

The Indian EXPRESS

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RAMNATH GOENKA

IN 1932

BECAUSE THE TRUTH
INVOLVES US ALL

In navigating Trump's US & Xi's China, Japan is imagining a new Asia story



RAJA MANDALA

BY C RAJA MOHAN

SINCE WORLD War II, Japan has deliberately defined itself as a peaceful nation. Relying on the US for its security, Tokyo built one of the world's largest economies while renouncing nuclear weapons, avoiding the use of force, and refusing to project its conventional military power. That era is now drawing to a close.

China's growing regional assertiveness and America's ambivalence in Asia, especially regarding the defence of Taiwan against potential Chinese aggression, have caused much of Asia to complain about the Donald Trump administration and mutter about its likely abandonment of the region. Tokyo, however, is not wringing its hands; it is acting to defend itself and help others secure themselves against Chinese expansionism and the US volatility.

At the annual Shangri-La Dialogue in Singapore last week, Japanese Defence Minister Shinjiro Koizumi unveiled three broad directions of a new security policy: To step up national defence spending and military modernisation, increase defence cooperation with friendly nations, and lift restrictions on the export of arms. The shift marks one of the major transformations in Asian geopolitics since the end of the Cold War.

For decades, Japan's defence industry

was largely inward-looking. Strict policy controls limited arms exports and constrained military cooperation with foreign partners. Tokyo has now reached a very different conclusion. It argues that preserving peace in Asia requires active participation in shaping the regional balance of power. The result is a historic relaxation of arms exports announced in April this year.

The most visible symbol of this change is the agreement last month to supply 11 upgraded *Mogami*-class frigates to Australia. The contract, estimated at nearly \$7 billion, is the largest defence export in Japan's post-war history, and goes beyond a simple commercial transaction. It creates a framework for Japan's long-term defence-industrial collaboration with Australia and other regional partners. It also points to the construction of regional defence networks that are not dependent on Washington.

In Singapore, Koizumi announced that New Zealand is also interested in the purchase of *Mogami*-class frigates from Tokyo. The emerging Japan-Australia-New Zealand security triangle is not a formal alliance but part of a new web of defence cooperation involving production, logistics, technology sharing and interoperability. Similar conversations are unfolding between Japan and the Philippines, as well as with other maritime states anxious about the changing balance of power in Asia.

Koizumi rejected China's high-pitched accusations about Japan's militarism and rearmament. Pointing to China's expanding nuclear arsenal and growing conventional military power, Koizumi gently suggested that "the pot is calling the kettle black". China can't dramatically build up its own military capabilities, indulge in co-

Tokyo is not breaking from its One China policy. But it has increasingly signalled that a military conflict over Taiwan would have direct consequences for Japan

ercion of all kinds and accuse others of rearmament and militarism.

What is driving Tokyo's new military doctrine is not nostalgia for great-power status in the imperial era, but anxiety about the future balance of power in Asia. The Taiwan question has sharpened these concerns. Under Prime Minister Sanae Takachi, Japan has moved closer than ever to publicly acknowledging that its own security is linked to peace in Taiwan.

Tokyo is not breaking from its One China policy. But it has increasingly signalled that a military conflict over Taiwan would have direct consequences for Japan. Chinese reactions have been predictably fierce, with Beijing accusing Tokyo of crossing red lines and interfering in China's internal affairs.

But Takachi's Japan is not willing to quiver under Chinese bullying. Tokyo believes preservation of peace in the Taiwan Strait is critical to regional stability. This does not mean Japan seeks confrontation. Rather, it reflects a growing belief that deterrence requires both clarity and capability.

The Taiwan issue has become a litmus test for Japan's strategic evolution. For decades, Tokyo preferred ambiguity. Today, it believes peace in Taiwan is critical for Asian security. That the US Secretary of War, Pete Hegseth, tiptoed around the question of Taiwan at the Shangri-La Dialogue is widely viewed as part of President Trump's effort to please China's leader, Xi Jinping, after the Beijing summit last month.

To be fair, Hegseth reaffirmed the US commitment to the balance of power in Asia; he also argued that the US will not allow China to exercise hegemony over Asia. But the way Trump is going about it

has triggered anxieties all around. Hegseth also called on the allies and partners to do more for themselves.

On its part, Japan is trying to reconcile two strategic imperatives. The first is preserving the American alliance, which has been the foundation of its security. The second is reducing excessive dependence on the United States by strengthening regional security partnerships and creating Asian defence-industrial networks.

The imperatives for Delhi are similar—engage Washington on defence where beneficial, but also simultaneously enhance strategic collaboration with regional powers like Japan, South Korea, Australia, and the ASEAN countries. Plans for bilateral and regional defence collaboration already exist in Delhi. What India needs is an urgent and purposeful transformation of plans into concrete outcomes.

Unlike China, India has long welcomed Japan to play a larger security role in Asia. What has changed is Tokyo's willingness to act upon that logic. The old Japan was an economic giant and a military minimalist. The new Japan seeks to be something different: A security partner, a defence-industrial power and an active participant in shaping the balance of power in Asia. Tokyo's strategic reorientation is not merely a Japanese story. It is part of Asia's wider search for a new equilibrium in an era of Chinese power and American reorientation.

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Girls rewrite JEE script. Campus must keep pace

FOR THE first time, more than 10,000 girls have qualified for admission to premier engineering institutions, including Indian Institutes of Technology (IITs). This means nearly one in four women who appeared for the JEE Advanced 2026 examination has qualified, a striking improvement that has pushed the number of successful female candidates up by almost 89 per cent since 2019. The achievement signals that sustained policy interventions, including the introduction of supernumerary seats for women in IITs in 2018 and targeted efforts to encourage girls into STEM education, are beginning to reshape one of India's most competitive academic spheres. Yet, the significance of the result lies not merely in greater access to elite institutions but in what it reveals about the untapped potential of women when structural barriers are lowered.

That reality is especially significant because higher education has long been shaped by structural disadvantages that disproportionately affect women: Access to coaching, societal expectations around career choices, concerns about mobility and safety, and the unequal burden of domestic responsibilities. According to the AISHE 2021-22, only 28.8 per cent of female students pursued engineering and technology. Yet, the experience in medicine shows that gender gaps are not immutable. Given the opportunity, women participate, compete and excel at the highest levels. For every 100 men, there were 100 women enrolled in medical colleges in 2020-21. In NEET UG 2024, of the roughly 24 lakh students who registered, 13.76 lakh were female against 10.29 lakh male; of the 13.15 lakh who qualified, 7.69 lakh were women. More women are opting for what have long been male strongholds—cardiology, oncology, and neurology. Almost half of the country's surgeons in the coming decade are projected to be women. The challenge for engineering education is to achieve and sustain a similar trajectory while addressing the attrition and career interruptions that affect women professionals later in life.

The next test will centre on inclusion and diversity on campus. Engineering campuses must be prepared to welcome a larger cohort of women through safe hostels, robust mentoring systems, leadership opportunities, gender-sensitive grievance mechanisms, and academic cultures that challenge stereotypes. Several IITs have already introduced such measures, but these efforts need to be a part of institutional planning at scale to ensure that women thrive not just on campus but also beyond it. The JEE Advanced outcome is more than a story of the irrepressible determination of the country's girls. It is an opportunity for engineering campuses to redefine excellence in more inclusive terms.

Delhi's death traps sap spirit of young aspirants

THE BUILDING collapse in Delhi's Saidulajab that claimed six lives evokes a sense of terrible *déjà vu*. The five-storey building shouldn't legally have had more than three floors. When it gave way on Saturday, the structure was undergoing more illegal construction. Unauthorised floors, weak foundations, use of poor-quality materials and deviations from approved plans seem to have become commonplace in Delhi. In response to a question in the Lok Sabha in 2023, the Ministry of Urban Affairs said that authorities in the city had identified 55,000 constructions that violate norms. The city has seen a worrying trend of building collapses and fires over the last decade. Yet, more often than not, it takes a catastrophe or a court order for officials to book the violators or call for accountability. Even then, the governance deficits that cause calamities such as the one in Saidulajab remain unaddressed.

The latest tragedy is particularly heartbreaking because most of the victims were students, including medical and engineering college aspirants. Delhi has several hostels, paying-guest accommodations and low-cost rental housing that cater to people seeking a better future in the Capital. However, in their haste to cash in on the commercial opportunities from such migration, many property owners compromise on safety. Preliminary investigations have revealed that such shortcuts were behind the Saidulajab tragedy. A strong inspection mechanism could have averted it. But as tragedy after tragedy—the hospital fire in 2024, the flooding of an UPSC coaching centre the same year, numerous building collapses—have shown, the enforcement of such basic municipal protocols remains at a premium in the Capital.

These shortcomings should resonate with Delhi Chief Minister Rekha Gupta. As a three-time municipal councillor, she has first-hand knowledge of the systemic weaknesses that have persisted in civic bodies across political regimes. The Delhi CM's background as a popular student leader could have informed policies sensitive to the difficult conditions faced by young migrants. After the public uproar over the Saidulajab incident, municipality officers have reportedly said that they will conduct an audit of unsafe buildings. The city's authorities need to do more. The proper tribute to the victims would be to ensure that death traps such as the one in Saidulajab do not come up in the first place.

In and as Suman Kalyanpur

THE STORY of Hindi playback music is almost always that of its most recognised voices. Excellence at the craft didn't always mean popular recognition. Suman Kalyanpur, who passed away in Mumbai on May 31, exemplified this contradiction. Despite a silken voice, remarkable artistry and some very popular songs to her credit, Kalyanpur almost always remained outside the pantheon of the great women playback voices of her time.

Kalyanpur's entry in the industry coincided with the firming of hierarchies in Hindi playback music. On Radio Ceylon, singer names were often not announced before and after a song. Kalyanpur was compared to Lata Mangeshkar to the extent that she was rarely heard as an artiste in her own right. But her songs—the wistful 'Na tum humein jaano' (*Baat Ek Raat Ki*), the haunting 'Mere mehboob na ja' (*Noormahal*), the flirtatious 'Na na karte pyar' (*Jab Jab Phool Khile*), the classically sound 'Ajahun na aaye baalma' (*Saanjh aur Savera*) and the delightful duet, 'Aaj kal tere mere pyar ke charche' (*Brahmachari*) with Mohammad Rafi, and many others—speak of Kalyanpur's range, which deserved more recognition than she actually received.

Get the "other Lata", composers would say if Mangeshkar was not available. But a keen ear to those recordings, in more than 100 films, can set the record straight. Suman Kalyanpur's rightful place is among the more accomplished voices of the golden era of Hindi film songs.

From Ladakh, a sea buckthorn parable about enterprise



CHIRAG PASWAN

ON A recent visit to Ladakh, I drove from Leh to Tirth, a village in Nubra, crossing Khardung La to reach a food processing unit in one of the remotest corners of the country. The drive explained the place's economics better than any report could. Here, altitude, weather and distance are not background conditions; they are built into the price of every product that must leave the valley. Inside the unit, there were no sea buckthorn berries.

It was May, and the harvest had ended months earlier, in the short autumn window when the fruit comes off the bush. What stood there instead were juice and pulp sealed and labelled, and dried berries packed from last autumn's harvest. The unit also had mobile aseptic processing capacity; they are built into the price of every product that must leave the valley. Inside the unit, there were no sea buckthorn berries.

Food processing is usually discussed in the language of large plants, investment figures and export targets. In Tirth, the point was narrower and more immediate. The unit showed that enterprise in a remote region is often an answer to necessity.

I had seen the same point earlier in Leh, in the work of Deachen Angmo. A few years ago, she earned Rs 8,000 a month as a wage labourer. Today, she runs K-Top Food Processing, a unit built around sea buckthorn, one of Ladakh's most difficult crops. She buys the berry from local collectors, turns it into juice, pulp, dried berries and jam under her own brand, and sells to markets well beyond the Union Territory.

Sea buckthorn brings the difficulty and the opportunity into one plant. The shrub grows over cold, thorny ground. The berries are small, soft and hard to pick. The harvest window is short, and once the fruit is off the bush, it cannot wait for processing somewhere distant. It has to be cleaned, pulped, dried or preserved quickly. Delay costs quality, and

lost quality costs price. Deachen's unit grew because the support she received met the crop's actual needs. Under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme, she accessed finance and invested in the machinery needed to process sea buckthorn quickly, package it properly and sell it under her own brand.

A woman who once worked as a wage labourer now runs an enterprise with a turnover in crores, employs workers, and sustains a supply chain linked to local collectors and families in her own community. Her unit also points to the larger gap. To make such examples less rare, local processors need finance, machinery and formal support before a perishable crop can become a marketable product. PMFME has helped create that starting point in Ladakh: Under the scheme, 101 loans have been sanctioned, and 89 have been disbursed to micro food processing units across the Union Territory, and seed capital assistance of Rs 1.81 crore has been approved for 651 SHG members.

A single enterprise may process a local crop, but it cannot alone provide storage, testing, packaging, branding, market access and larger shared facilities. That requires common infrastructure. Under PMFME, common incubation centres have been approved for sea buckthorn processing in Leh and apricot processing in Kargil, giving local producers access to facilities that would otherwise remain beyond their individual reach. Shared infrastructure addresses one part of the gap. Collective support and product identity address another. That is why branding and marketing support have been approved for sea buckthorn products under "Wonder Berry" and apricot products under "Kargil Gold".

Deachen Angmo's journey from a wage labourer to the head of a thriving multi-crore enterprise is powerful proof of what happens when local potential meets the right institutional support. The ultimate goal of our efforts is not just to celebrate a single success story, but to replicate it across every valley.

The writer is Cabinet Minister of Food Processing Industries of India

When a distorted autopsy denies justice



VRINDA SHUKLA

A YOUNG married woman found hanging by the noose is adjudged "dead due to uncertain causes" by the doctor conducting the autopsy, who goes on to preserve her viscera samples. Despite the registration of an FIR alleging a dowry death, the autopsy report makes it impossible for the police to make arrests until the viscera testing results are received, which could take more than a year. Despite a visible ligature mark on the victim's neck, the doctor, ignorantly or deliberately, takes no stand on whether the hanging was ante mortem or post mortem. A police appeal to review the autopsy report is dismissed as infeasible due to the unavailability of videography and the body having been cremated. Such subversion of the importance of forensic evidence is common, particularly in cases of homicide or while trying to distinguish homicide from suicide. The distortion in the autopsy report may be due to incompetence, malfeasance or lack of resources.

It takes the national outrage over the death of the educated, vibrant Twisha Sharma, allegedly a victim of torture by a lawyer husband and a mother-in-law, a former judge, to persuade a high court to order a repeat autopsy. Even then, while her family appealed for a second autopsy, her body was kept in the mortuary at -4°C—way higher than is needed to preserve a body for a longer duration—without no preservation facilities in the state capital.

Without prejudice to the facts of the case of Twisha Sharma, there is no denying that the collection of forensic evidence, particularly autopsies, is vulnerable to distortions. In most states, medico-legal autopsies are carried out only at government hospitals or medical colleges. Government doctors, fatigued from their tremendous patient load and a huge number of routine autopsies on account of accidental deaths, working in decrepit post-mortem houses, carry out perfunctory procedures with compromised quality. Only in sensitive cases do the police request that the autopsy be conducted by a panel of doctors with videography. However, the output of such videography by untrained persons is amateurish and hardly useful for a constructive review of the autopsy.

There is an urgent need to consider allowing private hospitals with state-of-the-art infrastructure and well-trained doctors to conduct autopsies. This would ease the load on government facilities and help launch advanced forensic programmes at private institutions, ultimately producing more qualified experts. A regulatory and supervisory framework can be put in place to ensure these private hospitals are held accountable.

There is also an urgent need to upgrade and standardise the district-level physical infrastructure where autopsies are conducted to ensure proper ventilation, sufficient lighting and requisite tools. Ceiling- or wall-mounted videography systems, programmed to professionally record the process, enabled with AI models like Claude for superior video analytics, are a pressing necessity. Finally, what is most imperative is that cases of wilful tampering or negligence in the collection and handling of forensic evidence be held to account. Else we risk jeopardising even the sanctity of science as a potent aid in the pursuit of justice.

The writer is an IPS officer. Views are personal

40 YEARS AGO

June 2, 1986



Cong-I panel to discuss Tripathi

THE CONGRESS (I) Working Committee was scheduled to meet in New Delhi to consider possible action against the party's working president, Kamalapati Tripathi. The committee was also expected to review the political situation, adopt a resolution condemning divisive and anti-national forces, and discuss a code of conduct for party members.

Plane bombing plot foiled

INDIAN DIPLOMATIC sources in Washington said the arrest of five Sikhs accused of plotting

to bomb an Air India flight had occurred only hours before the plan could have been carried out. The suspects were allegedly preparing to plant explosives on Air India Flight 112 from New York to Delhi, which was carrying Finance Minister V P Singh and Minister of State for External Affairs K R Narayanan.

Reliance debenture issue

PUNJAB NATIONAL Bank (PNB) rejected loan applications from several companies seeking funds to purchase debentures issued by Reliance Industries Ltd, citing RBI rules that prohibit advances for speculative purposes.

Israel replaces attorney general

THE ISRAELI cabinet replaced Attorney General Yitzhak Zamir, who had been pressing for the prosecution of the head of Israel's internal security service in connection with the deaths of two Palestinians. Zamir was succeeded by Yossef Kharish, who indicated that the police investigation into the alleged killings and subsequent cover-up would probably be delayed.

There was no edition on June 3, 1986. The above stories are from the June 2, 1986 edition.



