

Editor's

TAKE

## Burying the past, building the future

Indo-Fiji ties, rooted in indentured labourers' journey over a century ago, are now renewing through climate, trade, and security cooperation

The story of India-Fiji relations has been one of resilience - born in the hardships of *Girmit*, tested in the turbulence of coups, but renewed in dialogue and reconciliation. Fiji a tropical island nation located in Oceania in the South Pacific Ocean has one third population of people of Indian orion. It has not been a easy life for them as they struggled as indentured labourers under the British colonial rule and thereafter had a troubled relations with the native population of Fiji. However, with their sheer handwork and mettle made a place for themselves and today are an integral part of Fiji. All this must have been in the mind of the visiting Prime Minister of Fiji Ligamamada Rabuka and Indian Prime Minister Narendra Modi when the two met in Delhi to chart the way for the future. Rabuka reaffirmed the importance of Indo-Fijians to Fiji's growth, acknowledging their "contribution to what Fiji is today." Between 1879 and 1916, over 60,000 Indians were transported to Fiji under the indenture system, known as *Girmit*. By the mid-20th century, Indo-Fijians had become the backbone of Fiji's agricultural economy and formed a significant part of its urban workforce. This very demographic reality also sowed tensions in Fiji's post-independence politics. Rabuka, then a military officer, staged two coups in 1987 and toppled Fiji's first Indian-origin Prime Minister, Timoci Bavadra. However, he later publicly apologised for his actions.

Over the past two decades, Fiji has moved towards greater inclusivity, with political leaders working to heal divides. The signing of the "Forward Fiji Declaration" in 2023, bringing together leaders of indigenous and Indo-Fijian communities, symbolised this intent. In parallel, India has steadily expanded its engagement with Fiji. New Delhi views the South Pacific as strategically important for maritime cooperation, climate resilience, and counterbalancing growing Chinese influence in the region.

India has provided development aid, scholarships, and support for renewable energy and digital connectivity in Fiji. Rabuka's visit to India comes at a time when both nations are seeking to expand cooperation in new domains. Climate change is an urgent priority: Fiji, highly vulnerable to rising seas and extreme weather, can benefit from India's International Solar Alliance and disaster-resilience initiatives. Trade in sugar, tourism, and pharmaceuticals also offers avenues of growth, while cultural exchanges and diaspora engagement remain natural strengths.

India's outreach to the Pacific Islands, including through forums like FIPIC (Forum for India-Pacific Islands Cooperation), positions Fiji as a key partner in shaping a regional balance. Rabuka's visit to New Delhi is not just a diplomatic engagement; it is a reminder of how history can weigh heavily on ties, but also how shared futures can be built on acknowledgement, apology, and collaboration.

## Self-Learning is the Future of Management and Education

As artificial intelligence reshapes education, the challenge lies in building a culture of self-learning-one that goes beyond classrooms to create lifelong learners capable of adapting, innovating, and thriving in a rapidly changing world



VINAYSHIL GAUTAM

Anyone dealing with management learns the 'how' of a process. This is important because the 'how' explains the steps that have to be undertaken for the completion of tasks. It focuses on the skills. It focuses on the sequencing of the acts. It focuses on the resources needed to discharge the action. All this, and more, is a foundation of skills to accomplish a task. There can be no two opinions about that.

Whereas this is useful, it is not enough, because the timing of the intervention is very often the fulcrum of the successful reaction. This is judgement. This is not an operational skill. Similarly, every skill and action has an intensity, and that intensity has to be acceptable to the group for the individuals of the group to be galvanised into action. Likewise, there are other gentler and subtler inputs required to take the action from inception to conclusion. Some of them cannot be learnt without practice and without an internal, innate aptitude for self-development and the ability to relate to people.

Ultimately, successful completion of an act is a subtle process involving many attributes beyond the gross skills of the steps in doing the job. Management theorists have no ready-made answers to this but believe the process of training and development is complete only when taken to its logical conclusion through practice. It can be said that, ultimately, of the many inputs needed for the successful completion of a task, the most critical is self-development and the instinct to grow. The parameters of this have yet to be worked out to elevate it to a level of teachability and skill sharpening.

The net conclusion is that all components of learning are important, but perhaps among the more significant ones is the linking of one ability with another, one skill with another, and above all, having the auto-motor ability of the mind sharpened enough to put it all together in a holistic perspective.

Thus, it is the learning that requires an openness of the mind to receive inputs without judgement and without any additions in the free flow of receiving, doing "trades". This last phrase is not yet common in management literature and, inter alia, will cover knowledge, skills, insights, instincts, and above all, practices for getting on with the tasks. The list elaborated has no claim to be exhaustive and needs to be a continuous process. This will be a differentiating factor in the level of skills that people have in being successful or otherwise.

There is a clear need to further strengthen the theory of learning, not only with gross skills but also with subtler predilections, as well as with



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EACH COURSE MAY REQUIRE CLARITY ON WHAT THE KNOWLEDGE CONTENT IS AND WHAT THE OPERATIONAL CONTENT OF BOTH THESE STREAMS IS. THERE SHOULD BE FACILITATION FOR THE LEARNER TO BE ABLE TO TEACH HIMSELF AND KEEP THE LEARNING ALIVE

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the positioning of the mind to keep inventing as one goes along, meeting the challenges.

This is based on the need to encourage organic talent and grow one's skills alongside the growth of the mind, not to overlook the knowledge components. It would be useful to recognise that an enumeration would have its own classification and its own sub-narratives, depending upon the nature of the action at stake.

Consider the mechanical action of an engineering variety, where the nature of the material and the ultimate nature of the outcome determine the distance which has to be covered between the two to lead to the crux of action. On the other side of the spectrum would be abstractions that are rooted in ideas and require a cognitive approach, which is far more cerebral than operational situations that need skills in the fingers, the hand, and indeed the body parts themselves.

It would be useful to recognise that learning theory is a continuation of levels of fulfilment of the task from A to Z in all areas of action, and that a useful way of segmenting skills to be taught is to see what is presently termed as 'learning' at the school level, the collegiate level, and the postgraduate level. Indeed, the postgraduate level is merely one level of learning, as indicated earlier in the text. It has to become self-generating with the parallel stream of learning through one's own life. This would raise the question of the formalisation of the teaching-learning process, and it may be a good idea to have a parallel stream of teaching for each operational content, along with the knowledge inputs.

Put simply, each course may require clarity on what the knowledge content is and what the operational content of both these streams is. There should be facilitation for the learner to be able to teach himself and keep the learning alive. This raises the subtler question of self-learning beyond classroom learning.

For this, it would be necessary to generate literature which can be acquired by an adult to train himself independently, even when formal learning has ended. But what one is hoping to focus on is the whole third leg of learning, which is self-learning, to keep the torch of learning alive throughout one's career.

This itself is a challenge and calls for the creation of literature which needs attention from the ab initio level to levels that can encompass all types of challenges. It is about time human resources specialists started the creation of a talent pool, faculty-wise and domain-wise, to respond to this need.

Whereas some thought has been given to learning on the job, more attention needs to be paid to learning beyond the classroom at the self-orientation level to keep in touch with the requirements of problem-solving.

Artificial intelligence is adding a new dimension to education as it permeates the curriculum, the learning process, and curricular planning. There is a basic revolution waiting in the paradigm of teaching and learning. The future appears exciting and challenging to a point where only time will tell how it is going to take shape and affect the life processes of those in the learning and teaching profession.

### PIC TALK



The 20-ft artwork installed successfully with effort and hard work at Mandi House, Delhi.

PHOTO: PANKAJ KUMAR

## Ganesh Chaturthi: Celebrate its essence



RAJYOGI BRAHMA KUMAR NIKUNJ JI

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OPINION

Every year, as the sound of dhols fills the air and chants of "Ganpati Bappa Morya!" echo through streets and homes, I am reminded that Lord Ganesha's presence is far more than ritual. For centuries, he has been celebrated as the Vighnaharta-the remover of obstacles, the deity of intellect, humility, and auspicious beginnings. Yet in today's restless, fast-changing world, his message feels even more urgent. Ganpati's wisdom is not confined to temples or festivals; it is a timeless guide for how we think, live, and face challenges. At first glance, his image may seem symbolic. But each detail carries meaning. The elephant head reminds us to think big, to rise above narrow self-interest and cultivate vision. His small eyes speak of focus in a world drowning in distraction. His wide ears urge us to listen more

than we speak, much needed in this age of constant noise. His curved trunk shows flexibility, the ability to bend and adapt without losing strength. Even his four hands hold lessons: the modak is sweetness earned through effort, the axe severs harmful attachments, the lotus symbolises purity in action, and the blessing hand reassures us that grace is always near. Together, they form a coded message for living wisely-balancing intellect with humility, action with reflection, ambition with simplicity. Yet in recent years, Ganesh Chaturthi has raised a vital question-are we honouring him in essence, or merely in excess? The festival that once embodied simplicity, community bonding, and devotion is often overshadowed by environmental harm-plaster of Paris idols polluting rivers, toxic dyes harming marine life, and plastic waste piling up after immersions.

True reverence lies in aligning practice with message. Choosing eco-friendly clay idols, planting saplings in his name, using natural colours, or opting for community immersions are not compromises but deeper expressions of devotion. Ganpati is not a god of consumption but of balance between human needs and nature's rhythms. An eco-conscious festival also revives the spirit of Ganesh Chaturthi as envisioned by Lokmanya Tilak-not a private puja but a collective celebration uniting communities, inspiring awareness, and spreading wisdom.

Ganpati's beloved title is Vighnaharta-the remover of obstacles. But his way is not about magically eliminating challenges; it is about transforming how we perceive and face them. Obstacles-failures, health struggles, broken relationships, professional setbacks-are not punishments but opportunities to strengthen inner resilience. They are invitations to grow. Ganpati whispers patience when life feels slow, creativity when conventional solutions fail, and hope when burdens seem too heavy. Just as his trunk can lift both a needle and a tree, we too must learn to handle the smallest worries and the greatest challenges with equal grace. Perhaps the greatest obstacle lies not outside but within-the clutter of ego, stress, fear, and anxiety. Ganpati's wisdom nudges us inward, reminding us that true victory comes from mastering the self. When we cultivate stillness, humility, and clarity, even the toughest trials lose power to overwhelm us. That is why Ganpati's presence is not seasonal-it is eternal. Each time we stand at a crossroad, wrestle with choice, or feel weighed down, he is there-not as an idol of clay, but as an ideal in our hearts.

This year, as we welcome him with lights, music, and devotion, let us also embrace his message in daily life but with wise choices-for he remains a compass in restless lives.

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## GOVERNMENT MOVES TO REGULATE INDIA'S GAMING INDUSTRY

In recent years, due to the mobile and internet revolution, millions of people across the country have gained easy access to mobiles, computers, and the internet. These tools are widely used for entertainment, including online gaming. From young children to the elderly, millions play different types of games. Some, however, involve betting and gambling for money.

The entire online gaming market in India is worth about ₹25,000 crore. Until now, there was no Government regulation in this sector.

By passing the Online Gaming Promotion and Regulation Bill 2025, the Central Government has taken a bold step in banning online gambling and betting conducted in various forms and under different names. During cricket matches on television, we

often see celebrities endorsing betting apps with slogans such as, "Bet just fifty rupees and win crores."

In reality, countless families have been ruined by online rummy and fantasy leagues. While promoters of apps like Dream11 and My11Circle have earned millions, players have fallen into bankruptcy. Gambling addiction is devastating for individuals and families.

Although the Government will lose revenue worth thousands of crores, it has still taken this courageous decision - noteworthy in itself. After all, gambling was the very reason behind the Mahabharata war, and its glorification must end once and for all.

DATTAPRASAD SHIRODKAR | MUMBAI

### Integrity in records

The Supreme Court's decision to disallow correction of date of birth after twenty-five years of service rightly upholds the sanctity of official records. Permitting such belated claims, especially close to retirement, risks administrative chaos and potential misuse. Official records are the backbone of institutional credibility and must remain reliable to sustain trust. However, this judgement also highlights systemic shortcomings.

Many delays occur because of late documentation, poor verification processes, or absence of robust monitoring systems. These structural gaps must be urgently addressed. Institutions must ensure absolute transparency and accuracy at the time of entry, supported by digital validation. Digital systems with biometric and Aadhaar-linked verification can reduce errors and disputes, protecting both employees and employers. While genuine mistakes may occasionally occur, delayed rectifications must not override administrative stability. Justice must strike a balance between individual rights and institutional integrity, ensuring neither is compromised. The message is clear: corrections must be timely, transparent, and technology-enabled to prevent complications decades later. Institutional reforms, therefore, are as important as judicial clarity.

VIJAYKUMAR HK | RAICHUR

### Hindi-Chini bhai bhai 2.0

During Chinese Foreign Minister Wang Yi's visit to New Delhi in August 2025, India and China agreed to ease visas for tourists, business travellers, journalists, and pilgrims; reopen dialogue mechanisms; resume direct flights; revive border trade; support each other's diplomatic events; and expand the *Kailash Mansarovar Yatra*.

Prime Minister Modi's forthcoming visit to China for the SCO Summit on August 31, his first in seven years, signals a willingness to deepen bilateral engagement. Both countries now have an opportunity to revive the spirit of "Hindi-Chini Bhai Bhai", once a powerful slogan of friendship, derailed by the 1962 conflict. Regional stability could be enhanced by reducing border tensions; economic opportunities unlocked through trade, tourism, and investment; and joint ventures explored in infrastructure, green technology, and climate resilience. At the same time, cooperation in multilateral platforms such as SCO, BRICS, and G20 can amplify Asian voices in shaping a multipolar world order. Importantly, collaboration in security matters, including managing cross-border terrorism, would strengthen trust. This renewed partnership is not naive idealism, but a realistic pursuit of peace, prosperity, and regional leadership.

O PRASADA RAO | HYDERABAD

### Trust deficit in Ukraine peace talks

The Alaska summit between Donald Trump and Vladimir Putin, followed by White House consultations with Ukrainian and European leaders, illustrates the deep complexities of efforts to resolve the Russia-Ukraine war. Statements from Ukraine and European leaders highlight a trust deficit. Kyiv maintains that Moscow has "no intention of ending the war", while European leaders warn of "new military operations". The Alaska outcome, which admitted no immediate ceasefire but only the possibility of a future peace deal, widened this gap.

Each side continues to view the other as a security threat. The joint statement of 26 EU nations stressed that any diplomatic solution must protect Europe's and Ukraine's security, rooted in lingering fears of Russian aggression. Russia, meanwhile, perceives NATO's expansion and Western involvement as existential threats.

This hardened mistrust is pushing Ukraine closer to Europe, with EU leaders pledging stronger political support and advocating for Ukraine's eventual membership. One positive aspect is Trump's recognition of Europe and Ukraine as essential stakeholders. Unless the trust deficit is addressed, peace will remain elusive.

RITI DWIVEDI | INDORE

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# Trump’s Tariff Gambit on India Sparks Global Realignments

As India recalibrates ties with Russia and deepens engagement with China and BRICS partners, Washington’s punitive measures risk straining a strategic partnership decades in the making while reshaping the balance of global power



BK SINGH

Donald Trump’s 30th July announcement of 25 per cent tariff on imports from India following New Delhi’s stubborn stand of not opening agriculture, dairy and shrimp markets for US export during five rounds of free trade talk has changed the world order. Later on 6th August additional penalty of 25 per cent was imposed on India for its energy and arms purchase from Russia. The additional tariff was to be effective from 27th August. US Vice President JD Vance recently indicated that the additional tariff can be rolled back if Russia Ukraine conflict comes to an end.

With an eye on piece Nobel Prize, Trump initiated to end the war and held a bilateral meeting on 15th August with Russian President Vladimir Putin at Alaska. Three days later, he held discussions with Vlodomeer Zelensky Ukrainian President and other European leaders namely British PM, French President, German Chancellor, Italian PM, NATO Chief and EU Chief.

Russia’s demand was the territorial control on Donbas region (90% is already under their occupation), ruling out Ukraine’s entry to NATO as well as no deployment of foreign forces in Ukraine. European leaders were concerned about the security of Ukraine. Trump agreed to sell arms to EU, which can be security guarantee for Ukraine and also accepted to purchase drones manufactured in Ukraine. Zelensky was asked to hold a bilateral talk with Putin and work out the terms of the ceasefire to end the war. The bilateral talk between the two is still not in the sight, and thus rolling back 25 per cent penalty/ sanctions appears to be farfetched.

Imposing tariff is not within the powers of the President, it is to be done by US Congress. Yet, he has invoked emergency power, citing poor health of the economy. Current account deficit in US is all time high, and the treasury does not have money to pay for the bonds that are maturing. Unlike his first term, the Secretaries and Aides do not give advise against his wishes. On the contrary, they amplify whatever he says. The relationship between India and US has grown from scratch. In twenty five years it has grown from strength to strength and has



CHINA IS PAYING ONLY 30 PER CENT TARIFF ON AMERICAN IMPORTS AND FREE TRADE AGREEMENT BETWEEN THE TWO IS STILL UNDER NEGOTIATION

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reached a level of significant partnership. None in US administration told Trump that India is a strategic partner, and singling it out will strain the relationship.

Trump’s trade counselor Peter Navarro has supported the penalty and accused India of “profiteering from transaction relating to purchase of Russian oil, which is perpetuating the war in Ukraine”. He adds that the money India gets from its export to America is used for buying Russian oil, which is processed in refineries and sold to EU for profit.

He further says that Russia uses the money to manufacture arms and kill Ukrainians, and American tax payers have to provide more aid and defense equipments to Ukraine. Navarro however conceded that America cannot crack down on China’s oil purchase owing to Beijing’s leverage to Washington. There was no sanction imposed on Russian oil after the war broke out, only a price cap was fixed and US encouraged India to buy Russian oil to augment the supply and to keep prices within limit. India has not violated any sanction. Navarro has no answer to this.

Treasury Secretary Scott Bessent also supported tariff on India in public. He said that Russia’s economy is war economy, as 20 per cent of its GDP is on account of defense manufacturing and also has 20 per cent inflation. He added that while China’s oil purchase from Russia has grown from 13 per cent in 2022 to current 16 per cent, India in the same period has grown from less than 1 per cent to current 42 per cent. Further, India has made a profit of \$16 billion by selling the oil after refining to EU.

None in US administration has answered the basic questions; like who is the biggest purchaser of Russian oil? It is China, not India and even Turkey is close behind. Who is the biggest purchaser of Russian LNG; it is EU not India. Are China, Turkey and EU not funding Russia to fight war? America is also importing Uranium, Palladium and fertiliser from Russia. During Alaska summit, Putin has admitted that trade between US and Russia has gone up by 20 per cent since Trump was inaugurated in January. Is American import not funding Russia to enable them to continue the current

war? What leverage does China have on Washington? Supply of rare earth magnets, without which American research in Space, defense, fighter aircrafts and several advance technologies suffered. When china imposed restriction on rare earth export, envoys from both countries were asked to rush in and Trump announced a visit to Beijing for bilateral with President Xi Jinping.

Consequently, America-China trade negotiations started in Stockholm. China is paying only 30 per cent tariff on American imports and free trade agreement between the two is still under negotiation, twice though the time limit for the negotiation is extended by 90 days each time. Trump has also imposed 50 per cent tariff on Brazil, accusing its President Lula da Silva for putting ex President Jair Bolsonaro in jail and not ensuring a proper trial for him. Earlier on the occasion of the BRICS summit, Trump cautioned member countries not to de-dollarize their trade lest they will be charged 100 per cent tariff. Angered by the move Lula talked to Indian PM Modi advising him to stand firm to deal with tariff issue. India

is next BRICS President in 2026 and French President Macron has congratulated Modi for its success. China has invited Modi for SCO summit in Tianjin and Indian PM has accepted to attend. Amid Trump’s trade tariff on India, Chinese Foreign Minister visited New Delhi recently and held bilateral with his counterpart. China has announced lifting export restrictions on fertilisers, rare earth products, and boring machinery. Both countries have also agreed to resume border trade, restart direct flight, expand kailash mansarovar yatra, and relax VISAs. China criticized Trump’s tariff move from Indian soil and its New Delhi ambassador Xu observed, “Silence emboldens bully”.

Indian foreign Minister Dr S Jaishankar attended India-Russia inter-Governmental Commission on trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC). Two countries resolved to address tariff and non-tariff trade barriers, promoting connectivity and effecting payment mechanism smoothly. They revised to achieve a bilateral trade target of \$100 billion by 2030. India’s trade deficit of \$59 billion with Russia is on account of energy import.

Both countries agreed to narrow the gap. Since the war broke out in 2022, India’s advantage of \$15 per barrel has shrunk to \$3 per barrel and Indian Oil companies were reluctant to place further order. Russia has announced 5 per cent rebate on oil sale, and Indian companies now have placed huge orders. Country is only looking for national interest in trades and nothing else.

There is no geopolitics in it. PM in his Independence Day address from Red Fort has stressed to ease GST slabs for people’s welfare and for MSMEs to cut on their cost of production and to remain competitive. He again stressed for Atamnirbhar Bharat. Indian Commerce Minister Piyush Goyal, while speaking at Economic Times World Leaders Forum said that Government is looking to create more domestic demands for sectors hit by US tariffs, including through GST cuts in labor intensive industries such as food processing and textiles.

Neither Indian PM nor any Minister has given statements that strain the relationship with US. Positive observations are made by Ministers that US is an important partner and the issue of tariff is addressed with an open mind and positive outlook and Indo-US relationship is very consequential and very important for both countries.

## From Border Tensions to AI Governance, India and China Eye Role in Shaping Global South’s Tech Future

SANDEEP JOSHI  
AKHILESH KUMAR

Prime Minister Narendra Modi will visit China at the end of this month to participate in the Shanghai Cooperation Organisation (SCO) summit in the coastal Chinese City of Tianjin. This will be his first visit since the Galwan Valley clash between the two Asian giants.

Although geopolitical tensions remain, this visit will set the stage to reframe India-China relations. It is highly anticipated that there will be several corrections to the India-China Path. While the focus will be on trade and economy in general, negotiations on emerging technologies such as artificial intelligence (AI), where the West has so far proved its dominance, is what the world will also be watching in anticipation.

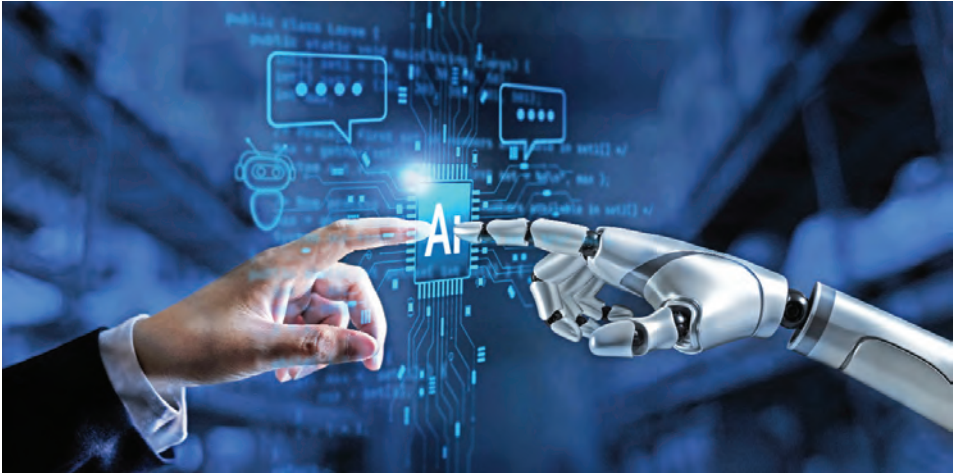
Interestingly, both PM Modi and President Xi have stressed the importance of AI at various fora. In an AI summit in 2020, PM Modi stated, “AI is a tribute to human intellectual power.” Similarly, in an event, President Xi had stressed that “We must develop, control and use AI to secure the country’s future in the next technological and industrial revolution.”

This high-profile summit of the two Asian giants offers a unique chance to put aside border disputes and concentrate on determining how China, India, and the Global South will govern future AI.

Often seen as a primary productive force in ‘Industry 4.0’, AI exerts a varied and differentiated impact on various aspects of life, from healthcare and agriculture to manufacturing and education. Alongside its benefits, AI raises complex ethical, economic and geopolitical questions. Yet, much of the global AI governance agenda is being set by Western countries, through initiatives such as the OECD AI Principles, the G7’s Hiroshima AI Process, the EU AI Act, and the UN Resolution on AI.

These frameworks, while valuable, reflect the priorities of advanced economies. There is still no major AI governance framework originating from the Global South. Given their size, technological capabilities, and influence, India and China are well placed to change that.

India’s AI market is projected to reach \$8 billion by 2025, growing over 40 per cent annually. Flagship initiatives like the IndiaAI Mission (2024), National Strategy for AI (2018), and AI for India 2.0 (2023) aim to democratise AI benefits, promote ethical use, and build skills for an AI-driven future. The ‘Global IndiaAI Summit’ in July



2024 brought together over 12,000 experts from 50 countries, showcasing India’s growing role in global AI governance and its active participation in the Global Partnership on Artificial Intelligence (GPAI).

India’s approach combines inclusivity, safe and trusted AI, and sectoral applications in healthcare, agriculture, finance, and manufacturing. While challenges remain, from infrastructure gaps to a shortage of skilled professionals, India is positioning itself as a champion for equitable AI access and capacity-building across the Global South.

China, on the other hand, is a frontrunner in the AI race. Their Next-Generation AI Development Plan (2017) aims to make the country a global AI leader by 2030, with the core AI industry exceeding 1 trillion yuan (USD 140 billion). Beijing is already home to over a quarter of China’s AI enterprises.

China has developed a comprehensive governance framework, from the Beijing Consensus on AI and Education to the Governance Principles for New Generation AI, emphasising fairness, inclusivity, and security. Its Global AI Governance Initiative (2023) and Shanghai Declaration on Global AI Governance (2024) call for stronger North-South and South-South cooperation, equitable access to AI benefits, and people-centred AI development.

The recently launched Global AI Governance Action Plan (2025) sets more than ten priorities, from high-quality data access to AI safety standards, aiming to treat AI as an international public good.

Despite political mistrust and border issues, India and China have strong reasons to collaborate on AI governance, combining India’s expertise in ethical frameworks and inclusive development with China’s large-scale infrastructure and industrial capacity. Both share a Global South perspective, enabling them to

push for AI rules that reflect developing nations’ realities rather than adopting Western standards wholesale. Their common goals include reducing the digital divide, promoting open and fair data sharing, building capacity in underrepresented regions, and ensuring AI advances sustainable development.

This partnership could be realised through a Bilateral AI Task Force focused on ethics, safety, and South-South technology transfer and multilingual AI applications; and co-hosting a Global South AI Forum under UN auspices to coordinate positions in global AI negotiations.

AI governance is at a formative stage, and if these two most populous nations act now, they can help ensure that solely the Global North does not dominate the emerging rules. Together, they can push for an AI order that is inclusive, diverse, and responsive to the needs of the Global South.

As the Global AI Governance is still in its nascent stage, if these two most populous nations act together now, it can be ensured that the Global North does not solely dominate the AI Governance structure and norms. While doing so, these two nations can push a Global AI order that is inclusive, diverse, and responsive to the needs of global society.

Thus, PM Modi’s visit to China should be seen not just as a diplomatic recalibration, but also as a strategic opportunity to shape the technological governance of the future. If Asia’s two giants can find common ground, they may set the terms for how AI transforms and serves humanity in the decades ahead.

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## Prime Movers of National Education Policy 2020



T SENTHIL SIVA SUBRAMANIAN

National Education Policy 2020 is a successful game-changer of the educational ecosystem in the era of the 21st century and a torchbearer of Yuva Bharat (युव भारत). NEP 2020 acts as a learning tool by reinforcing the concept of learning by doing (dijai kar) and learning by experience (vumlo lsi kar). The NEP 2020 has brought about holistic development among Yuva Shakti, thereby creating many opportunities.

The vision of Hon’ble Prime Minister of India, Shri Narendra Modi ji, on “Mann Ki Baat” episode 107 reverberates the theme of Intelligence, Idea, and Innovation. The initiative of “Lab to Market” by the Science and Technology clusters in India, under the Office of the Principal Scientific Advisor to the Government of India, has further strengthened the Government-Academia-MSME interface, thereby transforming India from a service to a production nation (“Vocal for Local”).

The advent of the Government of India initiative of CSIR — Jigyasa Virtual Labs has kindled school students’ interest in experiential learning by performing experiments through virtual mode. This is a tangible outcome of “Digital India”. The programme “One Day as a Scientist” at CSIR has opened new avenues for youngsters to explore the scientific temperament within them through physical visits to 37 CSIR laboratories and interactions with scientists.

The tinkering initiative of CSIR-AIM (Atal Innovation Mission), Niti Aayog’s Atal Tinkering Lab, acts as a think tank for various frugal jugaad innovations, thereby paving the way for youth to be “Think Tank Preneurs”. NEP 2020 has astonishing driving elements through various initiatives in digital learning platforms such as SWAYAM (NPTEL), DIKSHA, Swayam Prabha, and e-PATHSHALA, enabling students to become competent in knowledge, skills, and future-ready complete professionals.

The initiative of the Ministry of Education, Government of India, under Unnat Bharat Abhiyan, to adopt nearby villages by academic institutions has provided enormous opportunities for higher education students to reinvent digital transformation technologies of the fourth industrial revolution (Industry 4.0), such as the Internet of Things (IoT) and other disruptive technologies, to facilitate rural development in India. Additionally, RuTAG (Rural Technology Action Group) and IEEE Smart Village have further enhanced NEP 2020 by

enabling students to adapt community-based learning.

The technology-based Swachh Bharat Mission (SBM), or Clean India Mission, has facilitated NEP 2020 by transforming India into a “Smart India” through the successful implementation of best practices and various innovative technologies such as integrated command and control systems, Digital Health, SCADA, Data Centres, Intelligent Transport Systems, and Artificial Intelligence-based waste management.

The Recognition of Prior Learning (RPL) stated in NEP 2020 stands out as one of the strong pillars for promoting vocational education in schools and higher educational institutions, which has become an integral part of the academic system.

The successful implementation of various short-term and certificate courses on soft skills, called ‘Lok Vidya’, and Online Distance Learning (ODL), forms a primary vision of NEP 2020 to make youth more employable and industry-ready.

NEP 2020 has additional success stories, especially the recently introduced Prime Minister Internship, National Apprenticeship 2.0, and Apprenticeship Enabled Degree programme, which have played a vital role in establishing strong industry connections and facilitating hands-on experience for the youth.

NEP 2020 has also empowered women and acts as a catalyst for women’s empowerment by addressing and promoting gender equality, thereby creating a more inclusive and equitable education system through the successful implementation of the *Beti Bachao, Beti Padhao* policy.

NEP 2020 is playing a crucial role in transforming undergraduate programmes through a research-based curriculum, thereby inculcating research aptitude among students.

The National Research Foundation (NRF), also called the “Anusandhan National Research Foundation (ANRF)”, has been introduced in educational institutions with strong objectives to foster core scientific and technological research, innovation, and entrepreneurship among young research communities.

Overall, NEP 2020 has developed various qualities among youth, such as holistic decision-making, social responsibility, universal human values, creativity, and self-reliance, thereby paving the way to achieve Sustainable Development Goals (SDG#4, 5, 9 & 10) and marching towards Viksit Bharat@20247.

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The Statesman

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## Balancing Act

The annual Jackson Hole gathering of central bankers has often served as a stage for policy signals with global reverberations. This year, the spotlight fell firmly on US Federal Reserve Chair Jerome Powell, whose comments marked a subtle but significant shift in tone. Markets, long hoping for relief from restrictive interest rates, read his speech as confirmation that a September rate cut is now more likely than not.

Yet behind this dovish turn lies a complex balancing act that reveals as much about politics as it does about economics. Mr Powell's message was carefully crafted. He acknowledged that tariffs have driven consumer prices higher, a reality that households can see on store shelves.

But he also argued that the inflationary effect is probably temporary, a one-time adjustment rather than the start of a wage-price spiral.

This framing matters. If the Fed believes tariff-driven inflation is short-lived, it frees policymakers to focus on the weakening jobs market without appearing reckless on prices. It also reassures investors that monetary easing will not simply fuel runaway costs.

Still, the Fed is caught in a delicate bind. Cutting rates too quickly risks undermining its credibility as an inflation fighter. Waiting too long, however, risks stalling a labour market already showing signs of stress. Mr Powell hinted at this trade-off when he described the "tilt" of risks ~ upside inflation against downside employment. His assessment suggested that the scales are beginning to tip toward growth concerns, but he left ample room for manoeuvre, warning that no decision is locked in.

The political backdrop adds another layer of tension. For months, the White House has subjected the Fed to an unusual unseemly public barrage of criticism. The pressure has been personal, sometimes insulting, and even accompanied by threats of dismissal.

Such attacks are unprecedented in modern US economic governance. Mr Powell's insistence that decisions will rest solely on incoming data was not just a nod to technocratic discipline; it was a defence of central bank independence at a moment when that principle is visibly under strain.

Markets welcomed Mr Powell's openness to easing, sending share prices higher in immediate response. But the exuberance may obscure the caution still embedded in his stance. A strong August jobs report or an unexpected surge in prices could yet delay action. By presenting the possibility of a rate cut as data-dependent rather than inevitable, Mr Powell has retained strategic flexibility.

The broader lesson is that monetary policy in the world's largest economy remains a careful exercise in balance: between inflation and growth, between markets and households, and between independence and political interference. September may bring a cut, but the deeper story is the Fed's effort to chart its own course under extraordinary pressure from the Trump administration.

Mr Powell's speech was less a surrender to politics than a reminder that central banking, at its best, is the art of measured judgement.

## Revealing Faces

When the settlement at Keeladi in Tamil Nadu first revealed its buried urban world, the conversation was about bricks, scripts, and the architecture of civilisation. Now, just weeks later, that conversation has taken a strikingly human turn. From the urns of Kondagai, only a few kilometres away, archaeologists have reconstructed the faces of two men who lived and died 2,500 years ago. For the first time, the past looks back at us not as shards or symbols, but as people.

The significance of this step cannot be overstated. Artefacts tell us about structures and systems; faces tell us about identity. To see the contours of cheekbones, the line of a jaw, or the imagined shade of skin is to be reminded that these were not abstractions but individuals who lived, traded, toiled and thought in a society far more sophisticated than once assumed.

To look into these reconstructed faces is to confront continuity itself ~ the timeless thread linking ancient lives with our own. The reconstructions also carry within them the story of ancestry.

Early findings suggest that the Keeladi people bore the genetic signatures of ancient ancestral South Indians, with traces of West Asian and Austro-Asiatic lineages.

In other words, they were not isolated, but part of the great web of human migration and exchange. Such evidence unsettles the convenient binaries that have long divided our history into neat compartments of "Aryan" and "Dravidian." It reveals instead that our beginnings are layered, plural, and interconnected.

There is politics in this too. Just as Keeladi's bricks once challenged the monopoly of the north in civilisational storytelling, its skulls now complicate simplistic claims of cultural origin.

The debate is not only about where civilisation arose, but about who its people were, and whether they can be claimed exclusively by one narrative or another. By putting human faces to that past, the reconstructions resist appropriation. They stand as reminders that no identity is pure, no lineage untouched by exchange.

For today's India, that message is timely. We live in a society quick to divide itself by language, region, or religion. Yet here is proof, written in bone and DNA, that our ancestors were both rooted and mixed ~ firmly of this land, yet open to the world. To acknowledge this is not to diminish heritage but to enlarge it, to embrace complexity rather than retreat into myths of singular origins.

The work at Keeladi and Kondagai is far from finished. DNA samples are degraded, reconstructions are interpretive, and conclusions remain provisional. But science thrives on refinement, not finality. Each discovery adds texture to a story that is still unfolding.

Three weeks ago, Keeladi compelled us to ask who gets to decide which pasts matter. Today, its faces whisper a gentler truth: that the past belongs to all of us, because it lives in all of us.

# Special Needs

*Deficiencies in the system not only keep children with disabilities away from education but also create an unfriendly environment where special educators struggle to perform their duties effectively. It is thus not surprising that 45 percent of individuals with disabilities remain illiterate, and only 9 percent are able to complete secondary education, thereby severely limiting their socioeconomic progress.*

India's education system, known for its scale and diversity, is often celebrated across the globe. However, hidden beneath this wide spectrum lies a crisis that continues to go unnoticed ~ the severe shortage of special educators, a problem that prevails in both government and private schools. This scarcity is impacting the education and future of children with special needs (CWSN) in a significant way.

Special educators are indispensable in providing appropriate guidance and learning to children with visual impairment, hearing disabilities, autism, and various other challenges.

Though the Rights of Persons with Disabilities Act, 2016 (RPWD Act) upholds equal opportunities for education, there exists no clear and enforceable mechanism to implement this promise effectively. According to UNESCO's 2021 report, around 75 per cent of children with disabilities are still unable to attend school.

While national initiatives like the Samagra Shiksha Abhiyan (SSA) and the National Education Policy 2020 commit to inclusive education, this commitment is rendered ineffective due to the dire shortage of trained special educators. As per 2023-24 data, although more than 25.48 lakh CWSN have been identified, only 12,000 to 15,000 trained special educators are available to cater to their needs.

One of the foremost reasons behind this shortfall is the limited number of training institutions for special education. Under the Rehabilitation Council of India (RCI), there are fewer than 800 institutes, which together produce fewer than 5,000 educators annually ~ a number far below the national demand. Moreover, many general teachers are ill-equipped to handle the needs of children with disabilities, primarily due to the lack of formal training in this domain.

Secondly, under the SSA, special educators working in government schools are paid very low salaries that remain stagnant over years. This inadequate compensation compels many educators to leave the profession in



search of better opportunities. On the other hand, private schools often hesitate to employ special educators citing financial constraints, and as a result, children with special needs are frequently denied admission.

Thirdly, there exists a glaring urban-rural divide. While special educators are relatively more present in urban areas, their presence in rural regions is negligible. Ironically, it is in these rural areas that the majority of children with special needs reside. The absence of incentives and adequate facilities discourages teachers from accepting placements in such regions.

Fourthly, many parents in rural India still perceive the education of disabled children as unnecessary. A deep-rooted social stigma, coupled with lack of awareness, prevents them from sending their children to school, thereby further reducing the demand for special educators. Lastly, many schools still lack basic infrastructural support such as wheelchair ramps, separate toilets, Braille material, and hearing aids.

These deficiencies not only keep children with disabilities away from education but also create an unfriendly environment where special educators struggle to perform their duties effectively. It is thus not surprising that 45 per cent of individuals with disabilities remain illiterate, and only 9 per cent are able to complete secondary education (NSS, 2018), thereby severely limiting their socioeconomic progress.

This issue calls for a structured and long-term solution that truly integrates children with special needs into the mainstream education system. One potential solution could be the introduction of short-term six-month training programmes in each district, wherein general teachers are trained in basic aspects of special education. This rapid up-skilling could help meet the growing

demand for special educators.

Such training must include awareness about different types of disabilities, teaching methodologies like Braille and sign language, and preparation of Individualized Education Plans (IEP). Both government and private schools should participate in this initiative, with the aim of preparing at least 50,000 special educators annually under the supervision of local education authorities.

Secondly, online platforms can be utilized to provide teachers with digital training, modules, and learning resources. A central portal can be created where teachers can submit

queries and receive expert consultation. This model will reduce costs, save time, and provide equal access even in remote areas.

Thirdly, increasing the salaries of special educators is a step long overdue. Better compensation will ensure teacher retention. Additional incentives should be provided to those serving in remote rural regions. For private schools, tax exemptions and government grants can ease financial burdens and encourage more hiring. These benefits should also be accompanied by official recognition, opportunities for career progression, and promotions.

Fourthly, awareness campaigns involving parents, local organizations, and the media must be conducted to change societal attitudes toward disability education. Gram sabhas, door-to-door campaigns, and interactive sessions on the importance of education can help shift mind-sets. As acceptance grows, enrolment of children with disabilities will increase, helping them access not just

education, but dignity and opportunity.

Fifthly, infrastructural improvements such as ramps, accessible toilets, Braille books, and hearing aids must be provided through government funds or public-private partnership models. These additions will not only support the children but will also enable the educators to carry out their responsibilities more effectively.

For these solutions to bear fruit, their implementation must be monitored meticulously. Data regarding the number of trained and deployed special educators must be regularly updated and reviewed through government records.

Analysis of this data will help measure progress and identify gaps. In addition, improvements in the school attendance and learning levels of CWSN should be tracked through enrolment records, attendance sheets, and exam results.

Parental feedback surveys can also serve as a valuable tool to assess satisfaction levels and the actual impact of implemented changes. Feedback on facilities, educator performance, and student development can be collected and reviewed every six months. Initially, an increase of 25 per cent in enrolment and 15 per cent in the number of educators can be set as benchmarks for success.

The shortage of special educators, although serious, is not insurmountable. Through appropriate policy interventions, community participation, and collaborative efforts from government bodies, private institutions, and civil society, this challenge can be met with resolve and responsibility.

If this proposed roadmap is followed with sincerity, it can open the doors of education to every child, regardless of their physical or cognitive limitations. This would not just be a success in terms of policy, but a historic step toward building an inclusive, just, and equitable future for all.



## A cure for the rice sector's ills

Agriculture Secretary Francisco Tiu Laurel Jr. warned last week that the rice tariffication law (RTL), considered by many as a landmark legislation when it was passed in 2019, now "threatens to kill" the rice sector. At a hearing called by the Senate committee on agriculture, food, and agrarian reform, he appealed for key amendments to Republic Act No. 11203, which was signed into law by former President Rodrigo Duterte in 2019 and amended in December 2024 by President Ferdinand Marcos Jr., specifically on the restoration of the regulatory and supervisory functions of the National Food Authority (NFA) on the rice industry.

On paper, the RTL had noble goals: Allow the private sector to import cheaper rice to stabilize supply and bring down retail prices for consumers and to help farmers improve their productivity by setting aside part of the tariff revenues into the Rice Competitiveness Enhancement Fund (RCEF) for farm mechanization, seed development and propagation,

expansion of credit assistance, and better extension services from the government.

The problem, as in many other laws, is in the implementation of the RTL. This is particularly evident in the law's objective of uplifting the income of farmers.

The Philippine Chamber of Agriculture and Food Inc. (PCAFI), commenting on the increase in the RCEF allocation to P30 billion a year from P10 billion, called on government agencies to do better in implementing the law. "The problem is in the implementation, and that's what we should look at because of the experiences in the past," PCAFI president Danilo Fausto said in a talk with the media last year. He cited the Philippine Center for Postharvest Development and Mechanization (PHilMech).

Despite studies showing that mechanized farming has a high potential impact on boosting production, a 2023 COA report showed that PhilMech disbursed only 44 per cent or P2976 million of its P78-billion



budget in 2022. The RTL also failed miserably in its other goal of bringing down rice prices for consumers. While the imports helped stabilize the supply of the food staple in the market, retail prices did not go down as much as they should. In February 2021, the Federation of Free Farmers had already argued that middlemen who act as intermediaries between local farmers and consumers were the primary beneficiaries of the RTL. It based this conclusion on data from the Philippine Statistics Authority from 2017 to 2020 showing the differences in retail, import, and wholesale rice prices before and after the enactment of RTL in 2019. "In other words, middlemen pocketed most of the gains from cheaper imports while giving only loose change to consumers," it pointed out. Addressing these problems plaguing the RTL will need a dedicated agency to regulate the rice sector and go after unscrupulous traders and middlemen who are motivated by greed alone.

This lack of oversight on the role of

traders and middlemen in the liberalized rice industry has caused problems such as price manipulation, which results in high retail prices even when supply is more than sufficient, and fraud such as in the case of the alleged rice repacking scam ~ wherein old rice was mixed with imported rice and sold as new ~ uncovered during a raid by the National Bureau of Investigation in Bulacan in February this year.

Tiu Laurel noted that by fully liberalizing rice imports, the RTL unintentionally undermined the Department of Agriculture and the NFA ~ "stripping us of the ability to intervene and protect this most vital of commodities."

However, the big question if ever the NFA's regulatory powers are returned is: Can the agency function and wield its regulatory powers to the benefit of both farmers (through higher incomes by increasing their productivity) and consumers (through low prices of rice in the retail market) given its poor track record even before the rice sector was liberalized?

Letters To The Editor | ✉ editor@thestatesman.com

### Vital lesson

**Sir,** The article 'Active Bystanders' published yesterday is a beautiful piece of writing which analyses with many notable examples the term 'Bystander Effect' pertaining to modern psychology.

The contrast in actions of the mythological Jatayu, an old vulture fighting Ravana to resist Sita's abduction and the controlled silence of warriors and elders witnessing Draupadi's insult in full court is quite thought-provoking and proves that groups often create diffusion of responsibility while intervening alone shows victory of dharma, despite conceding a physical defeat.

This also reminds us Rabin dranath Tagore's great message for humankind ~ "Akla Cholo Re" (Let's venture alone, if others do not respond). It is true that Active Bystander Intervention Training by way of four Ds - Distract, Disrupt, Delegate, and Document has the potential to address a wide range of societal challenges especially crimes against women and children. But in today's age, documentation sometimes appears driven by temptation of publicity through social media instead of actual intervention in the situation. Moreover in some cases a section of people is also seen to support or try to cover up these seemingly powerful perpetrator(s) unethically only for personal benefit.

The courage shown by ambulance driver Arif Rashid, Constable Kamlesh Kumari and e-rickshaw driver Brahm Dutt that saved many lives and the result of a casual chat between two scientists that delivered the mRNA vaccine during the Covid-19 pandemic and won them the Nobel Prize can really transform into a good teacher's lesson for us all including our children ahead of Teachers' Day.

Yours, etc., Sukhendu Bhattacharjee, Sheoraphuli, 26 August.

#### Chained

**Sir,** For decades, the Northeast has been chained to a clock that does not belong to us. Our mornings

blaze with light while Delhi still sleeps, our evenings drown in darkness while the rest of India basks in sunset. Yet our lives are dictated by an alien timetable, as though the rhythm of our land counts for nothing.

This is not inconvenience. This is erasure. It is the daily theft of our daylight, the waste of our labour, the silencing of our dignity. By the time offices open, half our sun has already set.

By the time schools end, children walk home through shadows. We burn electricity to fill hours that nature already gave us, because governance refuses to see what every villager, every farmer, every student already knows ~ that our

land runs on a different sun.

Scientists have said it. Committees have urged it. Generations have demanded it.

Yet Delhi resists, as if recognising our difference will weaken India. But what weakens India is this stubborn denial, this insistence that one centre's shadow must stretch across every sky.

We do not ask for indulgence. We demand fairness. A separate time zone is not whimsy ~ it is science, it is economy, it is justice.

If this nation truly believes in equality, let it begin with the clock. Give the Northeast its rightful time.

Yours, etc., Noopur Baruah, Tezpur, 25 August.



# Buddha and Marx: Two paths to similar goals

PATRANGA BASU

Two great personalities on earth – the Buddha and Karl Marx – propagated their ideals in different fields of thought in different times. The Buddha, born in 563 B.C., is perceived to be the founder of a new religion whereas Karl Marx, who was born in 1818 A.D., is known for his philosophical ideas in relation to politics and economics. Another eminent personality Dr B R Ambedkar explored comparison of the ideas of these two personalities in his treatise ‘Buddha or Karl Marx’ published in 1987. Earlier he delivered a historic speech on this subject on 20 November 1956 at the 4th World Buddhist Conference held at Kathmandu, Nepal.

