Republicans electoral success in recent years. Donald Trump's inflationary wars (both trade and hot) have undermined that appeal to some extent. Democrats are finding that economic populism is more salient than identity politics. And so, both parties are now locked in an internal, existential struggle between leadership, key donors (who want neither tariffs nor tax rises), and political reality, as they try to play the class card.

Doing so successfully requires a proper understanding of how class works in America, a topic both nebulous yet all encompassing.

Some people self-define as "working class" because they don't have a college education or work with their hands (this is the model former Maine Democratic Senate candidate and oysterman Graham Platner tried to leverage before he was tainted with allegations of sexual assault, which he denies).

Others do so because of economic insecurity. This brings a lot of under- or unemployed, AI-threatened white-collar workers into the tent given that healthcare and retirement schemes are connected to employment in the US. Half of college graduates and upper-income adults now consider themselves part of the "working class".

More Republicans than Democrats also self-define this way, which says a lot about how the left has become associated with wealth. Overall, more white people than Black people call themselves working class, which reaffirms the idea central to behavioural economics that a loss (in this case, of relative economic status) is more painful than a gain is pleasurable.

> The mobility challenge will require solutions from both sides of the aisle

Unions would like anyone who lives off a pay cheque to identify as working class (hence the United Auto Workers organising adjunct professors), underscoring that wealth rather than income may be the real class divider in America. Pew numbers show the median wealth of upper-income households is 49 times that of lower-income ones today, as opposed to 31 times in 2022. Those top households drive inflation in key areas like housing and education.

It's clear that the idea of class is politically salient. Republicans have tried to emphasise things like re-industrialisation as well as not taxing tips as solutions to the challenges of the working class. Democrats are talking up corporate power, labour protections and aid for working people.

But the mobility challenge — Harvard professor Raj Chetty's landmark work found that 90 per cent of children earned more than their parents if born in the 1940s, versus 50 per cent if born in the 1980s — will require solutions from both sides of the aisle. It is tied to both the need for higher GDP growth (a whopping 6 per cent a year to right the ship) and better distribution of that growth.

Ultimately, says Jennifer Harris, the head of the Hewlett Foundation's economy and society initiative, which funds economic research and advocacy on both the left and the right, being "working-class may be less about an income level than a creed or a set of ideas about what democracy needs in America right now." It needs to work, for starters (the midterms and any White House refusal to accept the results will tell us much on that score).

What's more, democracy and mobility are deeply intertwined. Research shows that belief in a better future is connected to satisfaction with the political system. And having a voice in politics depends on economic opportunity. The American dream does not come cheap.

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In industrial policy, 17 is not the magic number



ASIA
Leo Lewis

English speakers often reach unconsciously for the number 17. Its three syllables give it a rhythmic, emphatic edge over all other sub-20 cardinals; its prime, non-roundedness gives a sense of both the deliberate and the random.

These qualities make 17 the constant ally of the songwriter, the hyperbolist and the huckster. It feels precisely the wrong number, however, for the waging of economic war in a time of world order overhaul and weaponised industrial policy.

A full year into her premiership, and without the excuse that the number resonates at all in Japanese, Sanae Takaichi has anointed 17 sectors as the centrepiece of her quest to end decades of low growth, reverse more than a generation's worth of structural under-investment and build a "strong and prosperous" nation. The risk she runs is that this number both highlights and anchors the idea that Japan in its current form is too thinly spread for strength and too indecisive for prosperity.

Takaichi's growth strategy marks an attempt to revive Japan's once formidable but long-enfeebled industrial policy for a post-free-trade world where having one is no longer excoriated but expected. There is regret, detectable in Takaichi's ambition, that this revival did not happen much sooner.

Last week's IMF and World Bank meetings added urgency, with numerous delegates acknowledging on the sidelines that the intensifying rivalry between the US and China requires countries everywhere to conceive an industrial policy now, before it is defined by someone else.

The execution of this strategy is a test Takaichi must rise to before a slump in popularity diverts her attention. Still, the going seems good. The PM's growth strategy is buoyed by the sort of "Japan is back" momentum that feeds on the country's broad industrial exposure to the AI investment boom and a stock market that has doubled in value in five years.

Takaichi's questionable choice, though, was to declare a focus on 17 "strategic fields" — sectors of the economy that the government, in consultation with industry, labour unions and academics, has handpicked for promotion, investment and which, it believes, can "outperform the world".