Take the right reform lessons from Indonesia, don't dress up a flawed system



SURJIT S BHALLA

IN AN earlier article ('BJP is winning the elections, but losing the economy,' *IE*, May 21), I had expressed worry and concern over declining private investment in India. I had suggested that the large reduction in the share of private investment was a decade-old problem, and one most likely caused by a worsening investment climate in India. I suggested that the investment climate had deteriorated following (induced by?) the stringent rules against foreign direct investment (FDI) enacted by the 2015 Model Bilateral Investment Treaty. The government constructively answered, via CEA Ananth Nageswaran ('We need to speed up economic reforms, but pessimism obscures, doesn't illuminate,' *IE*, May 23). In this article, I use Indonesian and Indian BITs for illumination.

Indonesia: A tale of triumph: In 2014, Indonesia made a bold announcement that it was scrapping every one of its existing Bilateral Investment Treaties (BITs) and starting over with a new model. The trigger was a pair of foreign mining companies — Churchill Mining and Newmont — who had sued the Indonesian government for alleged violations of foreign investment law. Indonesia won both cases.

The Churchill Mining affair is especially instructive. The Indonesian government proved in court that Churchill's local partner, the Ridlatama Group, had forged documents — including mechanically reproduced signatures of local government officials — to fraudulently obtain mining concessions. Ridlatama was well-connected, but Indonesia's anti-corruption agency, the KPK, had real teeth. It deployed phone-tapping and financial-tracking powers to hunt down the regional politicians who had traded mining licences for campaign cash. By 2016, the KPK had indicted over 30 senior officials — among them six parliamentarians, three governors, and four district heads — for accepting bribes to fabricate resource permits. The corrupt officials went to jail. The Ridlatama Group was dissolved and its mining licences revoked, effectively shutting the door on prosecution of its executives while delivering the same result: The company ceased to exist.

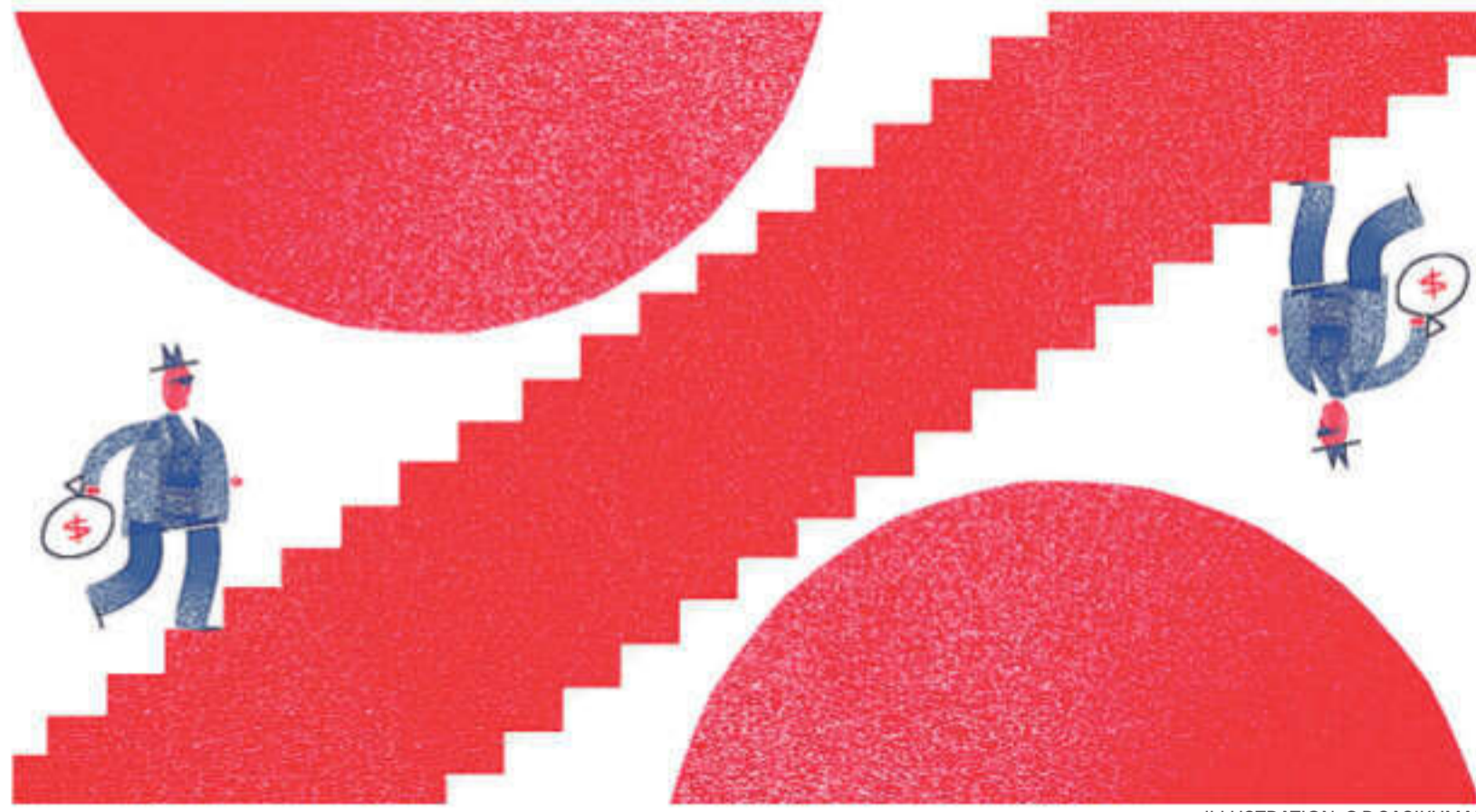


ILLUSTRATION: C R SASIKUMAR

The international business community warned Indonesia that taking on powerful multinationals would scare off the foreign investment it badly needed. That warning has not aged well. In the decade before 2015, Indonesia attracted an average of \$14 billion a year in inward foreign direct investment (FDI), with net FDI running at 1.1 per cent of GDP. In the decade since its new approach, inward FDI has risen to \$20 billion a year, and net FDI to 1.4 per cent of GDP — even as global FDI flows became more competitive, rising from \$0.65 trillion in 2004 to \$1.6 trillion today.

Indonesia has since signed only two new BITs, one of them with Singapore. That treaty reveals the country's new philosophy: A cooling-off period of just 12 months, followed by a three-judge panel — one chosen by each party,

Two new governments in 2014 — Indonesia and India. Both wanted reform of BITs. One chose the forward path. The other chose regression. One gained international investors' respect and money. The other gained contempt and exodus

and a presiding judge agreed upon by both, who must be a national of neither country. It is lean, neutral, and fast.

India: A tale of self-inflicted woes: India watched Indonesia and drew the wrong lessons. Like Indonesia, India cancelled its existing BITs in 2016, prompted by a dispute with an Australian mining company, White Industries. But the Indian case had a twist: The domestic party was not a private firm but Coal India — a company owned by the Indian government itself. White Industries had won an arbitration award of just \$2.2 million. Yet thanks to crushing backlogs and procedural gridlock in the Calcutta and Delhi High Courts, a decade passed with no result, and no award. In 2011, White Industries sued the Government of India, won, and the Supreme Court ordered Coal India to pay interest and legal costs on top of the original sum.

India's response to this embarrassment was to pass a new Model BIT in 2015 that is the most restrictive one passed by any government — it is a model of defensive state protection. In contrast to Indonesia's requirement of a 12-month cooling-off period, the In-

dian BIT required 60 months. Sixty months in Indian courts before any international arbitration could begin. This was not reform — it was retrenchment.

Ten years on, the Finance Minister announced in the 2025 Budget that India would finally revise 2015 Model BIT policy. That revision has yet to materialise. It appears that the government's idea of a concession is trimming the mandatory court reconciliation period from five years to three years — while still routing disputes through Indian courts and possibly through a tribunal chaired by an Indian judge.

Two new governments in 2014 — Indonesia and India. Both wanted reform of BITs. One chose the forward path. The other chose deep regression. One gained the respect and money of international investors. The other gained contempt and exodus.

The Chief Economic Adviser has made two arguments in India's defence: That BITs have "weak or no effect" on FDI inflows, and that inward FDI hit a record in 2025–26 in any case.

Both deserve scrutiny. Yes, gross inward FDI reached a nominal record of \$94.5 billion in 2025–26. But the more meaningful figure — net inward FDI, after subtracting repatriated profits and capital — was \$41 billion, marginally below the \$41.7 billion recorded in 2008–09. Meanwhile, Indian companies sent a record \$33.3 billion out of the country as outward FDI in the same year (2025–26) — money that might otherwise have been invested at home. When measured as a share of GDP, net FDI stood at 0.77 per cent — the second-lowest on record, with only 2004–05 coming in lower at 0.73 per cent.

Indonesia bet on the rule of law, a cleaned house, and watched investment flow in. India dressed up a flawed system in new paperwork and called it reform — and capital has responded accordingly. When a country cannot persuade the world that a \$2-million arbitration award will be honoured without a decade of courtroom theatre, the numbers in the FDI ledger are not a mystery. They are a verdict.

The writer is chairperson of the Technical Expert Group for the first official Household Income Survey for India. Views are personal

On WhatsApp we hear ourselves. It's time to have a keen ear for others



SHIVANI SIBAL

A FRIEND'S husband mentioned casually the other day that he was not on WhatsApp. I told him this was male privilege. It was a joke, but not entirely. If I left WhatsApp, several parts of my children's lives would collapse almost immediately. Plans would be missed. School updates would vanish into thin air. Birthday invitations, dress-up days, tuition-teacher coordination — all gone. The little joy left in my life after all this is done, in the form of — what else — a WhatsApp group with my besties where we take down our enemies, moan about insignificant problems, discuss outfits, and speculate about who is likely on Ozempic — also gone. My school friends and I, divided by continents but united on a WhatsApp group, would have no space to co-exist in the identity DPS class of 1998. Neighbours would remain anonymous. Countless small businesses in the country run on WhatsApp. What presents itself as a messaging app has become the invisible infrastructure of community living.

That ubiquity is what makes WhatsApp hard to think about clearly. To dismiss it as trivial, or to blame it for everything, is simplistic. In real life, it is both indispensable and everying. It has become the village square, the building noticeboard, the school diary, the complaint book, the emergency alert system, and a space where every minor irritation can suddenly acquire the moral seriousness of a public issue.

I am old enough to remember a time when we had to suffer small inconveniences in silence, without a forum to turn them into a dispute. You grumbled to your spouse/sister/best friend, raged privately, got a voodoo doll of the offending party, whatever. Then, you cooled down, or you forgot. Now every inconvenience arrives before a ready-made focus-group audience. A noisy neighbour? Rage on the colony WhatsApp group. Your child's school bus is late, or you don't like the teacher? Rage on the school WhatsApp group. Every small action in this very large world can be instantly narrated, circulated and dissected. The very act of typing it out enlarges it. Irritation

hardens into grievance by virtue of being witnessed.

I don't think this is because we have become worse people. It is because the medium has altered the temperature of ordinary feeling. WhatsApp has collapsed the distance between annoyance and expression. It has removed the cooling-off period in which proportion once had a chance to intervene. Trivial matters and passing feelings, once fleeting, now arrive before a jury and audience. They are no longer merely experienced; they are performed.

And performance, of course, changes behaviour.

We would not dream of speaking to our neighbours in person in the tone we casually use on WhatsApp. There is a Hindi phrase, *aankhon ki sharam*. Face to face, the body intervenes. Shame does some useful work. We hear ourselves. We see the other person's expression. We remember that living together peacefully depends on proportion of response. On WhatsApp, all of that falls away. Hostility can dress itself up as administration.

And yet it would be one-dimensional to demonise WhatsApp. The same platform that magnifies a particular breed of pettiness also enables fellowship. The same group that left you feeling judged and persecuted at 8.05 am can rescue you at 8.10.

In addition to the multiple personalities we all carry, we develop a specific one just for WhatsApp. A is the one who always knows; B the one who always reminds. C is the peacemaker, smoothing over friction. And of course, there are the watchers, always reading, never commenting. There is support here, undeniably, but also pressure, pressure to remain responsive, to remain informed, to have a wisecrack ready, and so on.

What is striking is how few people are truly free to opt out. The man who is "not on WhatsApp" is charmingly old-school, above the nonsense. A mother who does the same is irresponsible and aloof. Her absence would not be construed as independence; it would be called negligence.

WhatsApp did not create grievance, self-importance, loneliness, nosiness or the need to be heard. But it did provide a highly efficient delivery system for all of them. The question is not whether we should all leave; that is no longer really an option. The question is whether we can recover any sense of scale inside the groups themselves — whether support can remain support without sliding into pressure, performance and moral theatre. Or, as a neighbourhood elder in my colony WhatsApp group implored "Good Morning, be Lavish to appreciate, Be a Miser to criticise".

Sibal is the author of *Equations* (2021)

LETTERS TO THE EDITOR

Listing Tata Sons

THE AUTHORS frame the listing debate with appropriate nuance ('To list, or not to list Tata Sons, that is our question,' *IE*, June 2). Transparency and accountability are legitimate public interests, but do not automatically require an IPO. Tata Sons has demonstrated that unlisted structures can sustain institutional integrity across generations, balance commercial ambition with social responsibility, and maintain governance standards that many listed Indian companies have failed to match. If the concern is disclosure, mandatory reporting frameworks can achieve that without the short-termism that public markets introduce. The decision should rest with the company's board.

M Barathi, Bengaluru

RCB's teamwork

THE IPL title victory means more to RCB than just a trophy ('RCB is Kohli, and much more,' *IE*, June 2). For nearly two decades, RCB carried the weight of unfulfilled promise, which made this win cathartic. The season demonstrated that sustained success requires collective depth, not dependence on one player's brilliance. Patidar's consistency, the bowling unit's discipline, and the coaching staff's willingness to redistribute responsibility were decisive. That structural evolution is what separates a one-season triumph from a lasting competitive identity.

S M Jeeva, Chennai

Dignified work

ALGORITHMIC MANAGEMENT has effectively reproduced piece-rate labour conditions on an enormous scale while avoiding the regulatory scrutiny traditional employment attracts ('New algorithms, same old exploitation of gig workers,' *IE*, June 2). The threshold at which incentives begin, set only above a punishing baseline, is not a design flaw but a design choice. India's gig workforce numbers in the tens of millions. Portable benefits, transparent disclosure of performance metrics, and minimum earning guarantees are the minimum conditions for dignified work.

Swathi Senthilkumar, Coimbatore



RAJA MENON

Don't forget the economy in military strategy

ALTHOUGH INDIA is not a direct combatant in the Iran war, it has been impacted by inflation, fiscal stress, slower growth, supply chain disruption, pressure on agriculture, and a large outflow of capital. Has something similar happened before?

In 18th-century Europe, Great Britain and France were locked in a struggle for supremacy. France had over twice the population of Britain and three times its GDP. Yet between 1750 and 1800, Britain's economy tripled. That growth financed victory over France and the loss of its colonies in America and India. The usual explanation is the Industrial Revolution and the Bank of England. But later scholarship has questioned both claims. The Industrial Revolution, it is argued, began only around 1770, and the agricultural surplus said to have funded it has never been convincingly established.

A more persuasive explanation lies in the empire. British power was built not simply at home but through the capture of wealth abroad, especially in India. The first Indian force trained to European standards was raised at Madras by Stringer Lawrence and Robert Clive. Sailing up the Hooghly on Royal Navy ships, they defeated the Nawab of Bengal at Plassey in 1757. The resulting treaty gave the East India Company the right of *diwani*, or land revenue, in Bengal, Bihar and Orissa, a region whose population exceeded that of Great Britain. After 1857, the British Crown replaced the Company, but the logic remained the same. India's textile trade

China's aim has not been territorial annexation. It has been to tie India down south of the Himalayas

was destroyed and replaced by Lancashire cloth made with Indian cotton. India was conquered by sea by a country one-tenth its size, 5,000 miles away, while it remained tied to a continental outlook and treated the oceans as *kala pani*.

Can something like that happen again? Not in the same way, but the deeper logic has returned.

Around 2015, China-watchers began to notice that the Chinese Dream, the 13th and 14th Five-Year Plans, and the National Security Strategy of 2015 together pointed to a grand strategy aimed at strategic pre-eminence. Basil Liddell Hart defined grand strategy as an all-of-government approach to strategic competition in which war is the least desirable option. China's version is different. It seeks influence through economic dependence, infrastructure finance, market access, energy corridors, supply-chain dominance, control of digital nodes and the ability to deny them, pressure on cable landing stations, and efforts to weaken the dollar and bypass SWIFT.

Nowhere is this more evident than in China's use of proxies, especially Pakistan and Iran. Beijing has supplied military assistance to Pakistan, which allowed it to obtain targeting data during Operation Sindoor. Iran, too, received similar support to target US installations in the Gulf. This is modern strategic competition: Not conquest by massed armies, but influence, denial and remote reach.

Chinese thinking also reflects Sun Tzu's enduring insight: The greatest victory is won without fighting. Another is that distant conflicts are decided by shaping the environment without battle. From enabling Pakistan to develop its nuclear weapons to the border crises at Sumdorong Chu, Doklam and Galwan, the pattern for India has been unmistakable. China's aim has not been territorial annexation. It has been to tie India down south of the Himalayas, consuming its attention and limiting its freedom of action.

India must therefore think strategically, not sentimentally. Its real leverage against China's \$20-trillion economy is not a Himalayan stalemate but its maritime geography. India sits astride the Indian Ocean and can influence the status of the Strait of Malacca, the Strait of Hormuz, the Red Sea and the Suez Canal. Negotiating with Beijing over the land boundary, a secondary issue in its grand design, without the backing of hard power at sea, would be another capitulation. And the idea of a tri-service, five-domain theatre command against a declining player with a GDP lower than Tamil Nadu's would be another error of judgment.

History does not repeat itself in the same form. But its methods, adapted to new technology and new instruments of power, do return. India should remember that before it confuses tactical activity with strategic wisdom.