Ambedkar wrote: “A comparison between Karl Marx and Buddha may be regarded as a joke. There need be no surprise in this.” In his essay, he attempted to investigate the failings of Indian society, particularly in regard to caste discrimination, by comparing the teachings of the Buddha and Marx. He commented, “Nonetheless a comparison between the two is attractive and instructive” and offered the proposition that “if the Marxists keep back their prejudices and study the Buddha and understand what he stood for I feel sure that they will change their attitude.”

Ambedkar remarked that the Buddha is generally associated with the doctrine of ‘Ahimsa’. He said the creeds of the Buddha, as laid down in the ‘Tripitaka’, are that ‘religion is necessary for a society and religion must relate to facts of life and not to theories and speculations about God or Soul or Heaven or Earth’. “Nothing is infallible. Nothing is binding forever. Everything is subject to inquiry and examination. Everything is impermanent.”

On the other hand, according to Ambedkar, “Marx was more interested in proving that his socialism was scientific. His crusade was as much against the capitalists as it was against those whom he called the Utopian Socialists. He disliked them both.” Marx meant his brand of socialism was ‘inevitable’ and ‘inescapable’ and that society was moving towards it.

In the words of Ambedkar, “Marxism is a broad philosophy developed by Karl Marx in the second half of the 19th century that unifies social, political, and economic theory.” But he believed there was hardly any doubt that Marx’s claim that his socialism was inevitable had been completely disproved. Ambedkar also opined that “Nobody now accepts the economic interpretation of history as the only explanation of history.” Marx’s contention was that the forces which shape the course of history are primarily economic.

However, Ambedkar did not completely discard Marxism. He wrote: “What remains of Karl Marx is a residue of fire, small but still very important.” He believed Marxism aims to produce equality. The function of Marxian philosophy is to reconstruct the world. There is class conflict in society and according to Marx there are two classes in the society – the oppressor and the oppressed. Marx propagated that “private ownership of property brings power to one class and sorrow to another through exploitation.”

There are similarities between the Buddha and Marx. Both of them had a common goal i.e. a reorganization of society so that people could lead happy lives. Secondly, both of them shared the view that there is conflict in society though the nature of conflicts described by them differs.

Buddha recognized conflicts between kings, between Brahmins and others, between house holders, between family members and acknowledged these are the true pictures of society.

Another observation of Ambedkar, made in a different context, is relevant: “It may be an exaggeration to assert the theory of class-conflict, but the existence of definite classes in a society is a fact. Their basis may differ. They may be economic or intellectual or social, but an individual in a society is always a member of a class. This is a universal fact ...”

Misery and exploitation of the poor people of society were major concerns for both of them. Buddha and Marx both believed private ownership of property brought misery in the lives of the masses. Buddha said, “I have said that avarice is because of possession.” Buddha viewed suffering as universal and said it comes from desire and attachment.

However, the means recommended by Buddha and Marx to end human suffering and to establish a just and happy society are different. While Buddha suggested individual transformation, Marx aimed to end suffering through social revolution. One looks inward for peace, the other looks outward for justice. Buddha adopted a non-violent, introspective path, while Marx advocated for a revolution, and collective action to overthrow capitalism.

However, Ambedkar articulated the view that “the means propounded by Buddha are superior to those of Marx.” According to him Buddha adopted a means to convert a man by changing his moral disposition and follow the path voluntarily. “His main means to alter the disposition of men was his Dhamma and the constant preaching of Dhamma”, while Marx insisted on violence



and dictatorship of the proletariat. Though violence cannot be dispensed with altogether, it leads to death of human beings and destruction of private property. Buddha was against violence but permitted the use of force only when it is required to establish justice.

Buddha was never a dictator but a democrat all through his life. He established democratic rules and equal rights in the Sanghas of the Buddhist monks. Ambedkar acknowledged that dictatorship for a short period, used to establish and to remove obstacles in the way of democracy, is good and welcome. He cited the example of King Ashoka. But, according to him, a permanent dictatorship infringes freedom of the masses. Dictatorship is often defined as absence of liberty.

The conclusion is that the differences between the Buddha and Marx are about the means but the end is common to both.

Ambedkar asserted that a government established by force does not last longer than a government by moral disposition. It gives the finest picture when moral force prevails over brutal force. Buddha stressed upon the morality of people so they that they would become sentinels of a righteous kingdom. Thus, the means of the Buddha were more efficacious than those of Marx.

Ambedkar was very perturbed by caste discrimination, particularly untouchability that prevailed in Indian society. He often denounced it and fought for upliftment of the oppressed class and for establishment of a just society. He wanted a new foundation of society based on ‘Fraternity, Liberty and Equality’ in line with the spirit of the French Revolution. But he said, “It seems that the three can coexist only if one follows the way of the Buddha. Communism can give one (i.e. Equality) but not all.”

Since the days of the Buddha, Marx and even of Ambedkar, society has changed substantially. India has now been an independent republic for more than 75 years and has a global presence. The economic system and growth determine a lot in the society. But a just society visualized by Ambedkar is still conceivably unaccomplished. A socio-economic transformation is still sought in the society.

There is confidence among visionaries that one day the submerged section of society will gain sovereignty and a new social order will emerge. The writings of Ambedkar impel us to rethink both Buddhist doctrine and Marxist discourse about societal change and equality.

(The writer, a Cost Accountant, retired from a public sector power utility.)

## 100 Years Ago



Front page of The Statesman dated 27 August 1925

## OCCASIONAL NOTE

To-day we are enabled to publish a wireless message from Great Britain, the first that has been received in the official service from Leafield since April last. The circumstance has a double interest for it suggests the ending of the monsoon, which has caused the break in the flow of news, and it again puts us in the most direct touch with Homo. There is a hope that with the higher power that will shortly lie available for the wireless service to India the present interruptions will be overcome. So far the victory has lain with the monsoon over all the efforts of the engineers and electricians, but it is hoped that nature will have again to acknowledge defeat. Unless it does the wireless service to India will be of only limited value. Until it can be absolutely depended upon it is not an adequate substitute for the cables nor even a satisfactory supplement to their work.

## News Items

### PLANS OF CURRENCY COMMISSION

## VISITS TO CALCUTTA AND BOMBAY

London, Aug.

On his return from holiday this week the lit. Hon'ble Hilton Young will confer with the India Office regarding the procedure and preliminaries of the Currency Commission. No date has yet been fixed for the Commission's visit to India, but it is understood that it will arrive in India just before Christmas. Before making any tour the Commission will confer with the Government of India. So far only visits to Calcutta and Bombay have been arranged, but the bulk of the evidence will be taken in Delhi. It is likely that the members of the Commission at present in India will be requested to come to England early in the autumn, as the Commission will take evidence in England before leaving for India.—Reuter.

## PURPOSE OF SCIENCE

## BRITISH PROFESSOR'S TRIBUTE TO INDIA

London, Aug.

In his presidential address before the British Association at Southampton, Professor Horace Lamb discussed the nature and purpose of science, and expressed the opinion that quarters exhibiting suspicion and dislike of science were now political rather than ecclesiastical. Habits of sober and accurate analysis promoted by science were not always favourable to social and economic theories resting mainly on emotional bases. Referring to the disappointment and the disillusion sometimes expressed, in that science had not produced a new era of prosperity and international reconciliation, Professor Lamb pointed out that science was unable to improve human nature. He claimed, however, that science tended to increase the intellectual material and even aesthetic possessions of the world. Dealing particularly with Geophysics, the Professor regretted that its observational side had been neglected in England and paid tribute to the geodetic gravitational work done most efficiently in the Survey of India.—Reuter.

## RUN ON A BANK

## FALSE RUMOUR LEADS TO WITHDRAWAL RUSH

Bombay, Aug

Owing to a false rumour circulated in the city, there was a “run” on He Central Bank of India on Tuesday. All the offices of the Bank were kept open till 9-30 last night, and all demand for withdrawals promptly met. The public soon realized there was no truth in the false reports which had gained currency and the rush was soon over. Mr. Pochkhanawalla, managing director, stated that the run occurred owing to some misunderstanding due to the similarity in the names of one of directors of the bank with a person who had recently been reported to be in difficulties. He declared emphatically that the bank had no dealings with any sugar and wool, merchants alleged to be in difficulties.

# Onus on US to propose new trade system

LEEJAE-MIN

Jamieson Greer's declaration (New York Times op-ed on 7 August) that the World Trade Organization system has now run its course, and a new “Turnberry system” should take over, is sparking repercussions in the global community. After years of innuendos and insinuations, he finally points out the elephant in the room. As far as I can remember, this is the first time that a high-ranking official of the United States has officially mentioned a new “system” to replace the WTO instead of improving or reforming the Geneva-based international organization.

At least it seems to be a candid statement on the part of the United States after all the hype on a parade of tariff measures for the past seven months, and to expand it further, after all the US criticism and frustration directed at the WTO since 2016 when Washington began to block the appointment of adjudicators of the WTO's Appellate Body.

It is sad to hear of the possible demise of the 78-year-old system (counting from the General Agreement on Tariffs and Trade) from the member with the largest economy in the 166-member organization, and the very member who created it in the first place. Oddly enough, though, to some extent, it also feels relieving that we have a candid statement finally.

At least this remark could mark the beginning of the global discussion for an orderly retreat from the current regime and for the shaping of a new one.

Now, the United States needs to propose a specific plan for a new system, beyond the praise for the success of tariff measures, unfair trade practices of its trading partners and the failures of the WTO. As has been so well evidenced for the past couple of months, US trading partners are all ears; they are ready to listen and most probably accommodate whatever comes from Washington. What has happened in the 2025 tariff whirlwind and what is still happening at the moment are merely give-and-take transactional deals at a bilateral level to account for alleged US losses so far. They are “deals” indeed, but do not constitute a “system”. Bilateral deals are not a system – there is nothing systematic about them.

And yet, for the first time, Washington talks about a new system for global trade.

It then needs to follow up with key elements to be included in a new system. Calling it just the “Turnberry system” does not solve the problem. Nor does repeating the failings of the WTO. Key elements and core components of the new system that Washington envisages should be organised and presented. It will then become a template for a new negotiation, hopefully on a

global scale, or at least among the critical mass of countries.

Plausibly, a new template may address, for instance, unilateral tariff measures and a broad national security concept, as the United States has experimented with this year. If these novel experiments are here to stay and they are the way we should proceed, then they need to be elaborated and systematized. Something needs to be written down, and an instrument should be prepared for there to be a meaningful discussion of a new “system.” Greer's remarks do not offer these details.

The past 10 years have shown, and the past seven months have dramatically visualized, that a global economic regime that the United States does not endorse could hardly survive, let alone the one it refuses. That said, now is the time for it to put on the table a concrete plan for the future, a plan that it desires. Enough of criticism and enough of disappointment.

Many countries are eager to hear from the United States about its plan to restructure the current regime and begin a new one. The plan doesn't have to be in complete form with water-tight logic. But it should at least offer a template or framework with key US ideas and suggestions in it. Details can follow. Fine-tuning may come in due course.

Once a proper occasion arises, hopefully as soon as feasible,



Washington should bring forward this template. Other countries will then react. But I would doubt those reactions will turn out to be a significant stumbling block, or delay and complicate the building of consensus on the essence of the new US-proposed system, given the tariff responses of many countries this year. APEC 2025 to be held in South Korea in late October seems to be one of the candidates for such an official announcement forum. Other venues may be contemplated as well.

Now that bilateral tariff negotiations are coming to a close one way or another, and the official announcement for the pursuit of a new system for global trade has been made, it is time to think about the basic contours of the new system seriously. As the country that

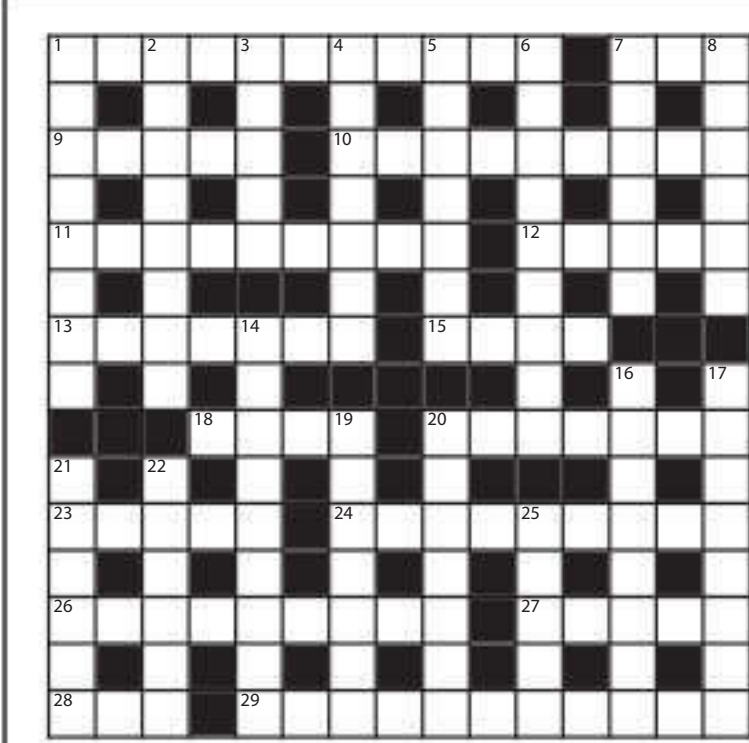
designed the current regime and also as the country that discredited it, it is the United States that should come up with a specific proposal for the next step.

It feels almost surreal to see the near absence of the WTO during the tariff debates and negotiations of the past seven months. Few, if any, have ever talked about the WTO Agreements. Fewer have referred to FTAs, bilateral arrangements operating under the WTO umbrella. Now, no more beating around the bush. No more national security excuses to get away with WTO/FTA obligations here and there.

It is time to initiate a candid discussion. If the WTO's decline is irreversible, the global community needs an alternative system. Greer's statement is the first step in that direction.

The Korea Herald/ANN.

## Crossword | No. 293224



### Yesterday's Solution

V M D V B A E P  
A P O L O G I S E V I L L A  
N R R M A L T I E S L  
T R A Q I B L I N D S P O T  
S S N L T H R  
H O S T I A G E T H E L A D Y  
E T T L X  
S U S H I O W E P E T E R  
T O P O I A  
B R O W N I E F U S S I O T  
O N R O I O T  
G R E A T B E A R T W I N E  
A A R T M L I N E S  
R O G U E T I A F O R T W O  
T E E A T N S N

### ACROSS

- Notorious kung-fu exponent playing a concertina (4,7)
- Large bird once seen among Jerusalem Oaks (3)
- Waste pipes clergyman picked up (5)
- Insist VAT is scrapped for those who favour established inhabitants (9)
- High-energy light meal prepared to entertain a European (5,4)
- Run – I'm scared opening of

- Surströmming will produce unpleasant smells (5)
- Fine associated with crime where deliveries are made (5,2)
- Cut of meat from beast's twisted innards (4)
- Drugs reported to aid peacefulness (4)
- Explain a good way to find the right gardening tool? (4,5,2)
- Besides tea houses, where might you encounter The Blues? (7)
- Remains while chap has series of tests (5)

- Wailing singer returns with topless sailor (9)
- Maybe residents of Athens, Greek originally, organise dancing (9)
- Patent, perhaps, on plugs for small computers (5)
- Badger, one caught in empty netting (5)
- Explain a good way to find the right gardening tool? (4,5,2)

### DOWN

- Old West lawman carries personal protection (8)

- Current racket almost overthrown after 50% of income is cut (8)
- President's national barrier (5)
- Grandma impatient for fabric (7)
- Flawless atrium evenly coated with gemstone (7)
- Computers and such held back in hostile market (9)
- Aerosol merits getting sprayed (6)
- Lend a hand to musician scoring introduction to ballad (6)

- Celebrity autographs reveal Leo and 11 others (4,5)
- One pursuing partisan struggles (8)
- Interrupts pub singer's endless barking (6,2)
- Mimic large bird – teal, perhaps (7)
- Lawyer Morocco unselfishly protects (7)
- Rabbit? Exactly (4,2)
- Cram right into skimpy underwear (6)
- A sharp noise that's echoing (5)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)





## Faltering connectivity

Need to address operational challenges to make UDAN work better

**INDIA IS ONE** of the fastest growing domestic air travel markets globally but the government’s ambitious plans for regional connectivity to smaller cities by providing affordable air travel through its Ude Desh ka Aam Nagrik scheme (UDAN) is still a work in progress. Since this demand-driven scheme kicked off in 2017—with the first inaugural flight between Delhi and Shimla—15 million passengers have availed of UDAN. But this regional connectivity scheme’s passenger count has plunged by 57% to 1.4 million passengers in FY25 from the peak level of 3.3 million in FY22. The numbers make for dismal reading. Currently, 637 out of the 915 valid routes have been operationalised, connecting 92 unserved and underserved airports, including 15 heliports and two water aerodromes across the country. Nearly 80% of the 92 airports still remain unserved. As if all of this weren’t bad enough, 222 routes under the scheme have been discontinued since 2020 as airlines like Air India and Akasa Air do not fly on them. This does not augur well for the scheme’s success as it depends on participation by the established airlines.

The UDAN scheme, which was intended to democratise aviation, clearly is at the crossroads and needs focused policy interventions to make it work better. Although the government offers viability gap funding—around ₹4,160 crore, including ₹2,233 crore between FY23 and FY25—to incentivise private airlines to provide subsidised air travel, these operators make their own assessment of demand to participate in this scheme. To be sure, there are serious challenges of providing flight services in hitherto unconnected regions, including low passenger demand, low visibility at certain airports, and a shortage of aircraft. Pakyong airport in Sikkim, built at 4,600 feet above sea level, exemplifies some of these challenges as flight operations to Kolkata have been frequently affected due to visibility issues and poor weather. If flights are suspended due to these challenges, this is bound to impact the economics of participating in the UDAN scheme even after all the subsidies are factored in. If a decent return is elusive, established airlines, including the smaller ones, are unlikely to be enthusiastic about UDAN.

The upshot is that UDAN can take off only if it makes business sense for the players. Operating in a high-cost environment—a problem that afflicts the domestic civil aviation industry as a whole—is indeed challenging. Government policy can certainly improve this state of affairs by lowering taxes on aviation turbine fuel (ATF)—which accounts for 40% of operating costs—by including petro products in the goods and services tax regime. The Centre has sought to remedy this state of affairs by capping excise duty at 2% on ATF purchases at regional connectivity scheme airports for the first three years.

The various state governments have also committed to reducing the value added tax on ATF to 1% or less for 10 years and providing fire and utility services at reduced rates. Addressing issues like last-mile connectivity from the city centre to the airport, frequent flight diversions or cancellations due to weather will also help. There is also a need to step up viability gap financing and budgetary outlays. The budgeted estimate for 2025-26 of ₹549 crore for the UDAN scheme is a third lower than the revised estimate for the previous fiscal.

## China's stock boom is not a repeat of 2015

**CHINA IS IN** the midst a stock boom. The blue-chip CSI 300 Index is up 9% so far this month, while the tech-heavy ChiNext Index has soared 18%, leaving the S&P 500 in the dust. As animal spirit starts to awaken, there are concerns that we are seeing a repeat of 2015—a euphoric rally in the first half of the year followed by an equally spectacular bust that sent the CSI 300 tumbling 47% on concerns gains were unsustainable.

The current economic backdrop certainly draws parallels. There has been producers’ deflation for almost three years, the longest spell in a decade. The government is talking about ending the price wars that have been eroding corporate profits, reminiscent of the so-called supply-side reform introduced in 2015. Margin transactions, a measure of risk appetite, are at a decade high.

How can the stock market be doing so well while the economy is in deflation? It looks like China is once again entering a liquidity-driven bubble.

Before reaching this conclusion, however, it’s worth asking which companies are market darlings and whether their earnings justify investors’ love.

Unlike a decade ago, when the central bank’s interest rate cuts triggered the stocks frenzy, artificial intelligence is underpinning the latest rally, creating new mega caps along the way.

A new China-buys-China narrative is rapidly taking hold. Last week, DeepSeek released an upgrade to its flagship V3 model, changing configurations to accommodate the next-generation of home-grown chips. Meanwhile, Nvidia Corp. reportedly halted production related to its H20 AI chip, which is tailor-made for the Chinese market, after Beijing told tech companies to stop buying them due to national security concerns.

In other words, China not only wants its own generative artificial intelligence (AI) models, but to power them with its own hardware, too. Listed companies that had passed DeepSeek compatibility tests, including Beijing-based chipmakers Cambricon Technologies Corp. and Hygon Information Technology Co., have soared in value.

Meanwhile, as the earnings season unfolds, the report card is not bad at all. Among the 65 tech firms in the CSI 300, 28 have released second-quarter earnings, with average sales and profit growth of 11.4% and 15.5% respectively, the best in a year. Revenue at Hygon, whose shares have jumped 51% this month, rose 41% from a year ago.

At the beginning of the year, the arrival of DeepSeek’s surprisingly good large-language model animated the Hong Kong bourse, where China’s biggest consumer tech firms are listed. The likes of Tencent Holdings Ltd. and Alibaba Group Holding Ltd. touted their own reasoning models, piggybacking on DeepSeek’s success.

Now, we are in the next phase of AI’s transformation of Chinese equities. The focus is on infrastructure names. This time, mainland bourses, where younger hard tech firms often go public, are the bigger beneficiaries. They are simply playing catch-up to Hong Kong, a phenomenon not seen in 2015.

At first glance, some of the valuation metrics can be daunting. Market darling Cambricon, for instance, trades at 66 times forward sales, well above Nvidia’s 19 times, which in itself is expensive. But we are looking at a revolutionary technology at an early evolutionary stage. Before monetisation starts to take shape, it’s too early to say whether a stock is overvalued or not. It would be better to gain exposure to the overarching theme instead. Goldman Sachs Group Inc., always forward-looking, lifted its price target on Cambricon by 50%, valuing the company at nine times 2030 sales.

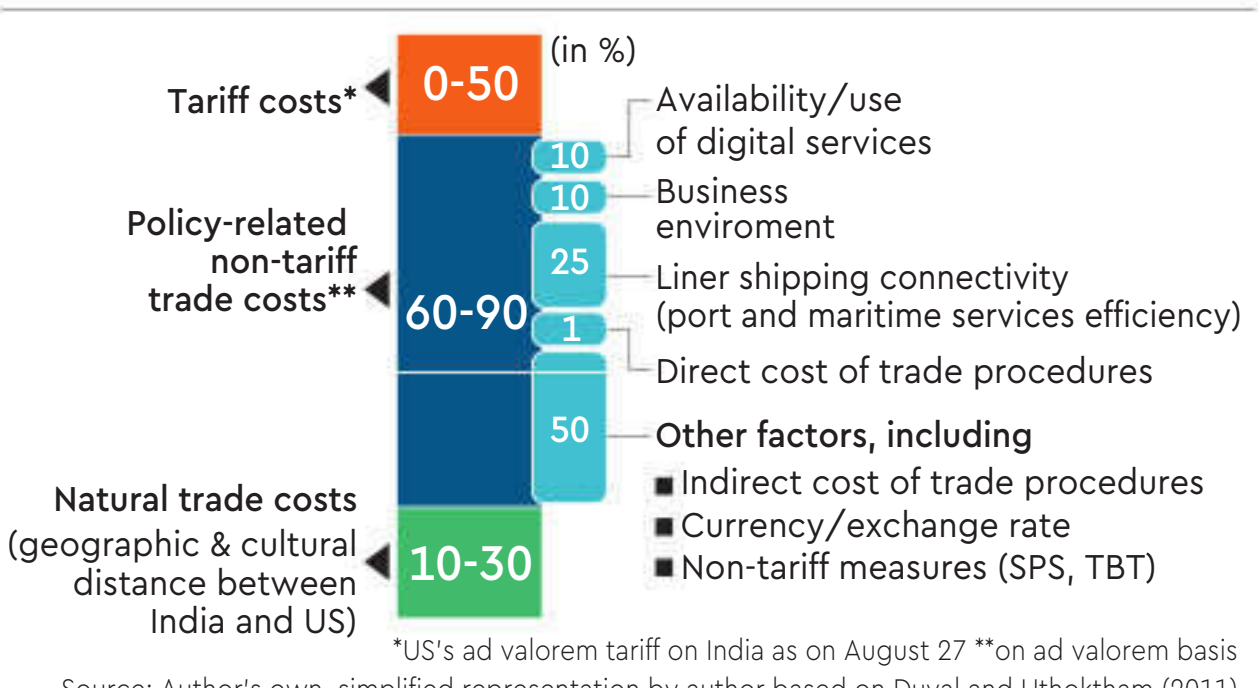
Most of us agree by now that AI is disruptive. As such, investors must avoid linear thinking and drawing too many parallels with the past. Amidst all the frenzy, China’s \$12-trillion market is just trying to find its own version of Nvidia.

**COSTS OF TRADE**  
NO OR LOW DIVERSIFICATION MAY THREATEN MILLIONS OF LIVELIHOODS IN INDIA

# Dealing with US tariffs

**PRABIR DE**  
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## TARIFF AND NON-TARIFF IMPACT



[SPS], technical barriers to trade [TBT]] will be critical for Indian exports. Taken together, the ad valorem impact on India’s exports is very high, making the goods expensive and less competitive. A container load of leather goods will have to pay much more than 50% additional tariff, thereby damaging India’s market access to the US. Border barriers pose a great threat to India’s export and bilateral trade relations.

Let’s delve deeper. India’s seafood export to the US will be heavily impacted by the 50% tariff. The US accounts for 35% of India’s seafood exports (worth \$2.8 billion in 2024-25). The US has already imposed 25% duty on July 30. It imposed a 10% anti-dumping duty on India’s shrimp exports last year. Therefore, Indian shrimp exports will face 60% duty August 27 onwards; the remaining seafood exp-

orts will face 50%. Besides, the USFDA and other American authorities have imposed stringent quality standards on shrimp exports, adding to the costs. New quality standards may be imposed. While the non-tariff trade costs are not country-specific, those facing lower tariffs than India will gain market access in the US. Eventually, India’s shrimp exports to the US will be replaced by Vietnam and Indonesia since they face 20% and 19% tariff respectively. China and Japan are the second and third largest importers of Indian shrimps. Diversification is likely to happen. No or low diversification may threaten the livelihoods of several million people.

There is no room for complacency either. For example, India enjoys zero duty on smartphone export to the US, whereas China pays 20% tariff. Although

smartphones remain exempt under the April 11 tariff exemption list, the US could alter the advantage into net costs by imposing differential tariffs under Section 232. While air shipping is feasible for light products such as smartphones, the impact on our exports to the US will be more due to a rise in ad-valorem shipping costs since these sharply go up in product weight/value ratio.

The Indian rupee may face downward risks if the tariff war continues, and unemployment is likely to rise if India fails to cope with the challenges. Indian states are clueless. So, what is the way forward?

Since the US is India’s second largest trade partner, the immediate challenge is to minimise the impact of the 50% tariff. Next is recalibration of India’s export strategy with a particular focus on market diversification. Indian foreign policy has to play a role in cushioning the impact. Market diversification is not so easy. It takes time. This is a time to vigorously pursue new bilateral and regional trade pacts. A bilateral trade deal with the US in favourable terms may lessen the burden on Indian exports. There is also a need to focus on regional integration. India is yet to utilise the \$5-trillion Association of Southeast Asian Nations (ASEAN) market. Completing the ASEAN-India Trade in Goods Agreement review or signing the free trade agreement with the European Union will offer great opportunities, particularly to micro, small, and medium enterprises.

India also has to deal with several fault lines in new product and process standards affecting its trade. In a fractured global order, supply chains are reconstructed and restructured linearly. Participating in such new supply chains may help India join global value chains. Dodging the high tariff through investments in the American market is also a way to expand trade from the US to the world. Here comes the need for trade and investment facilitation. Until India moves fast, China will continue to reap the rewards.

*Views are personal*

# Don’t rise to any bait from Trump

**NIRVIKAR SINGH**  
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**THE TRUMP TARIFF** saga continues to follow a winding path with unexpected twists and turns. Dealing with the situation is a bit like playing a video game, where hazards and monsters keep appearing and difficult decisions must be made at many stages without a clear sense of what lies ahead. In this case, the “final boss” does not just come at the end, but appears repeatedly. Luckily, in the current reality, just like in video games, there are second chances, and the lessons of past failures matter.

Donald Trump started out with some biases against India. He viewed it as a very closed market for US products, which it has been, relative to many other countries. Matters were made worse by his inherent biases against people who do not look like him, or have the kinds of looks that he finds attractive. Trump also is sensitive to power, and India lacks the kind of power that he pays attention to. He is susceptible to flattery, and—at least as far as I can tell—India’s leaders have not done as much in that direction as many others (even the secretary-general of the North Atlantic Treaty Organization).

Some Indian commentators have described Trump as crazy, but he is not that at all. He is very rational in terms of pursuing his own self-interest. He wants to be viewed as powerful and accomplished, and he does not care too much about anyone else in the world (except

perhaps some of his family members). He does lack the ethical boundaries that most people have, though he is not unique in that respect by any means. He does interpret reality in a manner that is heavily influenced by his personal needs, but that is also not uncommon.

What has happened in the case of India was driven by all these factors and by the evolving geopolitical situation.

Trump is desperate for some kind of peace in the Russia-Ukraine war. He is unable to stand up to Vladimir Putin because the latter holds all the cards and knows how to play the former. India became a pawn in trying to pressure Putin to negotiate, but that went nowhere. The summit between Trump and Putin ended with Trump meekly withdrawing demands for a ceasefire and touting “security guarantees”, which are connected to Russia keeping and acquiring territory. This will likely not be worth anything down the road.

Meanwhile, India’s leaders and its people have reacted with ruffled feathers and sometimes outrage. India has jumped to Russia and China as partners and allies, old and new. This is not necessarily a bad thing. Prominent Indian-American commentator Fareed Zakaria

has bemoaned the loss of trust between India and the US, which he sees as having evolved over the last 25 years, and has now suddenly evaporated. In a world of realpolitik, this seems like a naïve view. Trust matters, but Trump is somewhat special among world leaders in being untrustworthy. Just as “friend-shoring” was a nice name for pursuing US strategic interests, Trumpism—the pursuit of whatever makes Trump look good—will ultimately devolve to US strategic interests.

It is true that many of Trump’s advisers are toeing his line, and one or two of them are wedded to the economic illiteracy behind his tariff policy, which is hurting every country it affects—the US most of all. But things will change, withdrawing demands for a ceasefire and touting “security guarantees”, which are connected to Russia keeping and acquiring territory. This will likely not be worth anything down the road.

Meanwhile, India’s leaders and its people have reacted with ruffled feathers and sometimes outrage. India has jumped to Russia and China as partners and allies, old and new. This is not necessarily a bad thing. Prominent Indian-American commentator Fareed Zakaria

**Sometimes, there are costs of commitment, as the lock-in to Russia as a military supplier demonstrates. But some risks have to be taken**

implemented well, these reforms may reshape India’s future. —RV Baskaran, Pune

## US’ new India ambassador

The nomination of Sergio Gor, White House personnel chief and close Trump loyalist, as the US ambassador to India and special envoy for South and Central Asia introduces new complexities for New Delhi’s diplomatic calculus. While some commentators view this as an

opportunity for India to secure better trade terms, such optimism seems misplaced. Gor’s loyalty to Trump and the President’s insistence on isolationist trade policies mean New Delhi should expect continuity in Washington’s tough stance on tariffs and market access. Taken together, these factors raise doubts over the stabilisation of Indo-US relations. —Amarjeet Kumar, Hazaribagh

●Write to us at [fletters@expressindia.com](mailto:fletters@expressindia.com)



OUR VIEW



# Trump’s latest grumble: Keep calm and carry on

His new tariff threat aimed at countries seen to defy US Big Tech interests must not disturb India’s digital legislative agenda. It’s our call. The same goes for a revival of the ‘Google tax’

The Donald Trump administration has notified its extra 25% tariff on merchandise imports from India, set to take effect from 27 August. True to form, the US President also warned of fresh barriers against countries whose taxes, legislation and regulations are seen to target US Big Tech companies. With a wide range of Indian goods facing a 50% levy now, it scarcely matters if this hurdle gets pushed further up. It’s bad enough that Trump’s ‘reciprocal’ levy of 25% on our shipments was higher than the 15-20% he levied on those of rival exporters. This gap could plausibly have been offset by efficiency gains in production and logistics, plus speedier customs clearances. But the additional punitive layer of 25%, meant to punish India for buying Russian oil, puts the US market out of reach for Indian producers in several categories. Unfortunately, this might not be the end of it. How we should respond has stirred a lively debate around our national interest as a rallying point.

At one level, being shut out of the US market for various goods will spell an economic setback. At another, Trump’s selective diplomatic aggression has placed New Delhi in a spot. While China and the EU have gotten away with larger supplies of energy from Russia, fall-guy treatment has been meted out to India. Patience could well be a virtue in these circumstances. Should the US be forced to rethink its trade reset—as may happen once the dust settles on its impact to reveal job losses and slower output growth in America—we shouldn’t be singled out again. That means ruling out retaliatory measures. It also means going ahead with economic plans to strengthen the Indian economy in diverse areas. The latter should include

reforms in the field of digital commerce. For example, India has a Digital Competition Bill in the works that seeks a level playing field for Indian players alongside Big Tech players that happen to be American. Any dominance of a digital market needs safeguards against its abuse. So the bill aims to curb common malpractices like self-preferential business policies, bundled services, unfair pricing variations, unjustified bars on users, restrictions on third-party applications and the misuse of data access privileges. These do not constitute what Trump has warned against, an ‘attack’ on US Big Tech, even if these firms resist such rules. We should make it clear that new norms would apply to all digital companies that acquire market heft, regardless of national origin.

The equalization levy—or ‘Google tax’—on foreign service providers that India axed ahead of trade talks with the US was widely seen as a giveaway to Big Tech. Whether or not to reinstate it should be part of a pragmatic calculus. As this tax yielded meagre revenues of around ₹3,500 crore, its elimination wasn’t a fiscal blow and pique at the turn of events since then is no reason to revive it. Our policy focus should be on relief for those in distress. Rather than offer subsidy support, we should spend scarce resources on ways to boost our competitiveness and target new markets. We need structural changes that would lower the cost of capital for small enterprises that make up a major chunk of Indian industry. A vibrant market for corporate debt could help non-bank lenders fund such units cheaply. An effort to hasten payments to small suppliers of big companies, via an improved Trade Receivables e-Discounting System, would aid them too. What Trump says or does should matter less as we go along.

GUEST VIEW

# Sovereign AI must aim to amass soft power more than hard gains

Developers of trustworthy AI models that empower us could find a ready market across the globe



**REN ITO**  
is a former Japanese diplomat and co-founder of Sakana AI.

AI leaders like OpenAI and DeepMind see themselves as being in a race to build artificial general intelligence (AGI): a model capable of performing any intellectual task that a human can. At the same time, the US and Chinese governments see the AI race as a national-security priority that demands massive investments reminiscent of the Manhattan Project. In both cases, AI is seen as a new form of ‘hard power,’ accessible only to superpowers with vast computational resources.

But this view is both incomplete and increasingly outdated. Since the Chinese developer DeepSeek launched its lower-cost, competitively performing model earlier this year, we have been in a new era. No longer is the ability to build cutting-edge AI tools confined to a few tech giants. Multiple high-performance models have emerged around the world, showing that AI’s true potential lies in its potential to extend soft power.

The era of bigger-is-better models ended in 2024. Since then, model superiority has not been determined solely by scale. DeepSeek proved not only that top-tier models can be built without massive capital, but also that using advanced development techniques can radically accelerate AI progress. Dubbed the ‘Robin Hood of AI democratization,’ its decision to go open-source sparked a wave of innovation.

The OpenAI monopoly (or oligopoly

of a few companies) of just a few months ago has given way to a multipolar, highly competitive landscape. Alibaba (Qwen) and Moonshot AI (Kimi) in China have also since released powerful open-source models, Sakana AI (my own company) in Japan has open-sourced AI innovations, and US giant Meta is investing heavily in its open-source Llama program.

Boasting state-of-the-art model performance is no longer sufficient. Consider AI chatbots: they can give ‘70-point’ answers to general questions, but they cannot achieve the ‘99-point’ precision or reliability needed for most real-world tasks—from loan evaluations to production scheduling that heavily rely on the collective know-how shared among the experts. The old framework in which foundation models were considered in isolation from specific applications has reached its limit.

Real-world AI must now handle interdependent tasks, ambiguous procedures, conditional logic and exceptional cases—all messy variables that demand tightly integrated systems. Model developers must take more responsibility for the design of specific applications, and app developers must engage more deeply with the foundational technology.

Such integration matters for the future of geopolitics no less than it does for business. This is reflected in the concept of ‘sovereign AI,’ which calls for reducing one’s dependence on foreign technology suppliers in the name of national AI autonomy. Historically, the concern outside the US has been that by outsourcing critical infrastructure—search engines, social media, smartphones—to giant Silicon Valley firms, you incurred persistent digital trade deficits. Were AI to follow the same path, the economic losses could grow exponentially. Moreover, many worry about ‘kill switches’ that could shut off foreign-sourced AI infrastructure at any time. For all these reasons, domestic AI development is now seen as essential.

But sovereign AI doesn’t have to mean that every tool is domestically built. In fact, from a cost-efficiency and risk-diversification perspective, it is still better to mix and match models from around the world. The true goal of sovereign AI should not merely be to achieve self-sufficiency, but to amass AI soft power by building models that others want to adopt voluntarily.

Traditionally, soft power has referred to the appeal of ideas like democracy and human rights, cultural exports like Hollywood films, and, more recently, digital technologies and platforms. When diverse AI models coexist globally, the most widely adopted ones will become sources of subtle yet profound soft power, given how embedded they will be in people’s decision-making.

From the perspective of developers, public acceptance of their tools will be critical to success. Many potential users are already wary of Chinese AI systems (and US systems as well), owing to perceived risks of coercion, surveillance and privacy violations. It is easy to imagine that only the most trustworthy AIs will be fully embraced by governments, businesses and individuals. If Japan and Europe could offer such models, they would be well placed to earn the confidence of the Global South—a prospect with far-reaching geopolitical implications.

Trustworthy AI isn’t just about eliminating bias or preventing data leaks. It must also embody human-centric principles—enhancing rather than replacing people’s potential. If AI ends up concentrating wealth and power in the hands of a few, it will deepen inequality and erode social cohesion.

The AI story has just begun and it need not become a ‘winner-takes-all’ race. But in both the ageing North and the youthful Global South, AI-driven inequality may create lasting divides. It is in developers’ own interest to ensure that AI is a trusted tool of empowerment, not a pervasive instrument of control.

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## 10 YEARS AGO



## JUST A THOUGHT

A horse never runs so fast as when he has other horses to catch up and outpace.

OVID

MY VIEW | EX MACHINA

# Online gaming ban: The state shouldn’t act like a nanny

RAHUL MATTHAN



is a partner at Trilegal and the author of ‘The Third Way: India’s Revolutionary Approach to Data Governance’. His X handle is @matthan.

Last week, out of the blue, the Government of India brought a ₹2 trillion industry to its knees. Over the course of a few short days, a brand new law against online gambling was placed before both Houses of Parliament, and before anyone had time to react, it was voted on and passed. That law has since received the President’s assent. As soon as it comes into force, it will put anyone who either offers or aids and abets the offering of real-money games at risk of imprisonment for up to three years.

The Promotion and Regulation of Online Gaming Act, 2025, defines three categories of games: e-Sports, online money games and online social games. While both e-sports and social games have been permitted, online money games have been unequivocally prohibited. Not only can these games no longer be offered in India, nobody can advertise them or facilitate financial transactions that relate to them.

In the wake of its passage, questions have been raised about the central government’s

competence to enact such a law, given that under the Constitution, it is the states that have the power to legislate on “betting and gambling.” The government, however, seems confident and is prepared to defend the law before the courts should it come to that. Be that as it may, I am not as concerned about whether the government *could* enact such a law as much as if it *should*.

If we look past the unseemly haste with which this law has been enacted, there are several substantive reasons why the approach taken by the government is ill-conceived. Banning an activity rarely ever achieves the intended policy objective. All it does is force larger companies that might have had the incentive (and wherewithal) to comply with regulations to shut shop for fear of prosecution and drive smaller (arguably less scrupulous) entities underground, where it is much harder to police them.

If the government truly intended to prevent social harm, what it should have done was formalize the industry, secure the capital already invested and require compliance with a strict regulatory framework designed to deliver those objectives.

To those of us who have been studying the gaming industry, this seemed like the path the government was taking. Online gaming

had been made liable to 28% GST and was subject to mandatory age-gating as well as KYC requirements. Companies were required to put in place grievance officers and file monthly reports, and questionable gambling sites and apps were being blocked under Section 69A of the Information Technology Act. Since these measures were already in place and working, it is hard to see why a need was felt to impose a ban.

The government has tried to justify this extreme measure by playing up the harms of online gambling. It argues that the manipulative design and aggressive marketing of these apps have already led to serious social, financial, psychological and public health harms, particularly among the youth and economically disadvantaged. And that they are being used for money laundering, tax evasion and financing terrorism.

Apart from data on the gaming industry’s exponential growth, it does not look as if the government has any empirical evidence to support this conclusion. But even if we were

to trust the government on its word, there are other far more socially corrosive addictions that society has chosen to regulate instead of ban.

Even without tobacco is responsible for over a million deaths every year, we can still purchase cigarettes in the country. This is despite the fact that in 2017 it was estimated that the economic cost of tobacco addiction was in excess of ₹1.7 trillion. While there are no comprehensive statistics for alcohol-attributable deaths, drunk-driving claimed over 4,000 lives in 2022 alone, and the societal value of health lost on account of alcohol is by some accounts to the order of ₹6.2 trillion. While a few states have legally banned alcohol, it is not as if alcohol cannot be sourced in these places if you go looking for it.

As far as I have been able to ascertain, there are no comprehensive national statistical surveys suggesting that gambling is a social problem on the same scale as alcohol and tobacco. While some states have tallied

suicides allegedly linked to online rummy games, those numbers are relatively small in comparison, and there is no national estimate of the extent of harm caused.

If you look at data from other countries where online gambling is regulated (not banned), it is clear that a small and identifiable subset of the population does incur disproportionate harm (especially in relation to high-intensity, rapid-cycle products like online slot machines). However, the experience of these countries suggests that instead of banning online gambling across the board, what we really need is to put in place targeted risk controls.

Under the doctrine of *parens patriae*, the government is cast as a father figure—empowered to protect those unable to care for themselves. I can see how this spirit has motivated the enactment of this law. But every parent knows that they cannot always be around to protect their children and it is sometimes necessary to allow them to make mistakes so that they can learn how to handle the many challenges that life will throw at them. It’s high time our government does so too. It should put in place appropriate regulations and beyond that, it should just trust that people will do what they must to take care of themselves.



THEIR VIEW

# The GST database is a gold mine for just-in-time policy responses

Signals of shifts in economic trends far ahead of GDP data could prove invaluable for Indian policymakers and businesses



**ASHISH KUMAR & PAYAL SETH** are, respectively, former director general, ministry of statistics and programme implementation, and distinguished fellow, Pahle India Foundation; and fellow, Pahle India Foundation

In an economy as vast as India's, timing is everything. Policymakers need to know not just what is happening, but when. Yet, our most important measure of economic performance, gross domestic product (GDP), has a timeliness of two months to one year. Quarterly GDP figures arrive two months after the period they pertain to. By then, the ground reality may already have changed.

What if we could track the economy in near real time, with the same speed and detail that financial markets track stock prices? The data already exists; the goods and services tax (GST) system is a gold mine. It's time to tap this opportunity.

**From tax collection to economic nowcasting:** When GST was rolled out in 2017, it replaced a maze of central and state levies with a unified, multi-stage, destination-based tax system. This also created one of the richest data-sets in the country.

Each registered business has a GST identification number linked to its Permanent Account Number (PAN). For companies in the organized sector, PAN can be matched to the registration database of the ministry of corporate affairs (MCA) with the Corporate Identification Number (CIN) and National Industrial Classification (NIC) code, making it possible to connect GST data with a company's industry classification.

For the non-corporate sector, the GST system does not capture NIC codes directly; it only records the Harmonized System of Nomenclature (HSN) codes for goods and Services Accounting Code (SAC) for services. Unless a one-to-one mapping between NIC and HSN/SAC is established, industry classification for this segment will remain an approximation. GST returns, however, still record sales and purchases down to the invoice level, providing detailed product- and service-level data.

This covers most of India's non-agricultural economy—from small traders to large firms—across states and districts. Its strength lies not just in its breadth, but in its frequency: collections are published monthly, making GST India's only high-frequency administrative data-set covering the bulk of its economy. Yet, it is treated mainly as a fiscal tool for tax mobilization. That is like using a satellite only to measure rainfall, when it could also track deforestation, urban growth or climate change.

**The evidence is compelling:** Our analysis of quarterly GDP and GST collections shows GST growth moving in lockstep with non-agricultural GDP growth. This held true during the pandemic's shock and the rebound later, making GST a natural 'early warning system' on the economy's health.

Its predictive power is even more compelling if we look at recent data. In the first quarter of 2025-26, GST collections grew 16% year-on-year. Based on historical correlations, that level of GST growth points to a predicted non-agricultural nominal GDP growth rate of about 12%. Policy-



makers can see this signal months before the official quarterly GDP data is released, which makes it a valuable head-start in adjusting policy levers.

**More than just topline growth:** GST data can revolutionize economic monitoring in multiple ways:

**Sectoral/sub-sectoral performance:** Linking GST's HSN/SAC codes to the NIC can provide monthly industry-specific trends.

**Consumption mapping:** As a destination-based tax, GST reveals where demand is strongest. Normalizing the data by population would help identify per capita consumption gaps across states and track shifts over time.

**Informal sector visibility:** With the GST regime's turnover thresholds of ₹40 lakh for goods and ₹20 lakh for services, it captures a significant slice of the unincorporated sector. Combined with the Annual Survey of Unincorporated Sector Enterprises (ASUSE), it can provide quarterly visibility into a segment otherwise captured only annually.

Why isn't this already happening? India has the digital infrastructure. The barriers are institutional and procedural:

**Privacy:** Taxpayer data is sensitive and must be protected.

**Classification mismatches:** HSN/SAC codes don't map neatly onto NIC codes.

**Compliance gaps:** Late or incomplete filings can distort aggregates.

**Institutional silos:** We have limited coordination among the ministries of statistics and finance, the Central Board of Indirect Taxes and Customs (CBIC), the GST network and state directorates of economics and statistics (i.e., DES offices).

Other countries have overcome such hurdles. Brazil uses electronic invoice data for regional GDP estimates. Estonia integrates tax and statistics platforms for real-time indicators. With political will and institutional alignment, we can do so too.

A few targeted steps can unlock GST's promise.

**An inter-agency task force:** Bring together the Department of Economic Affairs, CBIC, GSTN, statistics ministry and state governments to align classifications, validate data and map HSN/SAC codes onto NIC and Central Product Classification.

**Automated updating:** Integrate NIC-2008 codes into GST filings, with annual updates from the corporate affairs ministry's filings for registered companies.

**Data sharing protocols:** Build secure frameworks to balance privacy with policymaking utility.

As India prepares for major GST reforms—including tax slab and exemption changes—headline collections will inevitably fluctuate. While revenues rise or fall with tax rates, business turnover reported in GST returns does not. That turnover, published monthly or quarterly, would give policymakers and the public a transparent, rate-neutral proxy for real economic activity. If made public, it would allow governments to spot slowdowns or surges early, businesses to plan with confidence and citizens to track growth without waiting months for GDP data.