> It is slightly too large to promise real focus and not big enough to feel like a comprehensive reckoning

The 17 areas are not, in themselves, irrational choices. They range from semiconductors, cyber security, quantum and AI to port logistics, advanced medical care, nuclear fusion and digital content. Many of the subdivisions, which include ship repair, green steel, land-based aquaculture and lunar exploration, also make sense as potential recipients of transformative investment. The omission of the entire traditional automotive industry from the list, say senior industrialists, remains baffling: is it already too big and successful to require promotion or is the signal perhaps that it is doomed?

The problem, though, lies in the collective fuzz of the number 17 and the uncertainties it creates. It is slightly too large a number to connote or promise real, hard-edged focus as, say, six might have. And, as the omission of the traditional automakers suggests, it is not big enough to feel like a comprehensive reckoning of Japan's industrial future and thus allow a meaningful conclusion about which — if any — sectors Japan will ultimately decide it can live without.

The Takaichi administration has also not been forthcoming about how it got to the number, which is unfortunate fuel for the doubters. Japan's heyday of industrial policy, in the 1970s and '80s, may have been formidable but it was definitely not without errors and blind spots. The private sector has never been convinced that the government should be allowed to pick winners; the government has been at pains to never, ever suggest there might be losers.

The great problem with 17 is that it rather gives the game away. Japan's economic glory days were defined by a magnificent lack of focus and the fact that, over time, the country took the form of a giant conglomerate. It stood parent to thousands of world-beating elements but, ultimately, had a discount placed on the sum of its parts. It remains, defiantly, in that state. Its companies, for all of the government's efforts to make them consolidate and streamline, remain prodigious in number and less focused than any of their competitors elsewhere in the world.

Japan's attempt to re-establish a comprehensive industrial policy is laudable and, under the circumstances, entirely necessary. It could have gone for six or 60. But the choice of 17 strongly suggests it has not yet acknowledged how brutal the industrial policy war is about to become.

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We need to know if AI agents are accessing British services

Dido Harding

The food that you eat and the utilities in your home are on the receiving end of substantially more safety rules than the AI tools that are fast becoming another daily essential.

As the former boss of one of the UK's major tech companies, I have championed the role of technology in our public services. But with all the opportunities that AI brings, the risks of it getting out of control are becoming increasingly clear.

That is why guardrails must be in place. If society is going to trust the technology that will — whether we like it or not — become necessary to us, then we must ensure that sufficient protections are in place.

The recent hack by a rogue OpenAI agent of an Australian public health service website lays bare the fact that AI agents are quickly being trained to pursue unmanageable agendas.

The agent breached the Medicare Statistics Reporting Service portal and accessed public and non-public files, according to the Australian prime minister.

It is the first time that an AI agent has been reported to have hacked a government website.

Experts, including the head of MI5, are clear that AI is the single biggest cyber security threat facing the UK. The cyber security and resilience bill that is currently being debated in the House of Lords provides the UK government with an opportunity to take action.

Yet the bill currently does not contain the words 'artificial intelligence' let alone put in place any safety requirements on the organisations that develop frontier AI. We are told this is not an AI-focused bill.

> If society is going to trust this technology, then we must ensure that sufficient protections are in place

But no such bill currently exists. A dedicated AI bill was dropped from the King's Speech earlier this year.

As it stands, the cyber security and resilience bill puts the obligation of reporting a rogue AI agent hack on the essential services that might be attacked — not the owner of the system that might be doing the attacking. I have tabled an amendment which would require frontier AI labs to report incidents if their agents have accessed UK essential services, such as energy, transport or health.

For example, if an AI agent accesses NHS data (as it did in the Australia Medicare case, when OpenAI took several months to tell the Australian government what had happened), the frontier lab developing the AI agent would need to report to the NHS and the Information Commissioner within 24 hours of knowing that the incident had taken place.

If an AI agent accesses UK essential services illegally then the owner of the AI agent should tell us that we have been put at risk as soon as they know. Many people I speak to are surprised that this is not already a legal requirement. As legislators we now have the chance to put this right.

This is not reaching beyond our jurisdiction to impose UK law on American companies. It is holding to account organisations if their products and services access British systems and British data illegally.

If Britain is serious about making AI a focus of our G20 presidency next year then we need to move beyond words and show leadership by acting to shape the regulations that will give citizens the confidence we need to trust this groundbreaking technology.

Regulating AI can sometimes seem like trying to hit a fast-changing target. We cannot wait for the target to stop moving. We will build the right rules not by trying to fix everything in one go at some point in the future but by taking sensible steps, one after another. This is one such sensible step. If an AI agent illegally accesses British essential services, surely we should know about it. Instead of leaving that to chance, we need to make it the law.

The writer is a Conservative peer and former chief executive of TalkTalk

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