Menon is a retired rear admiral and author of *The Long View from Delhi*



KAMINI WALIA

An Indian antibiotic on the global stage

nich's development has been informed by the realities of AMR in India. Resistance mechanisms prevalent in Indian healthcare settings, and clinical and microbiological data generated from Indian patients and institutions, have helped shape the product's development. In many ways, this is a medicine designed with some of the world's toughest resistance challenges in mind.

The FDA approval sends a powerful message: Indian drug innovators have arrived on the global stage. Indian firms are no longer confined to manufacturing generic medicines or incremental improvements. They are increasingly capable of undertaking the high-risk, scientifically demanding journey of discovering and developing new therapeutics with global relevance. This is precisely the transformation policymakers have long sought to encourage.

India now has an opportunity to ensure its regulatory framework keeps pace with its innovation ambitions. It would be paradoxical if a drug developed with substantial Indian scientific contributions and approved by a stringent international regulator were to face prolonged delays before reaching Indian patients. The Central Drugs Standard Control Organisation should consider an expedited pathway for innovative antibiotics

The CDSCO should consider an expedited pathway for innovative antibiotics that address critical unmet medical needs and have already undergone rigorous evaluation by trusted regulators

that address critical unmet medical needs and have already undergone rigorous evaluation by trusted regulatory authorities.

Such a pathway need not compromise scientific rigor. Regulatory reliance models, increasingly adopted around the world, allow regulators to focus on issues of local relevance while avoiding duplication of assessments already completed to internationally accepted standards.

India should also recognise the strategic importance of rewarding innovation. Drug discovery is expensive, uncertain, and time-consuming. Every successful product creates confidence among investors, researchers, academic institutions, and biotechnology start-ups that India can compete globally in pharmaceutical innovation. A responsive regulatory pathway would signal that India values and supports those will-

ing to undertake this challenging journey.

At the same time, expedited access must be accompanied by strong antimicrobial stewardship. Novel antibiotics are precious resources that must be used judiciously to preserve their effectiveness. Accelerated approval should therefore be linked to appropriate stewardship measures, surveillance, and post-marketing monitoring.

Zaynich symbolises the maturation of India's life-sciences ecosystem and demonstrates that Indian innovation can address global health challenges at the highest level. By ensuring rapid, responsible access to such breakthroughs, India can reinforce its emergence not only as the world's pharmacy but also as one of its innovation engines.

The writer is senior scientist and programme officer, AMR, ICMR

SOUTH KOREAN STOCK MARKET CAP ROSE 86% THIS YEAR

India slips to 7th spot in global stock market cap ranking



This AI boom has led the Taiwanese and South Korean markets to rally 69-109% so far this year. REUTERS

Akash Mandal
Mumbai, June 2

INDIA SLIPPED to seventh spot in the global stock market capitalisation rankings as South Korea — buoyed by semiconductor giants Samsung and SK Hynix — replaced it from the sixth spot.

In just one week, India has slid from fifth to seventh place, yielding the sixth spot to Taiwan along the way.

This steep decline comes as the Indian markets battle against persistent foreign outflows, lack of artificial intelligence (AI) plays, geopolitical uncertainties and lagging earnings growth.

The total market cap of the South Korean stock market has climbed 86% this year to breach the \$5 trillion mark, while India's market cap is at around \$4.8 trillion, data compiled by Bloomberg showed.

Taiwan's market cap which stands at around \$5.2 trillion overtook India last week. The US, Japan, China and Hong Kong make the top 4.

Both the South Korean and Taiwanese markets have massively benefited from global investors chasing AI-related opportunities, a sector earmarked to be the biggest growth driver

going ahead.

Meanwhile, Indian corporates have been known for underinvesting in AI-related research and development despite sitting on significant cash reserves, leaving the market behind the AI curve.

This AI boom has led the Taiwanese and South Korean markets to rally 69-109% so far this year, with a majority of their benchmark indices being dominated by a handful of AI stocks. Chipmakers SK Hynix and Samsung each have a market cap of over \$1 trillion and together account for almost half of South Korea's Kospi index.

These stocks have more than tripled so far. TSMC, the world's largest semiconductor manufacturer, has a market cap of over \$2 trillion and makes up over 40% of Taiwan's TAIEX index.

Its stock price has already jumped 1.5 times so far this year. In fact, at 14.21%, TSMC on its own now has a greater weight in MSCI's emerging markets index than India, underscoring the value investors are putting on AI-related opportunities.

The US Nasdaq Composite index, which is the biggest tech index in the world, has also

• THE AI PLAY

CHIPMAKERS SK Hynix and Samsung each have a market cap of over \$1 trillion and together account for almost half of South Korea's Kospi index

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IN FACT, at 14.21%, TSMC on its own now has a greater weight in MSCI's emerging markets index than India

risen by around 17% this year.

Nvidia, which accounts for 10-12% of the index, has gained 20%. Other big AI and semiconductor names such as Intel, Micron, and AMD have also surged 128-228%.

Meanwhile, the benchmark Sensex rose 0.52%, or 382 points, to 74,649.84 on Tuesday. The NSE Nifty index gained 0.43%, 101 points, at 23,483.55 on buying support.

The Indian stock markets are down 10-12% this year, with traditional IT services companies taking a beating due to their lack of innovation and focus on integrating existing AI models in their services.

These firms, which include the likes of TCS, Infosys, and Wipro, have a weight of 8.48% on the NSE's Nifty 50 index.

This lack of AI-related opportunities, combined with the rupee falling to multiple lows against the dollar, has accelerated the flight of foreign capital from the Indian stock markets.

Foreign institutional investors have dumped Indian equities worth \$22.6 billion in the past three months, taking the total capital outflow to \$26.4 billion so far in 2026, already surpassing the \$18.9 billion seen in 2025.

Data upgrade: New WPI, PPIs on June 15

Siddharth Upasani
New Delhi, June 2

THE COMMERCE ministry, on June 15, will release the new Wholesale Price Index (WPI) series with 2022-23 as the base year, starting with data for May as well as a back-series from April 2023 onwards.

However, this new year series will in all likelihood be discontinued after five years and the output Producer Price Index (PPI) will become the main measure of non-retail inflation. While CPI inflation is used by the Reserve Bank of India (RBI) to decide interest rates, the WPI is crucial too and used in price escalation clauses in the supply of raw materials, machinery, and construction work. For example, in long-term sales and purchase contracts, WPI is used by companies as an indexing tool to adjust terms to account for changes in prices in the future. The Ministry of Finance's Department of Expenditure will issue a circular on the same, Praveen Mahto, Principal Economic Adviser in the commerce ministry's Department for Promotion of Industry and

• Items to weights: How the WPI is changing

	WPI-2011/12 series		WPI-2022/23 series	
	No. of items	Weight	No. of items	Weight
Primary Articles items	115	22.62%	129	22.76%
Fuel & Power items	18	13.15%	25	14.11%
Manufactured items	564	64.23%	803	63.13%
TOTAL ITEMS	697	100%	957	100%

SOURCE: MINISTRY OF COMMERCE & INDUSTRY

Internal Trade (DPIIT), said on Tuesday.

"The purpose of the circular would be to tell users of WPI that the government has decided we'll be transitioning from WPI to PPI in a period of 5 years. So now, when you enter into any fresh contract which is of long-term nature and will go beyond 2031, then you have to start using PPI," Mahto said. He did not specify when the Department of Expenditure will issue the aforementioned circular.

Statistical overhaul continues

The new WPI series as well as the release of an output PPI continues the government's

overhaul of India's official statistics. Earlier this year, the Ministry of Statistics and Programme Implementation (MoSPI) not only updated the base years for CPI and GDP data but also improved the methods used to calculate these key economic indicators.

On Monday, MoSPI released its revised Index of Industrial Production (IIP) series, with 2022-23 as the base year. MoSPI is also working on the services sector counterpart of the IIP.

Output, input PPIs

Along with the new WPI series, the commerce ministry will, on June 15, also release three different types of Producer Price Indices. These in-

clude the monthly output PPI — for May as well as a back-series starting from April 2023 — and a monthly input PPI for the manufacturing sector on an experimental basis starting with March. It is expected the input PPI trial will last for around a couple of years, during which the quality of data is examined and feedback from the users of data and other stakeholders are discussed.

The output PPI helps measure the prices received by producers and excludes net tax as well as trade and transport margins. To begin with, the output PPI will contain 125 items. Once the WPI is discontinued, the items in the output PPI will be disaggregated and rise to around 1,500. Meanwhile, input PPI measures the prices paid by producers to buy inputs, which includes trade and transport margin. PPIs also cover services, while the WPI basket only contains goods.

According to officials, while the output PPI is similar to the WPI, the input PPI is closer to CPI. Economists and organisations such as the International Monetary Fund have repeatedly called on the govern-

ment to develop PPIs to appropriately 'deflate' nominal GDP into real GDP.

So far, MoSPI has been using a combination of WPI and CPI to adjust GDP in current prices to compute the real GDP, although the new GDP series is expected to use the output PPI once the new index is found to be stable and reliable. To be sure, the government has repeatedly said India's WPI with 2011-12 as the base year is not too different from an output PPI.

While both WPI and output PPI are calculated using prices received by producers, the latter is seen as being more consistent with the national accounts framework and aligned with global best practices.

Finally, a Services Producer Price Index will also be released on June 15 for seven services: banking, securities transaction, management of pension funds, insurance, railways, air (passenger) and telecom. The services PPI will be on a quarterly basis and the first number will be for January-March 2026.

Like the WPI, all the three varieties of the PPI will have 2022-23 as the base year.

• US economy unbalanced amid AI investment boom

Last week, the US' GDP growth for January-March was revised down to 1.6% from 2%. But the underlying numbers were worse, with ANZ economists noting that growth excluding AI-related investments was "lacklustre" as private investment added 1.19 percentage points (ppt) to the headline GDP growth figure — more than the 0.95 ppt contributed by personal consumption expenditure, which makes up nearly 70% of GDP.

1: Within private investment, the contribution to GDP growth from investment in information processing equipment was 0.87 ppt, software investment 0.49 ppt, and research and development spending 0.12 ppt.

2: "The economy is unbalanced," ANZ economists said on Monday, adding that most households are constrained by high overall prices, which are causing "affordability issues".



SOURCE: BEA, BLOOMBERG, MACROBOND, ANZ RESEARCH

India, UK discuss ways to resolve CETA deadlock

New Delhi: A delegation of UK trade officials, led by Secretary of State for Business and Trade Peter Kyle met Commerce Minister Piyush Goyal amid new irritants emerging in the path of operationalising the Comprehensive Economic and Trade Agreement (CETA) between the two countries.

"Had great conversations on charting the next phase of India-UK economic engagement, advancing shared business priorities, and further strengthening our robust and forward-looking partnership," Goyal who led the Indian delegation posted on X.

The operationalisation of CETA as been delayed because the UK introduced surprise

steel duties. Otherwise, both sides expected CETA to enter into force by April. Indian officials had earlier said both countries are trying to find a way around the steel measures.

On 19th March the UK announced a new steel trade measure. From 1 July 2026, the UK government decided to limit tariff-free steel imports, reducing overall quota volumes by 60% compared to the steel safeguard measure. Any imports above these levels will then face a 50% tariff. The measure will apply to imports of steel products that can also be made in the UK. These measures were announced by the UK government on 19th March this year. FE

• BRIEFLY

Oyo gets SEBI nod for its IPO

New Delhi: Prism, the parent firm of global travel tech unicorn Oyo, has secured clearance from markets regulator Sebi to raise Rs 6,650 crore through its initial public offering (IPO), people familiar with the development said on Tuesday. The proposed public offering is expected to value the company at \$7.8 billion, they added. Oyo's parent entity Prism filed the preliminary IPO papers with SEBI in December-end 2025 using the confidential route. PTI

Govt appoints V Packirisamy as PFC Director

New Delhi: The government has appointed V Packirisamy as Director (Commercial) at Power Finance Corporation Limited (PFC), effective June 2, a statement said on Tuesday. He was serving as Executive Director, Entity Appraisal & IT, PFC, the company said in an exchange filing. Packirisamy brings over three decades of extensive experience in the power sector and infrastructure finance. He holds a BE (Mechanical) and an MTech (Management and Systems) from IIT Delhi. The official began his professional career in 1989 and joined PFC in 1997. PTI

Govt begins search for 2 whole-time SEBI members

New Delhi: The government has invited applications to fill two whole-time member posts at markets regulator Securities and Exchange Board of India (SEBI). Currently, there are four whole-time members (WTMs), including Kamlesh Chandra Varshney, Amarjeet Singh, Sandip Pradhan and KVR Murthy. Varshney and Singh will complete their three-year tenure in September, although they are eligible for reappointment since the upper age limit for a SEBI WTM is 65 years. PTI

US announced tariff cut on some equipment: GTRI

New Delhi: The US administration has announced a reduction in tariffs on selected industrial and agricultural equipment containing steel, aluminium or copper from 25% to 15%, think tank GTRI said on Tuesday. For India, the changes offer limited benefits, it said. While exporters of engineering goods, HVAC equipment, electrical equipment and agricultural machinery may gain from the reduced 15% tariff, some manufacturers could potentially qualify for the new 10% rate. PTI

Adani group reports \$16 bn capex in FY26

George Mathew
Mumbai, June 2

THE ADANI group on Tuesday said it undertook capital expenditure of Rs 1.53 lakh crore (\$16.1 billion) in the financial year 2026 (FY26), describing it as the highest annual capex by any Indian corporate group.

The conglomerate said nearly 80% of the investments were directed towards its core infrastructure businesses spanning energy, utilities, transport and logistics. As a result, the group's asset base expanded to Rs 7.85 lakh crore (\$82.2 billion), reflecting an accelerated investment cycle.

The group reported earnings before interest, tax, depreciation and amortisation (EBITDA) of Rs 94,834 crore (\$10 billion), an all-time high and 5.6% more than the previous year. Core infrastructure businesses accounted for 87% of the EBITDA, providing sta-

bility and visibility to earnings, it said in a statement.

Several large projects commissioned during the year are expected to contribute more significantly to revenues and profits from FY27 onwards, the group said.

"The scale of capital deployment during the year is comparable to the asset base we built over our first 25 years, reflecting both the infrastructure opportunity before India and the group's confidence in its long-term growth trajectory," it said. Among the major assets that became operational during FY26 and thereafter were 5.1 GW of renewable energy capacity and 1.38 GWh of battery energy storage systems in the energy and utilities segment. Battery storage capacity has since increased to 3.37 GWh.

In the transport and logistics business, key projects commissioned included the Navi Mumbai International Airport,

• BUILDING THE CORE

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CORE INFRASTRUCTURE businesses accounted for 87% of the EBITDA

the Guwahati Terminal and the Ganga Expressway, which became operational in April 2026.

The group also commissioned its copper smelter project under the primary industries segment. According to the

company, these projects are expected to drive growth, earnings and cash flows over the coming years. The group said it maintained adequate liquidity across its portfolio companies to meet debt servicing obligations for at least the next 17 months.

As of March 2026, the Adani portfolio had a cash balance of Rs 55,852 crore, equivalent to about 15% of its gross debt.

During the year, flagship company Adani Enterprises raised Rs 24,930 crore through a rights issue, strengthening the group's equity base. Adani Airports handled 95.3 million passengers across its eight airport assets during FY26. The group said borrowing costs declined to 7.8% in FY26 from 9% two years ago, supported by consistent rating upgrade and a decline in interest rates in the banking sector.

FULL REPORT ON WWW.INDIANEXPRESS.COM

Coca-Cola explores IPO of India bottling unit in '27

New Delhi: Global beverages major the Coca-Cola Company is exploring the listing of Hindustan Coca-Cola Holdings Pvt Ltd (HCCB), the parent entity of its Indian bottling arm HCCB, in 2027 on BSE and NSE, a statement said.

Besides, it is considering selling a part of stake in HCCB. "Initial preparations are underway for a potential listing on the Bombay Stock Exchange and National Stock Exchange of India, subject to market conditions and applicable regulatory and other approvals," the statement by US-headquartered beverages major said.

The development comes almost a year after Coca-Cola sold its 40% stake in HCCB to Jubilant Bhartia Group.

However, Coca-Cola is yet to reveal the financial details of the transaction. The Coca-Cola Company in

its global statement, said: "It is exploring a potential public listing in India of HCCB, the parent company of the largest Coca-Cola bottler in India, HCCB, in 2027, and the sale of a portion of its shareholding in HCCB in connection with the listing."

This potential listing of HCCB will be a significant milestone, completing the re-franchising of HCCB and positioning it well to capitalise on the opportunities in the Indian market. The Coca-Cola Company as its asset-light strategy, is divesting its bottling assets globally.

India is the fifth-largest market for Coca-Cola globally. In 2024, The Coca-Cola Company had franchised its bottling operations to its existing bottlers in three key markets - Rajasthan, Bihar, Northeast, and parts of West Bengal. PTI

NET PROFIT OF NIFTY 50 FIRMS ROSE 6.6% ON-YEAR, COMFORTABLY AHEAD OF FORECASTS OF A 2% GROWTH

Firms beat Q4 profit estimates, but Iran war dims outlook

Reuters
Bengaluru, June 2

INDIAN COMPANIES posted a surprise earnings beat for the three months ended March, as domestic activity hummed along boosted by consumption tax cuts and easy monetary policy, but the Iran war-led energy shock is expected to weigh on profitability.

As Indian markets slip to seventh place in market value rankings amid a record foreign fund exodus, analysts warn that elevated oil prices and supply chain disruptions linked to the three-month-long Iran war threaten to derail the fragile recovery in corporate earnings.

panies posted single-digit percent profit growth for the eighth straight quarter.