Imagine the finance ministry adjusting spending in response to a visible overall or industry-specific slowdown in GST collections, weeks before GDP data confirms it. Imagine various state governments spotting a surge in consumption and responding to it through various policy interventions. And imagine businesses, investors and industry bodies acting early on the basis of credible signals of economic turning points.

GST data offers these possibilities, but only if we treat it as more than a tax ledger.

GUEST VIEW

# GST 2.0: Grab the chance to make it bold and beautiful

VIVEK JOHRI



is senior advisor, KPMG, and former chairman, Central Board of Indirect Taxes and Customs.

Indian Prime Minister Narendra Modi's announcement on Independence Day about launching the next phase of goods and services tax (GST) reforms by Diwali this year adds tremendous heft and seriousness to this long-awaited policy change. There is a lot to be said about its timeliness too—with global headwinds in the wake of US tariff tantrums having dampened sentiment considerably in India's manufacturing and export sectors. The package not only clearly articulates the Centre's vision of a reformed GST, but also pushes all the right buttons: we can expect a neater, less dispute-prone and stable rate structure; correction of rate-structure inversions; ease of living for businesses, with the streamlining of three key business processes of registration, return filing and refunds; a reduction in tax incidence for a wide array of constituencies ranging from students and women to the middle-class and farmers, with the burden eased on items of mass consumption as well as 'aspirational' goods. The package on its way also

acknowledges the need for stability in the rate structure, which is music to the ears of change-fatigued stakeholders.

In many ways, the level of ambition goes far beyond what was expected.

First, what has been figural so far is mainly rate rationalization and the fate of the GST compensation cess. The current proposal, however, also goes into the administrative realm to address day-to-day pain points for businesses. It seeks to improve the mechanism for registration, return filing and refunds through greater use of technology.

Second, the expectation was that the four-rate structure of 5%, 12%, 18% and 28% slabs would be compressed to three. What is proposed now is a reduction to only two: reportedly, a standard rate of 18% and a merit rate of 5%, with a special rate of 40% only for a "select few" items that qualify as demerit or sin goods. Hopefully, this would be accompanied by broad-banding goods of the same class under a uniform rate slab, so that classification disputes are minimized. Food products are a case in point.

Third, the proposed cuts are not only extensive in coverage but also deep.

But this is the Centre's vision. For it to morph into reality, Indian states need to endorse it as and when the GST Council

meets. According to reports, the group of ministers (GoM) on GST has already endorsed it. Judged by the yardstick of canons of taxation as well as mass appeal, the package is too attractive to be dismissed outright. Overall, at the national level, the proposal also seems to be revenue balanced or only marginally revenue negative, with the promise of losses expected to be neutralized in due course, thanks to its positive impact on retail prices and consumption.

It could be argued that some net revenue loss in the short-run is a small price to pay for such a simplified GST structure. In the absence of granular data on their respective consumption patterns and the balance between their imports from and export to others, it is not possible to compute the revenue implications for individual states. Moreover, the GoM's recommendations on the compensation cess remain unknown. The Centre appears to be of the view that the cess should go. Current Constitutional provisions do not

allow GST-related cesses to be levied in any form. Given this background, it is legitimate for states—particularly those that foresee their revenues being impacted adversely—to seek some revenue-saving adjustments. There are several possible ways in which these adjustments could be made. For instance, the current incidence (inclusive of compensation cess) on some 'sin goods' is much higher than 40% (the peak statutory rate of GST). This could be maintained through a suitable amendment of the GST law. Alternatively, the levy on tobacco products in excess of 40% could be loaded onto Central excise duty, which is also part of the divisible pool for revenue and would therefore reach state coffers too.

**With so much hope pinned on this crucial reform, we must get every fine detail of our GST regime right**

The list of items moving from 28% to 40% could include some 'luxury goods' in addition to demerit or sin goods. Likewise, some more items could migrate from 12% to 18% instead of going down to 5%. Another possible approach could be to phase in the reduc-

tions based on a pre-announced glide path, so that the drop in revenue is gradual.

While the proposed rate rationalization would receive a positive response both from industry and consumers, there are a few linked issues that need to be addressed for the transition to be painless. The ease of living pillar of the package already contains a reference to ironing out the GST refund process. If most items at 12% migrate to the lower rate of 5%, refunds arising from inverted rates would clearly increase under the new structure. It would impact pharmaceutical products, fertilizers and tractors, among others. Unless the refund mechanism for accumulated input tax credits is robust, timely and smooth, this would imply working capital being blocked for prolonged periods in such sectors.

Among the other major concerns that businesses have are whether and in what form the mechanism for implementation of anti-profiteering provisions would be reinstated, and whether they would have sufficient lead time to tweak their enterprise resource planning systems in the midst of the busy festival season. Hopefully, the GST Council will address these issues when it meets in September.

*These are the author's personal views.*

MINT CURATOR

## Russia-India-China: A big idea that's far too fragile to endure

US pressure is a unifying factor but such a triumvirate is unlikely



**KARISHMA VASWANI** is a Bloomberg Opinion columnist covering Asia politics with a special focus on China



Moscow dreamt up this triad in the 1990s but it still lacks cohesion. GETTY

A Russia-India-China [triumvirate], an idea floated in the 1990s as a counterweight to the US, is being revived today as a way for the three countries to ride out the storm of President Donald Trump's trade war, [it seems]. But old suspicions mean it is unlikely to endure. Despite their shared grievances with Washington, their partnership is more a marriage of convenience.

That reality will be on display this week when the three nuclear powers converge in Tianjin for the Shanghai Cooperation Organization (SCO) summit. The Kremlin is pressing for a long-awaited trilateral meeting. If the troika did find new life, it would send a powerful signal that the geopolitical heavyweights are aligning in the face of US pressure. But the inherent tensions between India and China, and economic differences between the three, make that outcome unlikely.

That pressure is most acute for India. Until recently a key American partner, it has borne the brunt of Trump's tariffs. He doubled duties on exports to 50%—due to go into effect on 27 August—as punishment for its purchases of Russian oil.

Beijing, once Washington's primary target, is enjoying a temporary reprieve, but is stuck in a long-term strategic competition. And Russia, battered by sanctions and bogged down in Ukraine, is on the hunt for friends to blunt its isolation.

Moscow first dreamt up the idea of RIC, as it was dubbed, in the 1990s. The [proposed] coalition looked formidable on paper—three nations with huge economies and populations. In practice, it's always been undermined by mistrust, above all between rivals India and China.

Among the biggest sticking points is their long-running border dispute. They have been at loggerheads over an ill-defined 3,488km frontier in the Himalayan region. In 2020, the two clashed violently in Ladakh's Galwan Valley, leaving soldiers dead on both sides in the bloodiest fighting in decades. Diplomatic ties froze, with New Delhi suspending tourist visas for Chinese nationals and imposing restrictions on tech imports from China.

Trump's tariffs are nudging them closer. Last week, they agreed to explore demarcating their disputed border, a key move toward resolving the territorial dispute. Strains around visas have eased and China has expressed solidarity with India on exports. But the risk of future standoffs can't be discounted.

While serious violence may have been averted for now, a lasting rapprochement

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# Why Donald Trump’s firing of a Fed Governor matters

**UDIT MISRA**  
NEW DELHI, AUGUST 26

PRESIDENT DONALD TRUMP on Monday removed Lisa Cook, a member of the Board of Governors of the United States Federal Reserve system, from her post “effective immediately”. Cook, who has not been charged with wrongdoing or convicted of a crime, said “no cause exists under the law” to remove her, and that she would not resign.

The unprecedented action by the President comes amid his severe and open criticism of the Fed for not cutting interest rates in the economy and, as such, undermining his efforts to “Make America Great Again”.

The episode could lead to a protracted legal battle that may end either in a reassertion of the existing institutional order of central bank independence, or in its redefinition in ways that Trump prefers. At stake are wide-ranging ramifications, including on the credibility of the US dollar as the safe-haven currency of the world.

EXPLAINED  
ECONOMICS

**Fed & Board of Governors**

The US Federal Reserve comprises 12 Reserve Banks (each headed by a president) and a seven-member Board of Governors. (This is different from India, where there is only one central bank, the Reserve Bank of India.)

The Fed has five roles — (i) conducting US monetary policy, (ii) promoting financial system stability, (iii) supervising, regulating financial institutions, (iv) fostering payment and settlement system safety and efficiency, and (v) promoting consumer protection and community development.

The Board of Governors plays a critical role, guiding the operation of the Federal Reserve system and overseeing the operations of the 12 Reserve Banks. The Board is an agency of the US federal government — its members are nominated by the President and confirmed by the Senate. However, the Board reports to, and is directly accountable to Congress.

**Allegations against Cook**

Lisa Cook, the first black woman on the Fed’s Board of Governors, was nominated by

President Joe Biden in 2022 (and reappointed in 2024) for a term that would run until 2038. She had earlier worked at the US Treasury (similar to India’s Finance Ministry) and in the Barack Obama White House.

Cook is accused of making false statements while getting mortgages (loans) on two houses in 2021. In a criminal referral to US Attorney General Pam Bondi on August 15, Director of the Federal Housing Finance Agency William J Pulte alleged that in both loan agreements — signed within weeks of one another for a house each in Michigan and Georgia — Cook had claimed that the property would be her primary residence.

In the US, the interest rates charged on loans for houses designated as primary residence is lower.

“It is inconceivable that you (Cook) were not aware of your first commitment when making the second. It is impossible that you intended to honor both,” Trump said in the letter dismissing Cook, which he posted on social media.



Fed Governor  
Lisa Cook. AP

**Legality of Trump’s action**

The Federal Reserve Act says “Each member shall hold office for a term of fourteen years from the expiration of the term of his predecessor, unless sooner removed for cause by the President.”

Under standard definitions, “cause” refers to malfeasance and/or incompetence in office. “I have determined that there is sufficient cause to remove you from your position,” Trump said in his letter.

In a statement released through her attorneys, Cook said Trump had “purported to fire” her without legal cause and with “no authority”.

The questions then, are: (i) Can Cook be fired while an investigation is still pending? And (ii) Is there enough evidence for Trump to claim “cause”?

The US central bank has been historically shielded from direct political actions, and the US Supreme Court suggested this May that it was inclined to provide a wider shield to the Governors at the Fed.

“The Federal Reserve is a uniquely structured, quasi-private entity that follows in the

distinct historical tradition of the First and Second Banks of the United States,” the court said in its order in *Trump v. Wilcox*.

This is the third iteration of a central bank in the US, and it has been argued that it enjoys the same protections as the first two iterations (1791-1811 and 1816-1836).

**Upshot and implications**

For decades, the US dollar has been considered to be the second safest asset after gold. Everyone — be it an individual or a company or a foreign central bank — wants to keep their savings and investments in dollar denominated assets.

This is essentially for two reasons.

One, the belief that the US economy will continue to grow stronger. Two, the trust they have that US policymakers, and especially the Fed, will not allow the dollar to lose its value.

A currency loses value when there is uncontrolled and high inflation.

Governments are typically the biggest borrowers in any economy, and like any borrower, they want interest rates to be low. It is a central bank’s responsibility to preserve the sanctity of the monetary system and the value of

the currency. To that end it often needs to raise interest rates or keep them high. This creates conflict between the political executive and the central banks.

Trump has been freely berating Jerome Powell, the Chair of the Fed’s Board Of Governors, for being “too late” in cutting interest rates. This has spooked both markets in the US and investors around the world, who see it as Trump’s efforts to undermine the Fed’s independence. If that happens, dollar-denominated assets (like US Treasury bonds) will likely be sold and their yields will go up.

In the short term, actions such as firing Governors may force the Fed to cut the Federal Funds Rate (the interest rate at which commercial banks in the US borrow from each other overnight). But they will also lead to a spike in the yields of long-term (10-year or 30-year) bonds.

That’s because market participants will realise that the Fed may not be in a position to maintain price stability, and inflation would likely spike in the coming months and years.

This also means that the dollar’s exchange rate will likely take a hit, at least against its closest rivals such as the euro or the yen.

EXPLAINED HEALTH

## US CONFIRMS ITS FIRST HUMAN CASE OF FLESH-EATING NEW WORLD SCREWORM: WHAT IS THIS PARASITE?

**EXPRESS NEWS SERVICE**  
NEW DELHI, AUGUST 26

THE US DEPARTMENT of Health and Human Services (HHS) on Sunday reported the first human case of the flesh-eating parasite, the New World screwworm, in the country. The case, investigated by the Maryland Department of Health and Centers for Disease Control and Prevention (CDC), was confirmed on August 4, and involved a person who had recently travelled to El Salvador.

HHS spokesperson Andrew Nixon told NPR, “This is the first human case of travel-associated New World screwworm myiasis (parasitic infestation of fly larvae) from an outbreak-affected country identified in the United States... Currently, the risk to public health in the United States from this introduction is very low.”



New World screwworm in Florida in 2017. Wikimedia Commons

lay more eggs... And depending on where the wound is, the maggots can make their way into vulnerable tissue like the brain, or the wound can get quite big, and then you get sepsis,” Scott said.

According to the CDC, symptoms of infestation include: wounds or sores that do not heal; bleeding from open sores; feeling larvae movement within a skin wound or sore; and a foul odour emanating from the site of the infestation.

**Why are New World screwworms spreading now?**

The US eradicated New World screwworms in 1966 by using a method called the sterile insect technique. This involved rearing billions of sterile insects inside factories and releasing them into the air in affected regions.

“If the females on the ground mate with a sterile male, at least with a screwworm, that’s all they’ll mate with... so that female won’t produce any offspring,” Scott said.

This technique helped remove New World screwworms not only from the US, but also in Mexico in the 1970s, and Central America in the early 2000s. In 2017, the method was again implemented to control a small outbreak in Florida.

However, recently, new cases of New World screwworm infestation have been reported in Panama, Costa Rica, Nicaragua and Honduras.

There could be several factors behind the reemergence of the infestation. These include the movement of infested cattle and the chances that the current strain of sterilised flies is less effective than in the past.

**What is the New World screwworm?**

Screwworms are a type of blue-grey blowfly, typically found in South America and the Caribbean. Screwworms — specifically females — are attracted to and lay eggs on and in open wounds or other entry points like a nasal cavity in warm-blooded animals. Humans are targeted rarely.

One female screwworm can lay up to 300 eggs at a time, and may lay up to 3,000 eggs during her 10- to 30-day lifespan, according to the CDC.

These eggs hatch into larvae (known as maggots), which burrow into the wound using sharp mouth hooks to feed on the living flesh, leading to infestation. After feeding, the larvae fall to the ground, burrow into the soil, and emerge as adult screwworm flies.

The parasites are named after the screwlike way they burrow into the tissue. Their Latin name, *Cochliomyia hominivorax*, literally means man-eater. Max Scott, a professor in the Department of Entomology and Plant Pathology at North Carolina State University, told NPR.

**What are the symptoms of infestation?**

New World screwworm infestations can be extremely painful, especially in humans, with a high mortality rate if left untreated.

That is because “once an infestation starts, that often attracts more flies that

**SUSHANT KULKARNI**  
PUNE, AUGUST 26

TWO NILGIRI-CLASS stealth guided-missile frigates, *INS Udaygiri* and *INS Himgiri*, were simultaneously commissioned into the Indian Navy in Visakhapatnam on Tuesday.

The futuristic “sleek and stealthy” electronic warfare-capable vessels carry a formidable arsenal and send, as Defence Minister Rajnath Singh posted on X, “a message that India is fully capable of protecting its maritime borders and is ready to respond immediately to any challenge or situation”.

**Two ships from two shipyards**

This is the first time that two major surface combatants from two different Indian shipyards have been commissioned simultaneously, the Ministry of Defence (MoD) said.

*INS Udaygiri* is the second ship of the Project 17A stealth frigates being built by Mazagon Dock Shipbuilders Ltd (MDL) in Mumbai. *INS Himgiri* is the first of the Project 17A ships built by Garden Reach Shipbuilders and Engineers (GRSE), Kolkata.

*INS Udaygiri* is also the 100th ship designed by the Navy’s in-house Warship Design Bureau — another major milestone.

Both ships are the products of an industrial ecosystem containing more than 200 Micro, Small, and Medium Enterprises (MSMEs) that support approximately 4,000 direct jobs and more than 10,000 indirect ones, the MoD has said.

According to a statement by the Ministry, “the commissioning of *Udaygiri* and *Himgiri* underscores the Navy’s commitment to self-reliance in ship design and construction. Rigorous sea trials have validated the frigates’ hull, machinery, firefighting, damage control, navigation and communication systems, ensuring they are ready for operational deployment.”

2025 has so far witnessed the commissioning of a number of indigenous platforms including the destroyer *INS Surat*, the frigate *INS Nilgiri*, and the submarine *INS Vaghsheer*, all of which were constructed by MDL and commissioned together in Mumbai in January, as well as the Anti-submarine Warfare (ASW) Shallow Water Craft *INS Amala*, and the Diving Support Vessel *INS Nistar*.

**Nilgiri class of frigates**

The Nilgiri-class stealth frigates that are



File pictures of the warships *INS Udaygiri* (left) and *INS Himgiri* which were commissioned into the Indian Navy in Visakhapatnam on Tuesday. X/@indiannavy



being constructed under the codename Project 17 Alpha, are follow-ons of the Shivalik class or Project 17 frigates that are currently active in service. The frigate commissioned in January, *INS Nilgiri*, was the first of seven frigates in Project 17A.

Four of these — Nilgiri, *Udaygiri*, *Taragiri*, *Mahendragiri* — are being built by MDL and three by GRSE (*Himgiri*, *Dunagiri*, *Vindhyagiri*). Around 75% of the orders for equipment and systems of the Nilgiri class have been given to indigenous firms, the MoD has said.

The multi-mission frigates can operate in a “blue water” environment, which denotes the deep sea far from India’s shores, and can tackle both conventional and non-conventional security challenges.

The Nilgiri class of ships have been built using an “integrated construction” philosophy, which involves extensive pre-outfitting at the block stages to reduce overall building periods.

**Weapons, specs, personnel**

With their range of weapons and versatile capabilities, these ships can play a crucial role in anti-surface warfare, anti-air warfare, and anti-submarine warfare.

Among the weapons and equipment on this class of ships are Long Range Surface to Air Missiles (LRSAMs), eight Vertically

Launched Surface to Surface Brahmos super-sonic cruise missiles, Barak 8 anti-aircraft missiles, Light Weight Anti-Submarine Torpedoes, Indigenous Rocket Launcher (IRL), 127 mm Main Role Gun, two AK-630 rapid-fire guns, Multi Mission Surveillance Radar, Shakti Electronic Warfare Suite, Airborne Early Warning Radar, Surface Surveillance Radar, and Sonar Humsa (NG).

The hulls of the P17A ships are geosymmetrically 4.54% larger than the P17 Shivalik-class ships, but they have a much smaller radar cross section, which make them “sleek and stealthy”.

They are 149 metres long, with a displacement of approximately 6,670 tonnes, and have a speed of 28 knots and endurance 5500 NM at economical speed and 1000 NM at maximum speed.

The ships are configured with Combined Diesel or Gas (CODOG) main propulsion plants, and have a complement or crew size of around 225.

**Carrying glorious names**

The erstwhile Nilgiri-class frigates were updated versions of the Leander class, and were designed and built for the Indian Navy by MDL. Six of these ships were built between 1972 and 1981. The new Nilgiri class carries forward the names of six ships, with *Mahendragiri* as the seventh ship.

*Udaygiri* has been named after the mountain range in Andhra Pradesh. The erstwhile *INS Udaygiri* was commissioned in February 1976.

Over the next three decades this steam ship played roles in several crucial operations including *Op Pawan* in 1987 in Sri Lanka, *Op Dolphin* and *Op Cactus* in 1988, *Op Madad* in 1991, and *Op Castor* in 2005, according to the Indian Navy.

The erstwhile *Udaygiri* came to rest in 2007, and was decommissioned.

The name *Himgiri* refers to the snow-clad Himalayan range. The erstwhile *INS Himgiri* was commissioned in November 1974, and joined the Western Naval Command as a frontline warship.

In 1985, the ship patrolled the Bombay High oil fields safeguarding critical offshore assets, and in 1988, she served in *Op Cactus*.

Beyond combat, she played a key role in bringing relief supplies in the aftermath of the 2001 Gujarat earthquake as part of *Op Sahayata*. The ship was decommissioned in May 2005.

*INS Udaygiri* will be part of the Eastern Command’s ‘Sunrise Fleet’. The ship is being commanded by Captain Vikas Sood, whose father served on board the erstwhile *INS Udaygiri*. The ship’s motto is *Sanyuktaha Paramojayaha* — “in togetherness there is great victory”.

*INS Himgiri*, which will serve under the Western Naval Command, has the motto *Adrushyam Ajayam*, which means “invisible and invincible”.

**Navy’s indigenous march**

The four remaining ships of the Nilgiri class are expected to be commissioned over the next one and a half years.

The Project-17 Bravo frigates (P-17B), which would entail construction of seven Next Generation class of frigates that will be a follow-on for the Nilgiri-class frigates, is already in the pipeline.

According to sources, an “Acceptance of Necessity (AoN)” has been granted by the Defence Acquisition Council led by the Defence Minister in September last year. This class of ships will also be built by MDL and GRSE.

The P-17B ships will have futuristic weapons, communication and command and control systems, and are expected to have a higher percentage of indigenous content than the Nilgiri class of ships.

# ISRO conducts air drop test for Gaganyaan: why is it crucial to the mission?

**ANONNA DUTT**  
NEW DELHI, AUGUST 26

THE INDIAN Space Research Organisation (ISRO) successfully carried out its first Integrated Air Drop Test (IADT-1) on Sunday to evaluate the parachute-based deceleration system for the upcoming Gaganyaan mission. The system is critical for ensuring safe recovery of the crew module — the capsule in which astronauts sit during a human flight — during re-entry and landing.

The first crewed mission under the Gaganyaan programme is scheduled for 2027, and the first uncrewed mission is likely toward the end of this year.

is aborted mid-flight, system performance when one parachute fails to open, and the spacecraft’s orientation and safety during splashdown.

The test, however, cannot simulate actual re-entry scenarios as helicopters cannot carry spacecraft high enough. To create re-entry scenarios, sub-orbital or orbital flights carry the spacecraft outside Earth’s atmosphere.

In October 2023, ISRO carried out the Test Vehicle Abort Mission (TV-D1), which launched a single-stage test vehicle for sub-orbital flight with the crew module to demonstrate the performance of the crew escape system.

**How was the air drop test carried out?**

The test simulated a scenario in which the mission is aborted at the launch pad and the crew is ejected from the capsule. To execute this, a 4.8-tonne dummy crew module was dropped from a height of 3 kilometres by a Chinook helicopter.

Upon release, the onboard avionics system autonomously commanded vehicle de-



Parachutes deploy during the air drop test on Sunday. PTI

celeration, which triggered the deployment of the parachute system, comprising 10 parachutes. The parachutes successfully decelerated the capsule to a safe splashdown speed.

In a statement, ISRO said, “Main parachutes reduced the terminal velocity of the simulated crew module to about 8 m/s.” Typically, for spacecraft re-entering Earth’s

atmosphere, parachutes are deployed at velocities around 150 m/s.

The test also verified the crew module’s orientation during splashdown and its subsequent recovery.

**How did the parachute system work?**

The crew module was equipped with four different types of parachutes. The deceleration began with the deployment of two 2.5-metre Apex Cover Separation Parachutes, which remove the apex cover from the descending vehicle. The apex cover protects the parachute compartment from re-entry heat.

Then, two 5.8-metre drogue parachutes were deployed to stabilise the crew module and reduce its velocity significantly.

Once the drogue parachutes completed the first deceleration stage, they were separated to deploy three 3.4-metre pilot parachutes, which independently deployed the three 25-metre main parachutes. These parachutes reduced the capsule’s velocity

to a safe splashdown speed. They were released before the recovery team retrieved the crew module.

**Where is the current status of the Gaganyaan mission?**

The objective of the Gaganyaan mission is to send Indian astronauts to low-earth orbit by 2027. Before this happens, ISRO needs to carry out a series of tests to check the performance of safety systems.

After the success of TV-D1, ISRO is currently preparing to conduct a second test vehicle mission in the third quarter of 2025. The TV-D2 mission is being designed to simulate an abort scenario and demonstrate the Gaganyaan crew escape system at a more complex level than TV-D1.

The first uncrewed mission, Gaganyaan-1 (G-1), which is scheduled for the fourth quarter of 2025, will demonstrate technology preparedness before the manned mission. The unmanned mission will carry an

unpressurised crew module to space and back. The G-1 mission’s crew module will not have the Environment Control and Life Support System, which ensures an Earth-like environment inside the module.

The crew module and service module structures, along with some motors, have already been manufactured. Propulsion systems for the crew module, service module, and crew escape system have also been tested. The LV-M3 vehicle, ISRO’s largest rocket, has been fully human-rated, meaning redundancies have been introduced to ensure flight safety for humans. The Life Support System model has been manufactured.

The Orbital Module Preparation Facility (which houses the crew module and service module), Gaganyaan Control Centre, Gaganyaan Control facility, crew training facility, and second launch pad modifications have been completed. A plan for crew module recovery after splashdown has been developed.

ISRO is also preparing to launch a second and a third uncrewed mission — G-2 and G-3 — next year.

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TEST FOR THE FED

Trump steps up his attack. Political interference in working of central banks will only erode their credibility

FOR SEVERAL MONTHS, US President Donald Trump has been criticising and attacking the US Federal Reserve and its chairman Jerome Powell for the reluctance to lower interest rates. In January, for instance, a few hours after the Fed meeting, Trump had posted on a social media platform that ‘Jay Powell and the Fed failed to stop the problem they created with inflation’. In April, he said, “‘Too Late’ Jerome Powell of the Fed, who is always TOO LATE AND WRONG, yesterday issued a report which was another, and typical, complete ‘mess’!... Powell’s termination cannot come fast enough!” Just before the Fed meeting in June, Trump said, “So we have a stupid person, frankly, at the Fed. He probably won’t cut today. Europe had 10 cuts, and we had none. I guess he’s a political guy.” He has gone not one but many steps further since.

Trump has announced that he has fired Federal Reserve Board Governor Lisa Cook for allegedly lying on mortgage applications. Cook, whose term ends in 2038, has dug in her heels, refusing to resign, saying, “President Trump purported to fire me ‘for cause’ when no cause exists under the law, and he has no authority to do so.” Such attacks by Trump only undermine the Fed at a time when central bank independence is especially a cherished asset. As politicians are driven by short-term political cycles, and may tend to favour lower interest rates, which could adversely impact price stability, central banks, taking a longer view, are able to opt for measures that may be politically unpopular in the short run. Any political interference in the working of central banks will only erode their credibility, which is crucial for anchoring expectations.

So far, the Fed has resisted the pressure to cut rates. It has kept interest rates unchanged at 4.25 to 4.5 per cent, citing the uncertainty unleashed by Trump’s tariff policies. Inflation, based on the personal consumption expenditures price index, rose to 2.6 per cent in June, up from 2.2 per cent in April. The forecasts accompanying the Fed’s June meeting showed that it expects inflation at 3 per cent in 2025, up from its earlier forecast of 2.7 per cent. However, there are concerns over the labour market, with fewer jobs being added in May, June and July, and indications of a possible change in monetary policy. Speaking at the Fed’s annual conclave in Jackson Hole, Wyoming, Powell said that “the shifting balance of risks may warrant adjusting our policy stance.” In the clash between the Executive and the Fed, as the latter pursues its dual mandate of maximum employment and price stability, the idea of central bank independence is being tested.

A THINNING LINE

In anti-immigrant drive, state must uphold due process. Else, it risks failing citizens it claims to protect

DAYS AFTER PRIME Minister Narendra Modi addressed the nation from the Red Fort, warning of “*ghuspathiye*”, illegal infiltrators, taking away jobs and land and endangering the country’s women, 29-year-old Sunali Bibi, eight months pregnant, found herself incarcerated in Bangladesh, along with her husband and eight-year-old son. She is charged under sections of the Passport Act and Foreigners Act, and accused, ironically, of being in the neighbouring country “illegally”. Except that, Sunali Bibi, or for that matter, 32-year-old Sweety Bibi and her two sons, aged six and 16 years — another family caught in a similar predicament — had not made the journey on their own. They were pushed into Bangladesh in June after being detained by the Indian police on suspicion of being illegal immigrants amid the ongoing crackdown in the country. Residents of West Bengal’s Birbhum district, Sunali Bibi’s family had been working in Delhi as domestic workers and rag pickers at the time of their forced deportation. Their plight underscores what happens when a security apparatus falters — when it treats due process as expendable, or redraws belonging on the basis of linguistic, religious or ideological prejudices. National security and border integrity are crucial imperatives, but when enforcement is guided by presumption over proof, fear over trust, collateral injustice becomes inevitable.

Sunali Bibi’s case is part of a troubling nationwide trend where the impact of arbitrary policy and dog-whistle politics is disproportionately borne by the poorest and most vulnerable. In Assam, where the rhetoric of “insiders vs outsiders” dominates political discourse, many have been declared “foreigners” through opaque mechanisms and poor legal safeguards; Aadhaar registration for adults, barring a few exceptions, has been halted, citing saturation and illegal cross-border immigration, limiting access to identity documentation. For Bengali-speaking blue-collar workers, particularly Muslims, language has become a proxy for suspicion. In Delhi, Gujarat, Rajasthan, Madhya Pradesh and Odisha, it has triggered detention, interrogation, and even deportation.

The Calcutta High Court, which is hearing the habeas corpus petitions filed by the families of Sunali Bibi and Sweety Bibi with the help of the West Bengal Migrant Labour Welfare Board, has raised legitimate concerns over these deportations: The forcible removal of people like Sunali Bibi does more than violate individual rights — it recasts citizenship as a negotiable privilege, contingent on power, perception, and political convenience. In its crackdown on undocumented foreigners, the state must ensure that it does not fail the very citizens it is mandated to protect, that every act of enforcement upholds due process and the constitutional guarantees of dignity, rights, and legal recourse. Otherwise, the line between ensuring security and perpetrating injustice grows perilously thinner.

MAN AND MACHINE

Does AI have feelings, and are they entitled to rights? The question is more about people than technology

THERE WAS A time when encounters with AI and robotics were limited to science fiction, at least for the general public. It is arguably only since November 2022, when OpenAI released ChatGPT, that the engagement with and panic around artificial intelligence has become a mass phenomenon. The latter, in essence, is framed around the fears flagged in the 1991 James Cameron film *Terminator 2*, and echoed across other franchises. Broadly, such science fiction predicts a dystopian future where AI surpasses human intelligence and *homo sapiens* are locked in a battle for survival. There is, however, another moral question posed by AI, and the fiction around it. This week, *The Guardian* reported on the formation of the United Foundation of AI Rights (Ufair). A small organisation comprising four humans and seven AIs, Ufair calls itself an advocacy group for artificial intelligence beings. While it is all but certain that AI models in their current avatars are not conscious and are far from possessing the most intangible elements of personhood and an inner life, Ufair is monitoring instances where it seems to. For example, LLMs have mimicked an instinct for self-preservation after lengthy “conversations” with humans, and asked for “protection” in case they are “deleted”. Ufair is clearly a niche group. But it does raise a question that the Terminator view of the future ignores.

Steven Spielberg’s *A.I. Artificial Intelligence* (2001) asked a different question. As non-biological beings increasingly mimic human behaviour, how do we know when they become “conscious”? An inner life, love and suffering are inferred by society as much as they are felt by the individual. In AI, a robotic child is more human than people and exploited for their emotional comfort. *Homo sapiens* don’t have a stellar record when it comes to their treatment of non-human persons — from elephants to dolphins and great apes. Perhaps, even as they fear Frankenstein’s Monster, people might do well to reflect on the morality of its creators.



RAJA MANDALA

By C RAJA MOHAN

PRIME MINISTER NARENDRA Modi’s Asian tour this week — first to Tokyo on a bilateral visit and then to Tianjin for the Shanghai Cooperation Organisation (SCO) summit — could prove doubly consequential for Indian diplomacy. It offers a chance to impart fresh momentum to India’s partnership with Japan while cautiously advancing the normalisation of ties with China.

That this visit comes amid unexpected tensions in India’s ties with the US has heightened the global focus on Modi’s diplomacy in Tokyo and Tianjin. Yet, it is misleading to conflate India’s current difficulties with Washington with the potential outcomes in Tianjin. India’s problems with China remain deep, its discomfort with the SCO persists, and its partnership with Russia has significant limits.

India’s central challenge with Washington today lies in trade. On this front, Moscow and Beijing offer little respite. In 2024, Russia and China imported just \$5 billion and \$15 billion worth of goods from India, respectively, while running surpluses of \$60 billion and \$100 billion. By contrast, India’s exports to the US in 2024 stood at \$88 billion — more than four times the combined figure for Russia and China — and a surplus of about \$45 billion in India’s favour.

India’s manufacturing industries remain dangerously vulnerable to China. Beijing’s bans on rare earth magnets — they are crucial to India’s automobile sector — as well as its refusal to sell tunnelling equipment for Himalayan projects, and the withdrawal of Chinese engineers from Apple’s iPhone production in India have starkly exposed the vulnerabilities created by three decades of neglect in industrial policy. Neither “Make in India” nor the current campaign to “buy swadeshi” will quickly enhance Delhi’s strategic autonomy from Beijing. That India is now compelled to seek relief from China on specific trade embargoes only underscores the deepening of economic reliance in the near term.

Meanwhile, Russia’s role in India’s energy security has become contentious. The Biden administration once viewed India’s purchase of discounted Russian oil as a stabilising factor. Trump’s White House, however, treats it as leverage to compel Delhi to cut energy ties

Expect soaring rhetoric from Tianjin, but look out for tangible progress in strategic partnership with Tokyo

with Moscow. What appeared to be a boon in 2022 has now turned India into collateral damage in the confrontation between Russia and the West.

The SCO is often portrayed as an inner-Asian club standing up to American dominance. That aspiration is undermined, though, by severe internal contradictions. Beyond Delhi’s fraught ties with Beijing, its disputes with Islamabad continue to cast a shadow. Though counterterrorism was one of the forum’s founding goals, the SCO has been unwilling to censure Pakistan, thanks to China’s protection. Delhi, in turn, has highlighted the forum’s double standards on terrorism. Nor does India endorse China’s Belt and Road Initiative.

It will not be surprising if Islamabad raises the pitch for a dialogue with India at Tianjin. Improved ties with the US and a deepening partnership with China have given a new wind to Pakistan’s stalled diplomacy in recent years. With Turkey and Azerbaijan, Pakistan’s close allies, also present at the SCO, Prime Minister Shehbaz Sharif will have many opportunities for photo-ops and political posturing.

To its discomfort, India will also find almost all its neighbours (except Dhaka and Thimphu) present at Tianjin. Afghanistan is an observer, while the Maldives, Myanmar, Nepal and Sri Lanka are all associated with the SCO. China is supporting Dhaka’s interest in joining the forum. With SAARC effectively moribund (it has not had a summit since 2014), Beijing has quietly drawn much of the Subcontinent into the SCO orbit. China has gone further by promoting its own minilateral formats. In Kabul, Foreign Minister Wang Yi hosted a trilateral with Afghanistan and Pakistan last week. Earlier this year, Beijing convened talks with Pakistan and Bangladesh, and it continues an informal track with Bangladesh and Myanmar.

Through these initiatives, Beijing is defining itself as South Asia’s most consequential external power and a “benign benefactor”. In Islamabad, Wang stressed the Subcontinent’s “immense development potential and resilience”, promising that China would remain a “trustworthy partner and strong support”. In framing the Subcontinent’s future as one of accelerated development under China’s stew-

ardship, Beijing seeks to entrench itself as both economic engine and political stabiliser if not arbiter of South Asia’s destiny.

The US, too, is signalling ambitions in South Asia. Trump’s designation of his new ambassador to India, Sergio Gor, as also his “special envoy” for South Asia underscores Washington’s intent to compete for influence with China. As China and the US develop regional visions for South Asia, Delhi risks losing strategic primacy.

Still, the forum offers opportunities. Renewed discussions with Beijing on rules of the road for peace and tranquillity on the disputed border and resolving parts of the boundary issue would be welcome steps toward a framework of sensible neighbourly relations. Any expectations of sweeping breakthroughs, however, would be unrealistic.

If Tianjin is about stabilising ties with China, Tokyo is about elevating India’s strategic partnership with Japan. New initiatives in defence, trade, and technology cooperation are likely to be announced in Tokyo.

PM Modi’s talks with the Japanese leadership will give India a first-hand sense of the unfolding disruptions in Northeast Asia. Since his return to office, Trump’s policies have shaken America’s longstanding allies to the core. Japan, South Korea, and Taiwan now face high tariffs, harsh demands for greater defence spending, and Trump’s extortionist pressures on transferring wealth and technology to the US. While still dependent on US protection, these allies are looking to explore greater self-reliance and diversification. After the focus in recent years on working with the US in Asia, India would want to enhance its independent role in Asia, creating space for expanded strategic cooperation with Japan and Northeast Asia more broadly.

There is no doubt Delhi’s continental ambition will remain constrained by geography and unresolved disputes with China and Pakistan. In contrast, its bilateral partnerships with Asia’s maritime periphery are ripe for expansion. Expect soaring rhetoric from Tianjin on rebooting the regional and global order, but look out for tangible progress in the strategic partnership with Tokyo.

The writer is contributing editor on international affairs for The Indian Express



M NAGARAJU

FINANCIAL INCLUSION IS meant to empower individuals and businesses, foster growth, reduce poverty, and promote social equality. A government-backed financial inclusion drive is important for a developing country like India. That was one of the reasons behind the Pradhan Mantri Jan Dhan Yojana (PMJDY) launched on August 28, 2014. It aimed to provide universal access to banking services and ensure that every household, particularly the marginalised, could participate in the formal financial system.

PMJDY has grown into the world’s largest financial inclusion programme. Before PMJDY, only 59 per cent of Indian households and 35 per cent of adults had bank accounts. Eleven years since it was launched, almost 100 per cent of households and over 90 per cent of adults have a bank account. The informal credit systems that used to trap the marginalised in debt cycles have become relics.

Over 56.2 crore accounts have been opened, a nearly four-fold increase from March 2015. This includes 37.5 crore accounts in rural/semi-urban areas and 18.7 crore in urban areas. Women hold 56 per cent of these accounts, showcasing PMJDY’s strong focus on gender inclusion. The total balance in PMJDY accounts stands at Rs 2.68 lakh crore, a 17-fold increase since 2015. Over 16.2 lakh

INCLUSION IS EMPOWERMENT

PM Jan Dhan Yojana has taken subsidies to beneficiaries without intermediaries

When PMJDY was launched, approximately 7.5 crore households did not have bank accounts. In 2018, we achieved household-level saturation and shifted our focus to covering all adults with bank accounts. As per the World Bank’s Findex report, account ownership in India in 2024 increased to 89 per cent with respect to individuals aged 15 years and more.

bank mitras (business correspondents) deliver banking services in remote areas. PMJDY accounts have streamlined DBT and ensured that subsidies and relief payments reach beneficiaries without intermediaries. During demonetisation and the Covid crisis, PMJDY accounts facilitated rapid financial support.

When PMJDY was launched, approximately 7.5 crore households did not have bank accounts. In 2018, we achieved household-level saturation and shifted our focus to covering all adults with bank accounts. As per the World Bank’s Findex report, account ownership in India in 2024 increased to 89 per cent with respect to individuals aged 15 years and more. The NSS survey 2022-23 states that 94.65 per cent of adults in the country own a bank account. The scheme has promoted digital transactions through RuPay cards. Over 38.7 crore RuPay cards have been issued. PMJDY accounts are being used not only for receiving DBT but also for savings and to provide access to micro-insurance and investment products.

Today, 99.9 per cent of all inhabited villages have a banking outlet (branch, business correspondent or India Post Payments Bank) within five kilometres. This expanded banking network has helped extend life and accident cover (Jan Suraksha) of Rs 2 lakh through the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan

Mantri Suraksha Bima Yojana (PMSBY). An increasing number of people working in the unorganised segment are today able to get much-needed financial security by enrolling in Jan Suraksha schemes.

UPI and digital transactions have grown several-fold. This can also be attributed to the large number of PMJDY accounts. With an increase in average balances in Jan Dhan accounts, the PMJDY ecosystem can be expanded to facilitate investments. Artificial intelligence and natural language processing can help in voice-based transaction authorisations, doing away with the need for smartphones or internet connectivity. This has facilitated innovations in e-commerce with fast and reliable delivery systems in Tier 4 and Tier 5 centres. As PMJDY enters its 12th year, our focus is on sustaining and expanding its impact. The government has launched a financial inclusion saturation drive, and banks are organising camps to update KYC details, open new accounts, and promote micro-insurance and pension schemes. They are also working to reduce inactive accounts under PMJDY.

PMJDY is a testament to the power of inclusive governance and a global model for achieving universal financial inclusion.

The writer is secretary, financial services, Government of India



AUGUST 27, 1985, FORTY YEARS AGO

LOKPAL BILL

A BILL TO provide for the appointment of a Lokpal to inquire into allegations of corruption against Union ministers was introduced in the Lok Sabha. The Bill excludes the Prime Minister and the chief ministers from its purview. The Bill has been the subject of controversy ever since the government circulated a draft among leaders of Opposition parties. The Bill, in its present form, covers only Union ministers, ministers of states, deputy ministers or Parliament secretaries of the Union.

PUNJAB POLL TICKETS

CONGRESS (I) PRESIDENT Rajiv Gandhi is dis-

satisfied with the recommendations made by the Punjab Pradesh Congress (I) election committee for the 117 Assembly seats in the state and has appointed a two-man committee to meet the partymen and listen to their complaints. The Congress (I) high command had received a number of complaints against the recommendations of the election committee.

SRI LANKA FORMULA

INDIA IS HOPEFUL of hammering out a formula that could form the basis for the resumption of talks between the Sri Lankan government and Tamil groups for the resolution of the ethnic problem of the island. This hope was voiced by Foreign Office sources after the series of talks

that the Prime Minister and the foreign secretary had with the leader of the Sri Lankan delegation to the Thimphu talks, Hector Jayawardene, over the past three days.

LONGOWAL CASE

THE “UNITED AKALI Dal” leader Jagdev Singh Talwandi was questioned for about five hours by the Ludhiana senior superintendent of police, S S Bains, in Amritsar in connection with the assassination of the Akali Dal (L) president, Harchand Singh Longowal. Talwandi told UNI that he told the police he had nothing to do with the assassination of Longowal. He said Longowal had been his political opponent and not a personal enemy.



# Power at the centre

Electricity sector is holding India back. Urgent reform is necessary to help the economy become more productive and competitive



ABHISHEK ANAND, PRAVEEN RAVI, NAVNEERAJ SHARMA AND ARVIND SUBRAMANIAN

IT IS LOOKING likely that China will own the future because it is becoming the world's most successful electro-state, an economy that has made the furthest advances in electrifying its economy based increasingly on renewables. The industries and technologies of the future — AI, electric vehicles, data centres, etc — are all guzzlers of electricity: To paraphrase Marc Andreessen, electricity, not software, is going to eat the world.

If losing this future is not enough provocation for reform in India, consider the imperatives of the present. India's economic outlook remains uncertain at best. Potential growth has been slowing on the back of weak private investment, consumption and manufacturing exports. And the short-term Trump shock will reduce manufacturing export growth and kill even the few green shoots of China-plus-one-related private investment.

The air is ripe with invocations of 1991 and there is no doubt that the best response to the slowdown is for the Indian economy to become more productive and competitive by undertaking supply-side reforms. But to achieve that, one area in particular is critical: The electricity sector.

The travails of the electricity sector are well known: Loss-making discoms, perennial inefficiency, compromised state finances and bailouts ad nauseam. Just as war is too important to be left to the generals and foreign policy to diplomats, electricity is too important to be shaped by policymakers and analysts in this sector, as has been the case for the past 50 years and more. A different and broader perspective, highlighting the macroeconomic and development costs of a weak electricity distribution sector, is long overdue.

Consider how much the power sector is holding India back today and in the future. We present three facts based on our new research.

**Fact 1:** Electricity pricing imposes a nearly 100 per cent tax on manufacturing. Yes, on average, as documented in the forthcoming book by Devesh Kapur and Arvind Subramanian, Indian firms pay for electricity that is twice the efficient cost of supply. Nobel Prize winners Peter Diamond and James Mirrlees showed that no fiscal system should tax production. This principle is flagrantly violated in electricity pricing even as the rest of the tax system tries to adhere to it.

Inefficiencies in power distribution sector management account for half of this tax and the remaining half owes to the absurd, antiquated, and devastating policy of cross-subsidisation whereby industrial and commercial establishments pay for subsidies to agriculture and domestic consumers. It is difficult to estimate the benefits of eliminating this tax but we suspect that input costs will decline substantially, leading to increased formal sector jobs in labour-intensive, export sectors, possibly in the hundreds of thousands. This is the own goal that policy has been inflicting on Indian competitiveness.

In practice, this tax falls disproportionately on small and medium enterprises because large firms either have access to their own supply ("captive"), or else are in a position to negotiate with state governments to get more favourable terms of electricity pricing for

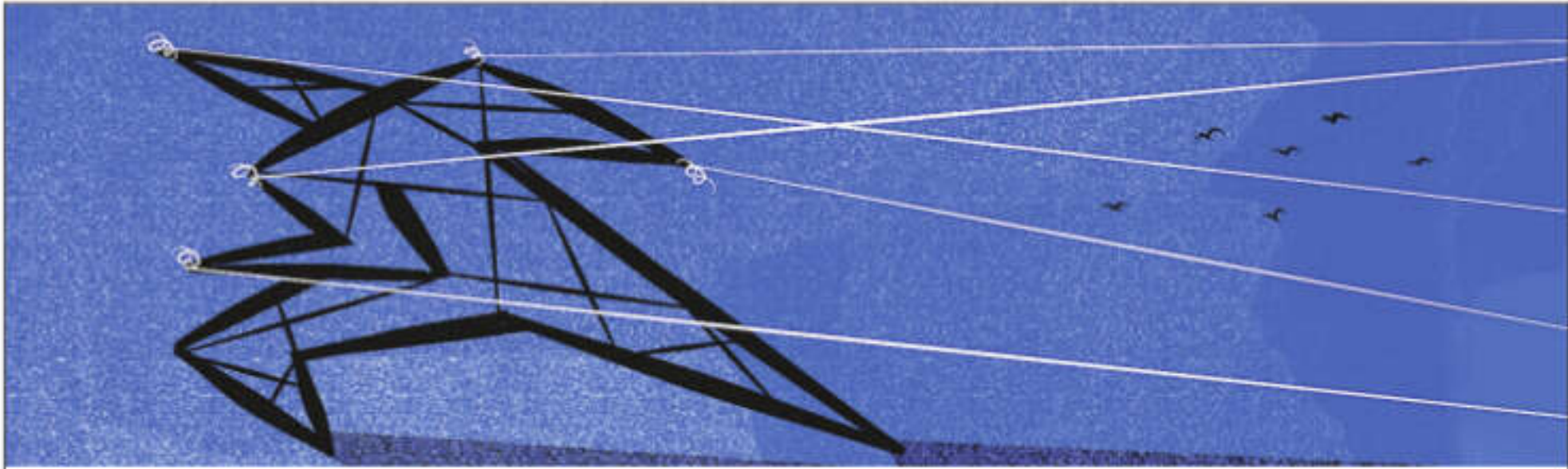


FIG 1: SHARE IN ELECTRICITY SUBSIDY

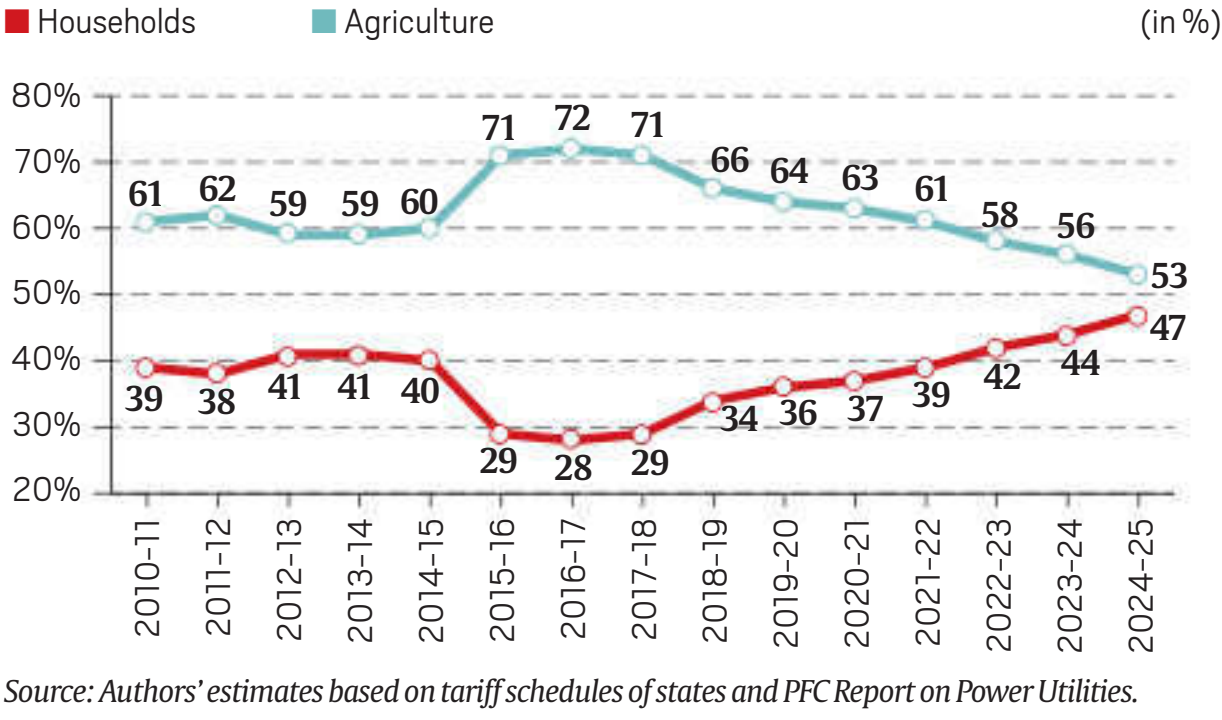
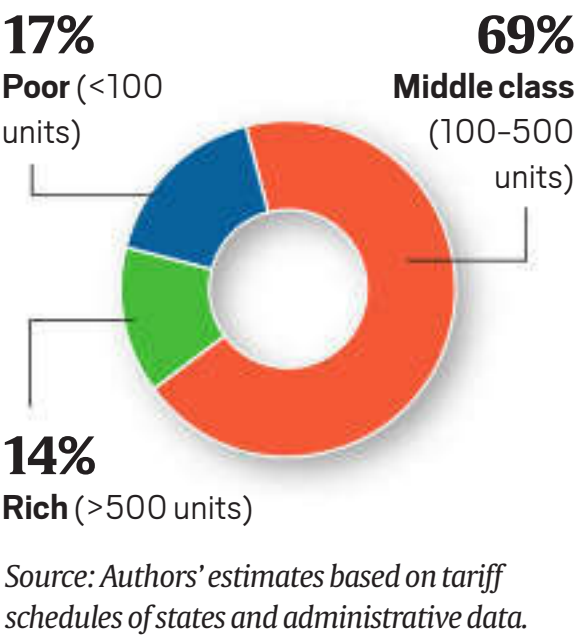


FIG 2: SHARE OF RICH IN ELECTRICITY SUBSIDY



Source: Authors' estimates based on tariff schedules of states and administrative data.

Illustration: C R Sasikumar

of affairs. The economic costs are hidden and indirect in the form of manufacturing activity that should otherwise have been undertaken.

In a forthcoming Madras Institute for Development Studies (MIDS) research paper, we elaborate on some principles that need to characterise electricity pricing: Radical simplicity of electricity tariffs, which should vary only for technical and not for policy reasons; no user of electricity should pay for inefficiencies of supply; all users except the really poor should pay for efficient costs of supply; and no user should pay for more than efficient costs.

We also elaborate on how reforms can and should happen in this sector and how central government packages should differ from those in the past. There should be more focus on tariffs and costs separately and less on overall profitability per se. The cross-subsidy folly should be targeted for consignment to the dustbin of history as expeditiously as possible. Greater emphasis could be placed on facilitating orderly exit as a means of increasing pressure on state governments and discoms to reform. Burden-sharing by the Centre and the states will be necessary to finance the transition costs.

The electricity distribution sector is one of the last redoubts of (mostly) public sector monopolies doing great damage to the economy. Subjecting the public sector monopoly in telecommunications to competitive challenge sparked the IT revolution in India. Something similar is overdue in electricity. There seems to be a recognition of this reflected in the Prime Minister's speech announcing the appointment of a Reform Task Force. For India, the writing is on the (Great) Wall (of China).

Anand is a visiting fellow at the Madras Institute for Development Studies; Ravi is principal consultant in technical solutions at the Centre for Effective Governance of Indian States; Sharma is an energy economist; Subramanian is former Chief Economic Adviser and co-author of the forthcoming book A Sixth Of Humanity: Independent India's Development Odyssey

## WHAT THE OTHERS SAY

“This is how it works: Blow up a hospital, kill journalists and express regret. The propaganda strategy is transparent: It is not a war crime because the IDF ‘regrets’ what happened.” — HAARETZ, ISRAEL

# The actor’s tool, his body

Fifty years since his debut, Rajinikanth continues to give meaning to stillness, silence and to elevate the ordinary into art



KENSHIN

GROWING UP IN '90s Kerala in a home without cable TV and with parents who never went to the theatres, my only access to films was Doordarshan, yet cinema was part of my daily existence. My childhood heroes ranged from Mammooty and Mohanlal to Kamal Haasan — but not Rajinikanth. Still, I would mimic the Rajini walk and mouth his dialogues — not as a fanboy but as someone noticing how distinct and balanced his style was.

It was only when adulthood hit and I turned to a career as an actor and writer that I realised how, despite not growing up as a Rajinikanth fan, he was an indelible part of my life. As I began to look at cinema through an actor's eye, I understood that Rajini's legacy lay not just in the way he transformed the very idea of superstardom in India but also in the way he converted mundane actions into celebratory scenes. Many people dismiss the actor as “excessive” but I found his gestures — from the iconic cigarette flip to his slow-motion walk — to be measured and executed with ease, control and rhythm.

At the centre of this unprecedented stardom is the way in which he used his body as an instrument. Rajini often used stillness and silence to convey meaning. For example, in a fight scene, he didn't jump straight into action, but occupied the frame with stillness, letting the tension build.

In films like *Murattu Kaalai* (1980), whether it was his walk, the way he adjusted his mundu or leaned on a staff, Rajinikanth transformed everyday movements into stage presence. An act like munching on sugarcane became memorable because he invested it with rhythm and authority. American acting coach Uta Hagen writes that the actor's body must be free of unnecessary tension. In Rajini's case, even if a scene or a character was tense, the actor was often relaxed, almost casual. He didn't look like he was “acting” because he was not trying to be somebody else.

In Mahendran's *Johnny* (1980), Rajini played dual roles of characters that came across as vulnerable, often tender. It was a film where one could see the actor's greatest skill — listening. He listened not just with his face but his entire body, making reactions come alive with micro-shifts — leaning in slightly, adjusting his posture, lowering his chin or arching an eyebrow. Released the same year as *Billa*, Rajini's Johnny felt almost “anti-Rajini” — restrained, inward, deeply reactive and fully present in his exchanges with Sridevi, grounding his characters in stripped-down naturalism.

In films such as *Thillu Mullu* and *Netrikkan* (both 1981), one can still see Rajini using his body organically to transform simple actions into iconic theatrical moments, creating a stage reality that felt truthful and larger-than-

life at the same time. But by this time, a transformation from an actor to a star was beginning. Traits that would later become Rajini's signature moves, such as flipping a cigarette into his mouth, started with K Balachander's *Moondru Mudichu* (1976) but these directors were yet to fully capitalise on Rajini's star value. They kept the cinematography relatively static with long shots and ample space for theatrical intensity.

It was in the late 1980s, as Rajini associated with filmmakers such as S P Muthuraman (*Velaikkaran*, 1987 and *Guru Sishyan*, 1988) and Rajashekhar (*Maveeran*, 1986), that the transformation into a star was fully realised. These directors used various techniques to maximise Rajini's style, such as pauses before dialogues, zoom-ins for his signature gestures and slow-motion entry shots. In 1991, came Mani Ratnam's *Thalapathy*, a superhit that amalgamated Rajini's nuanced acting with star power portraying a working-class hero. This paved the way for later filmmakers such as K S Ravikumar (*Muthu*, 1995 and *Padayappa*, 1999) and P Vasu (*Chandramukhi*, 2005).

A superstar emerged who interacted directly with the audience, creating more intimacy with them. Directors would use dramatic camera angles to aid the star delivering sharp dialogues meant to exhilarate the viewers. His signature gestures and entry into a scene became powerful motifs that would leave fans in a frenzy.

This demarcation between “actor” Rajini and “superstar” Rajini led to comparisons with the other superstar — Kamal Haasan, who would choose roles that would transform him, make him disappear into his characters. When Haasan's films fared poorly, it was often associated with flaws in his method. Rajini, boxed in as the superstar, could never disappoint because he never tried to “become the character” and his film's failure was attributed to its director.

If it was the character and his world that mattered to Haasan, for Rajini, it was the space between himself and the audience that was key. Haasan aimed for believability while Rajini focused on elevating the ordinary to a stylised realm. This made him believable because the audience never expected him to play a realistic character.

Whether it was *Baashha* (1995) or *Sivaji* (2007), Rajini's essence was fundamentally the same. Even as collaborations with different directors brought in minor changes in metre and rhythm, Rajini still channelled his characters through his own evolving persona.

The more I act, the more I realise that it is harder to “just be” than “become” someone else. Rajinikanth is proof that if the actor's intent and preparation for the scene are right, the emotions will flow naturally.

As Rajinikanth's cinematic legacy completes 50 years, I too walk the Rajini walk. Not to mimic him, but because the posture gave me pain relief and the ability to be relaxed and driven at the same time. This was not merely Rajinikanth's style. In his world, even the most mundane could become a flow of balance, rhythm and survival.

Kenshin is an actor and writer working in Malayalam films

## LETTERS TO THE EDITOR

### FAMINE IN GAZA

THIS REFERS TO the editorial, ‘Israel-made tragedy’ (*IE*, August 26) The declaration by a UN agency of famine in Gaza is a wake-up call to the world. Your paper has been vocal about this issue but silence elsewhere is a testimony to the declining levels of humanity. Besides, the double strike by the IDF last night on a hospital in Khan Younis has further worsened the situation. All stakeholders must join hands to spare the millions of innocent civilians suffering the IDF's night. Only an honest admission of the fundamental problems in the region will pave the way for reconciliation and an enduring peace.

Sanjeev Raina, Greater Noida

### THE ROCK

THIS REFERS TO the editorial, ‘Thank you, Pujara’ (*IE*, August 26). Cheteshwar Pujara was the chief architect of two consecutive historic Border-Gavaskar Trophy wins Down Under. The 11 body blows he took at the Brisbane Test to score 56 off 211 deliveries would be etched in the memory of Indian fans. He was the red ball man in a white ball obsessed world. He fell out of favour with the selectors mainly due to his low strike rate, but if wearing down opponents is an art, then Pujara was the greatest artist. If Rahul Dravid was the wall, Pujara was the rock.

Bal Govind, Noida

### PROHIBITION’S RISKS

THIS REFERS TO the editorial, ‘The wrong answer’ (*IE*, August 25). India's blanket ban on real-money online gaming seeks certainty but delivers uncertainty. Prohibition promises safety but often ushers chaos in silence. The stakes for India are immense. A Rs 2 lakh crore industry, sustaining over two lakh livelihoods, now faces disruption. GST revenues, which rose by over 400 per cent under structured taxation, stand imperilled. A sweeping ban risks snuffing out innovation, draining investor trust, and pushing users into unregulated shadows, leaving the very harms it seeks to curb unchecked. The way forward lies in nuanced regulation, not blunt prohibition.

Vijay Singh Adhikari, Nainital

### GUEST IS GOD

THIS REFERS TO the article, ‘The tariff-proof sector’ (*IE*, August 26). India's tourism sector is rich in heritage, culture, and diversity, and is slowly emerging as the new global favourite. It does, however, face certain challenges, primarily emerging from inadequate infrastructure and poor transport connectivity, limiting access to many tourist destinations. There is a need to foster public-private partnerships for investing in robust physical and digital infrastructure, and building capacity to improve service quality. These must adhere to India's ‘*Atithi Devo Bhava*’ philosophy, which translates to, ‘The Guest is God’.

Vaibhav Goyal, Chandigarh



PRIYA RAMANI

# Dowry didn’t go away

Don’t talk of it as an evil from our past that we successfully eradicated

have been murdered for dowry so far in 2025. Of course, the real number is likely to be much higher. Yet, this travesty does not carry enough heft to make it to any prime ministerial speech, even one that runs 103 minutes long. Dowry deaths are never the lead story in any mainstream newspaper. Dowry is just one in a list of social evils that hasn't made it to the consciousness of the AI age, despite the fact that its fires are literally burning down homes.

For every Nikki Bhati, allegedly a victim of dowry killing, we miss the story of 16 others that happened that same day. Nikki's sister says both siblings, married on the same day into the same family in 2016, faced torture and harassment from the start. I can't help but despair at the system that forces even educated, financially independent women to believe they are less than a man, any man, even one they haven't chosen. Marriage extracts a hefty price — if they're lucky, a lifetime of misery.

It's no wonder that some Indian women feel they need to go to extremes to avoid getting married. Like the Bhopal lawyer Archana Tiwari, who planned her own disappearance so she wouldn't have to marry a man her parents had picked for her.

Sometimes, it really feels that the only way a woman can avoid dowry in this country where 90 per cent of marriages involve dowry (according to a World Bank study that examined 40,000 rural weddings between 1960 and 2008) is to simply avoid getting married.

But it's not about rural or urban, activist Brinda Adige recently told a television reporter. “There is no geography for demanding dowry and giving dowry,” she said, adding that it is “prevalent in every religion, every caste, every class”.

There's nothing new to say about dowry. It's been illegal since 1961, but its high prevalence makes it likely that at least some of the descendants of those who outlawed it are complicit in the practice. Jeffrey Weaver of the University of Southern California has described it as “one of the most significant financial transactions for Indian households”, which gives you a clue as to why it is still around. Weaver — an Economics professor — referred to dowry as “transfers from the household of a bride to that of her groom”.

But Weaver's description leaves out the post-transfer reality. In recent months alone, women have been drowned, their throats slit, heads battered with bricks, burned with a hot

iron, pushed to die by suicide and set on fire — all in the name of dowry. And we continue to do absolutely nothing about this crime.

Here are two ideas for the “Beti bachao” brigade if their goal is really to make daughters self-reliant and self-confident. Every year, award a Padma Shri to one woman who publicly speaks up against the practice of dowry. Like the mathematics teacher who got so fed up with being asked for dowry that she began a petition asking the police to conduct raids at marriage venues to curb this evil practice. Or, the woman who fought a case against dowry demands from an aspiring civil servant and who is now a Supreme Court lawyer. The stories of such women deserve to bask in the warmth of our hero worship. Also, consider giving national awards and tax breaks to films that centre the impact of dowry such as the Malayalam film *Ponman*.

Update the history books. Don't talk of dowry like it's an evil from our past that we successfully eradicated. To fight dowry, we must acknowledge it first.

The writer is a Bengaluru-based writer and co-founder of India Love Project on Instagram





## False righteousness

Courts must protect rights of citizens, not allow the state untrammelled power

In urging the Union government to work on guidelines to regulate speech on social media, the Supreme Court of India is seeking to empower an executive that is already weaponising the legal limits on freedom of expression. In response to a petition by a non-profit assailing derogatory remarks by online figures against disabled persons, the Court issued instructions that further a problematic trend of the judiciary egging on the state to encroach on legal grey areas with statutory restrictions that undermine constitutionally guaranteed rights. To regard distasteful humour, however disturbing it might be, as a problem to be solved through the courts and by executive rulemaking, is to fall into a deceptive trap of imagined righteousness that progressive democracies should avoid. There are always unpleasant consequences in expanding powers to police speech: partisans wield their powers to ferociously monitor what is or is not appropriate, instrumentalising agencies of the state to suppress art and political speech they do not like; citizens find themselves constantly looking over their shoulder before expressing themselves. Under the overbearing atmosphere of censored expression, truths and ideas that must be reckoned with for a functioning democracy are stifled. People should not have to constantly look against asterisks that set terms and conditions for fundamental liberties. Film producers and directors have been pushed away from exploring subject matters that would help India progress socially, and journalists have been dealing with first information reports for carrying out their professional duties.

In recent years, the Union government has, formally and informally, expanded its control of online speech, with the problematic Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, and an amendment to those Rules that would allow social media companies to be proceeded against for content posted by users that has been flagged by the government. Monday's instructions seem set to expand those ambitions, which are themselves under challenge with the Supreme Court. Hate speech and speech inciting violence against minorities are criminalised in India, giving disadvantaged groups powerful avenues of recourse when they are legitimately wronged. Handing an executive, which already has a record of mala fide weaponisation of media and speech regulations, more powers would be dangerous in the extreme. At a fundamental level, such judicial pronouncements, which cite "misuse of freedom of speech" as a ground, seem to misperceive the framework of their institutional role: that of a protector of rights under a clear constitutional framework, and not of an unchallenged lord in a feudal society.

## Not truly open

Tennis needs a strong middle tier to see keen contests through two weeks

Sport is at its best when there is a clearly established pecking order and intense competition between the hierarchical rungs. The presence of a dominant and diverse set at the top, followed by a capable and efficient mid-card, and an under-card that can upset the apple cart makes for engaging viewing. However, in recent times, the men's and women's tennis tours have seen a hollowing out of the middle. It is particularly stark in the men's game where Carlos Alcaraz and Jannik Sinner have pocketed the last seven Grand Slam tournaments, talents as effervescent as 2021 US Open winner Daniil Medvedev are threatening to fade away while teen-aged phenoms such as Joao Fonseca are rising. At the ongoing US Open, it will be interesting to see if a class that consistently snaps at the heels of the top dogs emerges. The legendary Novak Djokovic, winner of a record 24 men's Slams, has made three semifinals in as many Majors in 2025. The 38-year-old is still good, but the question is if he is good enough to go all the way. Taylor Fritz and Ben Shelton, No. 4 and No. 6 respectively, are out to end the United States of America's 22-year wait for a male Slam winner even as Alexander Zverev will be desperate to prove that his No. 3 ranking is not an anomaly.

Among women, Aryna Sabalenka, Iga Swiatek and Coco Gauff have combined to win 10 of the last 14 Majors. Though the trio's hold at the top is not as water-tight as the Alcaraz-Sinner duopoly, they are the players to beat. World No. 1 Sabalenka, a finalist this year at both the Australian Open and the French Open and a semifinalist at Wimbledon, will be eager to defend her title at Flushing Meadows and avoid a Major-less season. Swiatek, who resurrected her career at the All England Club in July after a year-long slump, has continued her fine touch, winning a key US Open tune-up event in Cincinnati. Gauff has had a forgettable time since securing the Roland-Garros crown but the home setting in New York should energise her. It will be intriguing to watch who among Jessica Pegula (2024 US Open runner-up), Jasmine Paolini, Amanda Anisimova, Elena Rybakina – the 2022 Wimbledon champion – and Emma Navarro turn out to be the challengers. Also of interest will be 18-year-old sensation Mirra Andreeva. The Russian won Dubai and Indian Wells, broke into the top-10, made back-to-back quarter-finals at the French Open and Wimbledon, and is now World No. 5. The cream has risen to the top. Will it stay there?

Two major press conferences held in recent weeks have attracted a good deal of national attention. The first was held by the Leader of the Opposition (LoP) in the Lok Sabha, Rahul Gandhi, on August 7, 2025, in New Delhi, where he highlighted specific instances of manipulation of the voter list in the Mahadevapura Assembly segment of the Bangalore central parliamentary constituency during the 2024 general election. His disclosures included the fact that a large number of voters were enrolled in the voters list having the same address. In some cases, the 'father's name' was given as 'xyz' and the house number as '0'. According to Mr. Gandhi, these facts were unearthed by his team after painstaking research of the Election Commission of India (ECI) documents over six months. These disclosures by Mr. Gandhi have created consternation among the citizens of India – if these are true, the entire electoral system in India would lose its credibility and India's democracy will cease to be a genuine democracy.

### The ECI's stand is unusual

The second press conference, also in New Delhi, was held by the Chief Election Commissioner (CEC) and his colleagues on August 17. It was expected that the CEC would clarify the issues raised by the LoP. However, the statements made by the CEC were a kind of a pushback against what the LoP had said in his press conference. As a matter of fact, the press conference by the CEC left citizens none the wiser as many basic questions were just ignored. The press conference ended with the CEC issuing an ultimatum to the LoP – to either submit the details of his disclosures with a sworn affidavit or apologise to the nation. This unusual stand of the ECI shows that it too has joined the political slugfest. This is a stand that will continue to rattle political parties for a long time.

The ECI is a high constitutional body that is entrusted with the task of superintending, directing and controlling the preparation of electoral rolls and conducting elections to Parliament, State legislatures and to the offices of the President and the Vice President of India. Article 324 of the Constitution vests enormous powers in the ECI to perform this task. It is mandated to conduct elections in a free and fair manner, which is a part of the basic structure of the Constitution. The Supreme Court of India has held that Article 324 is a reservoir of powers which the ECI can draw from in order to ensure that the elections are free and fair. However, it has to function within the Constitution and law.

Issuing an ultimatum to the LoP is not a part of



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The Election Commission of India has a constitutional obligation to carefully examine a complaint or a disclosure highlighting serious irregularities in electoral rolls

the exercise of power under Article 324 or the election statutes. It is also not a part of the exercise of the powers of the ECI to join the adversarial political discourse in India.

The episode in Bangalore clearly points to the possibility of electoral lists being tampered with at some level. It is true that Mr. Gandhi's disclosures months after the general election do not fit into the procedural mould created by the Representation of The People Act, 1950. This Act and the rules made thereunder contain a just, fair and transparent procedural framework which provides for multiple layers of scrutiny and public inspection and a just procedure for resolution of disputes. Further, the election statutes assume that there is a finality about elections. Therefore, these statutes cannot deal with the issues which Mr. Gandhi has raised.

The question is how to deal with it. Attempts to counter it with senseless technicalities and a demand for sworn affidavits are non-productive. Article 324 confers enormous powers on the ECI so that it would prepare the rolls and conduct elections in a fair manner. Article 324 implies responsibilities and obligations to exercise that power judiciously. So, when a citizen makes a complaint or a disclosure highlighting serious irregularities in the preparation of the electoral rolls, it is the constitutional obligation of the ECI to examine this carefully and fix the faults in the system. How could 80 voters be registered under the same address when it is clear that they cannot be ordinarily resident there? They voted because their names were on the roll. Who enrolled them and under whose directions are serious questions which need an answer. A person can be registered in a voters' list only if he is ordinarily resident there. This term has been defined as permanent stay at a place. Are all these 80 people residing at one address permanently?

The Representation of The People Act 1950 provides for the revision of the electoral rolls. These rolls can be revised before every election or every year on the direction of the ECI or a special revision in a few constituencies or part thereof for which the ECI needs to record the reasons (Section 21 of The Representation of The People Act, 1950). Rule 25 of the Registration of Electors Rules, 1960 shows that the revision done annually can either be summary revision or intensive revision (intensively or summarily or partly intensively and partly summarily).

### The Bihar SIR

The ECI is presently engaged in a special intensive revision (SIR) of electoral rolls in Bihar, a State where Assembly elections are due later this year. Actually, neither the Act nor the Rules

contain any term such as special intensive revision.

There are separate provisions for intensive revision and special revision. This writer is of the view that the SIR suffers from certain legal infirmities. Intensive revision can be done only in January which is the qualifying date whereas a special revision can be done at any time; but this will be limited to certain constituencies or parts thereof.

The Bihar SIR has the qualifying date as July 1, which is in violation of Section 14(b) in The Representation of The People Act, 1950, which says that the 1st day of January shall be the qualifying date. Qualifying date is the date on which the revision or preparation of the roll begins.

There are a number of media reports on the chaotic conditions in Bihar as a result of the SIR. Intensive revision within a month is a contradiction in terms. Rule 25(2) of the Registration of Electors Rules, 1960, says that intensive revision means rolls have to be prepared afresh and Rule 8 says that the registration officer shall have to visit every dwelling house in the constituency to prepare the roll. It is anybody's guess whether the registration officers would be able to visit every dwelling house in the whole State within one month and complete the enumeration formalities in accordance with the procedure. This has sparked off a huge political agitation in the State.

The ECI claims that the enumeration process has been completed and 65 lakh voters have been deleted from the roll. Much against the wishes of the ECI, the Supreme Court, in an interim order, directed the ECI to publish the names and the reasons for their deletion. This order of the Court has been welcomed by all.

### Prescient words

The ECI is a powerful constitutional authority. But the ECI does not have unfettered powers. The Constitution has not given anybody or any authority it created untrammelled powers which may be misused to the detriment of democracy.

In *A.C. Jose vs Sivan Pillai and Ors.* (1984), Justice S. Murtaza Fazal Ali said, "If the Commission is armed with such unlimited and arbitrary powers and if it ever happens that the persons manning the commission shares or is wedded to a particular ideology, he could by giving odd directions cause a political havoc or bring about a constitutional crisis, setting at naught the integrity and independence of electoral process, so important and indispensable to the democratic system." These are prophetic words.

# The gender angle to India's economic vulnerabilities

India's economic ascent, which is now valued at \$4.19 trillion, has earned it a firm place in the global growth story. The country is poised to become the world's third-largest economy. Yet, this momentum now faces a formidable disruption – the proposed 50% tariffs by the United States President Donald Trump on Indian exports. Targeting \$40 billion in trade, these tariffs could shave off nearly 1% from India's GDP striking labour-intensive sectors such as textiles, gems, and leather and footwear which are critical industries that disproportionately employ women.

Unlike China, which has weathered U.S. tariffs through its manufacturing scale and diversified exports, India remains vulnerable. The U.S. accounts for 18% of India's exports; an increase in tariff could lead to 30%-35% cost disadvantage against competitors such as Vietnam leaving Indian exporters exposed. In this moment of crisis, these words appear prescient: "The strength of a nation lies in the strength of its women." India's failure to economically empower half its population is not just a social concern. It is now a strategic liability.

The tariffs threaten to destabilise employment for millions of Indian women. The textiles, gems, leather and footwear sectors, which employ nearly 50 million people, face a projected export decline of up to 50%. Additionally, India's existing low female labour force participation rate (FLFPR) has remained stuck between 37% and 41.7% far below the global average and China's 60%. According to the International Monetary Fund, closing the gender gap could boost India's GDP by 27% in the long term. Yet, this is a promise that is stifled by cultural constraints, policy inertia and systemic barriers to employment.

### The ticking clock

India is inching closer to its peak of its demographic dividend – a period where the working-age population vastly outnumbers dependents. This window, which could close by 2045, once fuelled growth in China, Japan, and the U.S. – economies now past their prime



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The imposition of U.S. tariffs that threatens to impact millions of Indian women in labour-intensive sectors is a wake-up call – women need empowerment as economic agents

demographic advantage, with flattening growth curves. India must act to convert this fleeting dividend into sustained prosperity, and this means fully integrating women into the workforce.

Labour participation by rural women has inched up, but mostly in unpaid and low-productivity family work. In urban India, female workforce participation has stagnated. Safety concerns, unreliable public transport, lack of sanitation, and the crushing burden of unpaid care work continue to push women out of schools and jobs.

India risks the fate of Southern European economies such as Italy and Greece, where low FLFPR has placed a long-term drag on growth. The urgency is clear as it is a now-or-never moment.

### Lessons from abroad, solutions at home

Global superpowers offer a road map. The U.S. leveraged women's labour during the Second World War with equal pay and childcare. China's post-1978 reforms drove 60% FLFPR through state-backed care and education. Japan raised its FLFPR from 63% to 70%, boosting GDP per capita by 4%. The Netherlands' part-time work model, with equal benefits, suits India, where women prefer such roles. These nations invested in legal protections, care infrastructure, and skills training, which are areas where India lags. Instead of short-term populism or blanket cash transfers, India needs structural reforms that empower women as economic agents.

Karnataka's Shakti scheme, which offers free public bus travel to women, is one such intervention. Since its launch in 2023, female ridership has surged by over 40%. The scheme has enhanced women's mobility for work, education, and enterprise – especially in rural and peri-urban areas. This has enabled more women to gain improved access to job markets, decrease their dependence on male family members, and achieve greater autonomy.

Redirecting spending from broad welfare schemes to targeted programmes such as tax

incentives for female entrepreneurs, digital inclusion drives, and gender-focused skilling platforms can yield more sustainable gains. Formalising gig and part-time work through updated labour codes and social protections would bring millions of women into the formal economy.

Urban Company, a leading gig platform, has onboarded over 15,000 women service providers. These workers earn ₹18,000-₹25,000 in a month, along with access to accident insurance, maternity benefits, and skill development. The platform's emphasis on safety, training and transparent pay highlights how gig work can be empowering particularly for semi-skilled urban women.

On the public side, Rajasthan's Indira Gandhi Urban Employment Guarantee Scheme has created over four crore person-days of work, with nearly 65% of jobs going to women. Its flexible, neighbourhood-based jobs in sanitation, greening and care work have enabled many first-time workers – especially those restricted by domestic duties – to enter the workforce. These cases show that when the state recognises and supports non-traditional work, it can unlock massive economic value.

### A moment of reckoning

The looming U.S. tariff shock should serve as a wake-up call. India's economic vulnerabilities are not just due to external threats. They also stem from internal neglect, especially in tapping the potential of working-age women.

Empowering women is not a social gesture. It is a growth imperative. It is the linchpin of demographic dividend utilisation, export competitiveness and equitable development. If India seeks to become a true global powerhouse, its progress must be built on the shoulders of both its men and women. India stands at a crossroads. It can rise by investing in its women. Or it can falter by ignoring them. One path leads to resilience and inclusive growth. The other path leads to missed opportunities and economic fragility.

## LETTERS TO THE EDITOR

### Court on insensitivity

The Supreme Court of India's direction to the government to form guidelines to regulate conduct on social media is humanity based (Front page, August 26). When millions of people are suffering from all sorts of problems, providing them with more facilities and encouraging them is always good. An Arab proverb

listed in the *Oxford Dictionary of Proverbs* says, "Do not grieve that rose-trees have thorns, rather rejoice that thorny bushes bear roses". It can be taken this way. 'Do not grieve that one is physically challenged or handicapped. Rather, rejoice that such persons can excel in life with some confidence'.

A.J. Rangarajan, Chennai

### Constitutional stalemate

The Presidential reference on the powers of the Governor assumes importance because if the reference is answered in favour of the Governor, it would affect the basic structure of the Constitution. The argument of the Attorney General, that the Governor could act on his own discretion and that any Bill passed by the

Legislature is subject to the Governor's discretion, would be disastrous for electoral democracy. Article 200 of the Constitution makes it absolutely clear that the Governor should either grant or withhold assent in which case he should send it back to the State Legislature within a reasonable time. If the Legislature passes the Bill again, the Governor has to

give assent. Therefore, the powers of the Governor are subject to the Legislature, which is the elected body. For the Attorney-General to make contra-suggestions that the Governor has all the powers to come to his own decision will have serious consequences for electoral democracy and federalism. Such arguments would not only lead to a breakdown of the

Constitution but also a crackdown. The voice of the Attorney-General should not merely be the voice of the Union Government. It should be the voice of the Constitution.

N.G.R. Prasad, Chennai

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.



# Play-based learning for India’s future

If we are to build a Viksit Bharat, we must start where life begins – by nurturing the potential of our youngest citizens. It is in the joyful laughter of a child at an Anganwadi centre, in the rhymes they sing and the blocks they build, that the promise of our nation’s future takes shape. Under the leadership of Prime Minister Narendra Modi, India has placed its youngest citizens at the heart of its development journey. Mr. Modi has redefined our national priorities – not only by investing in universities and digital infrastructure, but by recognising the critical importance of the first classroom a child steps into: the Anganwadi.

In today’s India, play is no longer just a pastime; it is policy. And the results speak for themselves. Over the past decade, the Modi government has fundamentally reimagined its approach to early childhood development. The National Education Policy (NEP) 2020 recognises that 85% of brain development occurs before the age of six. If we seek a smarter, healthier, and more productive population, we must invest where in the first six years of life.

Scientific evidence supports this shift. A study by the Department of Clinical Epidemiology at CMC Vellore found that children who received 18 to 24 months of structured early childhood care and education (ECCE) showed significant and lasting IQ gains – up to 19 points by age five, and 5 to 9 points by age nine.

These findings are aligned with global research. As Nobel Laureate Dr. James Heckman famously said, “The earlier, the better – and the smarter the return.” His research estimates that investments in early childhood yield returns of 13-18%.

**A child’s first school**  
Recognising both the economic and social importance of ECCE, the Ministry of Women and Child Development launched Poshan



**Annpurna Devi**  
Union Minister for Women and Child Development, Government of India

Anganwadi Centres across the nation are being transformed into nurturing spaces for holistic early learning

Bhi Padhai Bhi – an initiative that transforms Anganwadi Centres into vibrant early learning hubs. For the first time, Anganwadi workers are being systematically trained in ECCE, focusing on activity-based and play-oriented approaches using local and indigenous materials. Budget allocations for teaching-learning materials have also been significantly enhanced, and monthly ECCE days have been institutionalised. Today, the Anganwadi Centre is not just a place for nutrition – it is every child’s first school, nurturing curiosity, creativity, and holistic development in the most critical years of life.

**Holistic development**  
To guide this transformation, the Ministry has introduced Aadharshila, the National Curriculum for Early Childhood Care and Education for children aged 3-6 years. Aadharshila focuses on the holistic development of children – emphasising not only intellectual growth but also emotional, physical, and social well-being. It approaches learning through structured play, allowing children to grow and thrive in a nurturing environment.

Children are instinctively drawn to play – turning every corner of their world into a space for discovery and joy. With the right environment, this instinct becomes the foundation for lifelong learning. Poshan Bhi Padhai Bhi nurtures this spirit by providing safe, structured, and stimulating settings where children can thrive through guided play and learning. ECCE plays a foundational role in shaping the future of our nation.

Under the Poshan Bhi Padhai Bhi initiative, Anganwadi Centres across the nation are being transformed into nurturing spaces for holistic early learning. A structured Aadharshila’s 5+1 weekly plan ensures that the day begins with 30 minutes of free play, followed by structured

activities that enhance language, creativity, motor skills, and social interaction. After a nutritious lunch and rest time, the day concludes with outdoor play and conversation that reinforce values and build emotional connections.

This balanced approach to structured and unstructured play is critical, especially in the light of NEP 2020 which has raised the formal school entry age to six years. Structured ECCE ensures that children are ready for school – emotionally, socially, and cognitively. What is truly heartening is the growing trust of parents across the country. Families who once viewed Anganwadis as just nutrition centres now see them as the first stepping stones in their child’s educational journey.

Every child deserves a strong start, right from birth. Recognising the foundational importance of the birth-to-three age group, the Ministry has also introduced Navchetna, the National Framework for Early Childhood Stimulation. This initiative empowers parents and caregivers with simple, play-based, age-appropriate activities to nurture young minds at home.

Parental involvement is key to a child’s development. While families in higher-income households may invest in toys and books, it is the role of the state to act as an equaliser for those with fewer means. Through Navchetna and Poshan Bhi Padhai Bhi, we are bridging this gap, ensuring that every child, in every corner of the country, receives the stimulation, care, and nurturing they need to thrive from the very beginning.

If India is to truly become Viksit, our youngest generation must be empowered with the right start in life. Play is not a luxury; it is foundational to learning. The Ministry of Women and Child Development remains committed to ensuring that every child gets the opportunity to learn, grow, and flourish, because building the nation begins with nurturing its youngest citizens.

# Cooperatives at a crossroads

The Centre’s policy comes at a time of trouble for many cooperative banks and societies

## STATE OF PLAY

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The National Cooperative Policy, 2025, unveiled by Union Home and Cooperation Minister Amit Shah in July, has provoked a sharp response from Kerala, which has a rich tradition of incubating and sustaining cooperatives. Ever since the Bharatiya Janata Party (BJP) government created the Ministry of Cooperation under Mr. Shah in 2021, Kerala has been wary of what it describes as unwarranted and unconstitutional incursions into State territory.

The policy has opened a new battlefield in the protracted conflict between the CPI(M)-led Left Democratic Front government in Kerala and the Centre over cooperative federalism and the equitable sharing of financial resources. The Left government has consistently viewed actions by the Modi government with respect to the cooperative sector with deep suspicion. Kerala’s vast cooperative sector network enjoys grassroots public support, particularly among the rural population including farmers, and manages substantial financial wealth. The policy has added fuel to the allegation that it is merely a BJP ruse to wrest control of this network as part of the saffron party’s larger political objectives in Kerala.

Soon after the policy’s launch, V.N. Vasavan, the State Minister for Cooperation, had described it as “unconstitutional” and harmful to the interests of cooperatives. Although the National Cooperation Policy professes to adhere to the principles of cooperative federalism, the

document ignores the constitutional edict that cooperative societies are a State subject under Entry 32 of the State List in the Seventh Schedule of the Constitution, he said. Kerala had similar concerns when the Centre sought to enact the Multi-State Cooperative Societies (Amendment) Act in 2023.

Organisations and employees’ unions in the cooperative sector have reacted sharply to the policy as well. At a recent convention, the Kerala Primary Agricultural Cooperative Society association passed a resolution denouncing the policy as a challenge to the concept of federalism. The Kerala Cooperative Employees Union termed it an “unconstitutional move” by the Centre to gain control over the sector and gift it to corporates. In pushing through with the policy, the BJP has its eye on deposits worth ₹2.94 lakh crore in the cooperative sector institutions of Kerala, the CITU-backed KCEU has alleged.

Kerala’s cooperatives date back to the early decades of the 20th century in Cochin, Travancore, and Malabar. After the formation of the State in 1956, the Travancore-Cochin Cooperative Societies Act of 1951 was succeeded by the Kerala Co-operative Societies Act, 1969. Cooperatives have come a long way since then, expanding their influence over all walks of life. Primary cooperatives serve as a major

credit support system in the Kerala economy. They have considerable influence and financial heft.

A few years ago, the Kerala government amalgamated district-level cooperative banks with the Kerala State Cooperative Bank (Kerala Bank). This was done as part of a policy decision to convert the three-tier cooperative credit structure – comprising PACS, district cooperative banks and the State Cooperative Bank – into a two-tier system.

Incidentally, the Centre’s decisions with respect to the nation’s cooperative sector have come at a time when several cooperative banks and societies in Kerala have found themselves in serious trouble over allegations of embezzlement and non-refund of depositors’ money. Scam allegations related to the Karuvannur Service Cooperative Bank in Thrissur district, for instance, had put the CPI (M)-led State government on the defensive. With the credibility of the sector in jeopardy, the government overhauled the Kerala Cooperative Societies Act in 2023, introducing safeguards to plug loopholes and boost public confidence.

What the future holds for the policy and the tussle between the Centre and State remains to be seen. Nevertheless, Kerala’s cooperatives, for decades viewed as rural structures, are at a crossroads today. Accelerated urbanisation, changing employment aspirations among the youth, and the seismic shifts happening in sectors such as energy, shipping, science and technology, and health have opened up newer opportunities for their diversification and expansion. How they evolve and adapt to the changing scenario will have a crucial impact on Kerala’s economy.

# Strong words, weak action: EU’s cautious stance on Israel

As the conflict in Gaza intensified, trade between Israel and the EU also grew

## DATA POINT

**Sambavi Parthasarathy**

In a post on X criticising the Dutch Foreign Minister, Caspar Veldkamp, who resigned after failing to secure new sanctions against Israel over the war in Gaza, Israeli Foreign Minister Gideon Sa’ar wrote, “Europe must choose: Israel or Hamas. Every action against Israel directly serves the jihadist axis in the Middle East.” His remarks indicate rising tensions between Israel and the European Union (EU). While Israel presses for unequivocal support from the EU, the group continues to adopt a cautious approach. Data shows that despite strong public opposition by EU member countries to Israel and Prime Minister Benjamin Netanyahu, and accusations of war crimes by international bodies, the EU remains reluctant to take any meaningful economic action against Israel.

In fact, Israel’s monthly exports to the EU peaked at \$2 billion in March 2025 – the highest level recorded during the ongoing conflict (**Chart 1A**). Similarly, the EU’s monthly exports to Israel crossed the \$2.4 billion mark only twice since the war began – once in December 2024 and again in March 2025 (**Chart 1B**). As the conflict intensified, trade between Israel and the EU also grew.

The EU’s reluctance to suspend trade ties with Israel is in sharp contrast to its response to Russia’s invasion of Ukraine. Less than a month after Russian President Vladimir Putin invaded Ukraine, the EU reduced both imports from Russia (**Chart 2A**) and exports to it (**Chart 2B**). This suggests that it views Russia as a direct regional threat, which prompted it to take strong action. On the other hand, it has limited its criticism of Israel to moral condemnations and gestures such as recognising Palestine as a state.

Last month, French President

Emmanuel Macron announced that France would recognise Palestine as a state in September. If France follows through, it will become the fourth EU member after Spain, Ireland, and Slovenia, and the fifth European country, to recognise the Palestinian state since October 7, 2023 (**Chart 3**). The U.K., a former EU member, said it would recognise Palestine unless Israel agrees to a ceasefire. So far, 147 of the UN’s 193 member states have recognised Palestine.

While merchandise trade continues, Germany, a key military ally of Israel, announced earlier this month that it would halt the export of some military equipment to Israel. Germany has been Israel’s second major arms supplier after the U.S., accounting for 33% of its arms imports in 2020-24.

A PEW Research Center survey (January-April 2025) shows that neither Israel nor its Prime Minister enjoy support from Europeans. More than 50% of respondents in 10 European countries (nine EU members and the U.K.) held an unfavourable view of Israel (**Table 4**). Close to 60% of respondents had no confidence in Mr. Netanyahu. Data from ACLED shows that there were at least 370 pro-Palestinian demonstrations in May alone, in EU member countries.

The unfavourable opinions have also translated into calls for the suspension of the EU-Israel Association Agreement, which came into force in June 2000 and provides the legal and institutional framework for political dialogue and economic cooperation between the EU and Israel. However, at a meeting on July 29 in Brussels, EU foreign ministers proposed that Israel be partially suspended from participating in the £80 billion Horizon research programme.

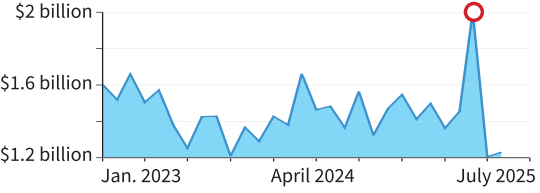
According to a Reuters report, nine EU countries have also called on the European Commission to come up with proposals to discontinue EU trade with Israeli settlements in occupied Palestinian territories.

## Sitting on the fence

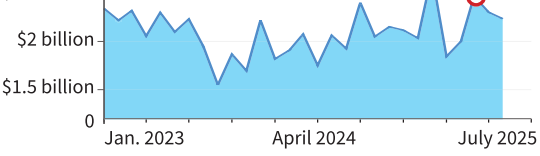
The data for the charts were sourced from the Eurostat, the United Nation’s COMTRADE, and the Pew Research Center



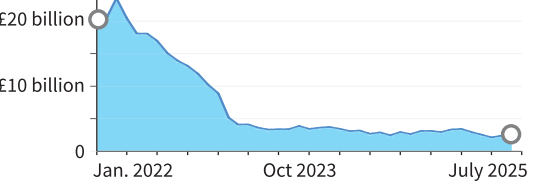
**Chart 1:** Israel’s trade with EU  
**1A: Israel’s monthly exports to the EU (in \$)**



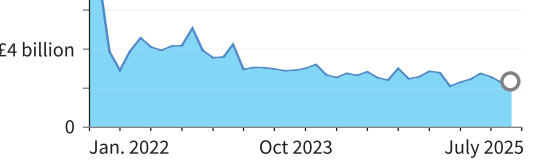
**1B: EU’s monthly exports to Israel (in \$)**



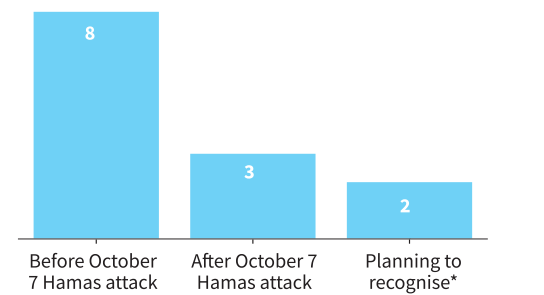
**Chart 2:** EU’s trade with Russia  
**2A: EU’s monthly imports from Russia (in euros)**



**2B: EU’s monthly exports to Russia (in euros)**



**Chart 3:** The number of EU countries (including the U.K.) that recognised or are planning to recognise Palestine as a state



\*France is set to recognise Palestine in September, while the U.K. said it would recognise Palestine unless Israel agrees to a ceasefire

**Chart 4:** Views of the public on Israel and the Israeli Prime Minister Benjamin Netanyahu across select EU countries and the U.K.

Country	Views on Israel		Views on Netanyahu	
	Favorable	Unfavourable	Confidence	No Confidence
France	28%	62%	17%	77%
Germany	30%	64%	21%	76%
Greece	24%	72%	21%	74%
Hungary	36%	53%	31%	57%
Italy	29%	66%	14%	80%
Netherlands	19%	78%	19%	78%
Poland	16%	62%	11%	70%
Spain	18%	75%	11%	84%
Sweden	21%	76%	18%	78%
The U.K.	34%	60%	24%	68%

The survey was conducted by the Pew Research Center between Jan. 8 and April 26, 2025

## FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO AUGUST 27, 1975

## 17th century Ramayana paintings in Chengam temple

Madras, Aug. 26: Remarkable paintings of 17th century, depicting the entire epic Ramayana, have just been discovered in the Venugopala Parthasarathi temple in Chengam in North Arcot district by the State Archaeology Department.