Net profit of Nifty 50 firms rose 6.6% year-on-year in the three months ended March 31, according to Kotak Institutional Equities, comfortably ahead of forecasts of a 2% growth. Banks and financial companies, metal producers and oil marketing companies drove much of the earnings growth.

While stable asset quality and improving credit growth helped lenders, metal firms got a boost from rising global prices, and oil refiners enjoyed favourable margins.

Firms beyond the blue-chips also did well. Nomura's universe of 256 companies



Led by financials, metals, Nifty 50 firms beat profit estimates. REUTERS

posted a profit-after-tax rise of 18%, while 359 companies tracked by Motilal Oswal delivered a 16% growth. Both these lists include Nifty 50 constituents.

Mid-cap firms' earnings grew about 35%, while those for small-caps advanced nearly 20%, significantly outpacing larger peers and helping wider market indexes outperform

benchmarks. While earnings of automobile and telecom companies improved during the quarter gone by, IT firms' revenue growth stayed tepid amid mounting concerns over AI-driven disruption and pharmaceutical companies grappled with weakness in the US generics market. Cement, consumer staple and durable goods makers showed signs of pressure from rising raw material and freight costs.

The path ahead for Asia's third-largest economy could be a rough one as the energy shock starts rippling across the economy, hurting activity and raising prices.

"Q4 may have marked a temporary relief, but does not yet signal improved momen-

tum for quarters to come," Bernstein said, adding that persistently high commodity prices could pressure both corporate profitability and broader economic conditions.

A prolonged period of elevated crude prices could squeeze corporate margins, worsen the macroeconomic outlook and complicate monetary policy for a country that is the world's third-largest importer and consumer of crude oil.

"Notwithstanding strong earnings for 4QFY26, consensus earnings estimates for FY27/28 have been revised lower," Nomura analysts led by Saion Mukherjee said, reflecting growing concerns over oil, commodities and the broader fallout from the Iran conflict.

• MARKETS

Sensex	NIFTY	Gold	US Dollar
74,649.84	23,483.55	₹1,56,294	₹95.27
382.50	100.95		
0.52%	0.43%	Silver	Oil
		₹2,65,300	\$96.60

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION GOLD PER 10G, SILVER PER 1KG; CRUDE OIL (INDIAN BASKET) AS OF MAY 29, 2026

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

• TECH

How Nvidia chip reshapes AI for personal computing



Soumya Barik

NVIDIA, THE major semiconductor company powering the AI boom with its graphics processing units (GPUs), has announced a new "superchip" for personal computers, as the hardware giant looks to directly take aim at the likes of Apple and Intel.

Nvidia has partnered with Microsoft to launch the new chip, called the Nvidia RTX Spark, and it will power computers made by the likes of Dell, Asus, and HP. With the new chip, Nvidia — known for its dominance in AI infrastructure so far — is pushing beyond its traditional graphics cards into integrated chips that power the whole PC.

Nvidia is unrivalled in the AI space because of its powerful GPUs — the demand for which has skyrocketed — and has pushed once dominant companies such as Intel to the fringes. Today, Nvidia is the biggest chipmaker in the world, with a market cap of over \$5 trillion.

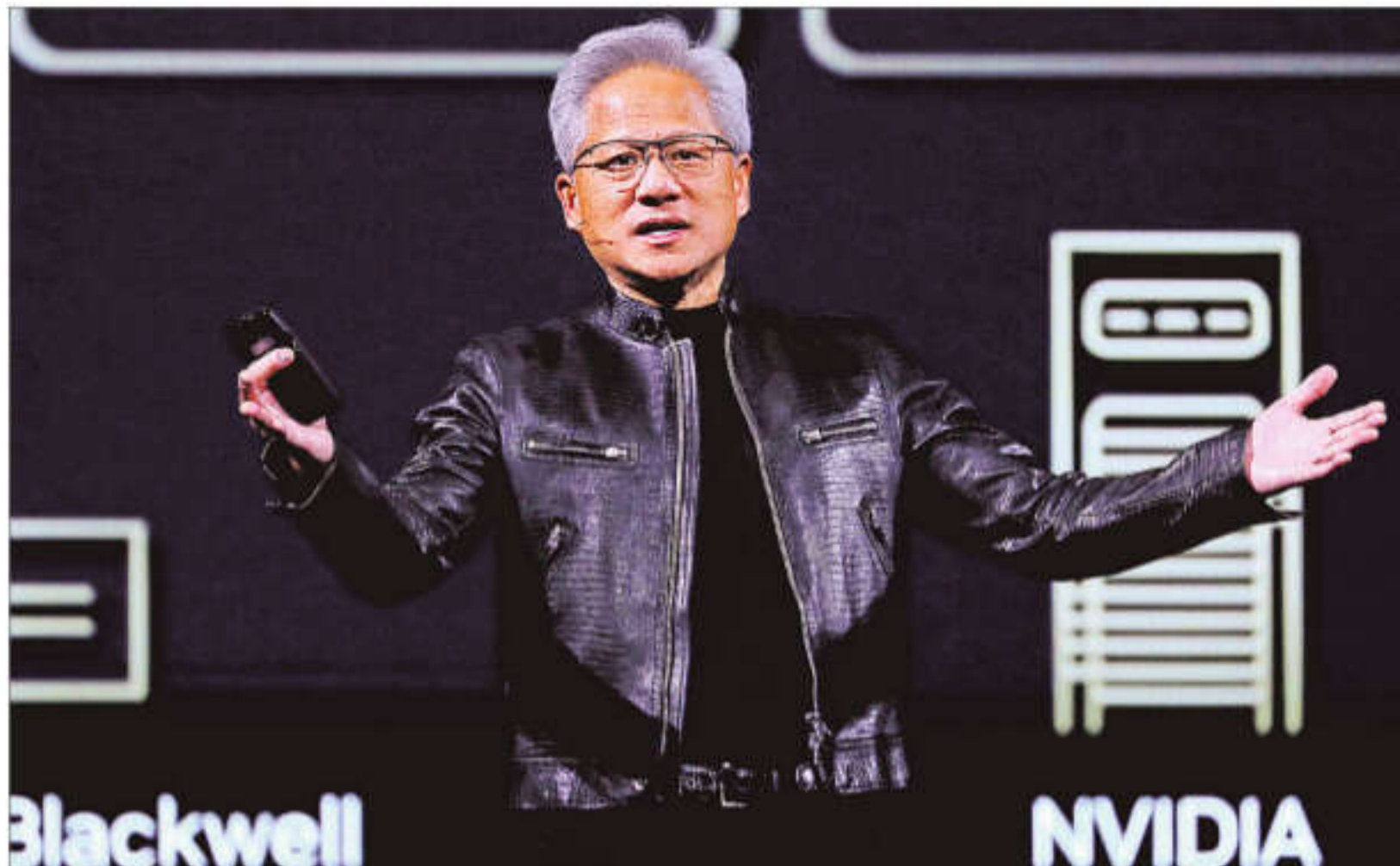
In 2020, Apple shook the world with its own line of chips with the launch of Apple Silicon, a move that also saw it break away from its long-term partnership with Intel, which had supplied chips for its computers since 2005. Intel, the legacy chipmaker for personal computers, has meanwhile struggled to keep pace with the AI boom and has lost market share to the likes of AMD and Apple.

RTX Spark

The Nvidia RTX Spark is a purpose-built superchip for Windows AI laptops and compact desktops. It fuses a 20-core Arm central processing unit (CPU) and a Blackwell RTX GPU (6,144 CUDA cores) via NVLink-C2C. It delivers 1.1 petaFLOP of AI performance and supports up to 128GB of unified memory, enabling it to run 120-billion parameter local AI models.

In simple terms, all this just means that it packs enough computing and memory power into a single chip to run advanced AI models locally on a personal computer. Here's what these acronyms mean:

CPU is a computer's brain-like component that performs calculations, executes instructions, and manages the flow of data



Nvidia CEO Jensen Huang in Taipei on Tuesday. AP

across the system.

GPU is a specialised electronic circuit designed to rapidly manipulate memory and perform complex mathematical calculations at incredibly high speeds. A CPU processes tasks sequentially, whereas a GPU can execute many calculations simultaneously since it is designed for parallel processing.

CUDA CORE is a specialised parallel processing unit inside Nvidia graphics cards. **NVLink-C2C** is Nvidia's chip-to-chip interconnection technology that allows CPUs and GPUs to communicate and share data with each other.

FLOPS, or Floating-Point Operations per Second, is a commonly used metric to measure processing power and efficiency. Floating-point operations are a certain kind of mathematical calculation using real numbers with fractional parts.

UNIFIED MEMORY refers to a computing architecture where all processors — be it CPU, GPU, or specialised AI processors — share a single pool of memory.

The chip, built on Taiwan Semiconductor Manufacturing Company's 3-nanometre architecture, is expected to power more than 30 laptops and 10 desktops. The key pitch that Nvidia is making with the new chip is that it will power Windows PCs "purpose-built for personal agents".

"The PC is being reinvented," said Jensen Huang, founder and CEO of Nvidia.

Behind Nvidia's dominance

Intel, the legacy chipmaker for personal computers, has struggled to keep pace with the AI boom.

Nvidia is unrivalled in the AI space because of its powerful GPUs, the demand for which has skyrocketed.

"For forty years, you launched apps. Click. Type. With RTX Spark and Microsoft Windows, you ask — and the PC does the work. RTX Spark brings everything Nvidia has built — CUDA, RTX, our AI platform — into a single superchip. Local agents. Frontier models. Creative workflows. RTX games. All on a laptop. This is the new PC. The personal AI computer."

Huang's comment essentially suggests that AI agents, powered by the chip, could become the primary way that people interact with their computers.

"The strategic significance (of the chip) is that Nvidia is monetising its CUDA software moat in a new market, the roughly 250M (million) unit annual PC business, where it previously sold only discrete GPUs... Putting the full CUDA stack into a laptop means on-device AI development now runs end to end on Nvidia from notebook to data centre, and that developer lock-in is the real prize, more than unit margin," said Patrick Moorhead, chief analyst at tech consultancy firm Moor Insights and Strategy.

The RTX Spark superchip features an Nvidia Blackwell GPU, with a Grace CPU, which Nvidia has designed in collaboration with Taiwan's MediaTek. The launch partnership with the likes of Dell, Asus, and HP is expected to place the processor in the hands of millions of users worldwide, as these companies account for over 70% of

Nvidia is known for dominance in AI infrastructure. Its push towards integrated 'superchips' could set off a new chip war with Intel and Apple

global PC shipments. Computers from Acer and Gigabyte will also soon launch with these new chips.

Nvidia said that laptops powered by the RTX Spark will boast "all-day battery life", and added that Adobe was remaking its Photoshop and Premiere software from the ground up for the chips to deliver twice as fast AI and graphics performance compared to current alternatives.

The new chip wars

Intel dominated the computer chip market for several decades, but started losing ground to competitors such as AMD, Nvidia, and Qualcomm as it failed to adapt to changing customer trends towards mobile and AI. Intel made chips that powered devices running both Microsoft and Macintosh, but was handed a major blow in 2020 when Apple announced its own line of semiconductor chips and announced it would phase out its Intel-powered computers.

Apple's current generation of Silicon, the M5 line, is widely considered to be the leading consumer laptop processor chip, equipped to run AI apps locally on a device. Apple has since cornered a nearly 15% market share in the PC market, which has come entirely at the expense of Intel.

Nvidia now poses a new threat to the fledgling chipmaker. Having already established itself as one of the most influential companies behind the AI boom through its expansive AI infrastructure across hardware and software, the semiconductor giant is now coming after Intel's key business, Windows PCs, where it continues to hold a majority market share, especially at the budget end.

"It could pressure Intel and AMD in client CPU in the long-term. The caveat is that the Windows-on-Arm software-compatibility challenge is real and unresolved, so first-generation volume hinges on Microsoft's ecosystem work, not the silicon," Moorhead said.

The wide consensus on Intel chips has been that they failed to pivot from its traditional CPUs to GPUs, bet on the wrong internal AI architectures, and ignored software ecosystems. These strategic missteps, paired with manufacturing delays, allowed Nvidia to capture a near-monopoly on AI hardware.

Intel is working to launch its own AI chip that uses cheaper memory and cooling technology than rival offerings from Nvidia and AMD by the end of this year, the *Financial Times* had reported.

• LEGAL

Parentage over privacy: Why SC upheld DNA test in paternity case

Amaal Sheikh
New Delhi, June 2

THE SUPREME Court recently dismissed a challenge to orders that directed a man to undergo a DNA test in a civil suit filed by a person claiming to be his biological son and, in doing so, reiterated an understanding of when the courts can and cannot direct such tests.

The bench of Justices Sanjay Karol and N Kotiswar Singh held that "as far as the right of privacy is concerned, we are balancing, in this case CP's privacy with [alleged son's] desire for closure on a question that has loomed large on his life throughout".

The claim arose from a civil suit filed by the respondent who attained majority, which sought a declaration of paternity and a share in the property of the father, who had denied the claim of his parentage since 1999.

The bench noted that three questions determine whether a DNA test can be directed: if paternity is "directly in issue", if there is "any other evidence-on-record" capable of substituting for it, and if ordering the test is "in the best interest of the parties and/or justice".

The court held that the alleged father, CP, had denied paternity consistently for over two decades, and there was no other evidence on record to answer the question. Weighing his right to privacy against the alleged person's interest in establishing parentage and pursuing inheritance rights, the court thus upheld the DNA testing of CP to determine paternity.

The legal framework

In paternity disputes, Section 112 of The Indian Evidence Act (now Section 116 of the Bharatiya Sakshya Adhinyam) is invoked, which states that any child that is born during a valid marriage or within 280 days since the dissolution of the marriage is the legitimate child of the

BALANCE OF INTERESTS

In 'Ivan Rathinam v. Milan Joseph' (2025), the top court held that courts must protect the parties' rights to privacy and dignity by evaluating whether the social stigma from one of them being declared 'illegitimate' would cause them disproportionate harm, as against the child's legitimate interest in knowing their biological father.

husband "unless it can be shown that the parties to the marriage had no access to each other at any time when he could have been begotten".

The intent of the section is to grant legitimacy to every child born in wedlock. When a presumption applies, the courts have held that dislodging it requires proof of non-access which is not merely suspicion or assertion.

Previous SC cases

There is no provision expressly authorising courts to order DNA testing. The jurisprudence emerges on a case-by-case basis and is framed through precedent.

In 1993, the Supreme Court in *Goutam Kundu v. State of West Bengal* held that a DNA test "cannot be ordered as a matter of course" by the courts and that applications that seek DNA testing "in order to have roving inquiry" cannot be entertained. It also observed that "no one can be compelled to give sample of blood for analysis".

In *Dipanwita Roy v. Ronobroto Roy* (2014), the court permitted DNA tests where it is necessary to resolve the dispute, but also noted that "if the direction to hold such a test can be avoided it should be avoided. The reason is that... the legitimacy of a child should not be put to peril."

In *Aparna Ajinkya Firodia vs Ajinkya Arun Firodia* (2023), the bench held that parties must first present evidence, after which a DNA test may be ordered when the court finds it "impossible to draw an inference based on such evidence". The court held that "children have the right not to have their legitimacy questioned frivolously before a Court of Law. This is an essential attribute of the right to privacy. Courts are therefore required to acknowledge that children are not to be regarded like material objects, and be subjected to forensic/DNA testing, particularly when they are not parties to the divorce proceeding."

The bench of Justices Sanjay Karol and N Kotiswar Singh had, in *Nikhat Parveen v. Rafique* (2026), reiterated that "the common thread that has run through all these judgments is a well-placed hesitation to order or to give an imprimatur to orders directing DNA test to be conducted".

• ECONOMY

FDs over savings account: What's behind changing preference

George Mathew
Mumbai, June 2

THE COMPOSITION of bank deposits in India has undergone a significant shift over the past five years, with savers increasingly moving their money from low-yield savings accounts to higher-return term deposits, according to the Reserve Bank of India's (RBI) latest data.

The RBI said that the share of savings deposits in aggregate bank deposits declined sharply from 34.6% in March 2022 to 28.7% in March 2026, reflecting changing preferences among depositors in a rising interest rate environment. In contrast, the share of term deposits rose from 55.2% to 61.6% during the same period, indicating that customers were increasingly willing to lock in funds for fixed tenures in exchange for better returns, the RBI's 'Annual Basic Statistical Return on Deposits' report says.

Low interest rates

The trend of declining savings bank rates gathered momentum during 2025-26 as banks continued to offer attractive rates on fixed deposits to mobilise resources and support credit growth. As a result, overall

deposit growth strengthened across the banking system. Banks now offer low interest rates on savings bank accounts. SBI, the largest bank, offers just 2.5% interest on savings accounts. Savings rates have fallen from around 6-7% in the last ten years.

SBI, on the other hand, offers 6.25% on one-year FDs and 6.45% on two-year deposits. HDFC Bank also offers 6.25% on one-year FDs and 2.5% on savings bank accounts. ICICI also offers 2.5% on savings accounts. Savings account rates declined as the RBI slashed the repo rate — the rate at which it lends money to commercial banks — from 6.50% to 5.25% since January 2025.

Purchasing power erodes

When the savings bank deposit rate is below retail inflation, the real return on savings is negative. In simple terms, this means the purchasing power of money in a savings account is eroding over time.

The current savings bank rates of banks are nearly 100 basis points lower than the April retail inflation level of 3.48%. One basis point is one-hundredth of a percentage point.

Demand deposits (savings and current account) of the banking sector were Rs 31.65

Medium-term fixed deposits

The share of term deposits with an original maturity of one to three years rose from 50.4% in March 2022 to 69.8% in March 2026

During the same period, the share of deposits with maturities of up to one year declined sharply to 8.8% from 16.7% during the same period.

The trend suggests that customers sought to lock in favourable interest rates for longer periods.

lakh crore and term deposits Rs 225.23 lakh crore as of May 15, 2026, as per RBI data. Current accounts don't offer any interest rate.

Savings account deposits provide customers with easy access to their money, allowing withdrawals at any time without penalties or loss of principal. This high degree of liquidity makes them the preferred choice for households to meet day-to-day expenses and maintain funds. For banks, savings deposits have long served as a stable and low-cost source of funding, since the interest rates paid on these accounts are substantially lower than those offered on fixed or term deposits. Consequently, savings deposits help banks mobilise funds at a relatively lower cost while ensuring depositors retain flexibility over their savings.

The RBI data indicates that while households continue to anchor India's deposit base, savers are increasingly favouring fixed deposits over traditional savings accounts, reshaping the liability profile of banks and strengthening the role of term deposits in the financial system.

Households largest source

Households remained the single largest source of bank deposits despite a modest

decline in their share. Deposits from the household sector accounted for 59.3% of total deposits at the end of March 2026, the RBI report says. However, households are increasingly turning to mutual funds and equities as preferred investment avenues, attracted by the prospect of higher returns compared to traditional savings instruments like FDs. The contribution of other sectors increased. The share of deposits from the non-financial sector rose to 18.5% from 17.7% a year earlier, while deposits from financial corporations increased to 7.8% from 6.8% over the same period.

Larger FDs dominate

A look at term deposits shows that larger deposits continued to dominate. Deposits of Rs 1 crore and above accounted for 46.3% of total term deposits as of March 2026. Within this category, deposits of Rs 5 crore and above alone constituted 34.8%, underscoring the growing importance of high-value depositors in banks' funding base. At the other end of the spectrum, deposits of up to Rs 5 lakh accounted for 17.8% of total term deposits, according to the RBI report.

FULL REPORT ON

WWW.INDIANEXPRESS.COM/EXPLAINED

• HEALTH

Don't take that puff: 'Herbal' cigarettes are not healthy alternatives to tobacco

Ritu Sharma
Ahmedabad, June 2

IN RECENT years, several supposedly "healthy" alternatives to cigarettes have been growing in popularity. Among these products are tobacco-free "herbal" cigarettes that market themselves as "safer", "natural" alternatives that can help you with everything from depression to anxiety to stress.

At first sight, this safety claim would appear to make sense. After all, the most harmful part of conventional cigarettes is the nicotine in its tobacco. So wouldn't a product made with herbal ingredients be less harmful? A recent study, however, has busted the claim that tobacco-free means risk-free.

Here's a look at what herbal cigarettes are, what the study found about their claims of safety, and how they are falling through the regulatory cracks in India.

What are herbal cigarettes?

Herbal cigarettes, unlike regular ones, do not use tobacco as fillers. They instead

use herbs and dried flowers — such as clove, basil, mint and cinnamon — that impart different flavours.

And while regular cigarettes use paper as wrappers, herbal cigarettes use *tendu* (ebony) leaves — just like *bidis*, India's most widely consumed smoking product. Herbal cigarettes are generally longer than a *bidhi* but shorter and thinner than a cigar.

What did the study find?

The study, titled "The lure of 'Healthier Smoke': Comparative physical, chemical, and oxidative potential characterization of emissions from herbal and tobacco cigarettes", was published on May 17 in the *Journal of Hazardous Materials*, a peer-reviewed international journal.

Alok Kumar Thakur, the study's lead author who is currently pursuing post-doctoral research on air quality emissions at Colorado State University, told *The Indian Express* that several of the herbal cigarettes they tested were marketed with claims such as relieving cough, improving sleep

or easing anxiety. However, studies on their emissions and toxicological impacts have been limited, he pointed out.

This study compared emissions from two of India's highest selling tobacco brands and four popular herbal varieties containing combinations of basil, clove, cinnamon, mint, green tea, water lily and chamomile.

It found that emissions from herbal cigarettes were comparable to or exceeded those from tobacco cigarettes on nearly every metric measured. "That finding is important because many consumers associate nicotine-free products with reduced harm," said co-author Vishal Verma, an Associate Professor of Environmental Engineering in the Department of Civil and Environmental Engineering at the University of Illinois Urbana-Champaign.

How did the study measure impact?

The researchers combusted each cigarette inside a sealed, two-chamber rig designed to replicate human inhalation. They then funnelled these emissions into instru-

ments and collected samples, whose oxidative potential they quantified as a proxy for toxicity. Oxidative potential refers to the capacity of a product to generate reactive oxygen species. These are aggressive molecules that drive inflammation, lung tissue remodelling and the vascular changes behind heart disease.

The particulate matter from herbal cigarettes recorded significantly higher oxidative potential than that from tobacco cigarettes. Leaf-wrapped herbal variants turned out to be the most hazardous. Their oxidative potential was roughly 49% higher than paper-wrapped versions.

Chemical analysis also revealed that one herbal cigarette, filled with basil, had the highest lead concentration, despite being marketed as "chemical-free with 100% natural filler for a healthy lifestyle".

The researchers found that herbal smoke emitted sub-500-nanometer particles — less than one-hundredth the width of a human hair — at approximately 20% higher concentrations in herbal smoke

than in tobacco smoke. These fine particles are increasingly linked to cardiovascular and respiratory disease.

Aside from the health impact, the study also found that the combustion produces pollutants such as particulate matter, carbon monoxide and hydrocarbons.

Dr Harshal Ramesh Salve, Centre for Community Medicine at AIIMS Delhi, told *The Indian Express* that herbal cigarettes are as hazardous to health as conventional ones, especially for youngsters who are their major targets. "From a public health aspect, all sorts of cigarettes are harmful. While tobacco cigarettes always have nicotine content, the other forms of e-cigarettes or herbal cigarettes, which are promoted as an alternative to traditional cigarettes, might develop carbon particles which are equally harmful," he said.

The regulatory gaps

Owing to the limited scientific evidence on long-term health impacts, herbal cigarettes often fall into regulatory grey areas.



Changed arrangement Siddaramaiah gave way to Shivakumar in a tightly managed transition

The most prominent face of the Congress in Karnataka, D.K. Shivakumar, is set to realise his long-held ambition of becoming Chief Minister on June 3. By passing the baton from Karnataka's longest-serving Chief Minister, Siddaramaiah, to Mr. Shivakumar, the Congress appears to have resolved a grievance among his supporters, who believed that he deserved the post when the party returned to power in 2023 after leading its poll campaign as State unit president. Evidently, the Congress national leadership appears to have managed the transition in Karnataka better than it did in Rajasthan and Punjab in 2020-21, where its decisions – retaining Ashok Gehlot despite Sachin Pilot's rebellion (2020) and replacing Amarinder Singh with Charanjit Singh Channi (2021) – failed to yield dividends in the Assembly elections. The Congress high command has also carried out the change of guard in Karnataka with an eye on the 2028 Assembly elections. There are symptoms of anti-incumbency sentiment acquiring more strength. As the Congress has chosen Mr. Shivakumar, a Vokkaliga, to succeed Mr Siddaramaiah, the BJP-Janata Dal (Secular) alliance is likely to face the poll together, as otherwise, the two parties gain little politically. Besides, the JD(S)'s top leaders belong to the Vokkaliga community and Mr. Shivakumar has been engaged in a decades-long contest with them for influence over the community, especially in the Old Mysuru region.

If the Congress and Mr. Shivakumar play their cards well, they could break Karnataka's 35-year record of voting out incumbent governments. Having successfully handled political crises, Mr. Shivakumar should by now have a plan for winning in 2028. He must also carry all sections of the party with him and adopt a consultative approach to major policy decisions. Despite implementing several welfare and populist schemes, Karnataka has maintained fiscal discipline under the Congress government. In the just concluded FY2025-26, revenue deficit, at about ₹19,500 crore, is the lowest among similarly placed southern States. While this offers some consolation, Karnataka's total revenue receipts grew by a modest 6.3%. Reducing stark inter-regional disparities should be a priority. In 2024-25, Bengaluru Urban district contributed about 40% of Karnataka's GSDP, while Dakshina Kannada and Belagavi accounted for 5.3% and 3.9%, respectively. Uneven regional development can be seen in the Human Development Index too – Bengaluru Urban with 0.738, while Yadgir (0.538), Kalaburagi (0.539), and Raichur (0.562) are at the bottom. At a time when States, especially those under non-BJP parties, are facing shrinking fiscal and development space, their Chief Ministers should focus on addressing the chronic issues that affect the underprivileged. Mr. Shivakumar's experience can help him fulfil this responsibility.

Brand value

RCB helped IPL's latest edition build on previous successes

Derided for not matching potential with performance in the past, Royal Challengers Bengaluru (RCB) emphatically put those old ghosts to rest. Having won the Indian Premier League (IPL) title last year, RCB did one better this year, and retained the championship. A commanding display over Gujarat Titans in the final at Ahmedabad's Narendra Modi Stadium on Sunday ensured that RCB joined the likes of Chennai Super Kings (CSK) and Mumbai Indians, teams that have won the title for two consecutive years. Ever since the league's inception in 2008, the Bengaluru squad tended to flourish in spurts and then fade away. Three finals were made too prior to 2025, and in all those summit clashes, RCB choked. Last year, however, a turnaround was effected but as Rajat Patidar's men exulted, the moment turned tragic with 11 fans losing their lives in a stampede outside the M. Chinnaswamy Stadium in Bengaluru. In the latest edition, RCB maintained remarkable consistency and while Patidar marshalled his resources, Virat Kohli, Bhuvneshwar Kumar, Krunal Pandya and Josh Hazlewood chipped in. Fittingly, Patidar dedicated the triumph to the 11 fans who passed away. Meanwhile, Titans led by Shubman Gill, ran into a stronger outfit in the final and could not cash in on the advantage of playing at their home ground.

Having commenced on March 28, the IPL with 10 teams and 74 matches, had a bloated air and at times viewer interest dipped. The cricket, though, was from the top-drawer of T20 cricket as batters muscled sixes. The leading star was Vaibhav Sooryavanshi, who belied his 15 summers. The Rajasthan Royals' player is one for the future and there is talk of the selectors fast-tracking him into the national squad. Just as Sachin Tendulkar made his international debut at 16, Sooryavanshi too seems set to join that space of young talent pursuing higher glory. For now, a spot in T20I beckons even as the youngster is keen to play Tests too. Just as RCB, Titans, Sunrisers Hyderabad and Rajasthan Royals made it to the play-offs, legacy units such as CSK, Mumbai Indians and Kolkata Knight Riders fell by the way-side. A churn is on the cards and Rishabh Pant has already relinquished his captaincy with the Lucknow Super Giants. India, the reigning T20 champion, has enough talent as was evident through the IPL. The club against country debate too stirred up as England speedster Jofra Archer's IPL contract overlapped with the one that he has with The England and Wales Cricket Board. The IPL is a massive sporting brand but it should not cannibalise traditional cricket.

The 'harvest' China wants is one India cannot afford

When Luo Zhaohui, then China's Ambassador to India, revived the idea of an "early harvest" in India-China boundary negotiations in 2017, India responded with scepticism. The proposal – to settle the Sikkim boundary in isolation from the three other sectors – was an asymmetric concession dressed up in the language of progress. India has resisted it. There is now a gnawing doubt as to whether it can hold that position. The trigger for this piece is a former border negotiator's concern that India might "stumble" into a damaging course of action under Chinese pressure and driven by the temptation to project contrived progress. Diplomacy that trades long-term strategic interests for short-term optics is self-defeating.

New Delhi must be cautious

The readout issued by the Ministry of External Affairs (MEA) on the 24th round of the Special Representatives' Dialogue on the Boundary Question between India and China (on August 19, 2025) between National Security Adviser Ajit Doval and Chinese Foreign Minister Wang Yi recorded India's agreement to "set up an Expert Group ... to explore an early harvest in boundary delimitation in the India-China border areas". China's own readout was more pointed: it used the term "demarcation" rather than "delimitation" and spoke of "launching boundary demarcation negotiations in sectors where conditions are ripe."

The MEA press release on the 35th Meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs, held in Beijing on May 27, 2026, mentions that the two sides "discussed issues pertaining to delimitation, border management, mechanism building and cross-border cooperation" and "agreed to work together to make substantive preparation" for the next SRs' meeting. The reference to 'delimitation' is significant as it suggests follow-up discussions on the understanding "to explore Early Harvest in boundary delimitation".

The cornerstone of Special Representative negotiations is the Agreement on Political Parameters and Guiding Principles, signed on April 11, 2005. Article III explicitly envisages "a package settlement" covering all sectors of the India-China boundary. It establishes a three-step process: first political parameters, then a framework for a final settlement, then delineation and demarcation. Demarcation – placing physical markers on the ground – comes last, not first. China's proposal to begin demarcation in a single "ripe" sector inverts this sequence and, in effect, asks India to abandon the package architecture in exchange for the appearance of progress. India should decline.

Why does the package settlement matter so much? Because the four sectors of the



Ashok K. Kantha

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India-China boundary are strategically interlinked, requiring give and take across sectors. It also guards against China extracting concessions sector by sector. An early harvest in Sikkim, where India holds comparative geographical advantage, would let Beijing bank a settlement on its preferred terms while leaving the other three sectors unresolved.

The Sikkim stakes

The Sikkim Sector boundary is not, as sometimes claimed, a simple matter. Clashes at Nathu La and Cho La in 1967, with heavy casualties, showed how sharp these differences are. Article I of the 1890 Great Britain-China Convention identifies "Mount Gipmochi on the Bhutan frontier" as the starting point of the Sikkim-Tibet boundary, but it is preceded by an assertion that the boundary "shall be the crest of the mountain range separating the waters flowing into the Sikkim Teesta and its affluents from the waters flowing into the Tibetan Mochu". China reads the article as placing the trijunction at Gipmochi. India and Bhutan hold that the trijunction lies at Batang La, some 6.5 kilometres to the north, on the watershed – which is the operative geographical principle in Article I.

Zompelri (or Jampheri) Ridge adjoining Geymochen commands a direct view of the Siliguri Corridor, the narrow strip connecting mainland India to its northeastern States. Any settlement implicitly endorsing the Gipmochi trijunction would hand China a legal instrument to press its claim to the very edge of the Himalayas, exposing the Corridor. The Chinese objective is to deepen and widen its Chumbi Valley and increase pressure on India's most acute territorial vulnerability.

The Doklam dimension reinforces this concern. Since 2017, China has systematically consolidated its position in western Bhutan – building roads and military facilities, constructing villages including Pangda on the Amo Chu river, and developing routes to the Jampheri Ridge that bypass the 2017 Doklam standoff site. A Sikkim settlement would immediately be leveraged by Beijing to step up pressure on a vulnerable Bhutan to settle its boundary with China. India and China have agreed that trijunction points must be finalised in trilateral consultation with all countries concerned. Even if the trijunction point is left out, China could force Bhutan to settle the rest of the disputed boundary on its own terms and present India with a *fait accompli* in Doklam.

Since the Eastern Ladakh transgressions of 2020, China has pursued multiple pressure tracks simultaneously: military consolidation along the Line of Actual Control (LAC), steady resurrection of the "Zangnan" (South Tibet) narrative to describe Arunachal Pradesh, renaming of places in Arunachal Pradesh, and expansion of "border defence villages" close to India-China LAC.

Diplomatic optics must not dictate India's boundary negotiations with China

U.S.-Iran negotiations, still a road to nowhere

For nearly half a century, relations between Iran and the United States have oscillated between overt hostility and crisis management. Periods of confrontation were punctuated by brief diplomatic openings, only to be followed by renewed distrust and, more recently, war and devastation.

In this context the current move towards a memorandum that could lead to an indefinite ceasefire and buy time to address the thornier issues bedevilling their relationship appears to be a significant step. However, even agreeing on a framework to enter into substantive negotiations has been far more difficult than anticipated thanks to vastly different expectations of the two sides.

The cost of conflict

What motivated Washington and Tehran to enter serious negotiations is the high cost in political and economic terms for both of renewed long drawn-out hostilities.

The U.S. attacked Iran in cohort with Israel believing that the damage inflicted by superior military force would compel Tehran to accept fundamental constraints on its nuclear and missile programmes. Iran assumed that strategic resilience, regional networks, and its capacity to threaten energy flows would impose unbearable costs on its adversaries.

Neither side fully obtained its objective. Iran suffered severe damage to parts of its military infrastructure and further economic deterioration. However, it retained sufficient capabilities to continue imposing costs through asymmetric means such as closing the Strait of Hormuz, attacking America's allies in the Gulf and threatening continued instability in the region through its proxies. The danger of a prolonged conflict affecting shipping routes and energy markets created domestic and global pressures on Washington for de-escalation.

There is, therefore, an unusual convergence of interests that has motivated both to look for ways



Mohammed Avoob

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to bring hostilities to an end. Memoranda are easier to sign than peace agreements. They are often signed precisely because they defer tough decisions. However, in this case, even signing a memorandum appears elusive because of the wide gap between the two sides.

Hurdles to lasting peace

Several obstacles stand in the way of transforming the proposed U.S.-Iran memorandum even if it is signed into a lasting peace agreement. The first concerns mutual distrust. Decades of confrontation have created deep suspicions. Iranian leaders remain convinced that Washington ultimately seeks regime change and will use negotiations as a ruse for launching attacks as it did in June 2025 and February 2026. U.S. President Donald Trump's habit of blowing hot and cold further complicates the problem. American policymakers continue to suspect that Tehran uses negotiations primarily to buy time, preserve its nuclear option, and rebuild its missile and other delivery capabilities.