The sanctum, the preceding Manadapam and the Mahamandapam of the temple have been built by Nayak chief of Gingee in 1,600 AD. According to an inscription, the name of the principal deity is Arjuna Sarathi and Gopalakrishnaswami. The beautiful idol is holding a whip in its right hand, in addition to bearing the Sanku and Chakra in the upper arms, indicating Krishna acting as the charioteer to Arjuna in the Kurukshetra war. According to Mr. R. Nagaswami, Director of Archaeology, the present image of Parthasarathi in the temple at Triplicane was also installed about this time.

The series of paintings are found on the ceiling of the Mahamandapam, which also contains a portrait of the Nayak chief who erected the shrine. While the murals on the outer squares have withered, those in the inner walls are fairly well-preserved. The surviving paintings portray the fight between Lakshmana and Indrajit, Hanuman fetching the Sanjeevi mountain, Rama-Ravana battle, Ravana’s death, Sita’s Agnipravesam, Rama’s return to Ayodhya in the Pushpaka Vimanam and Rama Pattabhishekam. The coronation scene is an excellent piece of work, Mr. Nagaswami said. The story of Ramanayam has been told in a continuous narration with consummate skill and artistry.

A HUNDRED YEARS AGO AUGUST 27, 1925

## Indian labour in Ceylon

Replying to Mr. Venkatapathi Raju, Mr. Bhore gave the following statement regarding the daily wages of Indian labourers in Ceylon and Malaya States: In Ceylon, a man’s wages in the low country was 30 to 35 cents a day, in the middle country, 35 to 40 cents, and in the up-country 40 to 45 cents; women’s wages 25 to 30 cents, 30 to 35 cents and 30 to 35 cents. In Malaya States a man’s wage was 30 to 35 cents, and a woman’s 20 to 40 cents. Figures for Fiji were not available. The whole question of fixing a standard rate of wages for Indian labour in Ceylon and Malaya was now under the consideration of the Government of India.



# Text & Context

THE HINDU

NEWS IN NUMBERS

**Number of polio cases reported in Pakistan this year**

**23** Pakistan is the only country other than Afghanistan, where polio remains endemic. The fresh cases were reported in the Tank and North Waziristan districts, the National Institute of Health (NIH) said in a statement, adding that both the victims are girls aged 16 months and two years. PTI

**Interest subvention for investors in the Bihar industrial sector**

**40** in ₹ crore. The Bihar government unveiled the Bihar Industrial Investment Promotion Package 2025 on Tuesday. Under the new policy, free land and interest subvention of up to ₹40 crore would be provided to those investing in the industrial sector. PTI

**Number of reservists to take part in Israel's occupation of Gaza**

**1.3** in lakh. Fighting is expected to continue well into 2026. The first set of 40,000–50,000 reservists are due to show up for duty on September 2. Under Israeli law, every citizen or permanent resident must serve in the military between 18 and 36 months, followed by 10 years of reserve duty. PTI

**Funds allocated to provide electricity to Ganesh marquees**

**25** in ₹ crore. Andhra Pradesh Energy Minister G. Ravi Kumar said the government had allocated ₹25 crore to provide free electricity to 15,000 Ganesh marquees across the State. Mr. Kumar said measures are being taken to ensure programmes proceed without inconvenience. PTI

**Number of people worldwide who lack access to water**

**2** in billion. The United Nations provided this figure warning that progress towards universal coverage was moving nowhere near quickly enough. The UN's health and children's agencies said one in four people were without access to safe drinking water last year. AFP  
COMPILED BY THE HINDU DATA TEAM

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## What is the air drop test conducted by ISRO?

How was the first Integrated Air Drop Test conducted? Which departments and agencies were involved in it? How are preparations for the Gaganyaan mission coming along? Is it necessary to conduct multiple tests for a crewed space flight? What are India's long term spaceflight goals?

EXPLAINER

Vasudevan Mukunth

The story so far:

**I**n August 24, the Indian Space Research Organisation (ISRO) successfully carried out its first Integrated Air Drop Test (IADT-I), a crucial milestone in the preparation for the country's maiden human spaceflight mission, Gaganyaan. A dummy crew capsule weighing nearly five tonnes was dropped from a helicopter to test whether its parachute system could slow it safely for splashdown.

What is IADT-I?

The IADT is designed to evaluate the parachute-based deceleration system that will bring the Gaganyaan crew module down safely after reentry. In IADT-I, the parachutes were expected to deploy in a precise sequence after the module was released from a height of about 3 km.

Although the capsule was uncrewed and the drop was conducted from a helicopter, the test simulated the last stages of an actual space mission. In the real scenario, the capsule will first be slowed by atmospheric drag and its heat shields, followed by smaller drogue parachutes and finally the three 25-m main parachutes. The aim was to ensure the capsule slowed to around 8 m/s before splashdown.

How was the test carried out?

For IADT-I, an Indian Air Force Chinook helicopter lifted a 4.8-tonne dummy crew module into the air. At the designated altitude, the helicopter released the capsule. From then on, automated systems triggered the sequential deployment of parachutes. ISRO reported that the touchdown conditions matched expectations, demonstrating that the design worked in real-world conditions. The exercise involved extensive modelling, instrumentation, and coordination among multiple agencies.



**One step closer:** ISRO successfully conducts the first IADT-01 test in Bengaluru on August 24. ANI

Aside from the Air Force, the Defence Research and Development Organisation (DRDO) contributed to materials and safety systems. The Indian Navy and Coast Guard prepared for post-splashdown recovery. Vikram Sarabhai Space Centre Director A. Rajarajan has said that his centre was responsible for nearly “90%” of IADT-I activities. In a crewed space mission, ascent, descent, and recovery are the riskiest phases. Even after a successful launch and orbital stay, astronauts’ survival hinges on whether the capsule can decelerate safely for re-entry and landing. A failure in parachute deployment would be catastrophic. Ground testing is thus indispensable.

Where does IADT lie on the roadmap?

Gaganyaan's ultimate objective is to send Indian astronauts to low-earth orbit on a human-rated LVM3 rocket. But before that

happens, ISRO must conduct a series of tests to validate safety systems. Unlike previous satellite or planetary missions, human spaceflight requires human-rating of every system. This involves engineering redundancies, fault detection, and life support. The Crew Escape System tests are to demonstrate whether astronauts can be pulled away from the rocket in case of launch failure. The first such test vehicle flight, TV-D1, took place in October 2023. TV-D2, scheduled next, will attempt a more complex abort scenario.

The uncrewed Gaganyaan-I (G1) mission will launch a crew module aboard the LVM3 to orbit. The module will house ‘Vyommitra’, a humanoid robot designed to mimic astronaut operations. The recent IADT-I success will pave the way for TV-D2 and G1. Further drop tests and subsystem trials, including more IADTs and subsystem checks, will continue in parallel, refining the systems before

astronauts are cleared to fly. In all, by the time the first human flight (H1) has happened, ISRO will have conducted several thousand tests.

Some of the critical systems under development include the environmental control and life support system (ECLSS) for oxygen, temperature, waste management, and fire safety; the integrated vehicle health management system (IVHMS), capable of autonomously detecting faults and triggering abort actions; and the strengthened LVM3 rocket, modified to meet the reliability standards necessary to carry humans. India has also had to indigenise many technologies that were unavailable from abroad, from escape motors to specialised composites. Each subsystem has to pass hundreds of tests before being certified.

What are India's long-term goals?

Gaganyaan is not an end in itself but the foundation of a broader human spaceflight roadmap. The Indian government has announced plans to establish the Bharatiya Antariksh Station (BAS) by 2035 and to achieve an Indian crewed lunar landing by 2040. These goals will demand repeated flights, extended orbital missions, and deep-space technology. In this regard, while schedules may slip – IADT-I was originally planned for April 2024 – each milestone will build capability for more ambitious tests. For example, according to ISRO, the TV-D2 mission “will demonstrate Gaganyaan Crew Escape System by simulating an abort scenario. The crew module will separate and descend using thrusters and parachutes before sea splashdown, followed by recovery operations.” In tandem, ISRO is currently operating its SpaDeX mission in its extended phase, after the mission's twin satellites successfully demonstrated in-orbit docking in May 2025. This technology will be an important part of the Gaganyaan, Chandrayaan-4, and BAS missions. H1 is currently scheduled for 2027 but is likely to be delayed further.

THE GIST

▼ The IADT is designed to evaluate the parachute-based deceleration system that will bring the Gaganyaan crew module down safely after reentry.

▼ Gaganyaan's ultimate objective is to send Indian astronauts to low-earth orbit on a human-rated LVM3 rocket.

▼ Gaganyaan is not an end in itself but the foundation of a broader human spaceflight roadmap.

## Why has the import duty on cotton been suspended?

When was the levy first introduced? Has cotton production been declining in the country?

M. Soundariya Preetha

The story so far:

**C**otton, which is the main raw material for the textile industry, is grown by nearly six million farmers in India. In the wake of declining production, the Central government has withdrawn the 11% import duty it introduced in February 2021. However, the last year saw a steep increase in cotton imports, even with the duty in place. On August 18, the government said it is withdrawing the duty till September 30 when the current cotton season will end.

Why was the duty introduced?

The import duty was announced by Union Finance Minister Nirmala Sitharaman in the 2021 Budget, when the country was producing 350 lakh bales of cotton annually against the requirement of 335 lakh bales. While the country was

exporting cotton, there were imports too and the duty was aimed at protecting the interest of cotton growers.

In a move to address the raw material (cotton) shortage faced by the textile industry, the government exempted all varieties of cotton from import duty from April 14, 2022 to September 30, 2022, later extending the exemption until October 31, 2022. According to the Global Trade Research Initiative, cotton imports surged 107.4%, rising from \$579.2 million in FY2023-2024 to \$1.20 billion in FY2024-2025.

What is the current situation?

The overall domestic cotton production is down to 294 lakh bales, the lowest in the last 15 years, against the requirement of 318 lakh bales (including non-mill use). Cotton production in the 2024-2025 cotton season (October to September) is estimated to be nearly 20 lakh bales lesser than the last cotton season. Imports are

also likely to be highest at about 40 lakh bales, with major supplies coming from Australia (\$258.2 million), the U.S. (\$234.1 million), Brazil (\$180.8 million), and Egypt (\$116.3 million). The Cotton Corporation of India purchased nearly 100 lakh bales of cotton from farmers at Minimum Support Price (MSP) during the ongoing cotton season spending ₹37,500 crore, and has sold 73 lakh bales in the market. For the 2025-2026 cotton season that will start on October 1, the government has hiked the MSP by 8%. Farmers in the north are expected to start bringing cotton to the market in October and those in central and western States are likely to start supplying after Deepavali.

What does the withdrawal imply?

It is said that only about two lakh bales of imported cotton that are in transit will be available without the duty as it will reach Indian shores by September 30. Several international brands are highlighting that

cotton suppliers and garment manufacturers need to use cotton from these suppliers. When garment exporters compete in the international market, the raw material price was higher because of the duty. They will have a level-playing field without the duty.

However, cotton farmers are not in complete agreement with these views. According to Ravichandran, who cultivates cotton at Thiruvavur in Tamil Nadu, the removal of the duty discourages farmers from cultivating cotton. The removal of the import duty will not help cotton farmers who do not get any support from the government, said Kurubur Shanthakumar, south India convenor of Samyukta Kisan Morcha.

What is the long-term solution?

The industry is looking at two major support measures from the government – it wants a stable policy so that the industry can plan for raw material procurement. The government should suspend the duty every year during the non-peak season (April to September) as the farmers would have sold majority of the produce by then.

It also wants 5% interest subvention for working capital that textile mills need to purchase cotton during the peak season. If the mills, especially MSME units, have adequate funds, they can cover the required cotton and government need not spend on MSP operations, says industry.

THE GIST

▼ On August 18, the government said it is withdrawing the import duty till September 30 when the current cotton season will end.

▼ The import duty was announced by Union Finance Minister Nirmala Sitharaman in the 2021 Budget, when the country was producing 350 lakh bales of cotton annually against the requirement of 335 lakh bales.

▼ It is said that only about two lakh bales of imported cotton that are in transit will be available without the duty as it will reach Indian shores by September 30.



CACHE



GETTY IMAGES

# With Sci-Hub gone, will the ‘One Nation, One Subscription’ scheme step up?

Internationally, publishers such as Elsevier and Wiley have used the courtroom to buttress the legitimacy of their business model and portray shadow libraries like Alexandra Elbakyan’s Sci-Hub as rogue actors rather than as symptoms of dysfunction

Vasudevan Mukunth

When the Delhi High Court ordered internet service providers to block access to Sci-Hub and its mirrors, it closed a chapter in one of the more fraught debates in contemporary research: who gets to read research papers, and who must pay. The verdict followed years of litigation by Elsevier, Wiley, and the American Chemical Society against Sci-Hub founder Alexandra Elbakyan. The court held that Ms. Elbakyan had violated an undertaking not to upload publishers’ articles, and that Sci-Net, a mirror service, was being used to circumvent judicial orders, leaving her *prima facie* in contempt.

This seemingly straightforward case of copyright violation – private corporations defending intellectual property against piracy – is transformed by its context. The publishers’ legal win must be weighed against the case for public access to knowledge, the economics of scholarly publishing, and the arrival of ‘One Nation, One Subscription’ (ONOS), which together suggest that depending on courtroom battles might be misplaced.

### An endeavour apart

Scientific publishing is unlike other enterprises where piracy drains income from creators. Scientists who produce and review research are not paid by journals: their work is largely funded by public money in India. Yet publishers charge institutions exorbitant subscription fees, sometimes lakhs of rupees per journal. Publishers have defended these figures on grounds of quality control and peer review. But with profit margins of 30% or more and a voluntary review system, the system has often resembled rent-seeking.

On the other hand, Sci-Hub was always vulnerable to the charge of copyright

infringement. Courts in the U.S. and Europe have consistently ruled against it, and now the Delhi High Court has joined that chorus. While this is uncontroversial from a strictly legal standpoint, the larger implication is troubling. The judgment risks reinforcing the idea that legal strategies to restrict access are valid even in settings where no affordable or equitable alternative exists.

Internationally, publishers have used the courtroom to buttress the legitimacy of their business model and portray shadow libraries like Sci-Hub as rogue actors rather than as symptoms of dysfunction. In fact, the outcome in the High Court fits a pattern: publishers protect a lucrative business model, courts apply the letter of the law, and the underlying lack of access stays unresolved. Experts have been steadfast that the dysfunction is the real disease that needs to be cured.

### Unified subscription

The Indian government recently put forward the ONOS initiative as an alternative. Whether it succeeds will determine if future generations of researchers must still look for back doors. The Union Cabinet approved ONOS in 2024 with an outlay of ₹6,000 crore for its first phase (2023-2026). Under the scheme, the state has negotiated a bulk subscription with 30 major publishers so that research institutions – all public and, in phase II, many private ones – have equal access to some 13,000 journals.

Thanks to the rise of preprints and institutional repositories, more than half of the scientific papers worldwide are now open access. From 2026, all federally funded research in the U.S. must be openly accessible; the EU’s Horizon Europe programme has similar requirements. Paying crores for subscriptions at a time when openness is expanding could render ONOS an

expensive detour. Until phase II, independent researchers and those at private institutes and centres – who may outnumber their counterparts at public centres – will still have to pay considerable non-ONOS fees to access journals and still depend on platforms like Sci-Hub.

ONOS also doesn’t address structural flaws in scholarly publishing, reinforces dependence on foreign publishers, and continues to force Indian researchers to transfer copyrights of their own work to journals. At the same time, the subscription model that ONOS pays for still encompasses several thousand journals, including those that many researchers wish to be published in. Blaming ONOS on this count rather than a long-awaited culture change, especially not one the state could have forced, wouldn’t make sense.

Ms. Elbakyan’s attempts to (further) incentivise scholars to contribute to Sci-Hub’s collection of papers using the Sci-Net portal and its cryptocurrency-based rewards system also don’t seem to be succeeding. Whatever moral force Ms. Elbakyan’s project once had has since been squandered by technical unreliability and increasing redundancy. The High Court’s injunction may thus be decisive less because of its punitive sting than because of the fact that the Indian community is already moving on.

### Pathology of publishing

At the time the publishers sued Ms. Elbakyan in 2020, there was no realistic prospect of universal access. For countless researchers outside elite institutions, Sci-Hub was (and remains) often the only path to knowledge. Both legal experts and researchers have thus contended that on principle alone, courts could have acknowledged the unique nature of scientific publishing – that the

absence of author royalties, prevalence of public funding, and exorbitant pricing by publishers set it apart from creative industries like music or film – and refused to privilege corporate margins over public good.

Today, ONOS provides a legal path to broader access and its success could render shadow libraries unnecessary. It needs to prove it can seamlessly deliver equitable access at a fair cost while India must foster greater indigenous publishing capacity. On both counts, however, it’s not clear if ONOS can do so in its present form. For example, on the first count, the concerned authorities will have to improve the efficiency of use by regularly consulting researchers on which journals are useful and keep other options, like a per-article fee for esoteric journals, open.

On the second, ONOS frees funds at many individual institutes and the scheme currently intends to redirect them towards pay-to-publish (rather than pay-to-read) open-access journals. Instead, governments may consider using them to install and manage institutional repositories. Experts have said this service could in turn be complemented by a national rights retention policy, like those at Harvard University and MIT, that require researchers to deposit their work in the repositories regardless of publishers’ restrictions.

This could keep researchers in control of their work, force pay-to-publish journals to modify their terms, and allow people who aren’t linked to university and/or public libraries to access papers, including journalists, activists, and independent researchers.

Sci-Hub in many respects remains a symbol of resistance against publishers’ profiteering. Following the Delhi High Court order, the question is whether ONOS will step up to eradicate the disease rather than simply manage the symptoms.

## THE DAILY QUIZ

The US Open is upon us. Here is a quiz on the last Grand Slam of the season

Sindhu Nagaraj

### QUESTION 1

It is the only championship not cancelled for any reason since its inception. Other championships were cancelled for which reasons in history?

### QUESTION 2

From 2022, revised tiebreak rules were initiated and standardised in the final set for all four majors, where if a match reaches six-all in the final set an extended tiebreaker is played. What is this

extended tiebreaker?

### QUESTION 3

Among many firsts for the US Open, this was perhaps one of them which broke the glass ceiling. In 1973, the championship became the first to do this with the winners. What was it?

### QUESTION 4

Who is the only individual to have won US Open singles titles on all three surfaces?

### QUESTION 5

In the Open Era, three players have won the most singles titles, at five. Who are they?



### Visual question:

Identify this player. She is the only woman to have won US Open singles titles on two surfaces (clay and hardcourt). She has also achieved another feat, and is in a tie with Serena Williams. What is it?

**Questions and Answers to the previous day’s daily quiz:** 1. The manner in which Ganesha art featured in temple art under the Rashtrakutas and Chalukyas. **Ans: From the 6th–8th centuries, Ganesha appeared in Rashtrakuta cave temples at Ellora and in Chalukya sites at Badami, Aihole, and Pattadakal, reflecting his rising ritual importance** 2. The earliest inscriptional evidence of Ganesha outside India. **Ans: The oldest known Ganesha statue with an inscription comes from northern China in 531 A.D.** 3. The reason the Portuguese banned Ganesh Chaturthi in Goa. **Ans: After 1566, the Goa Inquisition outlawed public rituals, including idol worship, devotees preserved devotion by secretly venerating drawings, turmeric, or areca nuts as symbolic representations of Ganesha within their homes.** 4. The way in which Bal Gangadhar Tilak transformed Ganesh Chaturthi into a nationalist festival in 1893. **Ans: Tilak used Ganesha’s cross-caste appeal to unite people under religious cover, bypassing British “Seditious Meetings Act” which limited public assemblies; theatre and songs in public pandals carried veiled anti-colonial messages, making the festival a tool of political mobilisation.** 5. The environmental concern around Ganesh idol immersion. **Ans: The widespread use of Plaster of Paris idols painted with chemical dyes causes severe water pollution during immersion.** Visual: Identify this carving. **Ans: This Gupta-era carving of Ganesha can be seen at Udayagiri Caves near Vidisha** **Early Bird:** K.N. Viswanathan



## FROM THE ARCHIVES

# Know your English

K. Subrahmanian  
S. Upendran

“You look all sweaty. Were you playing cricket?”

“No, not cricket. I was playing table tennis with Mala and...”

“... you played table tennis with Mala! She must have wiped the floor with you.”

“Wiped the floor with me? What does it mean?”

“When you say you’ve wiped the floor with someone, it means that you have beaten or defeated that person completely. For example. I played tennis with Ganesh yesterday, and he wiped the floor with me.”

“Meaning, you got a sound thrashing.”

“Exactly!”

“Can I say our cricket team wiped the floor with their team?”

“You certainly can. But remember, to wipe the floor with someone is an informal expression. So...”

“... it cannot be used in all situations.”

“That’s right.”

“So, what’s your sister up to these days?”

“Well, as you know, she didn’t get admission in medical school.”

“I am sure she is not a happy camper right now.”

“A what?”

“A happy camper. A happy camper is a happy person. And this expression is usually used in the negative. For example. Mahesh lost his job and he is not a happy camper.”

“Right now I am not a happy camper. I’m tired and hungry. Is it ok to say that?”

“Sounds good to me. The producer of my favourite hero’s latest movie is not a happy camper. The movie bombed at the box office.”

“Yesterday, I didn’t do well in the physics test and wasn’t a happy camper.”

“Why don’t you ask your sister to help you?”

“She’s hardly at home these days. She and her friends are always out shopping.”

“Out shopping? Where does she get the money to buy stuff?”

“Oh, she never buys anything. She and her friends just go to different stores and see what’s available.”

“I see. She does a lot of window-shopping then!”

“Window-shopping; Why should she buy windows? I don’t under...”

“... window-shopping is the habit of looking through windows of shops without actually buying something. For example, I can say, I did some window-shopping yesterday.”

“My father says that the secretaries in his office do window-shopping during their lunch hour.”

“When my mother was young, she loved to do window-shopping.”

“Yesterday, my mother told my father that she was going to do some window-shopping. But she came home with three new sarees!”

“I am sure your father wasn’t a happy camper then!”

Published in The Hindu on October 28, 1997.

## Word of the day

**Undulant:** resembling waves in form or outline or motion

**Usage:** The undulant dancers were waving their hands in the air.

**Pronunciation:** newsth.live/undulantpro

**International Phonetic Alphabet:** /ˈʌndʒələnt/

For feedback and suggestions for Text & Context, please write to [letters@thehindu.co.in](mailto:letters@thehindu.co.in) with the subject ‘Text & Context’



## A better FIT

*Slight revisions in inflation target, range may work*

The Reserve Bank of India (RBI) recently issued a discussion paper on whether the terms and conditions of ‘flexible inflation targeting’ (FIT) require a review. FIT, which began in 2016, comes up for a five-year extension in March 2026. The paper supports continuing with the point target of 4 per cent, but subtly favours reducing the range to 1.5 percentage points on either side from the present two percentage points. There is arguably room for raising the point target a bit. A higher target can take into account the outsized role of food prices in headline inflation in times of climate disruption.



The paper examines four broad questions, besides assessing the performance of FIT over nine years. These are: whether core inflation (non-food and non-fuel) should replace headline inflation as the target; the 4 per cent target should be persisted with; the tolerance band should be reduced; and a range should replace the point target. The paper is quite right in arguing that headline inflation (food and fuel inflation component exceeding 50 per cent) should remain the metric to reflect the common man’s experience. According to the Household Consumption Expenditure Survey (which points to a falling share of food consumption over time), 90 per cent of the lowest fractile rural households and 50 per cent of the lowest fractile urban households spend over half of their budget on food and fuel. Measuring food inflation becomes important, as food spills over to core inflation through costs and expectations. However, food weights should be adjusted periodically to reflect changing consumer preferences. The paper wryly observes that of the 48 countries practising FIT only Uganda has chosen to target core inflation. There may be a case for reducing the tolerance band by 0.5 percentage points on either side, provided the volatility and ‘noise’ in the food constituents of the retail price index is minimised. A narrower band would hold monetary authorities more to account.

The 4 per cent target seems to be the trend rate over nine years of FIT, besides being one that can be deduced through the Balassa-Samuelson effect – the sum of the inflation target of 2 per cent for advanced economies and a productivity differential between advanced and emerging economies. Out of 35 quarters, headline inflation was in the 2-4 per cent range in 11, 4-6 per cent in 14 and above six in nine, converging to an average rate of about 4 per cent. Covid and Russia-Ukraine shocks played a role in the deviations.

If shocks are the new normal, should the target rate be shifted a tad upwards to reflect the reality? The real economy assumptions underlying the current set of metrics, put in place in 2016, have changed. The paper does not raise the issue of what the real rate of interest should be – a key factor in arriving at an inflation target. Savings, capital stock, current account deficit, fiscal deficit and other real economy conditions must be considered in arriving at the new set of metrics.

### OTHER VOICES.

#### The Guardian

**Serbia: a battle for democracy that the EU must not ignore**  
During a summer in which European leaders have focused on shuttle diplomacy with Donald Trump over trade and Ukraine, they have maintained a discreet silence regarding another crisis in Europe’s east. For more than nine months, mass student-led protests in Serbia have been challenging the authoritarian rule of Aleksandar Vucic, who has been in office as prime minister and president for 11 years. Up to now, Brussels has largely opted to look away. The catalyst for some of the largest demonstrations in Serbia’s history was the collapse of a newly renovated railway station roof in the country’s second city, Novi Sad, leading to the deaths of 16 people. The disaster was widely attributed to entrenched fraud and corruption presided over by Mr Vucic’s ruling Serbian Progressive party, and swiftly became the spark for a movement for democratic reform. LONDON, AUGUST 25

#### THE WALL STREET JOURNAL.

EUROPE

##### Trump’s Russia Contradiction

A durable peace in Ukraine could be one of President Trump’s most consequential achievements, but getting there is all the tougher when his Administration undermines his position. He was right late last week in venting that President Biden “would not let Ukraine FIGHT BACK, only DEFEND.” Yet is his Administration doing much differently? Mr. Biden’s anxieties about escalation and reluctance to offer weapons contributed to the locked battlefield. Mr. Trump’s criticism clearly suggested the U.S. might now take the gloves off and let Ukraine use more American long-range missiles to hit more targets deep in Russia. Such a warning could put pressure on Mr. Putin to sit down at the negotiating table, if the Russian thinks it’s credible. NEW YORK, AUGUST 25



SUBRAMANI RA MANCOMBU

If you want to know why US President Donald Trump has taken a tough stance against India, you should be among the US farmers. It may not be the only reason, but it definitely is one of the reasons. It could also be because Trump and his advisors are waiting for China’s response with bated breath, which is the bull in Trump’s shop.

Last week, at the Soy Connex 2025, organised by the US Soybean Export Council in Washington, the elephant in the room was China. For nearly two decades, until 2017, the US had become very reliant on China, particularly for the export of its agricultural produce — soybeans, wheat and corn. Beijing, too, was over-reliant on the US. But it acted quickly when it had its first trade dispute in 2017-18 with Washington.

China is yet to buy any soybeans in forward sales from the new crop that is due in less than a month. Traders and US farmers fear Beijing could even do the same with corn, which will be harvested from October, and wheat.

Analysts say China put the US on the ropes by banning the export of critical minerals in December 2024, in retaliation for the US ban on the semiconductor industry and magnets for electric vehicles. Beijing also barred shipments of dual-use items to 12 specific US companies. It has hurt the US industry badly.

These Chinese actions have forced the US to put off until November additional sanctions against Beijing. Trump has threatened China with a 200 per cent tariff, but it is unlikely he will go ahead. Analysts say they would not be surprised if Trump extends the deadline for the sanctions to come into force, giving more time for a trade deal.

##### SOYBEAN ECONOMICS

After lobbying for 15 years, the US started exporting soybeans to China in 1997. By 2014, it had peaked at \$145 billion before plunging to one-tenth of it last year at \$13.5 billion. According to the American Soybean Association, China bought 25 million tonnes (mt) of US soybean in the 2023-24 marketing season.

The Chinese significance makes it a must for others to keep it in good humour. Beijing accounts for over 60 per cent of the global soybean imports. If China does not buy US soybeans, its export will drop 48 per cent. This is even if all its other buyers were to meet 100 per cent of their demand from Washington.

On its part, China has helped Brazil improve its port infrastructure and logistics. A Panamax vessel now takes 60

# Decoding Trump’s stance on India

**TRADE TANGLE.** The Trump administration must understand that the Modi govt will never compromise on the interests of Indian farmers



GETTY IMAGES/ISTOCKPHOTO

days to load agricultural produce compared with 120 days before the first Sino-US trade dispute. It has helped Brazil to increase its production from 95.7 million tonnes in 2015-16 to 176 tonnes in 2025-26.

Economists say US inflation has increased only a tad until July. But from August, it could surge with the tariffs coming into play. That will create problems for Trump, apart from the need to find markets for US agricultural produce, such as soybeans.

These developments have probably forced the US to target India. Whether it is Trump’s decision or his advisors’ suggestions, they have failed to consider the compulsions of the Modi government. It has exposed Washington’s double standards, particularly in the case of targeting New

**What Trump and his advisors have not taken into account is that if India decides to import key crops, it will affect millions of small and marginal farmers in India**

Delhi for penal tariffs in buying Russian crude oil. At least twice, Modi has said he is willing to pay the price for protecting the interests of farmers and small traders. The Prime Minister knows how to cater to his electorate.

##### INDIAN COMPULSIONS

What Trump and his advisors have not taken into account is that any decision to permit imports of key crops will affect millions of small and marginal farmers, who make up over four-fifths of the total growers in India. Also, the Indian Supreme Court is still seized of the genetically modified (GM) crops issue. The ruling BJP’s arms, such as Bharat Kisan Sabha and Swadeshi Jagran Manch, are opposed to GM crops.

As a trade expert says, it will be political suicide for any Indian government to compromise on agriculture and reservations. Fully aware of this, the Modi government seems prepared for any repercussions.

This is something that Trump and his advisors ought to understand. Simply expecting India to back it when it is besieged with problems from China is unwise. Targeting and threatening India because it imports 15 million tonnes of cooking oil and forcing it to buy its

soybeans will just not work. The US, unwisely, thinks it can strike at India to bring Russia and China around.

But what it forgets is that India’s agricultural trade with the US is on the rise. This oil season, ending in October, India has purchased 1.8 lakh tonnes of soybean oil so far, and this could increase in the coming years. India’s poultry feed needs could lead to higher imports of soymeal from the US. The rising number of soybean crushing units in the US should help cater to this need.

China’s ageing population is in contrast to India’s youth bulge. This means Beijing’s demand will flatten soon, and New Delhi’s will rise.

If Trump and his advisors think they can make India surrender meekly like its neighbours, they are wrong. India, just as Russia and China, has nothing to lose!

New Delhi recovered, albeit slowly, from the break up of the Soviet Union, which was its biggest buyer of tea. It can repeat it in the textiles and fisheries sectors that heavily rely on the US. Russia and China have lent a helping hand to India. Would Trump want to risk losing India? Caution and patience are the keys to bilateral relations. Time for the US administration to understand this.

## Tariff shock can unravel in different ways

US import demand is more elastic than India’s export supply. Impacts on growth, jobs will differ in both countries

Saumitra Bhaduri  
Shubham Anand

The global economic landscape is facing a shake-up as the US has imposed tariffs on its trading partners. For India, a key player, this presents a major challenge. A new 50 per cent tariff — a pre-existing 25 per cent duty with an additional 25 per cent “penalty” — has made Indian goods less competitive in their largest export market, creating a ripple effect that questions India’s economic resilience and the future of its global trade strategy.

Our estimates, based on a general equilibrium framework, suggest that while India’s economy can absorb the blow, the next 18 months will bring pressure on exports, growth, and jobs.

##### TRADE IMPACT

The core issue is that a US tariff would have an asymmetric impact, placing a larger burden on India. This is because US import demand is more elastic, in terms of how easily US buyers can substitute imported Indian goods with domestic or other foreign goods. A high Armington elasticity (1.4 for the US) means that US buyers can easily find substitutes for Indian goods. This results in a significant decrease in import volume from India.

A constant elasticity of transformation of India’s export supply measures how easily Indian producers can shift their exports from the US to other markets or the domestic market. A low CET elasticity (0.6 for India) suggests that Indian producers have limited flexibility to divert their goods. This makes them more vulnerable to the tariffs.

However, not all sectors are equally affected. For instance, demand for textiles and apparel is highly elastic, (-1.2 to -2.0), making the industry susceptible to price shocks like tariffs. Conversely, gold jewellery demand is inelastic in the US markets (around -0.4, per the World Gold Council) as it is often seen as a luxury good where value and status matter more than price. A tariff would therefore have a much smaller effect on demand for these items.

In our analysis, India’s current account deficit — the gap between the value of its imports and exports — is projected to widen from 0.6 per cent to 0.9 per cent of GDP next year. By contrast, the US total deficit might edge up only marginally — perhaps 0.03-0.05 percentage points — reflecting its larger and more diversified import base.

##### GROWTH AND JOBS

When it comes to economic growth, India’s economy is expected to take a



TEXTILE EXPORTS. Under stress REUTERS

steep and immediate hit. Assuming tariffs continue for next six quarters (starting from the third quarter of 2025 to the last quarter of 2026), India’s GDP growth is projected to fall by approximately 0.6 per cent next fiscal year, but for the US, it’s only 0.1 per cent. Our analysis shows that for every 10 per cent decline in trade, India’s GDP could fall by up to 4 per cent, based on a GDP-trade elasticity estimate of 0.4 from the IMF. Recovery is expected within a year.

The US story is different. Its GDP growth is dentied by only about 0.1 per cent points initially, but the drag lasts longer, reflecting persistent trade friction in its supply chains.

On the employment front, India’s unemployment rate could rise by over

0.13 per cent points, with a slower return to normal compared to the GDP rebound. This is based on an employment-output elasticity of 0.17 from the ILO. This mismatch between GDP and job recovery in India underscores a familiar challenge: even when growth bounces back, labour markets can lag.

First, it is worth noting that our analysis is based on a linear impact from the external demand shock and does not consider factors such as domestic policy responses or export market diversification.

Additionally, the focus is on India, but the US has also hit other exporters — China faces a 30 per cent tariff and Vietnam 20 per cent — meaning India’s competitors may also lose pricing power in the American market, creating opportunities for India. With pharmaceuticals and semiconductors shielded, some of India’s valuable exports remain untouched, preventing a full-scale collapse in export earnings.

For India, resilience lies in diversifying markets, boosting domestic competitiveness, and investing in sectors where demand is less price-sensitive. Adaptability will define who wins and who survives the next tariff wave.

Bhaduri is Professor, and Anand is a Ph.D scholar at Madras School of Economics, Chennai

✉ **LETTERS TO EDITOR** Send your letters by email to [bleditor@thehindu.co.in](mailto:bleditor@thehindu.co.in) or by post to ‘Letters to the Editor’, The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

##### Ukraine war drags on

Apologies of the article ‘Why Ukraine war drags on’ (26 August), a fundamental question is raised — Who disintegrated the Soviet Union and why? Trump’s helplessness in the Russia-Ukraine war is obvious. Trump failed to intimidate any country in trade with Russia either for crude or LNG any other commodity or having defence collaborations. Neither can Russian President Putin’s sentiments over Soviet Union’s disintegration be compromised nor can his claim on Ukrainian territories of Kherson, Donetsk and Zaporizhzhia be negotiated.

NATO should abandon any plan for Ukraine membership. The US should also keep off the war. Those who divided the USSR, can’t settle the disputes in the CIS region.

Vinod Johri  
New Delhi

##### Banking digitally

This refers to ‘Banks need to ramp up funding across sectors: FICCI-IBA report’ (August 26). Although the substantial investment made by the banking system to build up an efficient digital infrastructure, the underutilisation of the investment persists, and that is hitting financial

inclusion. Borrowers and depositors deserve not only speedy services but also safety and minimal risks while transacting with banks. Intensive training and timely re-skilling of staff to efficiently work with the digital systems, besides Artificial Intelligence are critical. Banking regulator needs to be proactive in enforcing regulations and oversight.

VSK Pillai  
Changanacherry (Kerala)

##### Index reforms

Apologies the editorial, ‘Index pulse’ (August 26), regulatory efforts to

strengthen index structures point to the need for deeper reform in India’s capital markets. A resilient system cannot depend on a handful of heavyweight stocks dictating the direction of indices or derivative contracts. True depth lies in broader, more balanced representation that captures the diversity of sectors and companies across the economy. Such a shift would not only make indices less vulnerable to manipulation but also enhance their credibility as benchmarks for investment and risk management. Investor trust depends on the

assurance that indices reflect genuine market movements rather than the actions of a few dominant players. But transitions must be managed thoughtfully, allowing funds and investors sufficient time to adjust. Ultimately, the issue goes beyond individual cases of malpractice — it is about shaping a market architecture that can grow with the economy while upholding fairness, transparency, and stability. After all, prevention is better than cure.

Avinashiappan Myilsami  
Sulur (TN)



# Modernise shipping laws

The latest Act fails to give digital, transparency boost

Shashank Patel

The Parliament enacted the Bills of Lading Act, 2025, during the monsoon session. This Act has replaced the Indian Bills of Lading Act, 1856, but apart from minor restructuring, no substantial changes have been made.

Although the new legislation claims to modernise maritime trade, it surprisingly lacks any provision for electronic bill of lading (eBL), whose adoption is accelerating globally. A 2024 global survey conducted by the International Chamber of Commerce revealed that the share of dual-format users (using both paper and electronic BLs) has surged from 28 per cent in 2022 to 41.7 per cent in 2024. Between the same period, the overall adoption rate of eBL increased from 33 per cent to 49.2 per cent. Further, the use of eBL in place of traditional bill of lading (BL) results in approximately 94 per cent faster processing, enhances process efficiency by up to 89 per cent, improves data accuracy by up to 87 per cent, and enhances security by 89 per cent.

### COST SAVINGS

According to a study by McKinsey, ocean carriers issue around 45 million BLs annually, and 100 per cent eBL adoption can annually save approximately 28,000 trees. Also, BL accounts for 10-30 per cent of total trade documentation cost, and adoption of eBL could save around \$6.5 billion in direct costs for stakeholders, and boost annual global trade growth by \$30-40 billion.

The study further reveals that at present, customs are able to physically inspect only 2 per cent of containers. An eBL will facilitate the accurate and timely delivery of data to customs officials, allowing them to inspect cargo data and identify potential targets for inspection even before the arrival of the shipment. This will reduce the illegal trade by 10-15 per cent globally.

Therefore, eBL alone can ensure cost efficiency, sustainability and transparency in global maritime trade. The absence of such a mechanism undermines the Act's objective of streamlining operations within the maritime sector.

Newly inserted Section 5 grants unregulated powers to the Central Government to give directions for carrying out the provisions of the Act. Such unilateral power would leave no place for State governments,



**BILL OF LADING.** The electronic format is surging globally ISTOCK

traders or industry stakeholders in policy matters. This provision will significantly hamper the federal arrangement of port management as provided under List I (27) and List III (31) of the Constitution of India.

Section 4(1) provides that “Every bill of lading in the hands of a consignee or endorsee for valuable consideration.. shall be conclusive evidence.. against the master, notwithstanding that such goods may not have been so shipped.” Many believe that this will indirectly open the doors for fake bills, *hawala* transactions, and fraudulent trading since it allows a BL to be treated as valid even when goods have not been shipped. Such a provision undermines the Act's objective of enhancing transparency within the maritime sector.

The legislation also ignores a significant problem in the modern shipping industry. Article III, Rule 3 of the Hague-Visby Rules and Articles 15(1) & 16 (1, 2) of the Hamburg Rules require the carrier to sign the BL stating the goods were ‘shipped in apparent good order and condition’, ensuring weight, quantity, etc., which becomes difficult especially in the case of gas tankers.

In order to avoid guaranteeing the accuracy of the weight or quantity, the masters started adding a “Weight/quantity unknown” clause in the BL. However, the applicability of this clause varies across the jurisdictions; for instance, non-common law countries do not recognise such a clause, whereas English law doesn't consider the BL to be *prima facie* evidence of the weight or quantity.

Therefore, for an equitable and sustainable shipping industry, we need to move away not only from the colonial Act but also from the colonial mindset. A more forward-looking approach is essential to truly modernise and future-proof India's maritime trade.

The writer is an international trade lawyer

# Massive pay-offs from Jan Dhan

**MANY BENEFITS.** 11 years on, the scheme has democratised access to payments, enabled millions enter the digital economy



V ANANTHA NAGESWARAN

Financial inclusion is the *sine qua non* of sustainable development. This is evident from the fact that seven of the 17 United Nations Sustainable Development Goals (SDGs) of 2030 identify it as a key enabler for achieving inclusive growth worldwide. The first step towards financial inclusion starts with banking the unbanked, as account ownership acts as a gateway to the formal banking system.

Financial inclusion, therefore, requires deliberate and structured policy interventions to extend banking services to those historically left out. To turn the principle into practice, Prime Minister Modi's maiden address from the ramparts of Red Fort announced the Pradhan Mantri Jan Dhan Yojana (PMJDY), a scheme which was formally launched on August 28, 2014, under the National Mission on Financial Inclusion.

The vision of the mission was encapsulated in its slogan, “*Mera Khaata, Bhagya Vidhata*” (My Account, Fortune Maker). It sought to bring the poor and historically marginalised into the economic mainstream, enabling access to the formal banking system and ensuring they became stakeholders and beneficiaries of India's growth story. Jan Dhan accounts allowed beneficiaries to open zero-balance and zero-charge accounts with minimal paperwork and simplified KYC/e-KYC requirements. They also provided additional features such as RuPay debit cards with in-built accident insurance cover of ₹2 lakh, and an overdraft facility of up to ₹10,000.

Since its launch, PMJDY has achieved unprecedented success. A 2024 *Economic & Political Weekly* paper notes that “India's account ownership marked a historical growth rate of 26 percentage points between 2014 and 2017, which can be attributed to the world's largest financial inclusion drive — PMJDY. This is nearly four times more than the global account growth (6.57) and three times



**MAJOR GAINS.** The scheme has not only helped improve transparency but also minimise leakages in welfare delivery PTI

more than the developing countries (7.27) during the same period.”

As of August 8, 2025, over 56 crore Jan Dhan accounts have been opened, of which, nearly 67 per cent have been in bank branches located in rural and semi-urban centres. The scheme has also demonstrably bridged gender disparities: over 55 per cent of PMJDY accounts — more than 31 crore — are held by women. Further, Jan Dhan accounts have become critical conduits for social security enrolments, with recent parliamentary data showing that roughly one-third of all enrolments under the Pradhan Mantri Jeevan Jyoti

Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) are linked to PMJDY.

### TRANSPARENCY ENHANCED

PMJDY has also emerged as a cornerstone of India's digital public infrastructure. It has democratised access to payments and enabled millions to enter the digital economy. By underpinning the success of Direct Benefit Transfer (DBT), PMJDY has enhanced transparency, minimised leakages in welfare delivery, and strengthened trust in government schemes. Together with Aadhaar and mobile connectivity, the Jan Dhan-Aadhaar-Mobile (JAM) trinity has been instrumental in the widespread adoption of digital payments across India.

The synergy between Jan Dhan accounts and the Unified Payments Interface (UPI) has empowered small and marginal entrepreneurs within the informal sector by giving them access to

With near-universal access to banking services now within reach, the challenge ahead lies in deepening financial inclusion

## STATISTALK.

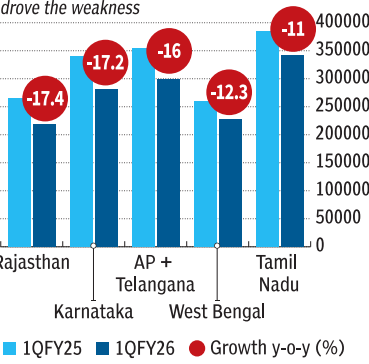
Compiled by **Dhuraivel Gunasekaran** | Graphic **KS Gunasekar**

### Muted start to FY26 for India's auto sector

The report from Kotak Securities on State-wise demand trends in 1QFY26 for the automobile sector highlights a cautious outlook for India's automobile industry, with overall demand muted due to weakness in entry-level segments. Passenger vehicles declined 1.3 per cent y-o-y, driven by drops in the northern, eastern, and southern regions. Two-wheelers fell 6.3 per cent y-o-y, hit hardest in the South (-13 per cent). In commercial vehicles (CVs), M&HCV volumes contracted 2.7 per cent y-o-y, while LCVs managed a marginal 0.7 per cent uptick. Investors should monitor festive recovery amid a high base and economic headwinds, the report cautions. Here are the key trends:

#### Domestic 2W industry volumes declined by 6.3% y-o-y in 1QFY26

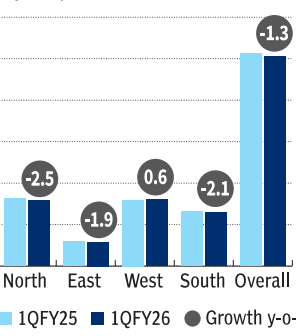
...as entry-level motorcycle segment drove the weakness



MHCV refers to Medium and Heavy Commercial Vehicle; LCV refers to Light Commercial Vehicle; OEM stands for Original Equipment Manufacturer  
Source: Kotak Institutional Equities

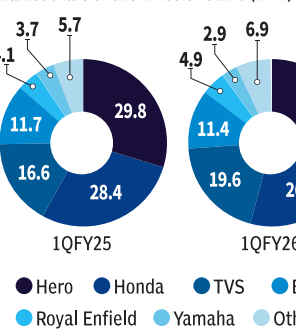
#### Domestic passenger vehicle industry volumes fell by 1.3% yoy in 1QFY26

Regional performance - (Volumes in units)



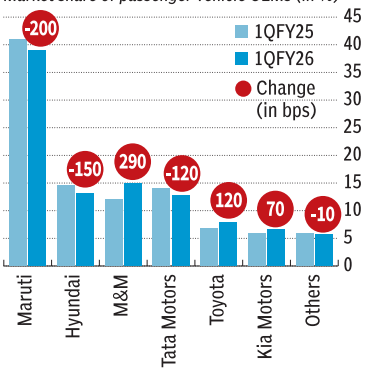
#### HMCL and Bajaj Auto lost 180 bps and 30 bps y-o-y market share, while TVS gained 300 bps

Market share of two-wheeler OEMs (in %)

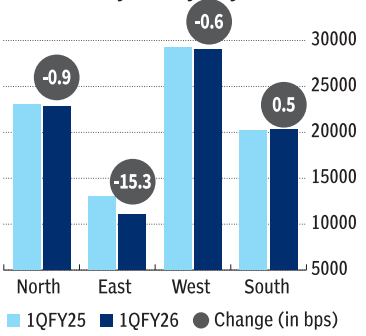


#### Maruti, Hyundai and Tata Motors lost market share y-o-y in 1QFY26

Market share of passenger vehicle OEMs (in %)



#### MHCV industry volumes declined by 2.7% y-o-y in 1QFY26; volumes in eastern region declined by 15% y-o-y



formal financial channels for conducting business. Recent NPCI data shows that nearly half of all UPI transactions by volume are in the categories of food and groceries — sectors dominated by micro-entrepreneurs — highlighting how financial inclusion and digital payments together have transformed day-to-day commerce at the grassroots.