Second, any agreement will face opposition in both countries. In Washington, critics are already warning against repeating what they consider the perceived weaknesses of the 2015 nuclear agreement. In Tehran, hard-line factions, including many in the Islamic Revolutionary Guard Corps (IRGC), will portray compromises as surrender under pressure.

The third and perhaps most serious obstacle involves regional actors, especially Israel. Israel has consistently viewed Iran's missile and nuclear capabilities as the greatest threat to its aspiration for regional dominance. Israeli security thinking has historically favoured preventive measures that are designed to ensure that adversaries do not acquire capabilities that threaten its military superiority. In the case of Iran, this concern centres on preserving Israeli monopoly of nuclear weapons in West Asia.

Israel need not oppose peace directly. It may instead seek to shape its terms in ways that make

The resumption of Special Representative talks is welcome, but dialogue must be conducted with strategic clarity, not under diplomatic pressure or for the optics of progress. Three principles should guide India's approach.

First, hold the 2005 Agreement's framework firm. The Expert Group agreed upon in August 2025 must not become a vehicle for an early harvest in Sikkim. Agreeing to "explore" is not a commitment to accept. India should reject a standalone Sikkim delimitation or demarcation exercise.

Second, make peace and tranquillity on the LAC the non-negotiable condition of progress. China has periodically attempted to delink border management from the broader relationship; India has resisted this, and should continue to do so. Unilateral alterations to the LAC cannot be normalised. Indeed, the so-called "buffer zones" in Eastern Ladakh must not be allowed to persist.

Third, press for genuine political engagement on a comprehensive settlement. Decades of talks have shown that the respective narratives cannot be reconciled through legal arguments. The 2005 Agreement recognised this: it called for a political settlement that would "safeguard the vital interests of both countries" and set out principles such as the two sides "safeguard(ing) due interests of their settled populations in the border areas". Any breakthrough requires political will on both sides. India should press for meaningful boundary negotiations, not paper over the lack of progress with working groups. The test of China's seriousness will be whether it is prepared to engage on the framework for a comprehensive settlement – and whether it is prepared to hold the LAC stable while that engagement proceeds. Absent those conditions, the Special Representative process risks becoming what it has sometimes been before: a forum for managing appearances while China improves its position on the ground.

Stay the course

In boundary talks, China has a track-record of cherry-picking and resiling from formal commitments, as it did in the case of an explicit agreement to arrive at a common understanding of the LAC after exchanging maps showing the entire alignment. India must prevent the Agreement On the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question from meeting a similar fate. If peace and tranquillity on the LAC is the foundation for rebuilding India-China relations, the 2005 Agreement is the road map for resolving the boundary question. India has nothing to gain from an early harvest limited to Sikkim and must maintain its negotiating space through a comprehensive negotiation. India cannot afford a shortcut to a destination that suits China.

LETTERS TO THE EDITOR

A crisis of confidence

A prestigious school education board of India has suddenly found itself in the eye of the storm following the introduction of an 'on-screen marking' system. Change is necessary and inevitable, but implementing reforms without adequate safeguards can be risky.

Years of good work can be overshadowed by a single act of neglect. The future of students is at stake, and parents are being subjected to tremendous stress. The doubts cast on the evaluation system could linger in the minds of students for years. The Education Ministry must undertake a thorough

review of the system and work diligently to restore the confidence of students and parents.

Balasubramaniam Pavani,
Secunderabad

Fair play needs planning
Congratulations to Royal Challengers Bengaluru on a memorable IPL title triumph. Their consistency

and performances throughout the tournament deserve appreciation. At the same time, one cannot help but feel for Gujarat Titans. The team arrived in Ahmedabad late at night before the match and had very little time to recover and prepare. Following the game, they also had to contend with unexpected

logistical difficulties and disruptions. While such challenges are part of professional sport, adequate rest and smooth travel arrangements are essential to ensure that teams compete on as level a playing field as possible. As the IPL continues to grow, tournament organisers should consider

scheduling and travel-related factors more carefully so that the quality of competition is determined primarily by performance on the field.

Bhavleen Saini,
Mohali, Punjab

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

How land pooling solves acquisition woes

Rajasthan has recently announced the State's first land pooling scheme. The government is optimistic that the scheme will help with land acquisition and deliver the land needed for roads, infrastructure, and development activities. Other States, too, are either actively thinking of implementing land pooling schemes. While States such as Gujarat and Maharashtra have found success, much will depend on localised innovation and institutional flexibility.

Urban infrastructure projects in India have historically relied on land acquisitions. This process has become increasingly complex and financially burdensome, particularly after the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The limitations of land acquisition are both structural and procedural. Even before the 2013 Act, acquisition processes were time-consuming and often contested. Post-2013, the inclusion of rehabilitation and resettlement provisions have further increased financial obligations, making large-scale acquisitions for urban infrastructure increasingly unviable. This has resulted in a growing gap between planned infrastructure and its implementation. Plans are often under-executed due to the inability to mobilise land.

On pooling land

While States have tried different solutions, land pooling mechanisms, especially Town Planning (TP) schemes, have emerged as a viable alternative. In a land pooling model, landowners voluntarily contribute land for infrastructure development and receive a portion of the serviced land in return. This method reduces the need for compulsory acquisition and distributes stakeholder benefits among stakeholders.

The TP scheme, widely



Amit Gotecha

An urban planner advising various State governments on town planning schemes

implemented in Gujarat and Maharashtra, is among the most successful land-pooling models in India. Under this model, landowners voluntarily contribute about 25-40% of their land to provide infrastructure such as roads, parks, public amenities, and housing for economically weaker sections. The remaining land (60-75%) is returned to them as reconstituted plots that are better shaped, serviced, and more valuable. This method integrates land assembly, infrastructure provisions, and cost recovery.

A key strength of the TP scheme is its participatory, people-centric approach. It is also financially self-sustaining, as incremental charges from landowners are recovered during development rather than up front. Compared with land acquisitions, TP schemes reduce displacement, ensure equitable benefit-sharing, and enable faster urban development while preserving environmentally sensitive areas. Recognising its potential, the Government of India has promoted TP schemes since 2019.

Land pooling is, however, not a new idea. For instance, in Gujarat, it was introduced almost 100 years back and formalised under the Gujarat Town Planning and Urban Development Act, 1976. And over time, in Gujarat, more than 1,000 sq. km across Ahmedabad, Surat, Rajkot, Vadodara, and Gandhinagar have been planned through TP schemes.

But unlike Gujarat, Maharashtra failed to update its statutory provisions for enabling TP schemes over time. However, Pune and the Mumbai Metropolitan Region Development Authority have recently adopted this model again to provide infrastructure and serviced land in the city's peripheral areas.

Exemplary model

While other States have tried to implement the model, it has not been easy. For example, in Guwahati, even though the Guwahati Metropolitan

Development Authority Act, 1985 included provisions for the preparation and implementation of development schemes, it lacked clarity on critical aspects, including the percentages for land appropriation and institutional roles. An equally significant challenge was the absence of digitised land records; land records in Guwahati were maintained manually. Additionally, discrepancies were observed between revenue records and ground conditions.

To address this, rather than conducting time-consuming joint measurement surveys, the existing map was retained as is, and final plot allocations were based on the land areas specified in the revenue records. This significantly reduced the time required to prepare the scheme. Reducing landowners' contribution was another key decision to make the scheme more acceptable. Private landowners were asked to contribute only 12-15% of their land, compared with the usual 35-45%. This was primarily used for road infrastructure.

In Rajasthan, land pooling had already been recognised in statutory provisions since 2016. However, they were handicapped by a lack of experience. Now, modifications are being made to the land-value calculations in the State to ensure that the financial burden on landowners remains manageable. The government has absorbed a portion of the cost, making the scheme more equitable and attractive.

States that are just about to venture into land pooling, such as Tamil Nadu, Madhya Pradesh, and Delhi, also have to go beyond conventional approaches. Their challenge is to first convince landholders, communicate the benefits, and contextualise the approaches. Particularly, factors such as legislation on land-pooling requirements, adjusted land-contribution mechanisms, and equitable financial models will collectively determine the success of TP schemes.

Need to strengthen existing health facilities

The famed public healthcare model of Kerala is under tremendous stress

STATE OF PLAY

K. S. Sudhi

The newly sworn-in United Democratic Front (UDF) government in Kerala has announced its intention of setting up two more medical colleges in the State, one in Thiruvananthapuram, which already has a medical college, and another one in Haripad, in Alappuzha.

UDF leaders view the second medical college project in Thiruvananthapuram, which was originally launched during the tenure of Congress Chief Minister Oommen Chandy, as a prestige issue as the subsequent governments of the Left Democratic Front (LDF) shot the plan down for political reasons. The Congress, which is back in power in the State after a decade, is bent on resurrecting its lost dream, which it believes would increase its public appeal and political stake in the capital city. K. Muraleedharan, the State Health Minister, has made it clear that nothing could prevent the UDF government from creating two more such institutions.

Those who argue for the two medical colleges say that there is little scope for expanding the facilities at the existing Thiruvananthapuram and Alappuzha colleges. The government is toying with the idea of converting existing hospitals into tertiary care and research centres, they say.

Interestingly, the second medical college in Thiruvananthapuram, which would be set up by developing the General Hospital, is located in the Vattiyoor kavu Assembly constituency, which is represented by Mr. Muraleedharan. Similarly, Haripad, the seat of the proposed second medi-



cal college, is represented by Home Minister Ramesh Chennithala, the second-in-command in the State cabinet.

Like in Thiruvananthapuram, the proposed medical college in Haripad could well be considered as the second such institution in the coastal district of Alappuzha, as the first one is functioning at Vandanam, located almost an hour away from the constituency of the Home Minister.

Desperate conditions

Kerala, along with other States, had joined a campaign of the Union Ministry of Health and Family Welfare a few years ago to have new medical colleges in all its districts. It appears that the State Health Minister has overlooked the fact that Kerala has one medical college each in all of its 14 districts, and that many of them, which were inaugurated at least a decade ago, are still in their nascent stage. With little infrastructure, an insufficient number of teaching faculty and support staff, and a large number of patients, some of the medical colleges in the less developed regions of the State need support desperately.

The government's move to have one more medical college in the two districts seems to be a case of misplaced priorities with respect to public health. Several public health experts have been sounding the alarm that the

famed public healthcare model of Kerala could collapse at any moment due to the tremendous pressure under which the system is functioning, and the lack of adequate government patronage in the form of timely recruitment of staff, financial support, and upgradation of facilities. While setting up new institutions may earn the government brownie points, it could come at the expense of the existing institutions of the State.

It is also time for the State government to ponder why the younger generation of doctors are turning away from medical colleges. Besides the comparatively poor pay, lack of modern research and medical facilities, and the uncertainties of transfers and political interventions in the service, might be acting as a deterrent for such youngsters. The medical and the non-medical staff are being overworked in these hospitals, which has hit the efficiency and quality of the services offered to the general public.

During the second term of the LDF government, it was the Health Ministry that came under severe public criticism. From building collapses to doctors taking to social media to vent out their despair regarding the absence of essential facilities including surgical materials for performing crucial surgeries, shortage of medicines, wrong diagnoses and complaints of medical negligence, the crisis in the health sector played a significant part in turning public opinion against the previous government.

Strengthening the existing network of public healthcare institutions, and not building new ones, should be the priority at this juncture in the State.

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The finish line is still far for Indian sprinting

Gurindervir Singh's national-record, 10.09s, ranks 524th on the all-time list; only 39 countries have broken the 10-second barrier

DATA POINT

Devyanshi Bihani

By the time the men's 100m final began at the Federation Cup in Ranchi on May 23, 2026, India's national record had already changed hands twice within that tournament – a first in Indian sprinting. A day earlier, Gurindervir Singh had lowered the national record to 10.17 seconds in the first semifinals. Minutes later, Animesh Kujur reclaimed it with 10.15 seconds in the second semifinal. Gurindervir seized the opportunity the final offered. His time of 10.09 seconds not only restored the record to his name but also made him the first Indian to break the 10.1-second barrier.

The achievement marked the latest chapter in a rivalry that is transforming Indian sprinting. Anil Kumar's national record of 10.21 seconds had remained unbeaten since 2000. By clocking 10.18 seconds, Animesh not only broke that in July 2025, but became the first Indian to cross the 10.2-second barrier.

While it took 25 years for Indian men's sprinting to breach the 10.2-second barrier, it has seen a dramatic leap forward since then. With Gurindervir's 10.09 seconds, followed by Animesh's 10.15 and 10.18 seconds, and Manikanta Hoblihdhar's 10.19 seconds, four of the five fastest 100m sprints by Indian men have been recorded in the last two seasons. But where does India's fastest-ever sprinter stand in the global arena?

An analysis of World Athletics' all-time men's 100m lists shows both the significance of Gurindervir's breakthrough and how far India remains from sprinting's elite. On the global all-time list, Gurindervir's record ranks only 524th.

At the very top, the sport remains remarkably concentrated. Ten of the top 11 performances belong to sprinters from just two countries – Jamaica and the U.S.

Jamaica's Usain Bolt holds the world record at 9.58 seconds. American Tyson Gay shares the second-fastest time in history at 9.69 seconds. The only exception is Kenya's Ferdinand Omanyala, whose 9.77-second run shares the 10th place (Chart 1).

The sub-10-second barrier remains one of athletics' most exclusive benchmarks. More than half a century after electronic timing became the standard in 1968, only 39 countries have produced athletes with 100m runs recorded under 10 seconds (Chart 2).

Martin Owens, Animesh's coach, told *The Hindu* that breaking that barrier requires far more than raw speed. "You need natural talent. You need good facilities. You need good recovery and medical backup. You need an intelligent programme," Mr. Owens said, adding that coaching from an early age, financial support and international exposure are also crucial.

When every country's fastest man ever is compared, India sits at around 65th among 182 nations. Several nations with populations under 1.5 crore rank ahead of India, including Trinidad and Tobago, Botswana and Namibia.

It is notable that the fastest sprint performances are usually recorded with a helping breeze. An analysis of the best performances from these 182 nations shows that 139 were achieved with tailwinds between 0.1 and 2 metres per second, while only 17 came while facing headwinds (Chart 3). Even slight wind assistance matters in an event decided by hundredths of a second.

Four of India's top five performances, including Gurindervir's, were recorded with tailwinds. However, his national record came with a relatively modest breeze of 0.3 metres per second, indicating scope for faster performances under more favourable conditions.

Gurindervir, after setting the new record, told the media that the world would soon see Indians running below 10 seconds.

Off and running

The data for the charts were sourced from World Athletics, the international governing body for the sport of athletics

TABLE 1: The top five Indian men's 100m performances

India Rank	World Rank	Competitor	Time (in seconds)	Wind (in m/s)	Date of performance
1	524	Gurindervir Singh	10.09	0.3	May 23, 2026
2	878	Animesh Kujur	10.15	0.3	May 22, 2026
3	1180	Manikanta Hoblihdhar	10.19	-0.6	September 28, 2025
4	1362	Anil Kumar	10.21	2	July 5, 2000
5	1480	Tamilarasu Senthilkumar	10.22	0.2	August 20, 2025

CHART 1: The all-time top-700 men's 100m performances

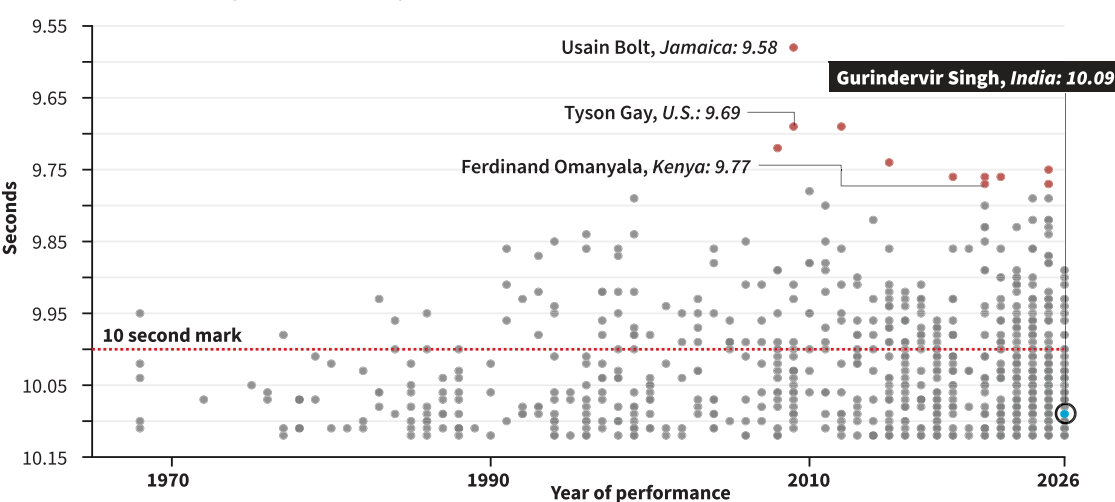
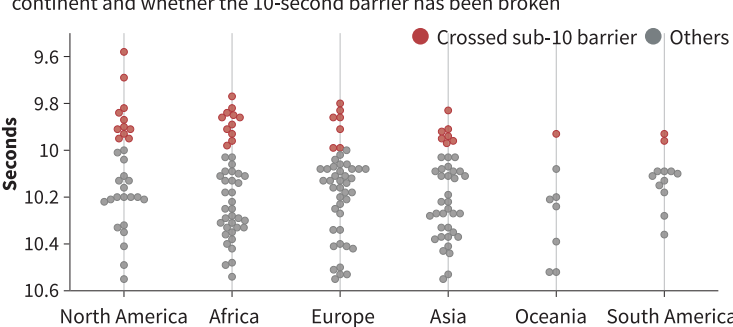
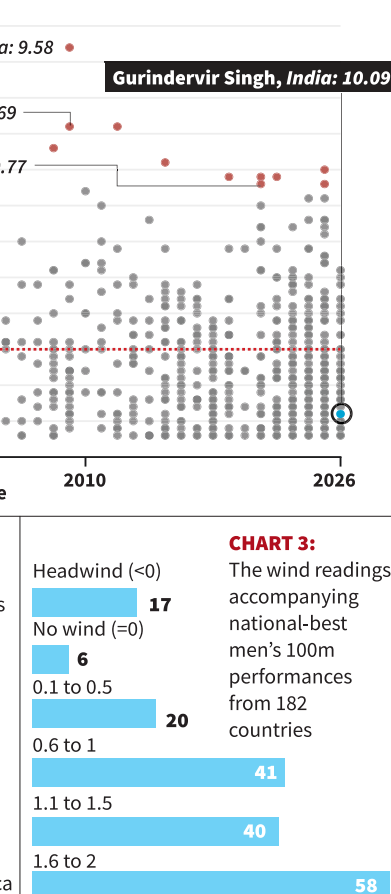


CHART 2: Fastest men's 100m performances of each country, grouped by continent and whether the 10-second barrier has been broken



During his celebrations, Gurindervir Singh held up the back of his bib, which said, "Task is not finished yet." RITU RAJ KONWAR

CHART 3: The wind readings accompanying national-best men's 100m performances from 182 countries



FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO JUNE 3, 1976

Cyclone brings heavy rain to Bombay

Bombay, June 2: Bombay and suburbs were lashed by heavy rain and gusty winds since the early hours of this morning.

A spokesman of the Colaba Observatory told THE HINDU that the rains were due to the influence of the cyclone centered at 180 km in the Arabian Sea west of Bombay.

The rain abated this afternoon and this came as a relief to thousands of commuters anxious to reach home.

Between 2 a.m. and 8:30 a.m. to-day Colaba recorded 30.2 mm of rainfall. Santacruz 3.8 mm and Worli 18 mm –FOC

Samachar reports:

The movement of ships in and out of Bombay harbour was affected and rail communications slightly disrupted following heavy rain. The trains started running behind schedule following the snapping of overhead cables at a point near Andheri. There was no disruption of traffic on Central Railway. The Colaba Observatory in a late night bulletin said "very high to phenomenal" seas were likely and a storm surge six metres above the normal astronomical tide might also prevail. The storm was likely to move in a north-northeast direction along the South Gujarat coast.

A HUNDRED YEARS AGO JUNE 3, 1926

League Council on opium

Geneva, June 2: "Britain is poisoning the world with its drugs", exclaimed Chu, the Chinese representative on the League's Advisory Committee on Opium.

Sir Malcolm Delevingne (Britain) had complained that 200 kilograms of morphine and heroin had been shipped to Shanghai from Germany, the Chinese Government certifying that those drugs were intended for medical purposes in Shanghai hospitals, whereas they were destined for other usages and, despite Britain's representations in this regard to the Chinese Government, the consignment had been released. This brought forth Chu's exclamation above mentioned. He protested excitedly against the alleged attack on his Government and added that the anti-British feeling in China was increasing daily.

M. Bourgeois (France), presiding, cut the lively incident short and announced tea interval.

Text & Context

THE HINDU

NEWS IN NUMBERS

Cases filed in 50 days of J&K's campaign against drug trafficking

176 In the first 50 days of Jammu and Kashmir's campaign against drug trafficking, 176 cases were registered under the Narcotic Drugs and Psychotropic Substances Act, and 202 accused persons were arrested or detained, police said on Tuesday. The zero-tolerance policy towards narcotics has yielded significant results, Jammu SSP Joginder Singh said. PTI

The death toll from Russian strikes on Ukraine

18 The death toll from Russian strikes on Ukraine overnight rose to 18, officials said on Tuesday, hours after Moscow's forces launched hundreds of drones and dozens of missiles across the country. The mayor of Kyiv announced that six people had been killed and 66 wounded in the capital, while authorities in the city of Dnipro said that 12 people had died in the attack. AFP

Number of mortgages approved by U.K. lenders in April

65,945 The number of mortgages approved by British lenders for house purchases rose to a three-month high of 65,945 in April from 63,979 in March, according to Bank of England data on Tuesday. April's approvals were well above the 62,000 median forecast in a Reuters poll of economists. REUTERS

Eurozone inflation in May due to the war in West Asia

3.20 in per cent. Eurozone inflation rose in May as the West Asia conflict sent energy costs soaring, official data showed Tuesday, reinforcing the likelihood of an interest rate increase in the single currency area. Consumer price rises accelerated to 3.2 per cent last month, the EU's statistics agency Eurostat said, up from 3.0 per cent in April. AFP

Value of defence exports by Israel in 2025

19.2 in \$ billion. Israeli arms exports have reached an all-time high for the fifth consecutive year, hitting more than \$19 billion in 2025, the Defence Ministry announced Tuesday. Missile, rocket and air defence systems were the lead exports, it said, adding that a "surge was recorded in observation and optronics systems". AFP

COMPILED BY THE HINDU DATA TEAM

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The future of India's chip industry

A new NITI Aayog report says India's semiconductor ecosystem is not yet equipped to fully meet domestic demand, while stressing the need to strengthen local manufacturing, as geopolitical pressures could potentially disrupt the electronics supply chain

EXPLAINER

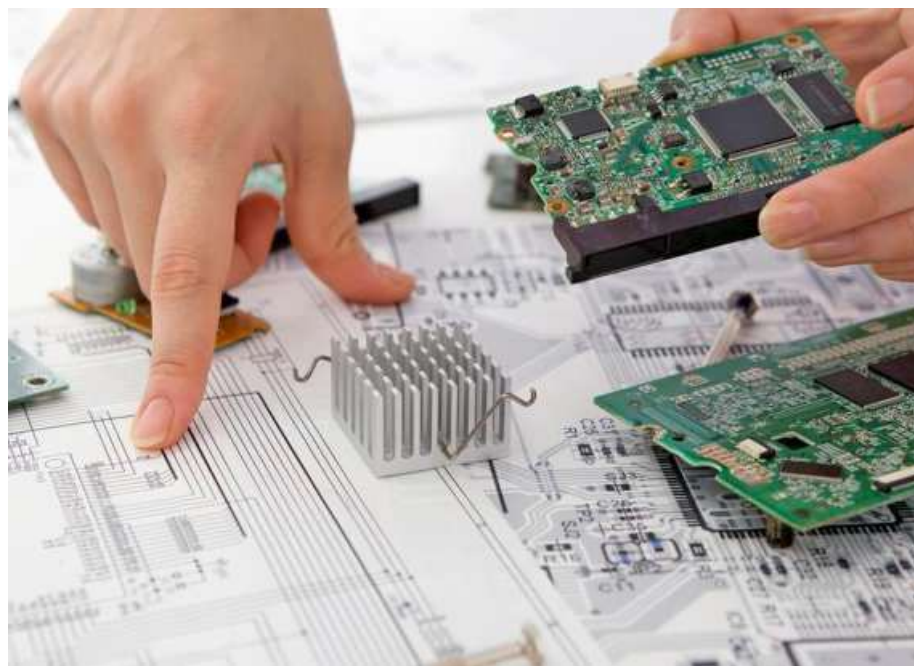
Aroon Deep

NITI Aayog's Frontier Tech Hub released a report last week that had two main messages: first, that India faces steep challenges in developing world-class semiconductor manufacturing capabilities, and second, that national interest necessitated pursuing this field doggedly regardless of those difficulties.

The Union government has made chipmaking a priority, since semiconductors are a part of nearly all electronics, from consumer gadgets to defence gear. Yet, India does not have a single fabrication unit, with the first expected to open in Dholera, Gujarat by 2028, with a total of ten in various stages of development. Multiple semiconductor packaging and testing facilities have been generously subsidised and supported by the Union government (as well as some State governments), through initiatives like the India Semiconductor Mission (ISM).

The ISM is a ₹76,000 crore corpus, and it is almost fully earmarked to projects across semiconductor fabs, incentives for component manufacturing, and bulk subscriptions to industry-grade semiconductor design applications for students and academia. While the most cutting edge and ambitious projects – fabs – have received capital subsidies of upwards of 50%, other projects have received production- or output-linked incentives.

The report, titled 'Future of India's Semiconductor Industry', reiterates that these are yet early days for the semiconductor industry, since even chips used in domestic electronics assembly operations are largely sourced from outside the country. "India's local ecosystem is not ready to fully meet domestic demand for semiconductors," the report said. But it insisted that there



GETTY IMAGES

was still a need to manufacture locally, as geopolitical pressures like a disaster in Taiwan could massively disrupt the electronics supply chain. "As many semiconductor parts used in defence systems are produced outside India, deploying them in our aerospace and defence programmes is increasing threats to national security," the report adds.

The sector "requires sustained, mission-mode commitment over a decade or more," the report said.

Fab gestation

The report points to several challenges in this indigenisation process, not least of which is the time involved. "Typically, fab units require four to five years before commencing production," the report points out. "During the gestation phase, these units need to invest in purchasing more than 50 specialised equipment from global players. Even after the production is over, processes like yield optimisation and reliability test take several quarters

before chips reach the market." Developing talent to work in these fabs is also, as a result, time consuming, the report says.

The report urges the government to work on "building sovereign design and research capabilities, R&D excellence and harnessing agentic AI for semiconductor engineering," since "building deep capabilities" in materials sciences and silicon designing will "move India from a services-led design base to a creator of differentiated IP, architectures and integration technologies that define next generation systems."

Capital investment

While the details on the second phase of the India Semiconductor Mission are yet to be revealed, the report pegs the necessary capital expenditure from the state at \$45-60 billion over a period of ten years. This amount should, however, be spent on projects where the risk is less and "bankability" can assure returns to

investors, the report warns. This translates to a shift away from directing public funds towards frontier chips, whose transistors are the smallest – 3 to 7 nanometres – and towards "mature, advanced-aligned with strategic relevance—as well as compound nodes," the report says.

The report is key in understanding the potential scope of ISM 2.0, since its ambition is defined and largely stays out of big-ticket frontier fab projects. It advocates, for instance, "selective depth, capital efficiency and system-level differentiation, rather than attempting to replicate the full global manufacturing spectrum."

For instance, packaging, which is among the last steps of a chipmaking process, and less expensive and complex than fabrication, is identified as a "core production pillar, not a downstream activity" in the report. The report calls for "[r]apid import substitution in high volume domestic segments".

Trusted partners

The report implies that China is an adversary in chipmaking in spite of the recent thaw in relations. In a list of "priority partners," the report highlights the U.S., Japan, the European Union, and South Korea as partners with whom to work to get "access to critical tools, equipment servicing and lifecycle support," and to take advantage of "India's market scale, talent base and packaging capacity."

"With sustained commitment and strategic clarity, India can build a competitive semiconductor ecosystem that strengthens economic resilience and positions the nation as a key player in the future of advanced technology," the report concludes. IT Secretary S. Krishnan welcomed the report as a "structured, actionable framework," and said in a foreword that, "India is well positioned to convert its semiconductor ambition into enduring industrial and strategic reality".

THE GIST

The Union government has made semiconductor manufacturing a priority, but India does not yet have a fabrication unit. A recent report by NITI Aayog's Frontier Tech Hub underscores the need to bolster local manufacturing.

The report urges the government to work on 'building sovereign design and research capabilities, R&D excellence and harnessing agentic AI for semiconductor engineering'.

The need for strengthening India's EV supply chains

As EV adoption gathers pace, there is a greater need to focus on reducing vulnerability to external shocks

Jaideep Saraswat
Akanksha Golchha

India's electrification of road transport has entered a decisive growth phase. Around 2.5 million vehicles were sold in FY26, a significant increase from FY25. This momentum reflects the effectiveness of policy support from both the Centre and the States, including upfront purchase incentives, road tax exemptions and other demand-side interventions. These measures helped create the initial market, reduce consumer hesitation, and establish electric vehicles (EVs) as a credible and tested technology.

Import dependence

The next phase of EV adoption demands a different policy and industrial logic. As the sector scales, India is moving away from imported fossil fuels, only to find itself becoming increasingly dependent

on imported lithium-ion batteries. The challenge is no longer how quickly India can electrify transport, but how it can do so without creating a new strategic vulnerability. EV growth must now be judged by three additional metrics: supply chain resilience, strategic autonomy, and long-term sustainability.

India's domestic cell manufacturing is still far below the scale needed to alter import dependence meaningfully. Under the ACC Battery Production Linked Incentive scheme, 40 GWh of capacity has been awarded, but only about 1 GWh has been installed so far. Meanwhile, passenger EVs sold in India are sourcing batteries from 14 global manufacturers, with 7,987 MWh imported in 2025. Of this, a significant share came from Chinese manufacturers, highlighting that increasing EV sales are tightly correlated with increasing imports from China.

This concentration creates a structural risk for Indian EV OEMs (original

equipment manufacturers). Battery supply is increasingly exposed to a single-country ecosystem that is shaped by policy, geopolitics, and industrial strategy outside India's control. Several developments in China are influencing pricing and availability, like tighter technology restrictions, prioritisation of domestic demand, withdrawal of VAT exemptions on battery exports, and more. Additionally, the West Asia conflict has compounded the pressure through higher raw material costs, elevated manufacturing expenses in China, and rising transport and risk premiums.

The consequences extend beyond OEM balance sheets. Battery inflation delays price parity with internal combustion engine (ICE) vehicles and slows the shift from early adopters to mass-market buyers. In a market as price-sensitive as India's, rising cell costs can confine EVs to premium segments and place national adoption targets at risk if the situation

persists and OEMs are forced to pass on higher costs to consumers.

This requires a holistic situational assessment and identifying key interventions in the short to medium term. The near-term response must be pragmatic. Many OEMs already talk of a "China + 1" sourcing strategy, but actual supplier diversity varies widely by segment. Higher-end EVs are increasingly paired with non-Chinese NMC batteries, while cost-sensitive mass-market models continue to rely on cheaper Chinese LFP cells. True diversification, across suppliers, chemistries, and geographies, may raise costs initially; but it significantly lowers the risk of strategic disruption over time.

Product modifications

The cost shock should also drive product-level discipline. OEMs need to design EVs around efficiency, lighter architectures, more effective drivetrains, smarter software calibration, and battery right-sizing aligned with actual usage rather than aspirational range. India's market may ultimately reward lean, purpose-built electrification over oversized vehicles designed around imported battery economics. Software-defined battery platforms that support multiple chemistries without hardware redesign would further improve flexibility as the cell market evolves. Moreover, Indian manufacturers should

begin type-testing vehicles across emerging chemistries, including sodium-ion batteries. Sodium-ion is not yet a full substitute for lithium-ion across all use cases, but it could serve as a meaningful hedge as production scales domestically, broadening the technology base and reducing dependence on any single chemistry or supplier.

Further, India's path forward lies in building a structured 'EV supply chain alliance' with trusted partners, one that spans minerals, manufacturing, technology, and standards. Such an alliance would distribute risk across geographies, deepen domestic capability over time, and ensure that no single external disruption can stall India's electrification agenda.

The EV transition is no longer straightforward and the recent disruptions underscore the need for a more resilient approach. India has already demonstrated that it can create demand for clean mobility. The next test is whether it can build the industrial depth to sustain that demand without becoming dependent on a single external bottleneck.

(Jaideep Saraswat is the Associate Director of the Clean Power, Electric Mobility & Emerging Technologies vertical at Vasudha Foundation. Akanksha Golchha is Senior Associate (non-resident) with the Chair on India & Emerging Asia Economics at Center for Strategic and International Studies.)

CACHE

Can CBSE's marking system be reformed for transparency and credibility?

Portal glitches, blurred scans, and evaluation anomalies exposed weaknesses in the rollout of the OSM system. Robust SOPs, secure digital infrastructure, and free access to answer scripts can help restore accountability and public trust in the evaluation process

Rajeev Kumar

The Central Board of Secondary Education (CBSE), responding to long-standing demands for greater transparency in evaluation, introduced the on-screen marking (OSM) system to standardise answer-script assessment through digital technology. Under this framework, answer books are scanned into secure digital files and evaluated online through a cyber-secure platform enabling digital monitoring, random allocation of scripts, centralised moderation, and automated verification checks.

The initiative sought to improve transparency, accuracy, confidentiality, and uniformity in marking. However, it soon faced controversies over server failures, portal glitches, blurred or incomplete scanned scripts, unchecked responses, inconsistent step-marking, evaluation discrepancies, payment gateway issues, and concerns about the reliability and verifiability of the digital evaluation process.

Ironically, a system introduced to eliminate evaluation irregularities itself came under scrutiny for procedural, academic, and technological lapses. It also raises a fundamental question: why should students be charged to access and verify answer scripts that are largely their own intellectual work and have already been digitised as part of the evaluation process?

The evaluation system

Evaluation remains the most consequential component of the Teaching-Learning-Evaluation (TLE) framework because it directly influences students' academic progression, college admissions, scholarships, and career opportunities, particularly for Class XII students. After years of preparation and intense competition, students have a legitimate right to know how their answers were assessed, how step-marking was applied, and where marks were deducted.

Unlike multiple-choice-question (MCQ)-based examinations, where evaluation through optical mark recognition (OMR) sheets and answer keys is objective and machine-verifiable, descriptive examinations involve subjective assessment across multiple steps, methods, and interpretations. Different evaluators may award different marks for the same answer depending on reasoning, presentation, or methodology.

Given the massive scale of Board examinations involving millions of answer scripts, maintaining consistency in descriptive evaluation remains a major academic and technological challenge.