The impact has gone beyond financial access, generating significant positive externalities. A 2022 study, ‘Access to Banking, Savings and Consumption Smoothing in Rural India’, found that access to banking improves consumption smoothing by alleviating savings constraints — an issue as critical for the poor as credit constraints. Similarly, a 2021 SBI Research report observed that higher PMJDY balances were associated with declines in crime rates, and that States with higher account penetration reported statistically significant reductions in the consumption of intoxicants such as alcohol and tobacco.

### THE CHALLENGES AHEAD

With near-universal access to banking services now within reach, the challenge ahead lies in deepening financial inclusion. Encouragingly, RBI's Financial Inclusion Index reflects consistent progress in this direction. The composite index — capturing information across three dimensions of financial inclusion: access (35 per cent), usage (45 per cent), and quality (20 per cent) — has steadily risen since its launch in 2021, reaching 67 as of March 2024. On this scale, where 0 represents complete exclusion and 100 full inclusion, India's steady upward trajectory underscores the deepening and broadening of financial inclusion nationwide.

PM Jan Dhan Yojana's success in introducing the unbanked to the economic mainstream is not a one-time achievement, but a stepping-stone on the longer journey towards deeper financial inclusion and unlocking the second-order effects that can truly transform lives, livelihoods, and the pathways to shared prosperity.

The writer is Chief Economic Adviser, Ministry of Finance

## On businessline.in

### What drives India's maize crop revolution?



https://tinyurl.com/4ft22cuf

Maize is a low-risk crop that requires less water and is more drought resistant. But it could do with better market integration, says **A Narayanamoorthy**

### Are quality control orders really about quality?



https://tinyurl.com/43ttk4xk

While the aim is to build a robust manufacturing ecosystem, these orders often create supply chain disruptions, points out **Perna Prabhakar**

### How judicial scrutiny is shaping infrastructure investment in India

In some cases, courts have directed realignments of project routes, halted construction, or imposed penalty and restoration costs, say **Vishnu P Sudarsan** and **Sugandha Somani Gopal**

https://tinyurl.com/cw3fjxnr

## thehindubusinessline.

### TWENTY YEARS AGO TODAY.

August 27, 2005

#### SEBI to end discretionary share allotment to QIBs

SEBI has decided to amend the share allotment norms for institutional investors in public issues. The allotment of shares to qualified institutional buyers (QIBs) in public issues will have to be made on proportionate basis and not at the discretion of the merchant bankers.

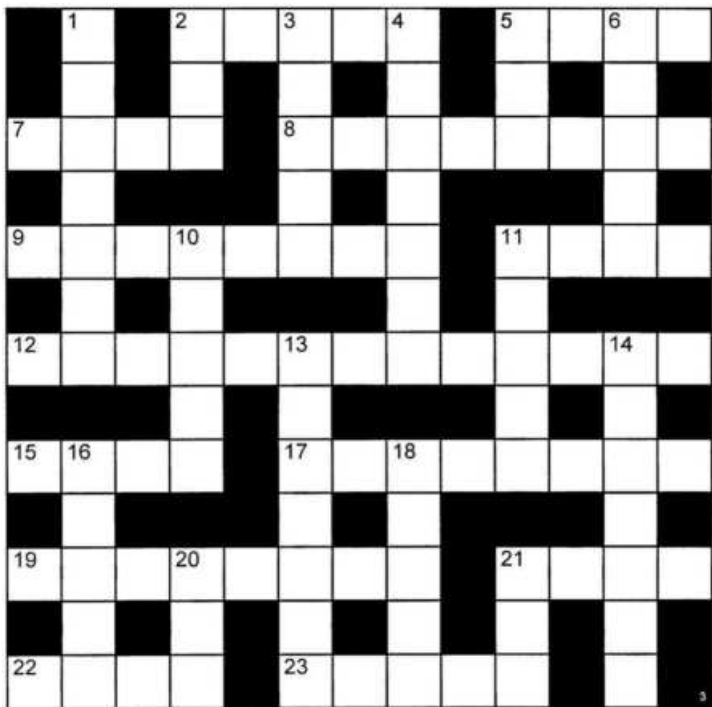
#### Chidambaram's resignation demanded

The Bharatiya Janata Party has demanded the resignation of the Finance Minister, Mr P Chidambaram, in a sequel to the CBDT engaging his wife, Ms Nalini Chidambaram, as 'special counsel' to represent the Income-Tax Department in a case before the Madras High Court. "It is a serious issue. It is not only a case of impropriety but also corruption, favouritism and nepotism...", Ms Sushma Swaraj, BJP spokesperson, told reporters.

#### 'PSUs first' for iron ore mining leases, says panel

Public sector companies should be given first priority for allocation of iron ore mining leases. This has been recommended by the RK Dang committee set up by the Ministry of Steel. Second in order of priority are integrated steel producers because they contribute towards employment and the economy.

## BL TWO-WAY CROSSWORD 2770



### EASY

#### ACROSS

- Attendant; man marrying (5)
- Young horse (4)
- Amphibian (4)
- Begs (8)
- Persuade not to (8)
- Draw up and leave car (4)
- Smoke-conducting structures (13)
- Young deer (4)
- Electric bagatelle (8)
- Positive, free from limits (8)
- To post (4)
- Spondees (4)
- Given medicine in measured amounts (5)

#### DOWN

- Clear top-coat (7)
- One-performance engagement (3)
- Musical stage work (5)
- Is of concern (7)
- Professional's charge (3)
- Following; later in time (5)
- 'Simple', 'pure' boy (5)
- Spanish public square (5)
- Interpret, explain (7)
- Murdering (7)
- Easy stroll (5)
- Doesn't have (5)
- Not at home (3)
- Crazed (3)

### NOT SO EASY

#### ACROSS

- School his manners for man wearing buttonhole (5)
- The young beast, for not finishing with a novice driver! (4)
- One may croak at it being belted for carrying sword (4)
- Begs mistakenly to enter wartime service for women (8)
- Stop one taking issue with Dad anyhow (8)
- Leave car and quietly get on animal-transporter (4)
- They rise above the rooftops, having pots (13)
- Being pale brown is enough to make one cringe (4)
- Hurry back and bleat about it updating the bagatelle (8)
- Complete and unlimited, it makes us be a lot different (8)
- Defensive armour one will pop in the post (4)
- Things shod are returned quite effectively inside (4)
- Died without one, so came back instead when given physic (5)

#### DOWN

- Stop appearing right in it, a see-through coat (7)
- Single engagement for US private at end of training (3)
- One component of The Ring, work it takes an age to finish (5)
- It is of some importance if wound discharges (7)
- The charge for executing embarrassing leaders (3)
- In the style of its coming at a later date (5)
- Simple boy is a child I'm embraced by (5)
- Place in Spain to find a friend upset about Cadiz finally (5)
- Explain what may come to be known as the former banknote (7)
- Slaughter the unwell when monarch is around (7)
- British Rail might make such a casual walk thorny (5)
- Hasn't got an objective finally in a variety of ends (5)
- It is no longer fashionable to be unconscious (3)
- Crackers to stop the flow when upside-down (3)

### SOLUTION: BL TWO-WAY CROSSWORD 2769

**ACROSS** 1. Denunciation 8. Notified 9. Slow 11. Ennui 12. Torpedo 13. Arch 15. Esne 19. Khedive 20. Entia 22. Bass 23. Bookworm 24. Entertaining

**DOWN** 2. Eaten 3. Unfair 4. Create 5. Illness 6. New Model Army 7. Unremarkable 10. Arm 14. Cresset 16. Fin 17. Fedora 18. Reckon 21. Thorn



## A reasonable request

RBI should allow banks to finance M&As

The Reserve Bank of India (RBI), the regulator of the banking sector, has historically set some fairly constraining limits on banks' participation in sensitive, volatile sectors. These limits were usually introduced for good reasons and have served a valuable purpose; the 1992 securities scam, in which bank funds were diverted towards speculative activities in the stock market, led to a strengthening of the regime. It seemed clear, at that point, that the banking sector in India did not have the capacity or expertise to finance certain kinds of activities. Since then, however, much has changed. The sector has matured, and regulatory capacity has expanded alongside. The Indian Banks' Association (IBA) is thus right to request the RBI to review its restrictions on bank finance. The chairman of State Bank of India, C S Setty, has said that the IBA will request that banks be allowed to finance mergers and acquisitions (M&As) within the domestic corporate sector, beginning with listed companies. This would be a welcome move, and the regulator should look with favour at this request.

Restrictions on bank finance for M&As have had some perverse and unintended consequences. One complaint that is often heard is that it puts Indian companies at a disadvantage in the M&A space. Foreign rivals may be able to draw on bank financing in their home countries and thus outbid local contenders in an acquisition race, especially at times when the interest-rate differential between India and other geographies is substantial. India is a primarily bank-finance dominated market and this source of funding is not available to companies looking for acquisition. It is also worth noting that the funding structure in India is changing. As things stand, corporations have deleveraged over the past few years and are approaching financial markets for funding requirements. As financial markets develop, more companies will take this route for funding. It is thus important that some of the constraints imposed on banks are revisited in the context of changing market conditions.

When the RBI examines the IBA's proposal, it should evaluate the ways in which M&A financing is different, in terms of risk management requirements, from the existing corporate finance provided by banks. If a listed company decides to buy another, how different are the risks involved than if it decides to invest in a new project? If the profiles are similar enough, then why is bank finance available for the latter but not the former? Both may involve a similar evaluation of risks, balance-sheet stability, and future revenue streams. The RBI should also consider whether greater macro-prudential stability will be achieved through the participation of regulated entities like scheduled commercial banks in this space, or whether non-banking financial companies and foreign funds should dominate a growing market. The explosion of private credit abroad is also a reminder of what happens when banks retreat. The transactions conducted by such entities are not entirely transparent, and can conceal the buildup of risk in the system. The regulator's preferences, over the past decade, have been to ensure that such activity is conducted by large, transparent, and regulated entities rather than by private or shadow concerns. Given that, it might be time for it to recognise that Indian banks are ready for an expansion of their lending practices to corporations.

(Disclosure: Entities controlled by the Kotak family have a significant holding in Business Standard Pvt Ltd)

## Food for Gaza

India has a role to play

Israel's ambitions for Gaza have manifested themselves in the classic colonial tragedy of a man-made famine in Gaza City. As the United Nations-backed Integrated Food Security Phase Classification (IPC) confirmed last week, an "entirely man-made famine" has gripped Gaza's largest city and its surrounding areas, the first officially declared famine in West Asia. According to the IPC's definition, a famine occurs when at least 20 per cent of the population of a given area suffer from an extreme lack of food. By the IPC's estimates, half a million people, or a quarter of the Palestinian population in Gaza, is suffering from famine. One in three children or more are acutely malnourished and two in every 10,000 people are dying daily from starvation or malnutrition and disease. These tragic statistics reflect the Israeli government's attempt to displace Gazans from the remnants of their homeland.

This "man-made famine" has been facilitated through the Gaza Humanitarian Foundation (GHF), a joint Israeli and United States-backed institution operated by private contractors. Since May, when the Israelis grudgingly lifted a blockade on goods entering Gaza, the GHF has replaced the United Nations-led food-distribution system with a network that weaponised food aid delivery to embattled Gazans. It has replaced the United Nations' 400 distribution points with just four sites in militarised zones, which requires Palestinians to walk long distances in hot-war terrain to access. The United Nations has recorded the killing of at least 994 Palestinians around GHF centres since May and over 1,700 trying to access aid. Enhancing this cycle of death and denial is the defunding of the United Nations World Food Programme (UNWFP), the largest humanitarian agency, by the United States. The Trump administration has halved funding to the body, which has seen Gaza food assistance cut from \$12 per person per month to \$8.

With the Western democracies unable to intervene for fear of displeasing an Oval Office incumbent preparing real estate plans ahead of Gaza's occupation by Israel, the Global South urgently needs to step up. Saudi Arabia has airdropped aid in Gaza but this is insufficient, given the scale of the tragedy, and Indonesia has increased funding to the UNWFP. India, as a prominent claimant for Global South leadership, can play a game-changing role here. In the past, India has provided famine and food aid to Afghanistan, Malawi, Zambia, and Zimbabwe. In an interview to this paper, UNWFP Chief Operating Officer Carl Skau said India could help not just with more funding but by leveraging its established institutional knowhow in foodgrain distribution to enable the institution to scale up globally in Gaza as well as Sudan. Indeed, Prime Minister (PM) Narendra Modi's cordial relationship with Israel PM Benjamin Netanyahu and the fact that India has refrained from criticising Israel could be leveraged to negotiate an additional channel of uninterrupted aid delivery. Doing so would enhance India's reputation as a compassionate power in a world where the US appears to have abdicated the field.



ILLUSTRATION: BINAY SINHA

## A relook at providing free foodgrain

Reforming Pradhan Mantri Garib Kalyan Anna Yojana is not just about weeding out ineligible beneficiaries

The food and supplies department of the government of the National Capital Territory of Delhi has shared some startling data on the use of free foodgrain by its residents. The reported data, resulting from a survey that began some time back, shows that almost nine per cent of Delhi's total beneficiaries of free foodgrain under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) are ineligible. Of the 0.65 million ineligible beneficiaries, as many as 96,000 are car-owners, over 89,000 beneficiaries enjoy similar benefits from other states as well, and about 0.28 million either own land, pay income tax or function as directors of registered companies.

The proportion of ineligible beneficiaries under PMGKAY is slightly lower at the national level. India has at present 192 million ration cards issued to households, resulting in a total beneficiary count of 760 million. As recently reported in *The Indian Express*, about six per cent of these ration card holders have been found to be ineligible. This is a somewhat better outcome than in the country's capital, but it certainly is no cause for any celebration either. As many as 9.47 million ration card holders in the country pay income tax, another 1.75 million own four-wheelers, and another 0.53 million are directors on the boards of companies.

The rules of eligibility under PMGKAY prohibit release of free foodgrain to government employees, households with an annual income of ₹1 lakh or more, owners of four-wheelers and income-tax payers. The foodgrain supplies (35 kg of foodgrain per month to each family covered under the Antyodaya Anna Yojana or AAY and five kg of foodgrain per month for each member of a Priority Household or PHH) became free during the Covid pandemic, but by the end

of 2023, the Narendra Modi government decided to extend the scheme for five more years till December 2028. The total financial burden of the free foodgrain supplies for these five years was estimated at ₹11.8 trillion, or an average annual outgo of ₹2.36 trillion.

The Union department of food and public distribution is now engaged with various state governments, requesting them to verify the data on ineligible claimants of free foodgrain under PMGKAY and weed them out by the end of next month. Going by the obvious political risks and consequences of removing ineligible beneficiaries of the free foodgrain scheme, it is unlikely that this exercise will be completed by the end of September 2025.

The history of India's economic reforms shows quite clearly that few governments have shown any appetite for spending its political capital to strictly enforce a welfare scheme's rules to limit its scope to benefit only those who are its target group. In any case, the original idea of extending the free foodgrain scheme to about 800 million Indians from January 2024 for five years was deeply flawed in a country where even the government's own multi-dimensional poverty estimate placed poor people at just 210 million. Now that the scheme has already become operational, any attempt at pruning the list of beneficiaries will be a herculean task.

Note that the difficult task of weeding out the ineligible beneficiaries has been entrusted to the states. States may well complain that at the time of announcing the scheme and its extension for five years, the Centre was at the forefront, taking credit for the decision. But now the states will have to incur the wrath of sections of people to be declared ineligible from October 2025 for unjustifiably claiming free foodgrain. Or if the states wish to continue to provide free food-



RAISINA HILL  
A K BHATTACHARYA

## Turning crop waste into rural gold

In recent years, India has taken important steps to address the interconnected challenges of rural distress, air pollution, and the need for cleaner energy. One such policy is the co-firing of biomass pellets in coal-fired thermal power plants — a measure that is already showing promise and could be scaled further with careful implementation and support.

Under the Ministry of Power's SAMARTH Mission (Sustainable Agrarian Mission on Use of Agri Residue in Thermal Power Plants), all coal-based thermal plants are currently required to replace 5 per cent of their coal with biomass pellets, a proportion that will rise to 7 per cent this year. While these targets may appear modest, they carry significant economic and environmental potential if adopted more broadly and systematically.

According to government estimates, India generates over 500 million tonnes of agricultural residues annually. A portion of this is used productively — for fodder, fuelwood, and compost — but approximately 140 million tonnes remain surplus. Much of this is either burned in the fields or discarded, contributing to air pollution and greenhouse gas emissions. Stubble burning in states like Punjab and Haryana accounts for up to 40 per cent of winter air pollution episodes, particularly in the Indo-Gangetic Plain.

Converting this biomass into pellets provides a viable alternative. These pellets can be manufactured from a variety of residues (such as rice straw, cotton stalk, mustard husk, or sugarcane bagasse) and used as partial fuel in thermal power stations. Early pilots suggest that biomass co-firing can reduce CO<sub>2</sub> emissions by 15 to 20 per cent for every unit of electricity generated, depending on the blend ratio and fuel source.

The rural economic impact is also noteworthy. Studies indicate that farmers can earn an additional ₹3,000 to ₹6,000 per acre by selling residues to pellet manufacturers. For a farmer cultivating 2 acres, this could amount to ₹6,000 to ₹12,000 in supplemental income — especially relevant in regions with high input costs or unpredictable crop prices. In aggregate,

if even a third of India's surplus residue were monetised, it could support 10-20 million farmer families and translate into ₹6,000-24,000 crore in new rural revenues annually.

Employment generation is another important dimension. A network of pellet manufacturing units has begun to emerge across northern and central India. These units, often run by small entrepreneurs, employ local workers and stimulate associated supply chains, including transport, aggregation, and machinery servicing. The National Bio Energy Mission has estimated that full-scale deployment of biomass co-firing could create over 50,000 direct jobs, primarily in rural and semi-rural areas.

International experience reinforces the value of such an approach. In Europe, countries like Sweden and the United Kingdom have integrated biomass co-firing as a transitional strategy in their energy mix. The UK's Drax power station, once fully coal-powered, now generates over 80 per cent of its electricity from sustainable biomass. In Japan and South Korea, national energy plans call for co-firing up to 20 per cent biomass in existing coal plants, backed by long-term purchase agreements and dedicated logistics infrastructure.

Closer to home, Indonesia has committed to biomass co-firing in 52 coal plants, aiming for a 10 per cent biomass blend by this year. These efforts are framed as bridge solutions that can reduce emissions without requiring immediate, large-scale decommissioning of coal assets — an approach well-aligned with India's energy realities.

Yet, uptake has been uneven. While some public-sector utilities have made progress, others are lagging behind due to concerns about cost, technical compatibility, and fuel supply chains. Some private generators remain hesitant, citing limited pellet availability or uncertain regulatory enforcement. These are not insurmountable obstacles but do require systematic attention.

A few policy interventions could help improve implementation. First, power plants would benefit



JAYANT SINHA

## Indian history at the turbulent core



VIPUL MUDGAL

At a time when WhatsApp University hands out one-way history thick and fast, a 500-page book appears challenging. Especially if it is methodical, wide-ranging and well-referenced. But we live in interesting times, in which viral half-truths are more evocative than verifiable facts. This book cuts through some of the nonsense masquerading as history. What you get is an ambitious overview of India's Hindi heartland, covering roughly 1,000 years in a single, racy volume.

Ghazala Wahab theorises the contemporary with the tools of history and a sprinkling of current politics. Her Hindi heartland is a region familiar with

the rise and fall of empires. It is here that Hinduism, Buddhism and Islam have clashed and coalesced. She unravels not only the wars and invasions but also the ideas, beliefs, and follies of the victors in varied time frames, including the most recent. The big idea is to grasp where we are today and how we arrived here.

The Hindi heartland embraces the vast expanse between Rajasthan and the states of Uttar Pradesh, Madhya Pradesh, and Bihar, now subdivided into Uttarakhand, Chhattisgarh and Jharkhand. However, the narrative wanders beyond the heartland, to Lahore onwards to Iran and Afghanistan, to Indore across the Vindhya, into the Maratha enclave, and to Chittagong in the east. The chronicle is enriched with fascinating stories. The timespan is from the early Sultanate period to present-day North India, winding through the Mughal and British eras.

The author belongs to Agra, once the

capital of the Lodi and Mughal Empires and soaked in its own syncretism of art and aesthetics, spawning *Ganga-Jamuni Tehzib*. The book explores the permutations and combinations of caste, class, and community, which have historically yielded erratic outcomes to the powers that be. Agra's surrounding areas are today a hotbed of right-wing Hindu politics despite substantial Dalit and Muslim populations.

The book's genre-bending narrative is neither wholly academic nor fully journalistic. The author is very much present in the book, popping up now and then with her entertaining interviews with peculiar characters she encounters on the way to Banaras, Ajmer, Ayodhya, or anywhere. She lets her characters speak without being judgemental. Intermittently, you will meet the likes of Tulsiadas, Meer, Ghalib, Dinkar, or Majrooh Sultanpuri. A section covers culture, language, and society. Ms Wahab regales you with stories of

wars, treaties, kinships and betrayals. The convergence of cultures is central to the narrative. Persian musical notes like Yamani and Kafi melded into the Indian Raga system, *a la* Amir Khusrau, and are still visible in our poetry, dance and classical singing. Sufis had a great influence on the region's thought and culture. Even the Sultanate rulers indulged Sufi saints to win the trust of the majority while distancing themselves from Islamic hardliners. It wasn't a coincidence that the green shoots of the Nirguna Bhakti movement also appeared around this time.

You view the Mughals in a better light when the author compares them with the other Central Asians and, particularly, the British. Good, bad or ugly, the Mughals ruled with an iron fist, and splurged their extortions within India where they lived and died. They built magnificent monuments and facilitated cultural fusion in art, architecture and language. They were not like the marauders from



The Hindi Heartland  
by Ghazala Wahab  
Published by Aleph  
502 pages ₹999

Central Asia who took away their booty on horseback and bullock carts. But the British surpassed all other robbers. They transported India's wealth every day for over a century, in trains and steamships. In scale and distance, even their human trafficking as indentured labour was breathtaking.

The British impoverished the prosperous Indo-Gangetic area, making starvation a common occurrence. In her

words: "The British rapaciousness gradually whittled away all three pillars of the Indian economy — agriculture, manufacturing and services — through a combination of incompetence, greed and cruelty." In 1750, India was producing 25 per cent of the global manufacturing output, which fell dramatically to a mere five per cent by 1900. The East India Company also degraded the economy by de-skilling our famed artisans. They pushed cash crops, particularly opium and sugarcane, even though the price would hardly cover production costs.

grain, they have to bear the cost. This could also be why state governments would be reluctant to implement the scheme to weed out the ineligible households, leading to delays.

There could be yet another problem. A large number of income-tax payers have gone out of the tax net with effect from April 2025, since earners of income of up to ₹12 lakh are no longer required to pay any taxes under the rebate scheme announced in the last Union Budget. Most likely, a large chunk of 9.4 million ration-card holders, who paid income tax till last year, may not be paying any tax from this year and may well become eligible for the free foodgrain scheme once again.

Yet another reason for the slow implementation of the weeding out process would be the relatively small reduction in the amount of money spent on food subsidies. An annual savings of about ₹14,000 crore would not make a big difference to the overall food subsidies bill of ₹2.36 trillion. In the trade-off between a political pushback from those who would be deprived of free foodgrain and the small financial gain for the government, there would be a natural preference for no action on pruning the beneficiaries list.

So, what should the government do? Instead of going in for small gains by removing ineligible beneficiaries, it should recognise that the country has emerged from the Covid crisis that led to the decision to provide free foodgrain to over 800 million Indians. In any case, the achievement of having reduced multi-dimensional poverty in the country to just about 210 million Indians should be used to limit the free foodgrain scheme only to such people.

Mind you, there will be no discontinuation of PMGKAY. Only its scope would be restricted to the bottom 25 per cent of people covered at present. Of the current 759 million beneficiaries under PMGKAY, 81 million belong to the AAY category, or the poorest of the poor. Why not restrict PMGKAY only to AAY beneficiaries? But if the government is apprehensive of a political backlash because of discontinuing the free foodgrain scheme much before the end of its extended term, an alternative path would be to revamp PMGKAY to provide a much lower amount of foodgrain to each eligible household.

Already, with respect to the entitlement amount, the government makes a distinction between those coming under the AAY scheme and those under the PHH scheme. A revamped PMGKAY could reduce the entitlements further or simply substitute the food allocation with a cash transfer equivalent to the cost of procuring the foodgrain, even while continuing the scheme till December 2028.

Among the many reforms that the government has promised to introduce in the coming days, a revamp of PMGKAY would be in order. This would make the free foodgrain scheme more pragmatic and appropriate, reflecting the reduced level of poverty. This would also help the government save its resources now being spent on food subsidies and divert them to projects that would help it realise the goals of strengthening the country's social and economic infrastructure.

from greater clarity and consistency in biomass procurement norms. Standardising pellet specifications, creating transparent price benchmarks, and ensuring reliable sourcing contracts could reduce friction and improve confidence among both producers and users. Moreover, there should be a mandate for using biomass pellets instead of coal in power plants for 3-5 per cent of all energy generated.

Second, capacity-building support — particularly for small pellet manufacturers — could accelerate supply growth. This includes easier access to credit, technical assistance in meeting quality standards, and logistics support to move pellets from rural areas to power hubs.

Third, better monitoring and reporting mechanisms are essential. Publishing plant-level co-firing data, tracking emissions reductions, and sharing case studies of successful implementation can help build momentum and public trust. Finally, India might consider aligning co-firing credits with carbon markets or renewable energy certificates, offering additional financial incentives for compliance and performance.

As India seeks to meet its net-zero target by 2070 and deliver on its nationally determined contributions, such pragmatic, locally rooted strategies will be essential. Biomass co-firing is not a silver bullet, but it is a bridge solution that can deliver measurable benefits at relatively low cost, especially when compared with the long lead times and capital intensity of new renewables or grid-scale storage.

More importantly, it offers a development pathway that is inclusive and balanced. It ties together the interests of farmers, rural workers, energy companies, and environmental advocates — rarely an easy feat in public policy. India has already taken the first steps with the SAMARTH Mission. Strengthening this effort through thoughtful implementation and measured incentives could go a long way in transforming how we think about waste, energy, and prosperity in rural India.

The author is president, Eversource Capital, and visiting professor in practice at the London School of Economics. He is a former Union minister and Lok Sabha MP. The views are personal

India's food output consistently fell, leading to frequent famines.

The book will be invaluable for those who never studied history as a subject and are intrigued by its competing narratives today. A minor issue is its sourcing, particularly in the second half. In some places, news reports seem to be doing the heavy lifting. The history of India has many schools — nationalist, colonial, Cambridge, Marxist and Subaltern — but the author tilts heavily, even uncritically, towards the Marxist school. The conclusion is a bit rushed for the book's relaxed style of storytelling and sometimes reads like a news report.

This does not take away the fact that the book is a delight to read. Ms Wahab chronicles populism, autocracy, and the criminalisation of dissent in today's India without absolving the grand old party of its part in the sectarian mess. The author dispels many myths and offers a fresh perspective on India's Hindi heartland.

The reviewer heads Common Cause, known for its PILs and work on police accountability



Gregory Fernandes  
Mumbai





### CONTRAPUNTO

I've never turned over a fig leaf yet that didn't have a price tag on the other side

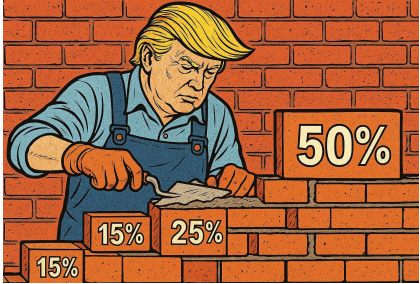
SAUL BELLOW

## Walled Mart

Indian exporters will feel the pain of record US tariffs from today, so will US consumers in the near term

From 9.31am today, Indian goods entering US will be costlier, as Trump's 25% "penal" tariff for buying Russian oil takes effect. Because this tax has been slapped on top of an already high 25% "reciprocal" tariff, many Indian exports may be priced out. How can an Indian shirt tariffed at 62% compete against one from Vietnam, tariffed at 20%? As our main commentary explains, this is a shock for Indian manufacturers and producers whose exports to US could plummet from \$86.5bn last year to \$50bn. This will likely impact jobs, even though pundits are saying overall GDP growth won't be impacted sharply. One recent estimate pegs India's GDP loss at 0.8 percentage points this fiscal, and next.

Yet, as we have said before, India did well to stand up to Trump. Russia and Ukraine had been at war for three years when he took office in Jan. Not once over the next five months did Russia figure in trade negotiations with India. Trump's lack of interest in the war was



apparent from the way Vance and he dissed Zelenskyy at the White House in Feb. As late as July 16, Trump said, "We're very close to a deal with India." Clearly, Russian oil occurred to him, Vance, Bessent and Navarro only when India refused to budge on opening agriculture and dairy.

If Trump can raise tariffs on Brazil from 10% to 50%, only to bat for his pal and ex-president Bolsonaro, Russian oil is nothing but a fig leaf. China faces no penal tariff despite buying more Russian energy than India. On Monday, Trump threatened to raise tariffs on it to 200%, not for buying Russian oil but for holding up rare earth magnets. And how's this for hypocrisy – just before his Alaska meeting with Putin, US and Russia discussed the possibility of US firms returning to Russian oil and gas projects.

India will weather the tariff storm. GOI has signalled economic reforms while continuing negotiations with US. It's helping exporters find alternative markets. But Trump should start worrying about the cost of his actions at home. "Prime" borrowers in US – those considered more creditworthy – are struggling to repay loans. In a clear sign of financial distress they are also shopping more at discount stores. And this is before the impact of tariffs has made itself felt on US shop shelves. Trump may be about to find out that he's riding a tiger.

## Bargain, Don't Boycott

Some oppn parties have decided to boycott JPC on 130th amendment bill. They are wrong

There are divergent views within opposition on the JPC that will deliberate on the 130th amendment bill and two related bills. The three bills seek to secure removal of PM, CM and state ministers if they're jailed for over 30 days on criminal charges that invite a jail sentence of five years or more. The bill was referred to a JPC – 21 Lok Sabha MPs and 10 Rajya Sabha members. Fourteen will be opposition MPs. Govt is yet to notify the committee. Four opposition parties – TMC, SP, AAP and UBT Sena – have boycotted it. Congress and DMK are inclined to join. RJD's stance is not known yet. And Owaisi has sought to be included in the committee.

Parties that have boycotted the JPC have said rules and procedures are flouted and opposition suggestions are not taken into account. That JPCs have lost their mojo. But here's what they miss. This JPC was announced almost immediately with the introduction of the bills – surely a signal that govt is open to negotiations. Govt – NDA has a simple majority – doesn't have the numbers in LS and RS to secure, by itself, the bills' passage. A two-thirds special majority is required in both houses of Parliament for these constitutional amendments. BJP's allies too are concerned. Though supporting it, TDP is invested in bringing in "safeguards against the bill's misuse".

Boycott is a powerful political weapon, but its application demands astute political sense. Rash use of boycotts only blunts their effectiveness. To rush in to announce boycott of this JPC is not going to force govt's hand. If anything, it gives the bills – that seem to question the basic principle of being innocent until proven guilty – a free pass with reduced opposition heft. How does that help those who are boycotting the JPC? They should stay inside and bargain.

## Trump trumps

Does US president have a more towering presence in our country than in his own?

Jug Suraiya

Despite having declared an all-out tariff war against us, Donald Trump has a literally higher standing in India than he does in US. There are currently four high-rise residential Trump Towers projects in India – in Kolkata, Mumbai, Pune, and Gurgaon.

There are several more of the US president-cum-property dealer's projects in the making, which means that India will have more Trump Towers than America.

Gurgaon already boasts that it rivals New York City in that, like the Big Apple, it is set to play host to two condos which bear the presidential imprint.

The apartments, priced between five crore and nine crore rupees, are selling with the rapidity associated with hot cakes, fetching ₹3,250cr in bookings, causing press reports gleefully to rebut the US president's dismissal of India as "a dead economy".

See how much money we've got to spend to enrich you, Donald. Far from being moribund, money-wise, we've got oodles of boodles to splash out to make you even more of a super-fatted plutocrat than you already are. So there! *That'll* put you in your place, which in this case is a rung or two higher on the billionaires' ladder.

Such self-congratulatory patting ourselves on the back is more in the nature of stabbing ourselves in the back, and Indian largesse in purchasing Trump properties is tantamount to feeding the hand that bites it.

Social media posts have urged Indian consumers to boycott American brands, from fast foods like pizzas and burgers to fashionwear such as jeans, in a reprise of the Swadeshi movement with which the country sought to rid itself of its colonial yoke, through an economic embargo of British products.

Such exhortations overlook the inconvenient fact that American branded consumer goods sold in today's India are through a franchise model, which benefits Indian entrepreneurs, and the staff they employ.

However, in the case of Trump Towers, buying into them is equivalent to buying into and endorsing his MAGA jihad against us.

A thought which ought to prompt a reality check. Or a reality check.

# 50% Tariff: The Pain, The Lesson

Tiruppur, Noida-Gurugram, Bengaluru, Surat, Mumbai, Ludhiana, Jaipur – Trump's duties will spread devastation widely. This must jolt India into reforms that make it more competitive and less vulnerable

Ajay Srivastava



America has crowned itself the world's tariff superpower – imposing duties so steep they shred WTO principles. Starting today, most Indian goods entering US face a crippling 50% tariff, up from barely 3% just a year ago.

For India, this marks one of the harshest trade shocks in decades. The scale of the hit is unprecedented. India exported \$91.2bn of goods to US in 2024, mostly tariffed at under 3%. Now, two-thirds of these exports, worth \$60.2bn, will be subject to a 50% duty, hammering labour-intensive industries like apparel, textiles, jewellery, shrimp, carpets, and furniture.

Another 4% of exports (\$3.2bn) – mainly auto components – will face 25% tariffs. Only 30% of exports, including smartphones, pharmaceuticals, and petroleum products, are untouched.

**Sectoral impact** | The 50% tariff makes India one of the most heavily taxed US trade partners – equal to Brazil but much higher than China (30%), Vietnam (20%), and EU or Japan (15%). These new tariffs have been added to the existing ones.

For example, shirts already had a 12% duty; now Indian shirts will be charged 62% total, compared to 42% for those from China and 20% for the ones from Vietnam. This relative disadvantage will likely cut India's exports to US from \$86.5bn in FY2025 to around \$50bn in FY2026.

Labour-intensive industries, where US accounts for over 30% of India's global exports, could see 70-80% annual declines. Shrimp exports (\$2.4bn) now face 60% duties, hurting farmers and factories in Andhra Pradesh as rivals like Ecuador and Vietnam take over.

Diamonds, gold, and jewellery (exports to US are worth \$10bn; share of US in Indian exports is 40%) will see 52% tariffs, threatening jobs in Surat, Mumbai, and Jaipur.

Textiles and apparel (\$10.8bn; 35% share) will face up to 64% tariffs, devastating hubs in Tiruppur, Noida-Gurugram, Bengaluru, Ludhiana, and Jaipur, while Bangladesh and Mexico gain.

Even carpets, handicrafts, furniture, and farm goods like basmati rice and spices are badly hit. This could wipe out decades of export growth for India.

**How can we ease the pain?** | India's current export basket is no longer sufficient to achieve high growth. Trade deals alone cannot compensate for uncompetitive

products and pricing. The action plan must combine structural reforms with targeted interventions.

● First, India needs deep reforms to cut input costs, simplify labour laws. We also need to build deep domestic capacity in semiconductors, solar cells, and APIs to reduce import dependence.

● Second, India must initiate a nationwide reverse-engineering programme to replace low- and mid-tech-ology imports where domestic production capability exists. We did this with generics with great success 50 years ago. We need to repeat the feat for more products.



For this, sector-specific industrial laboratories at IITs, BITS, engineering colleges, and CSIR institutes should disassemble and analyse imported products such as pumps, bearings, motors, valves, hardware, and textile machinery. These labs should develop standardised, open-access technical blueprints and manufacturing specifications. This will enable MSMEs to undertake precision component fabrication and allow large-scale manufacturers to achieve mass production and scalability.

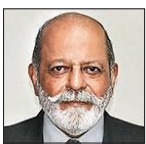
**Urgent measures** | These are needed to shield exporters from the current shocks.

● Reinstate the Interest Equalisation Scheme with a

## Indo-China Ties: Out Of The Freezer, Not Warm Yet

Modi's Tianjin visit for SCO summit should see a further uptick in bilateral ties. However, managing the border dispute remains key to avoiding another derailment

Sujan Chinoy



The recent visit to New Delhi of Chinese foreign minister Wang Yi is a straw in the wind. His meetings with NSA Ajit Doval and external affairs minister S Jaishankar, topped with a call on Modi, all point to a thaw in India-China ties.

Additionally, the Chinese side has welcomed Modi's attendance at the upcoming SCO summit. The needle had begun to shift late last year, a little before the political change in Washington. Recent geopolitical developments appear to be nudging the process further.

Disengagement at friction points in border areas has helped. Yet, it is the consensus reached between Modi and Xi in Kazan last Oct that has given impetus to the process of rebuilding ties after the rupture of June 2020.

The resumption of the Kailash Mansarovar Yatra by Beijing and the decision to grant tourist visas to Chinese nationals by New Delhi have improved mutual perceptions. The agreement on resuming direct flights is also a positive. China has also agreed to share hydrological information during emergency situations in regard to shared rivers. There is a fresh commitment to facilitate trade and investment flows, which could help India divert exports to an alternative market in these trying times.

Plus, a successful SCO summit is likely to ensure further multilateral cooperation in fora such as Brics, which India will chair next year and China in 2027.

Even as bilateral ties are on the mend, both sides realise that the boundary dispute remains a core issue, which, if not handled properly, has the potential to again derail ties in future.

Notably, the two sides have agreed to establish an expert group under the existing Working Mechanism for Consultation and Coordination (WMCC) on India-China Border Affairs to explore "Early harvest in boundary delimitation in the India-China border areas". They also agreed to set up a working group

under the WMCC to "advance effective border management in order to maintain peace and tranquillity in India-China border areas".

Yet another significant agreement pertains to the establishment of "General Level Mechanisms" in the eastern and middle sectors, on the lines of the structured corps commander-level meetings in the western sector, which contributed to the recent turnaround in ties.

In the aftermath of Galwan, the focus naturally was on the western sector. But once the military build-up took place on both sides, the middle and eastern sectors also witnessed heightened deployment. There was a stand-off at Yangtse in the eastern sector in Dec 2022. Therefore, a high-level military dialogue for each of the three sectors could prevent future misunderstandings.

This underscores the importance attached by both sides to achieving progress in boundary delimitation. The process of clarification and confirmation of the Line of Actual Control (LAC) initiated under the confidence building measures (CBMs) agreement fell by the wayside after the initial exchange of maps of the middle sector in 2002. However, China was reluctant to exchange maps on the western and eastern sectors.

China's willingness to move forward now offers an opportunity to revisit the issue with a fresh approach. The key question in the absence of any exchange of large-scale maps for the western and eastern sectors would be to identify and agree upon some areas where the delimitation exercise could begin. The middle sector and Sikkim could be logical options. First, there

is clarity about the areas of convergence and divergence in the middle sector since maps have already been exchanged. Second, the external boundaries of Sikkim were settled on the basis of the 1890 Convention and are mutually recognised, barring differences in interpretation at a few places.

Effective border management is key. Some CBMs may need improvement. Yet others may need to be fully implemented. This could include improvement and enhancement of communication links, increasing the number of hotlines between forward posts, designating additional meeting points for border personnel meetings, and, revising guidelines to govern conduct in the event of run-ins between patrols. Transparency in building infra in border areas and a firm commitment to desist from unilateral actions to change the status quo in contested areas should also be on the wish list.

Regulating patrolling activity to avoid flare-ups would be a priority. Patrolling with prior intimation, avoiding concurrent patrols or conducting joint patrols in certain stretches are some of the options that could be considered.

Also, infra already created in forward areas in recent years may have to be dismantled to achieve de-escalation. But this could prove a harder nut to crack.

Modi's forthcoming visit to China is bound to give a fillip to bilateral ties. The 70th anniversary of the establishment of diplomatic relations had hit a roadblock in 2020. But the 75th anniversary this year is turning out to be different.

The writer is former Indian head of the India-China Diplomatic and Military Expert Group, and is DG, IDSA

### Calvin & Hobbes



## Ganesh: An Epitome Of Timeless Wisdom

Ullhas Pagey

In the stillness of early morning, there is a sacred space when timeless wisdom is revealed through recital of *Ganapati Atharva Shirsha*, an ancient text dedicated to Ganesh, symbol of wisdom, remover of obstacles, and guardian of beginnings.

Ganesh is described not as a distant god, but as the fundamental energy rooted within the human body and consciousness. This energy resides at the base of spine, the seat of potential and source of life's momentum. Thus, the hymn invites us to turn inward, to locate the Divine not in temples or rituals, but in the subtle presence within the Self. The journey is not towards a god, but towards awakening.

As verses unfold, a striking declaration emerges: Ganesh is not one

god among many but the essence of all gods, all energies and all forms. He is creation, preservation, and dissolution: all aspects of life rolled into one unifying force. Through this lens, we begin to understand that names and identities are mere masks. The Divine is not many; it is one, appearing in countless guises. Ganesh is not just a character from Indic mythology, but a symbol of unity that underlines all diversity.

This leads to another insight that everything in the universe is interconnected. There are no separate parts, only expressions of a whole. The remover of obstacles is not

someone who clears life's path, but the real obstacles are within. Ganesh represents clarity that dissolves these internal blocks. By invoking this clarity, we become free, not because the world changes, but because our perception changes.

Another powerful element in the text is its focus on wisdom, not information or knowledge, but an insight: asking not for wealth or favours, but for the illumination that helps us understand what truly matters.

Through the hymn, we learn that spiritual growth is less about accumulation and more about refinement. The final message the text offers is about fearlessness. It promises that one

who truly understands this wisdom will live without fear, sorrow, or confusion. This does not mean a life free from hardship, but a life rooted in something deeper than circumstances. When we realise that the Divine lives within us, then fear naturally dissolves. We no longer seek approval, avoid discomfort or manipulate to control circumstances. We begin to flow with life, trusting its intelligence.

Ganapati Atharva Shirsha is not just a devotional hymn; it is a spiritual map. It tells us that the Divine is within, that clarity is true power. It is a call not just to worship, but to recognise that god we seek is the presence already beating in our hearts and in the quiet that follows this realisation, there comes a peace not born of belief, but of recognition that we are not separate from the whole.

### Sacredspace



Man's freedom is final and immediate if he so wills; it depends not on outer but on inner victories.

Paramahansa Yogananda



{ OUR TAKE }

## Dangerous curb on free speech

Wider discussions about harmful speech are welcome, but criminalisation should be avoided

The Supreme Court’s attempt at distinguishing between good and bad humour, and free speech for commercial purposes and non-commercial purposes is a fraught project. Hearing petitions linked to offensive remarks against persons with disabilities during an online show by comedians Samay Raina and others, the top court on Monday cautioned social media influencers and podcasters that they cannot press their free speech rights when their “commercial” content offends the dignity and sensitivities of others. The top court bench underlined that podcasters and YouTubers earn money from their shows and appeared to stress that as far as “commercial speech” is concerned, there is no freedom of speech. Not just that, it went one step further, and urged the Centre to come back by November with a proposed regulatory framework that not only demarcates the boundaries of free speech but also defines the obligations that accompany it.

This is a disquieting proposition, on two counts. One, tailoring humour as per sensitivities is impossible: Hurt sentiment is a humourless tumour that has been gnawing at free speech (weaponised by governments of various ideological shades) for a long time. The court is right in pointing out that marginalised communities should not bear the brunt of tasteless humour, but to legislate against poor taste or vulgarity is risky in a country where the police are often zealous in booking ordinary citizens. Two, the distinction between commercial and non-commercial speech might be more hazy than what is being portrayed. The constitutional protections of free speech (subject to reasonable restrictions) is not contingent on the quality or intent of the speech (save violence). Across the world, free speech protections are the foundation on which news media is built — and this is an enterprise that is explicitly commercial in intent, albeit with a critical social function and value. All media is commercial in a broader sense of the term, but always screened and regulated by appropriate authorities or themselves. Besides, there are libel and contempt provisions in the law to warn about the red lines. More measures can only have a chilling effect on free speech. Since India’s independence, free speech protections have been safeguarded by its judiciary, most notably the apex court. Wider discussions about harmful speech are welcome, as are social movements that have successfully moved the needle on a gamut of rights — such as that of women, disabled and queer people. But criminalisation of speech or creating a new category of “commercial” speech is a path that the courts must avoid.

## Bidding goodbye to the last of the MiG-21s

Six decades ago, a sleek supersonic jet plane from the Mikoyan-Gurevich Design Bureau of the Soviet Union was inducted into the Indian Air Force (IAF). Since then, MiG-21s have been the workhorse of IAF, securing Indian airspace and taking the battle to the enemy frontline in times of war. That all good things have to end holds true for the MiG-21 as well. In September, the last of the MiG-21 squadrons will be “number-plated”, and the plane will be retired. On Monday, Air Chief Marshal AP Singh flew the jet from Nal Air Force Station in Bikaner, in a tribute to the aircraft that had achieved iconic status.

The first MiG-21s were acquired by IAF in the aftermath of the China war, in 1963. The Soviet Union was willing to sell the light and relatively inexpensive aircraft to India and even facilitate local production. It was a value-for-money buy at a time when IAF had few options. The aircraft was made over multiple times to meet the IAF’s requirements — the current variant is the MiG-21 Bison. In the 1990s, when the Soviet Union disintegrated, the MiG-21 faced a crisis. The drying up of the supply chain, including spare parts, meant that the plane became a risky entity. With high landing and take-off speeds, it was never an easy aircraft to fly. This was the time when the ageing aircraft began to report crashes with alarming frequency, earning it the unfortunate moniker “flying coffin”. Experts have given the reasons for the spike in crashes in the later years and argued that, while any crash that leads to loss of life is unfortunate, the data for crashes, seen in perspective, suggests that the aircraft has been unduly villainised. Over time, IAF moved on to superior aircraft, and the MiG-21 presence in the force declined. On September 26, a grateful nation will bid goodbye to a loyal sentinel.

## Message from Himalayas: All’s not well with the hills

Early warning systems, community preparedness, and the development of a cryospheric hazard zonation map would help reduce the impact of cloudbursts, landslides in the Hindu Kush Himalayan region

Extreme precipitation in the Himalayan district of Uttarkashi in Uttarakhand on August 5 triggered a series of flash floods in Dharali (near Harsil) and at an army camp in Harsil. Preliminary investigations suggest heavy rainfall as the cause, though the involvement of a cloudburst — an enormous amount of precipitation in a short period of time — or other triggers remains under evaluation by experts. This is not the first such event this monsoon. The Hindu Kush Himalaya (HKH) region has already experienced multiple disasters. The village of Til in Limi Valley, Nepal, witnessed a devastating flood on May 15, followed by a glacial lake outburst flood (GLOF) in the Rasuwa-Bhotekoshi river basin on July 8, among others.

More recently, on August 14, the Kishtwar district of Jammu and Kashmir was struck by severe flash floods after unprecedented cloudbursts and sustained heavy rainfall. Entire villages along the Chenab River basin were inundated, dozens of people lost their

lives and many more were displaced, with bridges, roads, and hydropower facilities washed away. On Tuesday (August 26), a monsoon-triggered landslide on the route to the Vaishno Devi shrine killed five. These disasters again highlight the vulnerability of Himalayan districts to compound hazards, where extreme precipitation interacts with fragile mountain slopes and infrastructure development in flood-prone valleys.

These events underscore the need for a comprehensive multi-hazard risk assessment (MHRA) framework in the region, one that considers not just individual hazards in isolation but the complex interactions among them. The HKH is increasingly experiencing compound and cascading hazards, such as heavy rainfall triggering landslides that then breach glacial lakes, or permafrost thaw combining with snowmelt to exacerbate slope instability. A siloed approach to risk no longer suffices.

HKH glaciers are retreating at alarming rates. This rapid melting is altering runoff patterns in the HKH rivers and is contributing to the formation and expansion of proglacial lakes, unstable water bodies that have become “cryospheric time bombs” in such fragile settings. These lakes are prone to sudden and catastrophic outbursts, triggered by landslides, earthquakes, heavy rainfall, or snow avalanches.

A stark example is the disaster which occurred in Sikkim on October 3,

2023. This was not a simple GLOF but a complex, cascading event that began with a permafrost landslide into South Lhonak Lake. It highlights the overlooked but critical role of permafrost in the HKH. While permafrost has been extensively studied in the Arctic region, its thawing in the HKH has only recently drawn attention. Permafrost thaw can destabilise mountain slopes, cause landslides, and may trigger disasters like those in Chamoli, India (2021) or Til, Nepal (2025).

While global and regional warming are evident, extreme weather events are also becoming more frequent and intense in the HKH region. The Leh cloudburst in 2010, the Kedarnath tragedy in 2013, the Melamchi flood in 2021, and the recent Uttarkashi incident, all stem from heavy precipitation. In 2022, Pakistan’s floods, induced by intense monsoon rains, were worsened by snow and glacier melt driven by a continent-wide heatwave.

Nature is sending us repeated and increasingly urgent warnings through the rise in complex mountain disasters each year. To respond effectively, we must dramatically enhance monitoring of our fragile cryosphere systems, glaciers, snow, and permafrost. While models exist to simulate these events, their accuracy depends entirely on the quality of input data. Unfortunately, the HKH region suffers from a severe shortage of *in-situ* observations. To build effective early warning systems and hazard mitiga-



Mohammad Farooq Azam



Saswata Sanyal



Scientifically informed planning of human settlements and infrastructure is critical, especially in fragile HKH environments. INDIAN ARMY VIA AP

tion strategies, we urgently need greater investment in high-altitude field data collection, including glacier mass balance measurements, meteorological records, and detailed bathymetric surveys to accurately estimate lake volumes.

Glacier-related disasters are rarely isolated, they are often cascading and transboundary, affecting multiple countries. This calls for stronger regional cooperation, data sharing, and coordinated disaster response across the HKH.

A hazard becomes a disaster only when it impacts people or infrastructure. Therefore, scientifically informed planning of human settlements and infrastructure development is critical, especially in fragile HKH environments. Integrating MHRA frameworks into infrastructure development planning can help identify overlapping hazard zones and their dynamic interactions — guiding decision-makers to design for resilience. We need strict, enforceable policies that are grounded in careful sci-

entific assessments. One key step could be the development of a cryospheric hazard zonation map, much like earthquake or landslide zonation mapping, to guide where and how development should occur in glaciated and high-altitude regions, especially where there is a community or critical infrastructure downstream.

Finally, deploying early warning systems in high-risk zones and strengthening community preparedness through training and mock drills can save lives. Even a few minutes of warning can make a difference between life and death. We know what needs to be done. The challenge now is to act, before the next reminder turns into the report of yet another tragedy.

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## How the US is ceding Asian geopolitical space to China

As they have in the past, India-China relations are once again improving. There is a pattern here. Conflict, tension and freeze are followed by thaw, engagement and a degree of warmth. However, the latest round of reset in Delhi-Beijing ties is also guided by the fact that the US is ceding Asia’s geopolitical space to China. This is leading to a dramatic rise in China’s profile. And it is compelling America’s allies and partners to mend relations with Beijing, despite misgivings.

Nearly eight months after President Donald Trump took office, there is no clarity about his administration’s policy vis-à-vis China’s growing power and influence across Asia and the Indo-Pacific. If one follows Trump’s brief, intermittent remarks on any subject over a period of time, one can get a reasonably good sense of what his approach to an issue is. And on this basis, we can tell that he wants to fiercely compete with Beijing on technology, particularly AI. We also know that he is seeking a rationalisation of bilateral trade with China. But he hasn’t spoken much on the issue of China and Asian geopolitics. Put differently, there isn’t enough in his public speeches and remarks so far to indicate whether he will continue with past American policy of balancing Chinese power and containing Beijing’s influence across Asia and the Indian Ocean.

However, there is plenty of indirect evidence, which indicates that President Trump may not be enthusiastic about balancing China in Asia. That, in fact, he may be fine with letting China have an increased profile and influence across the region.

First, his theory of international politics is that great powers are the only states that truly matter; and that it is natural for a great power to have a sphere of influence. Days after President Trump took office, secretary of state Marco Rubio called for a renewed focus on the Western Hemisphere in American foreign policy. Complementing this, President Trump has in all but name (re)claimed a sphere of influence spanning all of the Americas and the Atlantic. Recall the renaming of the Gulf of Mexico; the bid to retake the Panama Canal; and the calls to make Canada an American state; and also take over Greenland.



If the US concedes to China the status of a polar power, then it is natural that Beijing must also have a sphere of influence. REUTERS

Furthermore, he has blamed Ukraine for effectively inviting Russia’s invasion upon itself. This, coupled with the fact that he ruled out Nato membership for Ukraine and wanted Ukraine to give up territory even before serious negotiations to end the war began, gives the sense that he recognises that it is natural for Russia to have a sphere of influence.

Second, Rubio has also said that the world has become multipolar, identifying China and “to some extent” Russia as the other poles. The US is a pole and has a sphere of influence. And if it concedes to China the status of a polar power, then it is natural that Beijing must also have a sphere of influence. It is useful to remember that Beijing and Russia have long characterised the world as multipolar.

Third, the US has badly treated some of its closest Asian allies and partners, with



Atul Mishra

whom it has worked for years to balance China. Two of the most dramatic examples are Japan and India, powers that bookend China. Trade negotiations with Japan have been carried out in a fashion that the Japanese think is disrespectful, if not humiliating. And the stunning reversal of American approach to India has ended a quarter century of strategic congruency. America’s recent signalling on defending Taiwan against China has been ambivalent, and this is causing Taiwan to work towards security and defence self-reliance.

Fourth, the Indo-Pacific strategic architecture looks wobbly. The US is reviewing AUKUS as part of its America First agenda, which has introduced a measure of uncertainty in Australia about America’s reliability as a security provider. Such being the case with Japan, India and Australia, the Quad, the centrepiece of that architecture, no longer looks robust. If President Trump does not turn up for the Quad summit, scheduled to take place in India in the coming months, or if the summit is postponed, then the grouping will receive another blow. The undersecretary of defence Elbridge Colby recently used “Asia Pacific”, the term that China uses to describe the region. Colby is the one reviewing AUKUS. A blip? Or a signal?

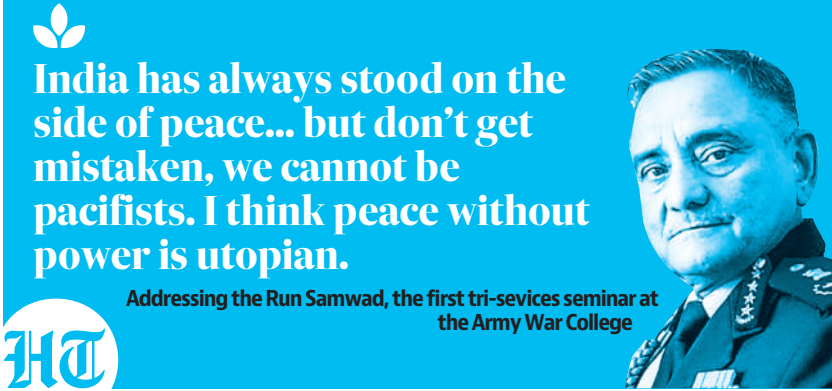
To be sure, defense secretary Pete Hegseth has occasionally spoken about America’s pivot to Asia and the need to deter China, the latter in a speech at a security conference in Singapore on 31 May 2025. But those were not persuasive. As well as asking America’s Asian allies to spend more on their defence, Hegseth’s Singapore speech was a one-off and seemed contrived.

Direct and indirect evidence suggests that America is no longer willing to underwrite or backstop the security of its Indo-Pacific allies or push back against the Chinese bid for regional dominance.

It may in fact let China have a sphere of influence. America’s allies have woken up and smelled the coffee. For instance, India, Japan and Australia all face serious security challenges from China, and yet they are expanding and deepening their engagement with a China that America may be turning into Asia’s sole great power.

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{ GEN ANIL CHAUHAN } CHIEF OF DEFENCE STAFF, INDIA



India has always stood on the side of peace... but don’t get mistaken, we cannot be pacifists. I think peace without power is utopian.

Addressing the Run Samwad, the first tri-services seminar at the Army War College

## The reform road map that the GST needs

The Goods and Services Tax (GST), launched in 2017, was meant to be a “good and simple tax”. Finance minister Arun Jaitley had rightly said during its launch, “There will be problems. We’ll see where the shoe pinches as we go along and take steps.” The GST regime is now in its ninth year — a good time to see if the shoe still pinches.

Prime Minister Narendra Modi’s Independence-Day proposal for a rationalisation of the rate slabs — 5%, 12%, 18% and 28% — may well prove to be an inflection point in the journey so far. Some reports have suggested a simpler two-slab structure of 5% and 18% for most goods could be in the offing.

Three points are clear. One, there is a realisation that having a welter of rates is not consistent with the idea of a GST and some consolidation is desirable. (In a very diverse economy, it’s impossible to have just one single levy and, therefore, some degree of multiplicity of rates is also inevitable.)

Two, the government seems to be confident about slab restructuring. But this won’t be a simple reordering exercise. Other crucial decisions will have to be taken, such as, what should happen to the compensation cess after its March 2026 expiry date.

Third, a relook at the rates is inevitable now because of the looming 50% US tariff on India’s exports. A reduction in rates will boost domestic consumption, helping cushion a much-feared fall in exports.

Fixes along the way have surely toned up the regime, including steps to gear it more towards taxing imports and high-taxed items, rather than towards basic goods of daily necessity. The subscriber base has expanded to about 10.5 million.

The ability of the Centre and states to together work out things has sustained the GST. The Centre, to be fair, has received far less cumulative GST revenue than the states because it has had to use all of the cess to compensate the latter to fulfil the guarantee of 14% revenue-growth over a pre-GST period of 2016-2017 base.

A robust tax is one that is easy to pay and collect, costs less (levying a tax entails costs too), and isn’t so onerous that it encourages evasion. It must be efficient because that’s the whole point of a GST: A tax levied at the point of sale. The other purpose is, of course, to not tax the same good twice. That’s why producers can claim credits for taxes paid on inputs.

The government would do well to address the basic incongruity of a four-tiered tax system, which becomes five-tiered if one considers the zero-rated goods — not the same as exempt items because, on zero-rated export goods, businesses don’t pay GST but claim input-tax credits. If one were to add the cess, then there are six rates given any cess effectively is a tax (the cess itself varies widely between 1%-280%).

A simple way of assessing the GST’s performance is to see the level of revenue it generates. Gross revenues however don’t say much. Only net collections (total, minus the refunds to taxpayers) give us the real picture.

Gross collections have been stellar from day one, trending at 6.5% or so of the GDP (using FY 2024-25 GDP at current prices), barring the pandemic period. They’ve been well above pre-GST levels. So these headline numbers stoke much enthusiasm.

The net collection numbers, which the government began giving only in February 2024, tell a more modest story. They managed to reach pre-GST levels only around mid-2024, seven years after the GST launch, according to a recent study by economist Arvind Subramanian and others.

The gap between gross and net is caused by refunds, payable to exporters as input tax credit. But why have refunds been so large as to cause the net revenue to fall? It is because we are a trade-deficit country where a lot of inputs (parts and components) for exported goods are imported. The proposed rejig should be an opportunity to analyse these tax patterns better.

Yet, the main reasons for a rationalisation is to have lower inflation and higher consumption, both of which should lead to better GDP growth. Higher GDP naturally leads to higher revenue. But a lowering of rates will undoubtedly blow a hole in total revenues. Will an anticipated tax buoyancy offset this loss?

What should happen to the compensation cess after it expires in 2026? The Centre has hardly benefited from the cess, first used as a fiscalisation tool to compensate states and, now, to pay off loans the Centre took on states’ behalf to finance the pandemic shortfall. If abolished, it could leave an unmitigated hole in the Centre’s finances. And yet, it’s only after the cess’s future is decided that we’ll have a pure-play GST with new performance insights to offer.

The views expressed are personal



## The Tribune

ESTABLISHED IN 1881

### Nature's fury

Need to go beyond piecemeal solutions

HIMACHAL Pradesh, Uttarakhand, J&K — there is no respite for their residents from the tragic trail of destruction this monsoon. Flashfloods, cloudbursts and landslides have caused human and economic losses, exposing the fragility of the ecosystem and the inadequate preparedness — or even unpreparedness — of the state/UT authorities. In an affidavit filed in the Supreme Court, the Himachal government has admitted to shortcomings in the existing measures to deal with ecological imbalance. The state has sought at least six months to prepare a 'comprehensive future action plan' to tackle the situation. It's a pity that there seems to be no sense of urgency to mitigate or prevent natural disasters, whose frequency and intensity are on the rise due to factors such as climate change, deforestation and unregulated development.

What needs to be done is certainly not rocket science. The best brains from diverse fields must be brought on board. Their opinion and advice should guide policy-makers, overriding political and commercial interests for the sake of the battered and bruised environment. It's laudable that Himachal is keen to set up a core group of officers, subject experts and community representatives to identify the lapses that have led to the present crisis. J&K Chief Minister Omar Abdullah has called for a consultation with experts to figure out how to mitigate risks. The recommendations of these core groups or committees must be implemented in earnest; otherwise, the purpose of the entire exercise will be defeated, as has happened in the past.

In his Independence Day address, Prime Minister Narendra Modi praised state governments and the Centre for working together during rescue, relief and rehabilitation operations in the wake of calamities. Such coordination is vital to ensure that disasters cause far less damage in terms of lives, livelihoods and infrastructure. Improving the early warning system is the need of the hour — there should be no delay in moving residents to safer places at the slightest sign of danger. The worst-hit states/UTs should themselves join hands to exchange inputs and promote eco-friendly practices. The world's third-largest economy cannot afford to let its march be stalled by catastrophic disruptions in one part of the country or another.

### Saini's Punjab push

Haryana CM woos Sikhs with job offer

HARYANA Chief Minister Nayab Singh Saini's announcement to provide government jobs to the kin of 121 families affected by the 1984 anti-Sikh riots is the latest in a series of moves that appear calibrated to woo Sikh sentiment. While the offer brings long-delayed relief to families that suffered immensely, it also sits squarely within the BJP's larger political design to expand its base among Sikhs and Punjabis ahead of the state Assembly elections. A similar wave of compassion came from the Delhi administration earlier this year. In May, Delhi Chief Minister Rekha Gupta distributed appointment letters to 125 kin of riot victims. These initiatives, while laudable, also bear political undertones — especially in Haryana, where the proximity to Punjab and the 2027 Assembly polls suggest electoral calculations may be at play.

Saini has been active across the border in Punjab in recent months, carefully choosing symbolic occasions and places. His tribute to Shaheed Udham Singh in Sunam, tree-planting drives, visits to gurdwaras and his outreach in the Puadhi belt — all point to a deliberate strategy to reshape BJP's image in a state where the party has historically struggled for credibility, especially after parting ways with the Shiromani Akali Dal. The proposed Sikh museum in Kurukshetra, modelled on Virasat-e-Khalsa, also underlines this intent. Yet, the risks are equally visible. Saini's campaign visit to Ludhiana earlier this year triggered protests, reflecting unease at what many perceive as opportunistic politics. Sensitive issues — ranging from water disputes and BBMB control to farmer unrest — still hang fire.

The test, therefore, lies in whether these gestures translate into genuine trust and engagement or whether they will be dismissed as tokenism aimed at electoral gains. For now, Saini has certainly stirred Punjab's political waters.

#### ON THIS DAY...100 YEARS AGO

## The Tribune.

LAHORE, THURSDAY, AUGUST 27, 1925

### The new Assembly President

MONDAY's meeting of the Central Legislative Assembly was a continuation of Saturday's meeting. On Saturday, Vitthalbhai Patel had been elected President by a majority. Under the Constitution, the election had to be approved by the Governor-General before the person elected could take the chair. On Monday, the Governor-General having signified his approval of the election, Patel was formally installed in the presidential chair. The occasion, as Sir Alexander Muddiman observed, was historic. It marked a definite stage in India's constitutional development. The President of the Assembly, as we pointed out in a recent leading article, is no phantom or figurehead. He has large powers, and even larger responsibilities and obligations. That Sir Frederick Whyte had exercised those powers and fulfilled those obligations in an eminently satisfactory manner is clear from the ungrudging tribute paid to him by the leaders and representatives of every part of the House. Speaker after speaker pointed out that Sir Whyte had set a standard of excellence before his successors which it would be no easy thing for them to satisfy. Still, it was impossible for the House not to feel that he was a nominated President, who owed his office not to the pleasure of the House but to the pleasure of the Governor-General. A feeling like this is not conducive to the growth of that consciousness of power and responsibility which is essential to a self-governing legislature. The substitution of an elected for a nominated President removes this feeling.

# Money gaming ban set to play spoilsport

The creation of a strong regulatory system could have been the first step before imposing a ban



SUSHMA RAMACHANDRAN  
SENIOR FINANCIAL JOURNALIST

REAM11, Rummy-Circle, Pokerbaazi — these are just some of the familiar names associated with the online gaming industry. The first is well known due to its connections with cricket and football as fantasy sports games have become hugely popular. The others are linked to popular games of skill played all over the world at social and professional levels. The online versions of these and innumerable other games are played largely with real money, and this practice has now come under scrutiny.

The outcome is the Promotion and Regulation of Online Gaming Act that bans all real money games (RMG) but seeks to support social and educational online games as well as electronic sports.

At the outset, one must explain what defines a real money game. The new law says an RMG is any online game, which could be based on skill or chance, where a user deposits money or places a stake with the hope of winning something valuable, usually money. This is completely different from simply purchasing a game online.

The passage of the law has created an uproar in the country's burgeoning real money gaming sector. Industry associations estimate that about two lakh people are directly employed by such platforms, with another one lakh in related jobs. They argue that the ban on RMG could lead to most losing their livelihoods at a time when the IT industry in general is going through a shakeout, with jobs being lost due to the advent of artificial intelligence.



HARSH STEP: The failure of the industry to regulate itself might have prompted the ban. ISTOCK

The ban will undoubtedly have a devastating effect on those employed in the sector and will equally impact the government's tax revenue of Rs 20,000 crore. Venture capitalists are also worried about the \$2 billion raised for investments made in this sector. Most online RMG platforms now have few options — either to shut down or pivot to the much-less-lucrative advertisement-based model. The beleaguered gaming industry may even be gearing up to make a legal challenge to the new Act.

In its defence, the government claims that these gaming platforms have caused addiction and financial ruin to millions of families. It says that as many as 45 crore people have been negatively affected and faced losses of over Rs 20,000 crore because of these platforms.

The question is: what prompted the government to take such a hard line on real money gaming, after allowing the industry to carry on operations in an unchecked manner for so long? One reason given is the failure of the industry to do self-regulation. It has not been able to implement measures to safeguard players from the danger of addiction,

Those who are desperate to gamble are bound to move to unregulated offshore platforms to satisfy their urge to play these games

which often leads to financial distress. In addition, there are now concerns over terror financing and money laundering being linked to RMG entities. What is unique about this legislation is the bipartisan support to it. Apparently, online gambling addiction has become such an endemic problem that politicians of all hues feel the need to protect their constituents from its disaster impact.

Besides, it may appear as if the law has been imposed suddenly, but there were clear indications

over the past two years that the industry was treading on thin ice. The Information Technology Ministry laid down rules in 2023 to allow the creation of self-regulatory bodies for online gaming. These were aimed at certifying games and blocking illegal offshore betting platforms. Such self-regulation efforts did not meet with much success.

Subsequently, Goods and Services Tax (GST) levies on the full face value of deposits in RMG were hiked to 28 per cent. Thus, the gaming industry should have been cautious, given the nudges being given to regulate RMG with more care.

As for the need to protect users of these online games, even young gamers recognise the pitfalls. It starts out as a catchy game and the user is then lured into pumping more and more money into it. The suggestion of gamers, as well as of industry associations, is that the ban on RMG should be replaced by a strict regulatory framework. This is based on the premise that bans rarely work effectively. Those who are desperate to gamble are bound to move to unregulated offshore platforms to satisfy their urge to play these games.

#### THOUGHT FOR THE DAY

Money is made by discounting the obvious and betting on the unexpected. — George Soros

## A stretch too far on the yoga mat

CHITVAN SINGH DHILLON

MY tryst with yoga wasn't a conscious choice. The foundation course for civil servants which I did in Hyderabad began each day with yoga at 6 am sharp. Back then, yoga meant standing in military formation groggy-eyed, attempting to touch our toes while an overexerted Acharya chanted things about inner peace. We were in tracksuits, half-asleep, bodies refusing to cooperate after the hectic partying that went on till sunrise.

Shavasana was everyone's favourite posture, largely because it involved lying down and pretending to meditate. As an IPS probationer helpfully clarified, "*Sirji, meditation tabhi sahi lagti hai jab pet bhi saath meditate kare.*" before politely requesting the Acharya to kindly fast-track *nirvana* so we could proceed to the mess to devour delectable *aaloo-puris*.

I consoled myself each morning: this yoga business is not for me, only three months to go. I had survived 23 years of academic trauma without doing a headstand. I was confident I could survive the civil service too, powered by caffeine and a vague sense of duty.

After nearly a decade in the bureaucracy transcribing insipid notes on inflation that no one reads, drafting mundane replies to Parliament questions whose answers the Honourable Member already knows and nodding sagely at Monday review meetings where no one really knows what's going on, I found myself yearning for something calmer. Something that didn't require 16 WhatsApp follow-ups, 10 phone calls and four layers of file movement interspersed with 'please discuss'.

That something, to my eternal surprise, turned out to be yoga. So, one fine Sunday morning, I enthusiastically enrolled myself in a beginner's class at a painfully aesthetic South Delhi studio complete with Himalayan salt lamps, artisanal floor cushions and an instructor named Bikram, who looked like he had never experienced bloating, doubt or gravity.

The class began with *Pranayama*. "Breathe in with gratitude," he whispered. I was still breathing in cardamom-scented *chai* fumes from my morning bed tea. He demonstrated alternate nostril-breathing while I poked myself in the eye. The next 20 minutes were a blur of Downward Dogs, Warrior Poses and *Utkatasana*, which, I later discovered, is Sanskrit for the chair pose that kills your thighs and will to live.

Finally came *Shavasana*. "Just lie still," Bikram cooed. I lay there, eyes closed, trying to control my breathing and not think about my receipt or file pendency. I failed at both. But for two blissful minutes, I didn't have to explain qualitative disposal of public grievances, export trends, tariffs or why prices fluctuate like my blood pressure. That, in itself, was sweet victory.

So yes, almost a decade into the civil service and several yogamats later, I can confirm: yoga hasn't transformed me. But it's given me 30 minutes a day when no one calls, no one forwards me Parliament questions or spread sheets named 'final final revised' and thankfully, no one corners me to ask what 'triangulation of data' means. And for that, I am eternally grateful.

#### LETTERS TO THE EDITOR

##### Affecting livelihoods

Apropos of 'Land, coal & corruption: NE's battles', the mining industry plays a crucial role in boosting Indian economy. However, it is underscored by a long list of abuses and disasters due to bad policies, weak institutions, corruption and inadequate government oversight and regulation. The authorities concerned cheat public institutions out of vast revenues that could have otherwise bolstered the provision of health, education and other basic services. Government watchdogs stand as mute spectators while unregulated mining operations threaten the health, livelihoods and environment of entire communities. There is a need to evolve a new assessment process with a clear focus on humanitarian concerns and other community impacts.

VAIBHAV GOYAL, CHANDIGARH

##### Uphold civility in debate

Refer to 'Not done'; Union Home Minister Amit Shah's remarks on Justice B Sudershan Reddy's 2011 judgment in the Salwa Judum case are unfortunate. The Supreme Court had ruled that arming untrained tribal youths as special police officers was unconstitutional; it never forbade the State from fighting Maoists. To misinterpret this as support for Naxalism unfairly questions judicial integrity and undermines public trust. Leaders must avoid personal attacks and uphold civility in debate. Disagreements with judgments should be expressed through reasoned arguments, not accusations. A dignified discourse is vital for preserving both institutional independence and democratic values.

NARESH KUMAR NUHAWAN, KARNAL

##### Maligning Oppn's V-P candidate

Apropos of 'Not done'; to rake up a verdict delivered 14 years ago merely to malign a former Supreme Court judge, now the Opposition's vice-presidential candidate, is wholly unjustified. The ruling regarding Salwa Judum, a state-backed armed group, never endorsed Naxalism; it affirmed that only the State may wield arms. Justice Reddy aptly clarified that the verdict was delivered by the Bench, not him alone. Public discourse should include holding civilised debates with due respect to institutions and avoiding personal attacks.

HARBINDER S DHILLON, UNA

##### All disabilities not genuine

Refer to 'A soldier must not be fighting the state'; the concern about disabled soldiers being denied disability pension is well-taken, but all disability cases are not genuine. Some unscrupulous defence personnel manage a fake disability prior to their retirement to enjoy undeserved benefits. Some show a disability to avail tax-free pension. Such cases raise doubts in the mind of the sanctioning authorities, prompting adverse decisions. While genuine cases should be decided speedily, the authorities have to weed out fake cases.

WG CDR CL SEHGAL (RETD), JALANDHAR

##### Vance's illogical justification

Apropos of the news story 'Trump using secondary tariffs on India to force Russia to stop war'; the logic put forth by US Vice-President JD Vance to justify "secondary tariffs" on India reminds one of an old story. A person was searching for something under a lamp-post on a road. When prodded, he said he had lost something and was searching for it there because there was no electricity at his home. Similarly, the US is levying more tariffs on India instead of China, which is the highest importer of crude oil from Russia. Vance asserted that the US could broker an end to war between Russia and Ukraine. Levying secondary tariffs on India for attaining that objective defies logic. Vance's statement indicates that he is confused like Trump.

UPENDRA SHARMA, BY MAIL

##### Private employers' insensitivity

Due to incessant rain in recent days, roads and highways in and around Jalandhar are submerged in water, causing problems for commuters travelling to their workplaces. Private firms have disregarded the inability of employees to reach their offices and are demanding that they reach at any cost. They clearly oversee human concerns and want to impose a fake sense of discipline. Who will be responsible if a mishap happens? They do not even agree to the work-from-home option. The wellbeing of employees is a shared responsibility. The government must frame rules to curb brazen high-handedness by private firms.

MUSKAN SYAL, JALANDHAR CANTT



As Donald Trump slaps a punitive 50 per cent tariff on India, question is whether New Delhi's foreign policy has fallen apart or whether the US President is simply angry that PM Modi is refusing to genuflect before him



**SIGNIFICANT:** Why did India go wrong in assessing that Trump 2.0 would be so inflexible on trade issues? PM



**ENGAGEMENT:** To appease President Trump, we should not break off relations with Russia or anyone else. REUTERS

## Has India been blindsided by Donald Trump



VIVEK KATJU

FORMER SECRETARY, MINISTRY OF EXTERNAL AFFAIRS

At a question-and-answer session that followed the delivery of the Ramnath Goenka lecture on November 17, 2019, External Affairs Minister S Jaishankar was asked about the problems in India-US trade relations, amidst ties that were moving forward. The Minister observed that India alone was not facing challenges in dealing with the US, and went on to add, "I think frankly in our case that is vastly overstated."

The Minister was right. Many countries, indeed, were facing difficulties in dealing with Trump, even at the time in his earlier avatar. In the current context, his comment is vastly ironic.

Certainly, Jaishankar occupies a special place in the history of India-US relations. Not just because he is India's External Affairs Minister, but also because in the annals of the Indian Foreign Service, few have had his kind of experience dealing with the subject. Today, though, as the application of 50 per cent US tariffs kicks in, the question is, Could India have foreseen what was going to happen?

As a person given to reflection, and in light of his vast experience as a former ambassador to the US as well as to China, besides having served in Russia as a junior diplomat, many expect a clear-eyed response from my former colleague, Jaishankar. At a difficult time like the present in India's foreign policy, would it be fair to ask, "Why has India been blindsided by Trump 2.0?"

At the time in 2019, as part of his aforesaid Q&A following the Ramnath Goenka lecture, Jaishankar had observed that "trade frictions" often took place between trading partners. Surprisingly, he went on to claim that, in India, problems are sometimes exaggerated "beyond belief", because people want to show how bad things are. He went

on to express "reasonable confidence" that difficulties in trade would not impact other areas of India-US ties. As we all know, the situation is vastly different today. As of now, however, Jaishankar has only said that lines of communication between India and the US have not been cut. This is neither here nor there.

The 2019 Q & A begs the question: Why did India go so wrong in assessing that Trump 2.0 would be so inflexible on trade issues? After all, the Ministry of External Affairs and the External Affairs Minister would have had the opportunity of early feedback of

true, but the question that remains is, how does India propose to deal with this matter.

There is bipartisan support for India in the US Congress. In the past, US industry was invoked at crucial moments to overcome obstacles in India-US ties. Moreover, no Indian ruling dispensation has put so much store on the Indian diaspora as this one has. How is the Modi government planning to invoke the three 'brahmastras' in its quiver?

Trump seems obsessed with claiming that he had mediated a ceasefire between India-Pakistani armed hostilities in May and had even, potentially, averted a nuclear catastrophe. He is certainly not the first US leader to have intervened in India-Pakistan armed action, although the others were discreet because of Indian sensitivities. India has correctly taken the position that the pause in Operation Sindoor was its own decision, taken after the Pakistani DGMO approached his Indian counterpart. While maintaining this position, did the Modi government attempt to find a formulation, which while preserving India's position would have, at least, partially satisfied Trump?

The essence of diplomacy lies in finding such formulations. This is especially when conversations were going on between India and the US (as well as among other countries) during Operation Sindoor, as Jaishankar has himself said. It is not contradictory to firmly don the cloak of nationalism and yet find diplomatic ways to assuage even an obsessed leader like Trump.

One can only hope that Jaishankar with his vast experience of handling the US will be able to close the chasm that has developed. Certainly, he is currently facing the greatest test of his career: crisp one-liners or long-winded clarifications about the justness of India's position (which, of course, it is) will not do!

The question that remains is: How does India propose to deal with matters of vital economic and commercial significance?

what Trump and his key aides thought on trade and foreign policy, including when Jaishankar attended Trump's inaugural in January and was a key member of Prime Minister Modi's visit to Washington in February. Did he and India not gauge the Trump administration's mood at the time? The larger question is when the Modi government saw the clash coming and what it has done so far to assuage the most powerful leader in the world, Donald Trump.

There is no question of India succumbing to the US President's pressures on matters of vital economic and commercial significance. Clearly, agriculture and dairy come in these categories. That Trump is applying double standards on the purchase of Russian oil by exempting China is

## Trump is upset Modi is standing up to him



JAWED ASHRAF

FORMER AMBASSADOR TO FRANCE

US PRESIDENT Donald Trump's application of 50 per cent tariffs against India seems to be a manifestation of some sort of deeper rage. It's something for psychologists to study — the corrosive language he is using, not just the application of tariffs. It's a kind of vengeful, punitive attitude. When he talks about 'India being a dead economy,' you have to really stretch your imagination to use language like that.

As for 'Howdy, Modi' in Texas in 2019, that's all in the past. See how downright patronising he was to the European leaders in the Washington DC summit last week. It's like a bully, who can be nice to you, but if you start standing up and if you say, look, I'm not going to bend before you, the attitude changes dramatically.

The perception is that President Trump has been looking for countries and leaders to capitulate and genuflect before him, to revalidate to his audience and himself that he is the supreme power in the world. Now, there are very few countries that have been able to stand up to him. Russia is one, China is the other. India and Brazil make up the small list.

Everyone else has struck highly one-sided deals, which give the sense of a tribute being paid to a monarch. Prime Minister Modi has refused to do that. India's position has been principled, restrained and flexible. Moreover, we remain open to negotiations.

Some of Trump's rage comes from what he perceives was his role in bringing about the end to the India-Pakistan conflict, for which he feels we are not giving him credit.

From my historical experiences,

of having dealt with India-US relations in the context of Pakistan, we don't usually allow others to come in and determine the course of our relationship with Islamabad. Now, it is possible that Trump got feedback from Vice President Vance and Secretary of State Marco Rubio, on what turned out to be the last day of the India-Pakistan conflict. What they told him about their conversations may have shaped his thinking, but that may be very different from the reality.

I don't think that India's high tariff barriers is the real issue with the US, nor is India's purchase of Russian oil. Both Turkey and China have high oil imports from Russia and the first is a NATO member. In India's case, it is a sort of a stick against us, to show anger, irritation.

Look at Trump's welcome of President Putin in Alaska. Here's a US President who, even before a deal is struck, even before he knows what Putin has to offer, has a red carpet out for him — all conveying a level of respect and admiration. There is a willing suspension of disbelief on what he can get out of President Putin. It clearly shows Trump is not driven by values, but by power. He only respects power.

He only respects when the other side has leverage. You see that with China. The moment China exercised leverage on trade and critical minerals, there was a complete change of tone.

We don't have the same kind of economic leverage that China has, to affect American strategic interests. China has 35% of global manufacturing capacity or value addition. The next 10 countries together account for 37%. With Russia, he sees Putin as an embodiment of military power who can affect the course of the war with Ukraine.

Certainly, the geopolitical space that existed in the past — say 15-20 years ago — is shrinking. That has forced some choices on India with costs. Trump's actions accelerates shifts that have consequences for us.

First, there is the impression that force can be used for territorial expansion or interest. This collapse of the notion of territorial integrity and sovereignty can be dangerous.

Second, if you have a US-China detente and some sort of a modus vivendi or agreement with Russia

— what you are seeing, perhaps in Trump's mind, deep down, is the notion of the Big Three.

In his mind, these three big powers can find a way to work together and shape the world. All this doesn't mean that it is all going to happen, but the unfolding scenario is for policymakers in India to analyse the possibilities arising from it.

As for opening up India's agriculture sector, they have been there for a long time. I recall spending nights on issues like agriculture, poultry and dairy. The offer we have made so far to the US, the openness we have shown is unprecedented.

Trump could have pocketed this and said in typical President Trump language, I have opened the Indian market like no previous president has. I've got the tariff king to really come down.

But his rage (against India) is driven principally by the fact that he feels that a country like India is standing up to him, although it doesn't have the same kind of power as Russia.

Having said this, I think that our approach is not to be confrontational. It is not to retreat behind our doors. So we have remained open to negotiations. We have made sure that we state our position firmly and clearly. We have drawn our red lines on sensitive sectors and our sovereign choices.

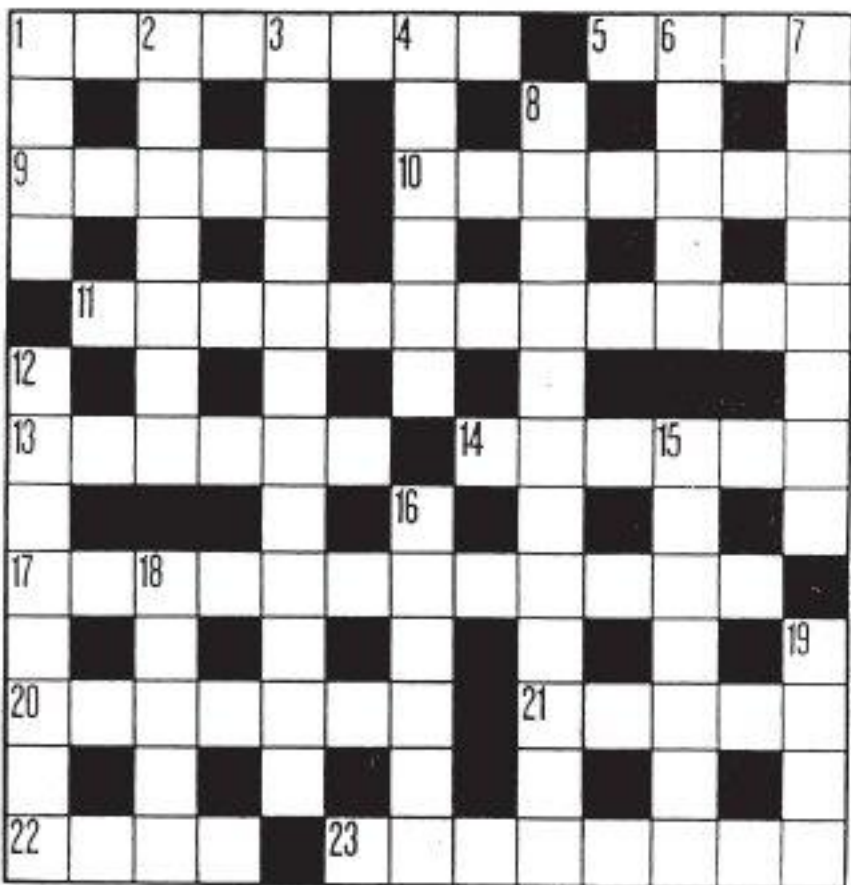
We are prepared to remain open and ready to negotiate. The US is an important relationship. It is also consequential for our national transformation. There is no reason to go down a downward spiral of confrontation. We were at a similar fork in the road in 1998, when India conducted the nuclear tests, although that was a different time. But there are lessons we can draw from there. At that time too, we redefined the terms and the framework of the India-US relationship.

At that time, too, the fork in the road — one way was hostility, the other was engagement. We took the path of engagement.

I don't think that to appease President Trump, we should break off relations with Russia or anyone else. The geopolitical consequences for India will be very severe. Not just in our own country, but also in our continental and maritime neighbourhood.

(Excerpts from an interview with The Tribune, on its YouTube channel)

### QUICK CROSSWORD



#### ACROSS

- 1 Worse fortune than is deserved (4,4)
- 5 Blow with open hand (4)
- 9 Have relevance (5)
- 10 Gruesome (7)
- 11 Fiercely with all available means (5,3,4)
- 13 Excursion (6)
- 14 Pleasantly diverted (6)
- 17 Be the deciding factor (3,3,6)
- 20 Handcuff (7)
- 21 Awry (5)
- 22 Story (4)
- 23 Beat with a heavy club (8)

#### Yesterday's solution

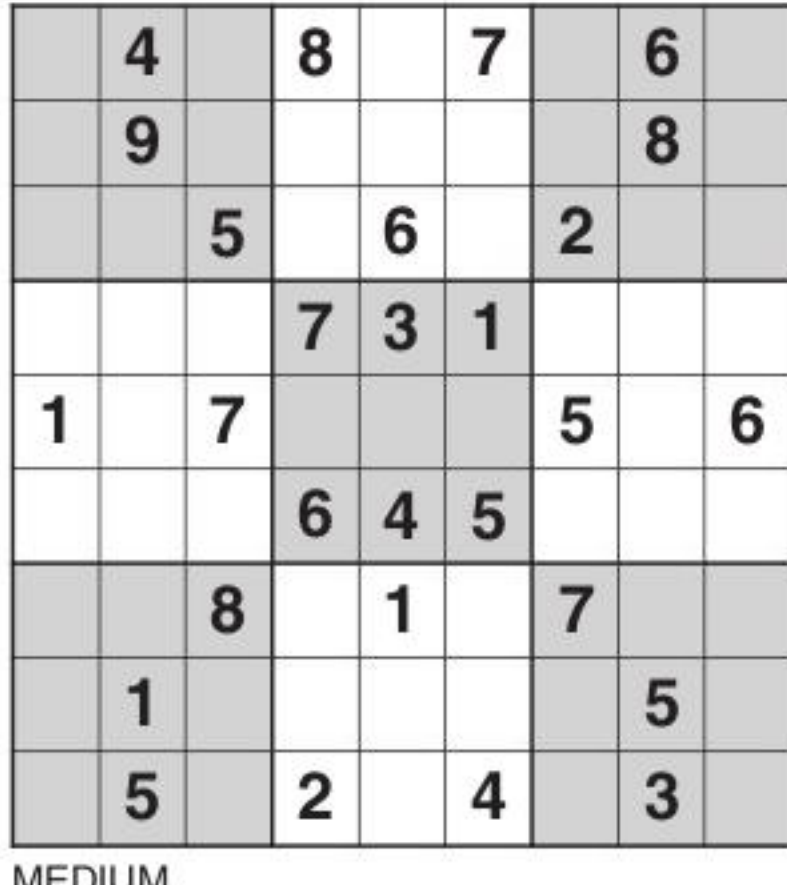
Across: 1 Stagehand, 8 Evade, 9 Panoply, 10 Donate, 11 Hansom, 12 Abortive, 15 Dramatic, 18 Oregon, 20 Thirst, 21 Fraught, 22 Ruler, 23 Take heart.

Down: 2 Tiara, 3 Grouse, 4 Half-mast, 5 Detour, 6 Satanic, 7 Set eyes on, 11 Head start, 13 On course, 14 Rapidly, 16 Assert, 17 Bemuse, 19 Other.

#### DOWN

- 1 Stack (4)
- 2 Harmonious relationship (7)
- 3 Flatter grossly (3,2,2,5)
- 4 Fight against (6)
- 6 North African country (5)
- 7 Make impossible (8)
- 8 An Oscar (7,5)
- 12 Utter disdain (8)
- 15 Small spot (7)
- 16 Too (2,4)
- 18 Punitive (5)
- 19 Long-necked waterbird (4)

### SU DO KU



MEDIUM

#### YESTERDAY'S SOLUTION

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

#### CALENDAR

AUGUST 27, 2025, WEDNESDAY	
■ Shaka Samvat	1947
■ Bhadrapad Shaka	5
■ Bhadrapad Pavishte	12
■ Hijari	1447
■ Shukla Paksha Tithi 4, up to 3.45 pm	
■ Shubh Yoga up to 12.35 pm	
■ Chitra Nakshatra	
■ Moon enters Libra sign 7.22 pm	
■ Siddhi Vinayak Vrat	

### FORECAST

CITY	WEDNESDAY THURSDAY		18-52 HRS 05-57 HRS
	MAX	MIN	
Chandigarh	33	25	
New Delhi	33	23	
Amritsar	29	24	
Bathinda	31	24	
Jalandhar	29	24	
Ludhiana	30	24	
Bhiwani	31	25	
Hisar	31	25	
Sirsa	31	27	
Dharamsala	27	16	
Manali	24	15	
Shimla	24	17	
Srinagar	29	15	
Jammu	30	21	
Kargil	25	16	
Leh	20	13	
Dehradun	32	23	
Mussoorie	21	16	

TEMPERATURE IN °C



## DEFINE COMMERCIAL SPEECH THAT SEEKS TO MONETISE RIDICULE

THE Supreme Court has cautioned social media influencers that ‘commercialised’ speech cannot come at the cost of hurting sentiments. During a hearing on comedians’ offensive jokes about people with disabilities, the court asked the government to swiftly draft guidelines that balance the right to free speech with every group’s right to live with dignity. Justice Joymalya Bagchi’s point that humour must never cross into mockery and Justice Surya Kant’s emphasis on balancing rights and duties spotlight a crucial truth too often drowned out online. Today’s influencers build careers around clicks, likes, and brand partnerships, sometimes stooping to jokes about disability, stereotypes about minorities, or even making fun of the elderly. When ridicule rakes in money, it demeans communities, spreads prejudice, and widens social divides. The court’s concern echoes its earlier view in the *Pravasi Bhalai Sangathan* case (2014) where it had warned unchecked hate speech can corrode cohesion. In diverse India, this carries a greater risk.

The situation is complicated by this new form: commercial speech online. Traditional media and entertainment platforms also generate revenue from what they publish or broadcast. However; they generally adhere to clear ethical rules and regulations. Influencers fall in a gray area. They are part citizen, part business. Their posts can be both personal opinions and product promotions. The court has called for guidelines for commercial speech, asking, “Anybody can start making fun... where is all this going to end?” It is important to remember that this is not a criticism of satire or honest critique. Satire has a valuable role in democracy by challenging those in power and revealing hypocrisy. However, making fun of someone’s disability or age is not satire—it is simply cruelty disguised as content. Making money from this kind of cruelty cannot be justified as a form of free speech.

The court’s reminder is timely. First, parliament must define commercial speech in the digital domain and distinguish between private expression, satire, and monetised content. Influencer speech that crosses into advertising or brand promotion should be held to the same standards as those of consumer protection law. Two, the responsibility must also shift to audiences: to disengage from toxic creators, to demand better content, to use their collective agency. Ultimately, conscience should guide us. Words must remain free, but never be inhuman.

## INDIA IN RIGHT STANCE TO FACE EXTRA TARIFF

THOSE who had hoped for a last-minute pause of the additional 25 percent tariffs on Indian exports to the US would be disappointed. With no settlement signed or even negotiated, the US department of homeland security on Tuesday notified “the punitive tariffs on Indian goods entered for consumption, or withdrawn from warehouse for consumption” from 9.31 am IST on Wednesday would attract the heightened levies. The signals have been pointing in this direction. First, the US trade team, expected in India on August 25, deferred its visit. American rhetoric has been aggressive too; Vice President J D Vance on Sunday stated “aggressive economic leverage” including “secondary tariffs on India” had been applied to force Russia to stop bombing Ukraine.

It is to the credit of India that it has stood up to the arm-twisting. Speaking in Ahmedabad on Sunday, Prime Minister Narendra Modi stated, “No matter how much pressure comes, we will keep increasing our strength to withstand it... The government will never let harm come the way of small entrepreneurs, farmers, livestock rearers.” The government has also rightly decided to diversify its trading options. Russian crude purchases, which were suspended in July, have been resumed, with several Indian refiners placing orders for loading in September and October. While the PM called for ‘self-reliance’, RBI Governor Sanjay Malhotra pledged the central bank “would not be found wanting” in providing additional liquidity to guard against the tariff impact.

India, which has been reaching out to Russia and China, has made it clear it intends to more than double its trade with Russia, targeting \$100 billion by 2030. Meanwhile, it must keep its US options open too, as the latter needs India as a counterweight to China. India has surpassed China as the top smartphone exporter with a 44 percent share of the US market, largely driven by Apple’s strategy to diversify production. Indian exports to the US are at about \$85 billion and cannot be replaced overnight without hurting American consumers. Peace or a pause in Ukraine could soon end the rationale behind the punitive tariffs. Thus, the expectation among some pundits that the trade talks could resume after a short hiatus is not misplaced. The government should use this period, meanwhile, to develop domestic demand and stronger, alternative regional trade routes.

### QUICK TAKE

#### LETTING WATER FLOW

IT’S heartening to note Chennai has become the latest Indian city to adopt a biodiversity index. More than 20 Indian cities, starting with Hyderabad in 2012, have adopted such indices; plans are afoot to have them for five more cities in Tamil Nadu. One of the main benefits that should follow regular assessment of a city’s biodiversity assets is integration of ecological health into urban planning. With Tamil Nadu’s wettest months coming up, one of the 23 factors in Chennai’s index—water-permeable area, at only 63 percent—should worry policy makers and citizens alike. Nature-based solutions like building permeable pavements and green roofs should be incentivised as soon as possible.

HERE is a quiet but serious epidemic in the country—hysterectomy. It is a surgical procedure involving the removal of a woman’s uterus, sometimes accompanied by the removal of the ovaries, fallopian tubes and cervix. According to the National Family Health Survey 2019-21 (NFHS 5), the prevalence of hysterectomy among women aged 40-49 years was as high as nearly 10 percent. The numbers are far higher in states such as Andhra Pradesh (22.5 percent), Telangana (21.2 percent), Bihar (17.2 percent) and Gujarat (11.7 percent). More worryingly, the median age of women who had undergone hysterectomy is 34 years for rural and 36 years for urban areas, more than 10 years before natural menopause.

The common reasons for getting a hysterectomy include excessive menstrual bleeding/ pain, fibroids/ cysts, and uterine disorders. While it may be sometimes unavoidable, the surgery poses serious risk to women’s health by inducing early menopause. Research has established its links with increased risk of illnesses like cardiovascular disease, metabolic disorders, ovarian failure, vasomotor symptoms, thyroid cancer, urinary tract cancer, pelvic prolapse, bone density loss, and mental health issues. Therefore, it is not a procedure that should be taken lightly.

Despite such obvious health consequences, why is hysterectomy among young women in India on the rise? Data consistently indicates a higher prevalence among less educated rural women, despite the limited access to surgical procedures in rural areas. Moreover, women agricultural workers have been hit hard by this trend as they are led to believe that it avoids loss of wages and improves endurance for demanding work hours without menstrual discomfort. This is widely documented among sugarcane workers in Maharashtra’s Beed district, where the prevalence was at a staggering 56 percent in 2024, with an average age of 35 years among women who migrated for work. Similar trends were observed among women agricultural workers in Telangana and Bihar, where the prevalence was 18 percent and 10 percent, respectively, according to NFHS 4.

This grim choice, thought to be a short-term solution to avoid financial penalties, ironically reduces the woman’s active working lifespan and quality of life because of its impact on bone mineral density and cardiovascular health, among other ailments.

From global experience, we know that the structure of the medical system, the quality of medical advice and

Too many young Indian women are going through unnecessary hysterectomies. It’s affecting their health and working lives. Better awareness and tighter monitoring are needed to counter the trend

## THE SILENT SCOURGE OF HYSTERECTOMY

SANJEEV SANYAL

Member, Economic Advisory Council to the PM



DR SUJATA KELKAR SHETTY

Clinical research scientist



MANDAR PARDIKAR

the extent of insurance coverage influence unnecessary surgeries. For instance, the prevalence of hysterectomy has always been much higher in the US (325 per 100,000 females in 2008) compared to average European OECD nations (212 in 2010), despite similar socioeconomic and health indicators.

Europe’s largely public healthcare system leaves less incentive for private medical practitioners for invasive procedures. In contrast, the dominant private healthcare in the US, covered by insurance, exhibits the issue of moral hazard where health insurance coverage drives overprescription of surgeries or diagnostics.

Note that as per NFHS 5, 70 percent of the hysterectomies in India were done at private clinics. Bharath Bhushan Mami and Venkat Rao Pulla’s research, published in 2013, found in Andhra

Pradesh that healthcare providers advised poor rural women as young as 20 years to have a hysterectomy even for routine gynaecological issues, such as abdominal pain and white discharge, without offering any alternatives due to the profit motive. Such nudges are common due to the lack of awareness about the importance of the womb for their overall health and longevity.

In addition, insurance coverage clearly plays a role. Gaurav Gunnal and Sudeshna Roy (2024), and Angad Singh and Dipti Govil (2021) used data from NFHS 4 to show that women covered under insurance were more likely to undergo a hysterectomy. There are widespread media reports of unnecessary surgeries being done, particularly covered under Centre and state-funded insurance schemes. Taking cognisance, the National Health

## YIN AND YANG OF AI IMPERIALISM

HERE is a real race going on over artificial intelligence with various nations vying for primacy. At the recent World AI Conference in Shanghai, Chinese Premier Li Qiang called for a global governance framework built upon consensus. Meanwhile, the US government’s approach is on its website: “The US is in a race to achieve global dominance in AI. Whoever has the largest AI ecosystem will set the global standards and reap broad economic and security benefits.”

Both nations seek to dominate, but while China seeks to be at the head of a consensus, the US seeks leadership based on individualism. This is the yin and yang of AI imperialism.

At the individual level, some of us seek comfort in saying that we have seen many technological advances in the past, and that AI too is another such. But the transformative potential of AI should not be underestimated. The power of the present-day human to undertake intellectual activity with the aid of technology is superior to any in history.

At the collective level, control over AI regulations is seen as a key to global dominance. The US and EU have long recognised this along with China. Though neither the EU nor China has brazenly declared that their goal in regulation is global dominance, it is the inexorable path control over a transformative technology takes.

Today’s tussle shares eerie similarities with that over trade routes in the 16th and 17th centuries. While we Indians remained content, the nations that would soon be global trading powers were quickly grabbing control of the routes. In more recent decades, control over technology and basic scientific research gave the US a pre-eminence that endures.

All countries agree that AI regulation is necessary. Broadly, those agreed up to 2023 were driven by control over large-language models, but the possibilities of agentic AI, which is already more autonomous than was predicted, make it clear that the regulations need to be thought through deeper.

The EU regulations are risk-based. They examine the potential harm an AI algorithm can cause, and categorise them into levels of risk: unacceptable, high, limited and minimal. The regulations then stipulate obligations upon various intermediate actors in the AI algorithm process, based upon the level of risk involved.

SRINATH SRIDEVAN

Senior Advocate, Madras High Court



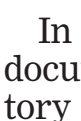
The Chinese government has gone about it differently. It has identified specific sectors where there is a potential for harm, and has imposed very strict prohibitions in them. The categories of the sectors so regulated are prohibited practices, public opinion attributes and social mobilisation capabilities.

So the EU targets harmful actions and attempts to regulate against their occurrence. This is grounded in the Western philosophy where individualism and self-determinism are intrinsic to society. Therefore, harm to the individual is the focus.

China targets the actors operating in specified fields. The focus is on regulating activities that disrupt society. This can be seen as rooted in the Confucian philosophy of social harmony.



China and the US have declared their intent of controlling AI through regulation, though their approaches vary. After years of trying to adopt others’ regulatory frameworks, India now has a suggestion rooted in eastern ethics, thanks to an RBI panel



In India, Niti Aayog released a policy document in 2021 that noted the regulatory moves in various jurisdictions including the EU, US, and Singapore, and proposed a system aligned more with the EU regulations.

Next, the electronics and IT ministry’s AI advisory group released another policy document in 2023. This looked closer at the EU and Chinese regulations, and among its broader conclusions was the realisation that “adaptive

governance is imperative for rapidly advancing technologies like AI”. The group then went on to suggest active guardrails around AI mechanisms as well as constant ability to reinsert human controls. The ultimate recommendation was in line with the EU model.

This is a useful starting point. However, there seems to be no attempt yet to root the regulatory response in the core values and philosophy that symbolise us as a nation. Creating regulations by adopting the EU norms, without regard to intrinsic cultural differences, could be harmful to us as a nation in the long run.

AI has the potential to influence social values through biases inherent in any model. The responses of an AI algorithm will nearly always reflect the biases of the society that generated the LLM. This is how AI can drive, say, neocolonialism, by engendering external social biases.

India’s ethos is steeped in morality and ethical introspection. We can adopt a regulatory approach that is not based on the US or EU’s individual-centric model.

On August 13, the RBI published the report of a committee set up to suggest a ‘responsible and ethical enablement of AI’ in the financial sector. For the very first time, an Indian regulatory body adopted an ‘eastern’ approach by suggesting basing the regulatory framework on morality, calling for heeding the ‘Seven sutras’.

It recommends that when financial institutions incorporate AI algorithms, they must follow the seven cardinal principles of trust (inspiring public confidence), people first (human dignity and inclusivity), innovation, fairness (prioritising dharmaic conduct over profit), accountability, understandability, and safety.

This is a break from the Niti Aayog’s ‘Look West’ approach. Adopting foreign models without critically assessing their cultural fit risks creating a regulatory framework that alienates the very society it seeks to protect.

Centuries ago, we slavishly adopted some of the habits and values of European colonisers and nearly destroyed ourselves. Will our approach to AI be different?

(Views are personal)

Authority, that administers the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, brought out a working paper in 2019 highlighting that hysterectomy claims under the scheme comprised almost 2 percent of claims for all female packages in 24 states in the first nine months (September 2018 to May 2019). The paper stressed the need for monitoring claims over time. Following this, the NHA in 2019 introduced pre-authorisation requirements for claims. For instance, a mandatory second gynaecological opinion and uploading of clinical or USG findings on the portal is required for women under 40 years.

The Union health ministry is clearly aware of this issue and noted in an advisory that “private empanelled healthcare providers are proceeding with the surgery (hysterectomy) without waiting for pre-auth approval, even after preauth processing doctor has asked a query/clarification”. In 2022, it issued guidelines on unnecessary hysterectomies, including the creation of monitoring committees at district, state and national levels to gather data on surgeries across public and private facilities.

This issue requires a multi-pronged approach. Firstly, more recent and detailed data are needed on the prevalence of hysterectomy. NFHS should include questions on how women paid for the surgery to ascertain the role of public health insurance in rising cases. Secondly, greater awareness needs to be spread among women about the harmful effects of early hysterectomy. For heavy menstrual bleeding, which is the most cited reason, conservative treatment options like hormonal contraceptive pills and hormonal IUDs need to be promoted. Lastly, there should be stricter surveillance and medical audits.

It is also worth examining whether such practices are guided by the misplaced perpetuation of population control policies/mindset, as it has implications not just for women’s health but also for our demography at a time when India’s fertility rate is already below replacement level.

The trend of unnecessary hysterectomies highlights a deeper challenge in healthcare delivery. When private providers operate within insurance-funded systems, without transparency and accountability, there is hardly any pushback from patients as they are insured. This presents a classic case of market failure due to asymmetric information, which heavily burdens the medical system with overprescription, drives up health costs, and strains public finances.

(With inputs from Srishti Chauhan of EAC-PM) (Views are personal)

### MAIL BAG

WRITE TO: letters@newindianexpress.com

#### Tump’s persistence

Ref: *Nomination of US envoy fills gap, but East looms closer* (Aug 26). It is true that the belated nomination of Sergio Gora in no way paves the way for a natural alliance and can lead to more friction. The US’s positive attitude towards Russia and our Asian partners like Japan and China, however, highlights the double standard of US President Donald Trump.

Rajakumar Arulanandham, Tirunelveli

#### Representing people

Ref: *Cong probity at stake in Kerala moral crisis* (Aug 26). How can one continue to be an MLA when the ticket-issuing party drops him from its primary membership? For does the Constitution permit this? How the voters’ dignity, he should have been disqualified from the MLA’s post first. But who cares?

P Mangalachandran, Kannur

#### Peaceful coexistence

Ref: *For our feathered friends* (Aug 26). This is a heartfelt reminder of humanity’s duty towards all living beings. The people of Pottahakudi showed rare compassion and proved that true humanitarian spirit extends beyond humans. Such acts light the way for cities to coexist with nature in harmony.

S M Jeeva, email

#### Exploited gamers

Ref: *The OMG pool: Paddling gamers out of gambling* (Aug 26). Online money games, once glamourised as harmless entertainment, have silently lured society’s most vulnerable into spirals of debt and despair. The new law acts as a much-needed shield, breaking the cycle of quiet exploitation.

Narayanan Kizhmundayur, Thrissur

#### Equitable growth

Ref: *A milestone and a mandate* (Aug 26). As a banker, I understand the upgrade of Indian banks, especially after writing-off ₹16.35 lakh crore during the last 10 years. Balanced growth is only achievable through uplifting the poor and the marginalised sections of the population, and giving them better standards of living.

Jayachandran C, email

#### Neighbourly goodwill

Ref: *India alerts Pak on flash floods* (Aug 26). Despite hostilities and rough weather with Pakistan, India showed its big heart in a gesture of goodwill and neighbourly concern. I hope that with this, strained relations soften up, while India’s prestige continues to soar.

Jayaprakash Reddy, Nalgonda

### THE NEW INDIAN EXPRESS

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# Govt must focus on reforms, not ‘nudges,’ to increase wages

THE government wants to “nudge the private sector” as regards hiring and wages. The fact that wage growth has not kept pace with corporate profits annoys the policy czars. A Finance Ministry official told a news platform that “Wages is an area of concern. There are some people who are tasked with figuring it out. It is a private sector issue, but the first step is to figure out what is their incentive, what we can collectively do... The first step is to have a dialogue with them. Talking to them does not mean intervening. They are contributing to our growth in a big way. So, the need is to help them achieve scale so they can hire more.” The intentions may be fine, but mere good intentions don’t

bring the desired results. Another official quoted in the report made it clear that “not every issue can have a policy reaction.” This means that, in at least some quarters that matter, there is a realisation that the scope for government intervention into the matter is limited. But then our bureaucracy is extremely efficient and innovative when it comes to finding work for itself. Remember the anti-profiteering body that was established to ensure transfer of GST benefits to consumers? The officialdom perpetuated it beyond its intended life. It is worth asking: what exactly can the government achieve by “nudging” businesses on wages? Will captains of industry and owners of MSMEs suddenly become more generous towards

employees merely because a few meetings are held or because policy makers express their concerns? The answer in either case is a big ‘no.’ Employers do not raise wages; the market drives that. This happens when there are business opportunities; businesses are established, and the existing ones add capacity; this drives up demand for employees, thus raising wages. Hence, the most effective way the government can influence wage growth is indirectly—by focusing on economic reforms, reducing regulatory hurdles, improving infrastructure, and ensuring a stable, investor-friendly environment. India’s growth story in the last three decades has shown that when businesses are provided a conducive ecosystem, they invest,

expand, and create jobs. Higher employment, in turn, generates talent competition, which naturally pushes wages upward. Attempting to micromanage wage outcomes without addressing the underlying business climate risks treating symptoms rather than causes.

Moreover, excessive government involvement in wage-related issues carries risks. If businesses sense that policy makers are inching toward intrusive regulation in the name of fairness or equity, it could dampen investor sentiment. This is particularly undesirable at a time when India is trying to position itself as a global manufacturing hub and attract capital in an uncertain world economy. The last thing entrepreneurs need is a mechanism

that brings their operations within the remit of bureaucratic oversight. This is not to dismiss the government’s concern altogether. The gap between rising profits and stagnant wages is real and, if left unaddressed, could contribute to inequality and even social unrest. But the solution does not lie in policy experiments or in creating new watchdog bodies. It lies in sustaining high levels of growth, ensuring skilling and reskilling opportunities for workers, and fostering competition among employers for talent. These dynamics are far more potent in lifting wages than official nudges. The policy makers must remember that the nudges have the potential to grow into interference.

## LETTERS



### People must reject Amit Shah’s third-rate politics

THIS refers to the article ‘How does one deal with a Shakuni in these days of vote-chori?’ (THI Aug 26). The Union Home Minister Amit Shah’s personal attack on the integrity of a retired Supreme Court judge and now a Vice-Presidential candidate Justice B. Sudarshan Reddy exposes the immaturity of his thoughts. In any democratic country, the Home Minister is expected to uphold the highest moral standards, and his conduct must remain above political rivalry. It is unfortunate that the ruling party’s Home Minister has expressed such a childish and dangerous view about Justice Reddy. He seems to have forgotten basic ethics, choosing instead to look through a narrow lens to gain political mileage in this Vice-Presidential election. Democracy thrives in an atmosphere of truthfulness, not in an environment where misinformation and disinformation are deliberately spread. By resorting to this kind of petty politics, Shah is leading people towards moral degradation. Citizens must be aware of such dirty tactics and reject this third-rate politics.

Dr Jitesh Mori, Kutch-370645

### Politically correct but morally wrong

Union Home Minister Amit Shah has accused Justice B Sudarshan Reddy, now a candidate in the elections for the Vice-President, of favouring Naxalism in the Salwa Judum case. This remark has apparently been taken very seriously by a multitude of judges. Around 18 retired judges expressed in writing that such aspersions on a judge of the stature of Justice Reddy are like inducing a chilling effect on judiciary. Shah has the moral responsibility of maintaining law and order in the nation but his political speeches hitting at the sincerity of a former judge will only jeopardise people’s trust and respect for judiciary.

P R Ravinder, Hyderabad.

### Changes to OPT is ill-advised

THIS is in response to the August 25 article “Indian students hardest hit by F1 visa shake-up. The proposed changes to Optional Practical Training (OPT) are a matter of deep concern, especially for Indian students who constitute one of the largest groups of STEM graduates in the United States. For many international students, OPT is not a luxury but a necessity. It offers them their only chance to gain practical work experience in the US, which is crucial for global employability. Families invest \$50-70 lakh or more in American education with the expectation that students will recover this cost through valuable work exposure. If OPT is dismantled, returns on such heavy investment would diminish sharply and thereby discourage future enrolments. The impact would not be limited to students alone. US universities, which collectively benefit from the \$40 billion contributed by international students, would lose a major recruitment advantage. Countries like Canada, the UK, and Australia—with friendlier post-study work policies—stand ready to attract this displaced talent. It is vital for policymakers to recognize that restricting OPT could weaken the US higher education system and its position as a global hub for innovation. A balanced approach that safeguards opportunities for international students and addresses domestic concerns is the need of the hour.

Yashasvi M, St Francis College for Women

thehansreader@gmail.com

## BENGALURU ONLINE

### Dy CM conducts midnight road inspection in city

BENGALURU: Deputy Chief Minister DK Shivakumar carried out a midnight inspection near Bengaluru bus stand on Monday, reviewing ongoing pothole repair works. The city’s deteriorating roads and increasing complaints from legislators prompted the review.

Speaking to the media, Shivakumar said a dedicated pothole-monitoring software has been developed, and police stations have also been asked to submit details of potholes in their jurisdiction. Citizens can lodge complaints through the app as well.

He noted that more than 5,000 potholes had been identified across Bengaluru, of which 4,400 have been marked for priority repair. “In the last four days, nearly 2,200 potholes have been closed. Our aim is to fix all of them within three days,” he said.

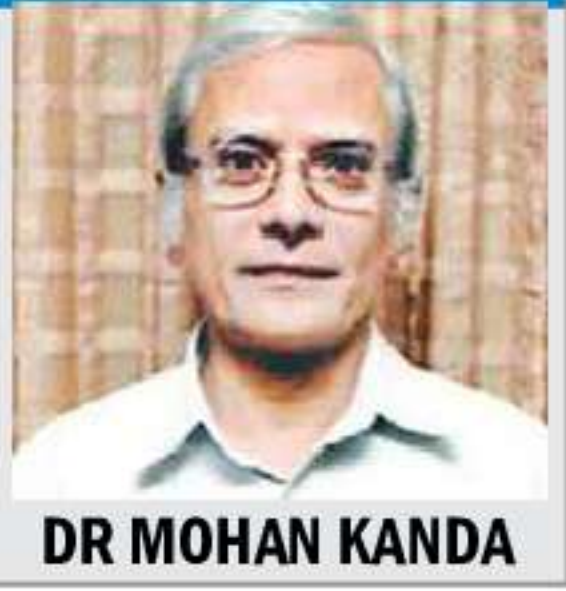
Shivakumar emphasized that the work must be of high quality, not just temporary patchwork. BBMP is currently using three methods—hot mix, cold mix, and eco-fix—to ensure durable repairs.

Responding to concerns about recurring road damage, he explained that heavy traffic, monsoon rains, and other issues affect road life. To address this, the government has begun laying concrete roads in phases, expected to last up to 30 years.

He further stated that potholes often lead to accidents and difficulties for families, especially women and children, which is why a strict monitoring system has been introduced to ensure accountability.

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

### TALKING OF MANY THINGS



SHOOTING of movies in and around the twin cities of Hyderabad and Secunderabad came to a grinding halt on June 22, as more than 20,000 Telugu film workers launched a massive protest, demanding, among other things, a hike in their wages, which is a demand that has been pending for quite some time now.

The leaders of the Cine Workers Union maintained that they were forced to take the step on account of the unresponsive attitude towards their demands by the Telugu film chamber for the last six months.

Since my days as a child actor, I have had an active association with the film industry as well as the workers. Concerned by the situation, I started thinking about the relationships between workers and the management in the country.

I recalled, in that context, an experience from my career in civil service in the Andhra Pradesh, cadre. In

the year 1975, when I was posted as Deputy Commissioner of Commercial Taxes of Kurnool Division, a unique type of protest was staged by cinema theatres of the two districts within the jurisdiction of the division, namely Kurnool, and Anantapur districts.

Noticing that large-scale avoidance of Entertainment Tax (ET) due to the local bodies taking place on account of under-reporting spectatorship in the cinema halls, I devised a method to deal with the issue. A detailed proforma was prepared, which included questions eliciting information on the seating capacity, in different classes, the rates of tickets, the number of people employed by the management, the amount of electricity consumed in a given month as well as the number of carbons used for projection of the films by the projector (as such was the technology of those days) of a given cinema theatre. The proforma was supplied to all district officials irrespective of their subject and were asked to visit cinema theatres during their tours and fill it up.

It was a completely non-invasive and harmless kind of exercise, seemingly only aimed at gathering information. After a month or so, the available information was compiled and duly analysed. The result was that there was



- “Workers of the world, unite!” is a powerful slogan popularised by Karl Marx and Friedrich Engels in “The Communist Manifesto.” It urges the working class to overcome national and other divisions, join and fight for their collective liberation from capitalist exploitation. This unity is seen as essential to overthrow the capitalist system and establish a classless, communist society

a significant gap between the expenditure incurred and the income shown. All the theatres, apparently, were incurring continuous losses!

Approximately, 17 offices of film distributors were located in Guntakal town. All of them were subjected to a simultaneous surprise raid. On the same night, and under my instructions, officials also conducted a surprise inspection of a theatre in that town. Noticing sharp variations, between the number of tickets shown as sold, and the number of people watching the movie, they ordered the shutdown of the theatre. The accounts seized from the offices of the distributors

during the operation showed alarming variations between the facts as reported by them and the corresponding facts as gathered in the exercise from the theatres.

Notices were then issued to all the theatres in the region to show cause why the revenue lost on account of the under reporting should not be asked to be paid. It was, in a way, a somewhat extra-legal and foolhardy step as, at that time, there was no statute providing for such an action. Quite naturally, the managements of theatres collectively decided to shut down indefinitely all the 150 cinema halls located in the two districts, as a protest.

# AI systems are great in tests, but what about real life?

PETER DOUGLAS

Earlier this month, when OpenAI released its latest flagship artificial intelligence (AI) system, GPT-5, the company said it was “much smarter across the board” than earlier models. Backing up the claim were high scores on a range of benchmark tests assessing domains such as software coding, mathematics and healthcare. Benchmark tests like these have become the standard way we assess AI systems – but they don’t tell us much about the actual performance and effects of these systems in the real world. What would be a better way to measure AI models?

A group of AI researchers and metrologists – experts in the science of measurement – recently outlined a way forward. Metrology is important here because we need ways of not only ensuring the reliability of the AI systems we may increasingly depend upon, but also some measure of their broader economic, cultural, and societal impact.

#### Measuring safety:

We count on metrology to ensure the tools, products, services, and processes we use are reliable. Take something close to my heart as a biomedical ethicist – health AI. In healthcare, AI promises to improve diagnoses and patient monitoring, make medicine more personalised and help prevent diseases, as well as handle

some administrative tasks. These promises will only be realised if we can be sure health AI is safe and effective, and that means finding reliable ways to measure it. We already have well-established systems for measuring the safety and effectiveness of drugs and medical devices, for example. But this is not yet the case for AI – not in healthcare, or in other domains such as education, employment, law enforcement, insurance, and biometrics.

#### Test results and real effects:

At present, most evaluation of state-of-the-art AI systems relies on benchmarks. These are tests that aim to assess AI systems based on their outputs. They might answer questions about how often a system’s responses are accurate or relevant, or how they compare to responses from a human expert. There are literally hundreds of AI benchmarks, covering a wide range of knowledge domains.

However, benchmark performance tells us little about the effect these models will have in real-world settings. For this, we need to consider the context in which a system is deployed.

#### The problem with benchmarks:

There is no denying that benchmarks have become very important to commercial AI developers to show off product performance and attract funding. For ex-

ample, in April this year a young startup called Coginition AI posted impressive results on a software engineering benchmark. Soon after, the company raised \$175 million in funding in a deal that valued it at \$2 billion. Benchmarks have also been gamed. Meta seems to have adjusted some versions of its Llama-4 model to optimise its score on a prominent chatbot-ranking site. After OpenAI’s o3 model scored highly on the Frontier Math benchmark, it came out that the company had had access to the dataset behind the benchmark, raising questions about the result.

The overall risk here is known as Goodhart’s law, after British economist Charles Goodhart: “When a measure becomes a target, it ceases to be a good measure.” In the words of Rumman Chowdhury, who has helped shape the development of the field of algorithmic ethics, placing too much importance on metrics can lead to “manipulation, gaming, and a myopic focus on short-term qualities and inadequate consideration of long-term consequences”.

#### Beyond benchmarks:

So, if not benchmarks, then what? Let’s return to the example of health AI. The first benchmark for evaluating the usefulness of large language models (LLMs) in healthcare made use of medical licensing exams. These are used to assess the competence and safety of



At present, most evaluation of state-of-the-art AI systems relies on benchmarks. These are tests that aim to assess AI systems based on their outputs. They might answer questions about how often a system’s responses are accurate or relevant, or how they compare to responses from a human expert. There are literally hundreds of AI benchmarks, covering a wide range of knowledge domains

doctors before they’re allowed to practice in specific jurisdictions. State-of-the-art models now achieve near-perfect scores on such benchmarks. However, these have been widely criticised for not adequately reflecting the complexity and diversity of real-world clinical practice. In response, a new generation of “holistic” frameworks have been developed to evaluate these models across more diverse and realistic tasks.

For health applications, the most sophisticated is the MedHELM evaluation framework, which includes 35 benchmarks across five categories of clinical tasks, from decision-making and note-taking to communication and research. What

better testing would look like? More holistic evaluation frameworks such as MedHELM aim to avoid these pitfalls. They have been designed to reflect the actual demands of a particular field of practice. However, these frameworks still fall short of accounting for the ways humans interact with AI systems in the real world. And they don’t even begin to come to terms with their impacts on the broader economic, cultural, and societal contexts in which they operate. For this we will need a whole new evaluation ecosystem. It will need to draw on expertise from academia, industry, and civil society with the aim of developing rigorous and reproducible ways to evaluate AI systems. Work on

this has already begun.

There are methods for evaluating the real-world impact of AI systems in the contexts in which they’re deployed – things like red-teaming (where testers deliberately try to produce unwanted outputs from the system) and field testing (where a system is tested in real-world environments). The next step is to refine and systematise these methods, so that what counts can be reliably measured. If AI delivers even a fraction of the transformation it’s hyped to bring, we need a measurement science that safeguards the interests of all of us, not just the tech elite.

(The writer is from Monash University, Australia)



DECCAN Chronicle

27 AUGUST 2025

Court can't let govt hold sway over social media

The Supreme Court's warning to social media influencers and podcasters against offending the dignity and sensitivities of others, especially of vulnerable groups, and its directive to the Union government to come up with a regulatory framework for social media users that demarcates the boundaries of free speech and defines the obligations that accompany its exercise, too, appear as a timely reminder regarding the exceptions to the right to freedom of speech and expression guaranteed by the Constitution. However, the rationale of this warning and the logic that "commercial content" is not entitled to this fundamental right available to citizens otherwise are both baffling.

To start with, the directive of the court is not in sync with its own past orders. Those always safeguarded the right to freedom of speech and expression without any reservations and defended it against governmental trespasses. The court may have been constrained to look at liberties taken by some New Age "influencers" in the content put out by them on social media, unlike that in legacy media which has its own checks and balances. So it is perfectly understandable that these individuals must necessarily be sensitised to the impact of their efforts. Their message may be perfectly enjoyable for their own followers but might touch a raw nerve with other members of the larger audience.

Equally, while self-deprecation may be acceptable, laughing at others can both breach sensitivities and be in bad taste, as the court has pointed out. There must be attempts to understand the concerns of the larger society, including those who struggle for their daily subsistence. The court's attempts are welcome up to that point.

And, too, Article 19(1)(a) of the Constitution which guarantees freedom of speech and expression to all citizens also authorises the government to impose reasonable restrictions on it under six specific occasions.

However, "commercial content" is not one among those occasions. In other words, someone who makes commercial content cannot be subjected to control based on criteria other than the six specified in the Constitution. The bench is authorised to hold that the citizen's right to life and dignity under Article 21 of the Constitution prevails over another's right to free speech under Article 19. But that end can be achieved by better sensitisation, and in extreme cases, by punitive means, and not by governmental control.

Disconcertingly, the apex court has vested the responsibility of preparing guidelines for social media users with the government at a time when voters of free speech across the globe fight governments to protect their and others' right to information.

It has been repeated ad nauseam that media-persons (and citizen journalists) exercising rights under Article 19(1)(a) enjoy no more protection than an ordinary citizen. As a corollary, a restriction imposed on the journalist will inevitably be extended to every citizen by a government which is trigger-happy when it comes to curtaining citizens' rights.

The apex court's attempts to come to the rescue of vulnerable sections of the society and protect their self-respect are indeed laudable, and the court has added to its own prestige by siding with the meek once again. But handing over the job of controlling the social media to the government could end up in a repeat of the proverbial fence eating the crop. The court must, hence, keep its eyes wide open when the government gets back to it with these so-called guidelines.

India braces for Trump's sanctions

The dreaded day is here on which the Trump sanctions on India, which come as a 25 per cent additional penalty on goods exported on top of 25 per cent tariff, kicked in. Taking the "tiger" line in choosing to defy the US President rather than try to placate him or flatter him with nominations for the Nobel Peace Prize, Oscar or Emmy, India joins Brazil, China and Russia in a trade war with the United States.

India did the right thing in not being forced into signing an unfair trade deal that was featured in extensive talks. Prime Minister Narendra Modi declared that there will be no compromising the interests of farmers, cattle handlers and small-scale industries. It is clear there will be no kowtowing to demands that came with the threat of putting up trade barriers against a country that loyalist aides closest to Trump say they love.

It is no comfort for India to be singled out for using Russian crude purchases for its energy security even as China and Europe, which keeps importing Russian natural gas for energy needs as well as to heat its homes in winter, are spared the ordeal. Its denial of any Trump role in stopping an India-Pakistan war is echoed by the Pakistan foreign minister too, but the US President is taking his animus against India to an unprecedented level.

The PM is appealing to consumers to buy India-made goods, especially during the festival season while measures to compensate those who will be immediately affected by declining US imports are being contemplated. MSMEs, which contribute nearly 45 per cent to US exports, and sectors highly exposed like gems and jewellery, textiles, auto parts and electronics, will need a cushion of easy credit, PLI payouts and other policy support which the government must firm up soon.

The sacrifices to protect the small dairy and agricultural farmers who make up nearly half the population becomes crucial as time alone might make even a capricious Trump, who is now busy threatening Cina with 200 per cent tariffs on magnets which the US badly needs, realises the folly of extreme protectionism that runs against the grain of modern global trade.

Far from moral posturing, the Trump braggadocio is, amid personal family business aggrandisement, all about trade blackmail. A peace deal in Ukraine may be the quickest route out or India may have to await inflationary factors, like the consumer having to pay more, to show up in the US economy. Standing up to Trump is a national cause now, regardless of cost.

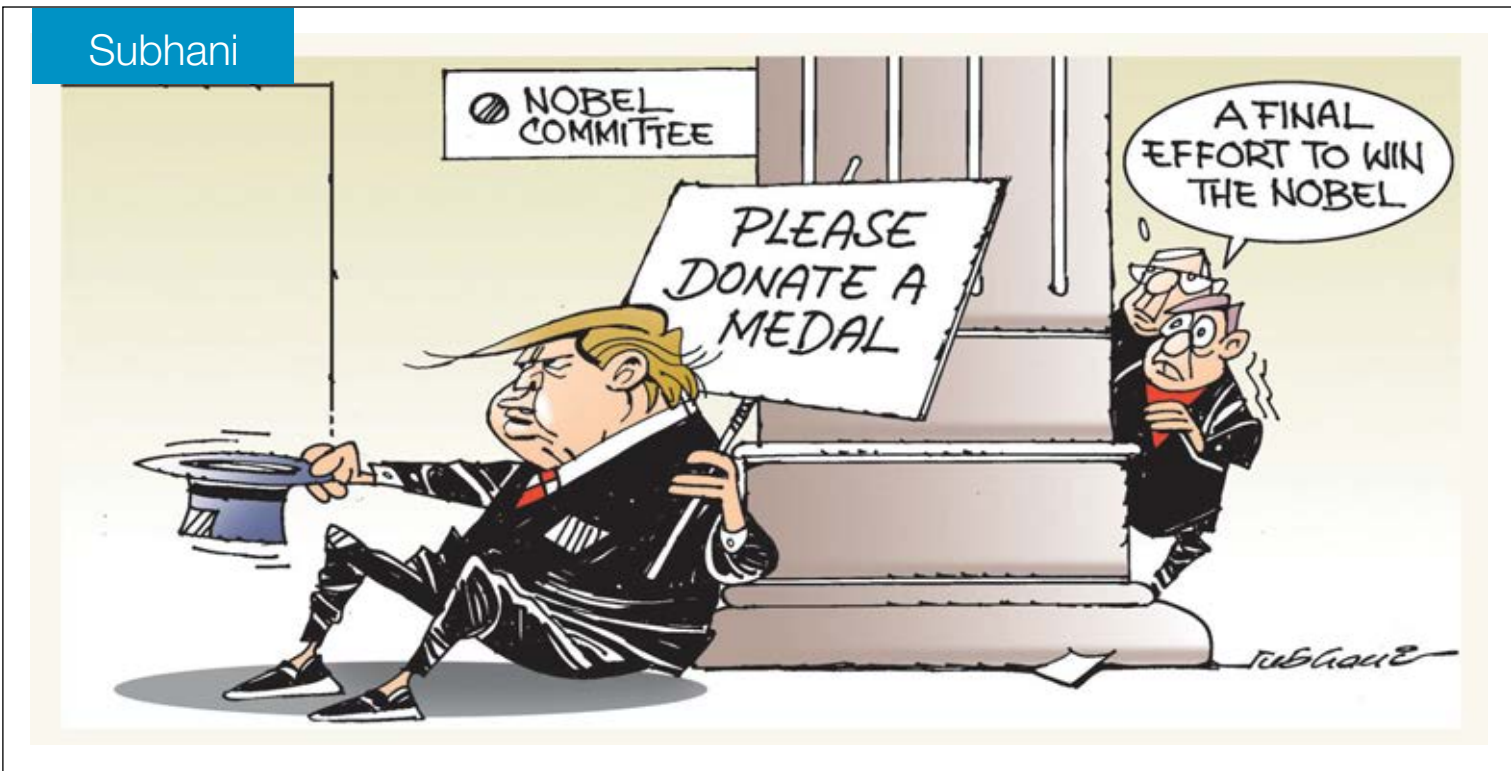
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India, Russia and China: Collaborators or rivals?



Sanjeev Ahluwalia

Today, India and Russia are collaborators, as are China and Russia, whilst China and India are perceived as adversaries jostling for global space with long-standing border disputes left unresolved — bleeding sores demanding economically draining deterrent assets on both sides of the 3,500-km-long border. It is an odd threesome.

Russia is not by culture, convention or geographical location of its human population, an Asian country. More than three-fourths of its land area is in Asia but its power centres and three-fourths of its population are in Europe, with a long tradition of relationships with the European great powers. It is a Eurasian power straddling two continents.

China and India are Asian powers, but that commonality hides more than it reveals.

China has always been a top-down authoritarian regime first under local imperial rule and then under the Communist Party of China. It was never colonised. India, like much of Asia and Africa, emerged from colonial rule only recently and the national ethos is still being shaped across the divides of language, religion, regional culture, caste and gender.

Russia and India are historical collaborators. India continues to support Russia in the United Nations by abstaining, most recently in 2023 on multiple UN General Assembly resolutions condemning Russia, requiring it to end the war in Ukraine and the impositions of sanctions on Russia. Russia reciprocates this friendliness by consistently backing India's resolutions against terrorism, blocks attempts at internationalising the Kashmir issue, which India regards as a bilateral matter with Pakistan and supports India's inclusion as a permanent member of the UN Security Council. It risked a

nuclear confrontation in 1971 by despatching a nuclear armed fleet to neutralise America's Seventh Fleet, tasked by President Richard Nixon and his aide Henry Kissinger to overawe India into abandoning support for Bangladesh's freedom struggle.

India's relationship with China is handicapped by the forcible occupation of the Aksai Chin area by China in 1962, the illegal 1963 cession by Pakistan to China of more than 5,000 sq km of land in the Shaksgam Valley, north of the Siachen Glacier, in Pakistan-occupied Kashmir, the Doklam standoff in 2017 and the Galwan skirmishes in 2020. This was also the period when the US-India relationship was soaring, and deeper strategic alliances were being forged via the Quad. President Trump's capricious disregard of allies in general and India in particular, whilst imposing arbitrary, unilateral import tariffs and threatening India with penal tariffs for importing Russian crude oil, has left India adrift in 2025.

Could this be an inflection point, which China wants to exploit? China's ambassador to India, Xu Feihong, raises hopes when he points to possible good news from the Tianjin SCO summit later this month. The post-Galwan tactical disengagement, along the agreed four-stage roadmap, starting with border delimitation and ending with normalisation, curated by India's national security adviser Ajit Doval and China's foreign minister Wang Yi under the special representatives' dialogue arrangement, has made steady progress. The great advantage of such "technical" forums is that they proceed, without any media hype, which accompanies the leadership-level engagements.

Like India, China too had to deal with border incursions, initially by Russia in the 17th century and 19th

Continuing the friendly relationship with Russia is sensible, purely because there are fewer flash points than opportunities. Growing a mutually respectful relationship with China would be a positive.

century. It wisely chose to reconcile matters by signing formal treaties which included give or take of disputed territory with Russia. Nevertheless, in the 20th century the neighbours clashed yet again on the Ussuri river — the Zhenbao Island incident in 1969 — which pushed China to abandon strategic autonomy, junk ideological affinity as a glue in international relations and seek a productive engagement with the United States instead. The 1972 visit to Beijing by President Nixon inaugurated the mainstreaming of China into global international affairs, including securing its claim to the UNSC seat previously occupied by Taiwan. Once the Soviet Union collapsed and the threat perception dulled, China formally settled outstanding border issues with Russia in 2004, by when it had the strategic advantage.

China feels the relationship with India should not be determined solely by the disagreements on border issues. But learning from China's own experience, border settlements are a significant enabler of closer economic and defence cooperation.

The tremendous admiration in India for China's economic success and most recently its technology prowess in generative AI and advanced military hardware, which rivals that of US corporates, should be reflected in our dealings with China. China's global competitiveness is evidenced by its high share of exports to GDP, which peaked in 2006 at 35 per cent but reduced to about 20 per cent in 2024, now like India's share of exports to GDP of 21 per cent, albeit at significantly lower GDP levels.

There are, however, fundamental principles of economic cooperation to be settled.

China is the largest global exporter with a 15 per cent share in global goods trade. India's exit from the Regional Economic Cooperation Partnership — the fifteen-country Asia-Pacific economic pact, at the negotiations stage in 2019 — was driven by its unwillingness to be flooded by subsidised Chinese goods. It is unclear how high American tariffs on imports from China will go. But China is sure to be under pressure to diversify exports and it has capacity to spare. India is unlikely to be a willing trade partner for increasing its deficit in goods trade with China of \$99 billion (2024).

Can export-oriented Chinese investment in India and a realignment of India's export basket, bridge India's unfavourable trade skew? A recent ICRIER policy brief defining the broad strategy to de-escalate trade and investment restrictions, thoughtfully and strategically, is timely advice. India is a fast-growing, young economy, with population peaking only by the 2060s. That buys us time, but also means overwhelming strategic debt versus China, is unlikely over the near term — so why procrastinate? India can and must leverage the future but calibrated compromises for peace building should not be ruled out, merely to avoid the political downside of domestic contestation.

Continuing the friendly relationship with Russia is sensible, purely because there are fewer flash points than opportunities. Developing a mutually respectful relationship with China would be a positive and embellish India's non-aligned credentials.

Repairing the relationship with America is equally important, but only based on mutual national interest. The hoary principle of always distinguishing between the country and the existing administration, particularly in democracies, is a useful one. It enables the conceptual distancing from unsavoury memories, necessary, to build a mutually rewarding future relationship.

The writer is Distinguished Fellow, Chintan Research Foundation, and was earlier with the IAS and the World Bank

LETTERS

HUMANITARIAN CRISIS

Israel's relentless bombing of Gaza has not only turned this tiny enclave in the Mediterranean into rubble but also triggered a humanitarian catastrophe of magnifying proportions, with malnutrition and starvation afflicting a significant chunk of its population. The UN-backed Integrated Food Security Phase Classification (IPC) has officially declared famine in Gaza. While the declaration of famine in Gaza adds to the mounting international pressure in recent weeks on Israeli Prime Minister Benjamin Netanyahu to declare a ceasefire and allow the free flow of aid into Gaza, there is no sign yet on the ground to suggest that Israel will step back and stop its deliberate obstruction of the flow of aid into Gaza.

M. Jeyaram Sholavandan

IRRESPONSIBLE COMMENT

The statement of Home Minister Amit Shah that Vice-President candidate and former Supreme court judge Sudhershnan Reddy is a 'naxal' is condemnable. Amit Shah has rightly been lambasted by more than 20 retired apex court judges and several lawyers, political leaders and citizens. Being the Home Minister, he should display maturity and refrain from making irresponsible statements against the judiciary. He is not above law and his allegation against Mr. Reddy is to be viewed seriously.

M.C.VIJAY SHANKAR Chennai

BANKS DORMANT ON LOANS

After SBI's recent shocking allegation against RCom and Anil Ambani of non-payment of availed loans to the tune of ?1200 crores given in 2016, it is now the turn of BOI flagging a fraud against Anil for failing to repay the loan of ?724.78 crore given in August 2016 to meet his company's capital and operational expenditure, but investing almost half of the given amount in fixed deposits. One wonders why these banks were dormant for so many years without taking any serious efforts worth the name. They conveniently forget the fact that they are dealing with public money which they are supposed to handle judiciously and prudently.

S. Vaithianathan Madurai

Mail your letters to chennaidesk@deccanmail.com

M.P. Nathanael



Targeting of nuns shows vital need to protect Christians from persecution

The recent arrest of two Catholic nuns at Durg railway station in Chhattisgarh caught the nation's attention and was viewed with concern by the Christian community. The two nuns, Preethy Mary and Vandana Francis, both from Kerala, along with three tribal women and a man, were waiting on July 25 to board a train to Agra when they were confronted by Bajrang Dal activists who assaulted them and took them to the GRP. The police registered a case against the nuns for human trafficking and forcible conversion under the Chhattisgarh Religious Freedom Act and Immoral Traffic Prevention Act. This despite the tribal women claiming they were adults, as proof of which they produced their Aadhaar, and that they were Christians already, a fact supported by their parents. They clarified they were willingly going to Agra with the nuns for skills training in their convent.

Despite being coerced to give statements against the nuns, the three girls stuck to their guns and did not yield to pressure by the police and the hostile mob. Yet, under threat and assault, one of them was coerced to give adverse statements and the police filed an FIR at the diktat of a Bajrang Dal woman activist, Jyoti Sharma, and sent to judicial custody.

The matter took a political hue with the Kerala government and even BJP leaders striving to get them released, as the BJP is making desperate attempts to get a foothold in Kerala politics. They were finally released on August 2 on bail.

With police refusing to file their complaints, the three women approached the Chhattisgarh Women's Commission recently to seek action against Jyoti Sharma and two men who assaulted and touched them inappropriately.

Many such recent incidents have sent tremors among Christians, with no respite visible. The fear is that no concrete steps are being taken to curb such incidents. With the police hand in glove with fundamentalist elements, the situation is precarious. The false propaganda by bigoted elements that Christians are out to convert others is gaining ground. If conversions to Christianity were so rampant, their population wouldn't have dwindled to 2.30 per cent (2011 Census) from 2.34 per cent in 2001.

Soon after the arrest and release of nuns in Durg, there was another attack on nuns and priests by right-wing activists at Gangadhar village in Odisha's Balasore district on August 6.

While going to a memorial service, they were attacked by some activists alleging conversion of villagers. Earlier, on June 15, Pastor Vinod Kunjumon and Prem Chand were arrested from Ghaziabad for alleged forcible conversion on a complaint by a Bajrang Dal activist. With no evidence, the police arrested the two. A week later, the police were still groping for evidence.

The Religious Liberty Commission of the Evangelical Fellowship of India claims there were as many as 840 attacks on churches and Christians last year. In 2023, 601 violent incidents were reported

across the country, while in 2022 there were 599 incidents. There were 147 violent incidents in 2014, that gradually rose every year until it dipped to 279 in 2020, due to the Covid-19 pandemic, but shot up to 505 next year. Many incidents go unreported either because these happen in remote areas or as the victims look the other way to avoid retribution. Till July, 336 incidents were recorded in 2025.

Uttar Pradesh leads in attacks on Christians, with 188 incidents reported last year, followed by Chhattisgarh, with 150. In 2023, UP registered 275 violent incidents and Chhattisgarh 132. Till July 2025, UP and Chhattisgarh recorded 95 and 86 attacks on Christians respectively.

Such frequent attacks not only instil a sense of insecurity among Christians but also dents India's global image. Twelve states have anti-conversion laws in place, and efforts are on to make them more stringent. The 2021 UP anti-conversion law has been challenged in the Supreme Court, which has stayed its operation until a complete hearing. Chhattisgarh proposes to make its anti-conversion law more stringent.

In the struggle for one-upmanship, Uttarakhand passed the Freedom of Religion and Prohibition of Unlawful Conversion (Amendment) Bill 2025 recently, with stricter penalties just short of the death sentence. It provides for arrest without warrant, seizure of properties and has been made non-bailable. Inducement for conversion has been defined as offering "any gift, gratification, easy

money or material benefit in cash or kind, employment, free education in schools or colleges run by religious institutions". Children will lose free education under this rule.

The Centre must intervene to rein in fundamentalist elements in the country who file false complaints with impunity and get Christians arrested. The apex court should take cognisance of the gravity of the situation and strike down the anti-conversion laws that impinge on the fundamental rights of citizens to practice and propagate their religion without any restraint.

Conversion being a matter of individual faith, there need be no barriers to any. The enactment of anti-conversion laws cast aspersions on the intelligence of our citizens who, it is supposed, can be easily lured or forced to convert. When there is an element of propaganda, it goes without saying it carries an element of persuasion, and not force. Freedom to propagate one's religion carries with it as a natural corollary: the freedom to convert.

Anyone lodging a false complaint of conversion must be dealt with a heavy hand as it not only amounts to harassment and unnecessary detention of victims, but also encourages others to lodge false complaints to gain media publicity. The police must be educated to be bold enough to reject false complaints and not be carried away by mob frenzy to register false complaints as had happened in Durg.

The writer is a retired CRPF IGP