OSM rollout and challenges

CBSE's OSM system marked a significant shift from the conventional pen-and-paper (PnP) evaluation to digital assessment of scanned answer scripts. The system was expected to improve transparency, enable standardisation and centralised monitoring, and reduce manual evaluation errors. However, the rollout reportedly suffered from hurried implementation, weak digital infrastructure, poor-quality scanning systems, limited examiner training, and inadequate operational protocols.



Evaluation is a crucial component of the Teaching-Learning-Evaluation framework since it directly influences students' academic progression. PTI

Complaints soon emerged.

The experience highlighted that digital evaluation is not merely a software transition but a complex academic and technological ecosystem that requires robust SOPs, secure infrastructure, examiner preparedness, audit mechanisms, and strong cybersecurity safeguards to ensure transparency, consistency, and accountability.

Scope for reforms in the OSM system

The Digital OSM framework should provide scanned answer books to all students free of cost, since scripts are already digitised before evaluation. CBSE should securely deliver encrypted digital copies within a fixed timeline through authenticated portals, email, or secure mobile platforms. Such a framework would make evaluation more transparent, traceable, scalable, and verifiable while reducing server congestion, manual intervention, and access-related disputes. The proposed system would, however, require a set of clearly defined standard operating procedures (SOP).

The CBSE should establish high-resolution scanning systems, encrypted archival and backup facilities, high-capacity cloud servers, and strong cybersecurity safeguards against unauthorised access or data manipulation. The complete workflow – including scanning, indexing, storage, evaluator access, digital delivery, and audit logging – should undergo repeated pilot testing and full-load simulations through local and pre-board examinations before nationwide rollout.

Evaluators, moderators, scanning staff, and administrators should undergo structured training in digital evaluation procedures, screen-based moderation, stepwise marking, and handling of scanned scripts. Students should use only black pens and standardised answer-writing formats to ensure clear

scanning and readability of answer books and supplementary sheets.

Detailed subject-wise marking schemes, including step-marks and acceptable alternative methods, should be released within a week after the examinations. A short expert feedback window should be provided before Chief Examiners finalise marking schemes. This would help reduce ambiguities, improve standardisation, and minimise arbitrary variations in marking.

Additionally, within two to three weeks after examinations, encrypted digital answer scripts should be securely delivered to students and parents through authenticated portals, email, or registered mobile applications integrated with secure cloud and messaging APIs. Students or parents should confirm within 24 hours of receipt that the scripts are complete, readable, correctly indexed, and genuinely their own, including all supplementary sheets.

The evaluation should begin only after script verification is completed. Examiners must assess scripts strictly in accordance with approved stepwise marking schemes. Additional digital oversight tools, such as audit trails, online moderation, automated totaling checks, anomaly-detection systems, and random quality audits, should continuously monitor consistency, completeness, and adherence to SOPs.

Since students and parents would already possess both their answer scripts and official marking schemes, they can independently estimate their likely scores before the declaration of results. Significant deviations between self-estimated and officially awarded marks would help identify possible evaluation anomalies and enable targeted review or moderation.

Finally, re-checking and re-evaluation should continue as a safeguard mechanism with defined timelines and

digital tracking. However, with the proposed SOPs already ensuring verified scripts and standardised marking schemes, grievances are expected to reduce substantially.

Such a framework would significantly strengthen transparency, accountability, and public trust in the evaluation process.

The way forward

A reliable Digital OSM system requires robust scanning infrastructure, secure archival systems, high-capacity servers, and strong cybersecurity safeguards. Given the scale of the CBSE examinations, repeated full-load testing and pilot runs are essential before nationwide implementation.

Structured training for examiners and scanning staff, along with standardised, stepwise marking schemes and disciplined digital evaluation protocols, are necessary to avoid blurred scans, unchecked answers, and inconsistent marking. With well-defined SOPs and secure implementation, digital OSM can improve the credibility, consistency, and accountability of large-scale examination evaluation in India.

Importantly, the same framework can be implemented even now, making the current crisis largely reversible within a few weeks at most. By proactively sharing scanned answer scripts with all students, enabling verification of script completeness and authenticity, ensuring transparent matching of awarded marks against approved marking schemes, and correcting evaluations where the prescribed marking scheme has not been properly followed, the CBSE can quickly restore confidence in the OSM process and regain much of the credibility lost during the rollout.

(Rajeev Kumar is a former Computer Science Professor at IIT Kharagpur, IIT Kanpur, BITS Pilani, and JNU, and a former scientist at DRDO and DST.)



FROM THE ARCHIVES

Know your English

S. Upendran

"Hi, come on in! Haven't seen you in a while."

"I was busy with my exams. What have you been up to? Good God, what's all this mess?"

"Just rearranging some of the stuff. Do you think you could...?"

"...I smell Sujatha's perfume. Was she here by any chance?"

"That's some nose you have. Yes, she came in at about ten this morning and parked herself on that stool over there."

"Parked herself? What do you think she is? A car?"

"Even people park themselves, you know."

"Really?"

"When someone parks himself somewhere, he sits or stands in one particular place for a long time. He stays put in that place for quite some time."

"But won't other people find this inconvenient? I mean..."

"...yes, they will. But when you 'park yourself somewhere' you generally don't worry about such things. Here's an example. Anand and Karthik parked themselves on the sofa and remained there all morning."

"Some of the demonstrators parked themselves in the hotel lobby and refused to budge. How does that sound?"

"Sounds great. The donkeys and cows parked themselves on the road and ..."

"...so this expression can be used with animals as well?"

"It can not only be used with animals, but also with things. Many of the students I know park their chewing gum under the table."

"I hate it when people do that. Last night Gopa came over to our place and parked his notebooks on my study table."

"Did you ask for them?"

"Of course not! He said that he would come back for them tomorrow."

"I see. Prema parked her suitcases in the front room and vanished. She returned in the evening after having met her friends."

"Can one use this expression in formal contexts?"

"The expression is normally used in informal contexts alone. Usually with people you know fairly well."

"I think I'll park myself on the sofa."

"Oh, no you're not! I don't want you to park yourself anywhere. I need your help in carrying these boxes to the..."

"...sorry. I won't be able to help today."

"What's wrong? Feeling under par?"

"Under what?"

"Under par! When you say that you are feeling under par or below par, it means you are not feeling well. You don't have the energy level that you normally do."

"I see. The Chairman cancelled the meeting because he was feeling below par."

"That's a good example. She had viral fever last week. She feels under par even today."

"Doesn't the expression 'off colour' mean the same thing as 'below par'?"

"That's right. When you say that somebody looked off colour, it means that he/she was not in good health. For example, you..."

"...let me try. The young man looks a little off colour today. I wonder what's wrong."

"Very good. The Chairman has been off colour for the past two or three days."

Published in *The Hindu* on October 31, 2000

THE DAILY QUIZ

When world leaders take centre stage, theatrics are never far behind. A quiz on the quirky, chaotic and rhetoric-driven world of United Nations speeches

Mohammed Hidayat

QUESTION 1

When Fidel Castro took the UN General Assembly rostrum in 1960, the Cuban leader spoke for over four hours. Which Indian diplomat's speech at the Security Council across three meetings over two days in 1957 lasted more than eight hours?

QUESTION 2

"Yesterday, the devil came here — right here. And it smells of sulphur still today." Venezuela's President Hugo Chavez made this remark from the UN stage in 2006. Who was he referring to?

QUESTION 3

In February 2003, a tapestry reproduction of the anti-war mural "Guernica", displayed outside the UN

Security Council chamber, was covered shortly before U.S. Secretary of State Colin Powell made the case for invading Iraq. Which Spanish artist painted the original 1937 masterpiece?

QUESTION 4

"I have come with a freedom fighter's gun in one hand and an olive branch in the other. Do not let the olive branch fall from my hand". Identify the Palestinian leader who made the statement after being invited to address the UN General Assembly in 1974 at the request of the Non-Aligned Movement.

QUESTION 5

"We are not gays", declared this Zimbabwean President during his General Assembly speech in 2015. The leader, who was 91 at the time, was known for his staunchly anti-homosexual stance throughout his decades-long rule.



Identify the Soviet leader in the image. The Premier is alleged to have banged his shoe on his desk during a heated UN discussion in 1960. Historians still debate whether he slammed his shoe repeatedly, merely waved it, or whether later retellings exaggerated the event. AP

Questions and Answers to the previous day's daily quiz: 1. Apart from Royal Challengers Bengaluru, these two teams have defended their crowns. **Ans: Chennai Super Kings and Mumbai Indians**

2. The only batter to have scored two tons. **Ans: CSK's Sanju Samson**
3. The Shaheed Veer Narayan Singh International Cricket Stadium and Rajiv Gandhi International Stadium are located in these State capitals. **Ans: Raipur and Hyderabad**

4. A unique factor about Match 38 played on April 26. **Ans: It was the only one to be decided by a Super Over where KKR prevailed over the host LSG**
5. The first player to win back-to-titles with two different teams. **Ans: Krunal Pandya (MI in 2019 & 20) and RCB (25 & 26)**

6. Teenage sensation Vaibhav Sooryavanshi won these official awards. **Ans: Most Valuable Player (₹15 lakh), Emerging player (₹10 lakh), Super Striker (Tata Sierra SUV) and Super Sixes (₹10 lakh)**

Visual: Name this bowler who was the only one to take five wickets in a match. **Ans: Mohsin Khan (LSG)**

Early birds: Elango P. | Amit Saxena

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

Word of the day

Renegade:

someone who rebels and becomes an outlaw

Synonyms: apostate, deserter

Usage: The renegade legislator voted against the party whip.

Pronunciation:

newsth.live/zZ86aV/renegade

International Phonetic

Alphabet: /rɛ.nəˈɡeɪd/

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



OUR VIEW



Powell's brief for central banks: sign of the times

Former Fed chair Jerome Powell has called upon central banks to steer clear of political pressure. RBI may have performed commendably so far but India should insulate it better

Former US Federal Reserve chair Jerome Powell's fierce defence of central bank independence is not surprising. Indeed, given the repeated onslaughts on the Fed's independence by US President Donald Trump and the context in which those remarks were made, any other topic would have been a surprise. The occasion was Powell's acceptance speech on being conferred the 2026 John F. Kennedy Profile in Courage Award. The citation commends him for standing firm in the face of "years of personal attacks and threats from the highest levels of government," noting that he "refused to let political forces dictate monetary policy." While Powell was at the Fed's helm, till last month, America's central bank was at the receiving end of White House ire for not easing interest rates. "Central banks make monetary policy under high uncertainty," he said. They could occasionally err, but their decisions are based only on their best economic analysis of what would benefit the people they serve. Most importantly, they "do not take into account the fortunes of any political party or politician in making those decisions."

The reason the Fed has been able to resist political pressure is that it is protected by institutional mechanisms that mandate its independence. These enable it to withstand 'stress tests' of the kind it was subject to. Powell's speech may have particular relevance for the US today. But his words ring equally true for all central banks globally. Legal safeguards that allow the "non-political conduct of monetary policy" are key to ensuring that the decisions taken are sound. Over time, this secures the central bank's credibility and helps assure the economy not just price stability, but cheaper

credit as interest rates bear a lower inflation-risk premium. Yet, 'time inconsistency' can be a burden. The time horizons of elected governments and non-elected central bankers are rarely in synchrony. Governments are typically driven by the compulsions of electoral cycles, while central banks focus on sustainable prosperity over the long-term. To take a cricket analogy, it is like a T20 match versus Test cricket. Governments are good at the former, central banks at the latter.

In the Indian context, it was former Reserve Bank of India (RBI) governor C. Rangarajan who first raised the issue of central bank independence. In his 1993 Kutty Memorial lecture on 'Autonomy of Central Banks,' he argued that a prerequisite for RBI's freedom to pursue monetary policy independently was a clear severance of the umbilical cord between the Centre and central bank—by ending an opaque practice of RBI funding the central government directly. Done in 1997, this set the ball rolling on RBI's independence. Today, under the flexible inflation targeting regime adopted in 2016 by virtue of an amendment to the RBI Act of 1934, India's central bank has more operational space. But we should go further. Taking a cue from the US, we could consider making the appointment of the RBI governor and MPC members subject to confirmation by Parliament. Right now, these are executive decisions. We could also require the governor to testify before the House at regular intervals. And last but not least, we could require the publication of RBI's mandatory explanation letter to the Centre in case it fails to achieve its inflation target for three quarters on a trot. We have far too much at stake not to safeguard the "priceless asset" that central bank credibility is.

MY VIEW | CAFE ECONOMICS

Chinese FDI is welcome but stay vigilant on innovation spillbacks

India needs foreign capital but China's global investment patterns explain why vigilance matters



NIRANJAN RAJADHYAKSHA
is executive director at Artha India Research Advisors.

International capital flows are once again in the spotlight. First, the International Monetary Fund reports that global current account imbalances are widening once again. This means net-exporters are exporting more while the net importers are importing more. These imbalances in earnings from foreign trade have important implications for the movement of money across national borders. Second, India is struggling to pull in enough global capital to fund its current account deficit, which is expected to be around \$85 billion, if not more, in fiscal 2026-27. We seem to be headed for a third consecutive year with a balance-of-payments deficit. The rupee has been under pressure in the foreign exchange market because of this funding gap.

It is common knowledge that China has been running massive trade surpluses. One part of these get absorbed into the foreign exchange reserves of the Chinese central bank. But Chinese foreign direct investment (FDI) in other countries has been growing in importance for more than a decade now. A recent paper on Chinese FDI by Jennie Bai of Georgetown University, Yaojun Ke of Nanyang Technological University, Luc Laeven of the European Central Bank and Hong Ru of the Massachusetts Institute of Technology unpacks several insights into the wave of Chi-

nese FDI, and thus deserves to be read by Indian policymakers, especially as the government has switched to a softer view of Chinese FDI with the recent changes in Press Note 3.

The four economists have trawled through data on 161,773 companies in 159 countries and traced capital movements through offshore tax havens to map out corporate ownership through many layers of holdings. Their first big revelation is that in 2021, Chinese investments beyond the borders of the country were at \$2.1 trillion (and \$3.3 trillion if Greater China is considered). This is "a global footprint substantially broader than global FDI statistics" reveal. The usual way FDI is measured is by looking at the last jurisdiction from which capital is allocated, rather than the original one from where capital is sent via a network of subsidiaries. China uses Cayman Islands as a major conduit, the authors show in their research.

Most of this money has gone into firms in North America and Europe, which suggests that Chinese outbound investments seek strategic goals rather than just access to lower labour costs. However, the recent increase is driven by private sector firms rather than state-owned enterprises. And Chinese FDI is now concentrated in knowledge-intensive sectors, especially after its government announced its Made In China programme in 2015 to transform the country from a low-cost manufacturer into a high-tech industrial powerhouse by dominating ten strategic sectors, including robotics, aerospace and semiconductors.

What follows is especially interesting. The four economists have tracked the innovation activity of acquired firms through time by creating a longitudinal database. In short, a firm acquired by a Chinese company spends more on research and development. However, the number of patents that they apply for do not increase in tandem. The increase is statistically insignificant. Meanwhile, the Chinese company that

has taken control tends to see an increase in its own patent filings. The authors describe this as a 'spillback,' though they point out that what they have noticed is correlation rather than causation. Yet, the pattern is unusual.

The process of technology spillbacks seen in the case of Chinese FDI is very different from the sequence of events in the usual technology spillovers that we traditionally think about in the case of foreign investment in local firms or greenfield projects. When a foreign company sets up operations in a new country, it often brings better technology, smarter processes and stronger management practices with it. Local firms, simply by being nearby, tend to pick some of this up. It could be because they hire workers who move between companies, reverse-engineer products or have to compete harder. This leakage of knowledge from foreign to domestic firms is called a technology spillover. To be sure, much depends on how large the gap between foreign and domestic firms is to begin with.

These findings have significant implications for the rest of the world at a time of heightened geopolitical rivalry. China has massive amounts of capital to allocate beyond its borders, thanks to its trade surpluses. Countries that are in need of capital cannot wish this fact away. However, some of this capital is being used strategically to acquire new technology, even while China makes strides in areas such as electric vehicles or new energy. "We provide evidence of systematic innovation spillbacks, where the primary beneficiaries of these investments are parent firms in China," the authors write, adding that their work suggests that "state-led capital can fundamentally reallocate the geography of intangible assets within an industry." India lags China in terms of new technology, but it is no tech minnow either, especially in select areas. A balance between seeking Chinese investments and staying wary of innovation spillbacks will have to be maintained.

10 YEARS AGO



JUST A THOUGHT

The technology transfer that Apple facilitated made it the biggest corporate supporter of Made in China 2025, Beijing's ambitious, anti-Western plan to sever its reliance on foreign technology.

PATRICK MCGEE

THEIR VIEW

India's push for a chip ecosystem is a geo-strategic play

HARSH V. PANT



is professor of international relations, King's College London, and vice president for studies at Observer Research Foundation, New Delhi.

India's semiconductor ambitions have acquired a sharper strategic edge with Prime Minister Narendra Modi's visit to the Netherlands last month emerging as a defining moment in New Delhi's technological statecraft. Tata Electronics signed a landmark Memorandum of Understanding with ASML, the world's most critical supplier of advanced lithography systems that underpin modern semiconductor manufacturing. Its symbolism is unmistakable: India is no longer content with remaining merely a consumer market or a back-end assembly destination in the global electronics ecosystem. It seeks to emerge as a consequential node in the semiconductor value chain. The agreement is central to Tata Electronics' proposed semiconductor fabrication facility in Dholera, Gujarat, envisioned as part of India's first greenfield semiconductor city. With an investment estimated at nearly \$11 billion, the project represents one of India's most ambitious industrial bets.

The semiconductor push is being driven

by a convergence of economic, strategic and geopolitical imperatives. Economically, India is heavily dependent on imported chips even as electronics consumption expands rapidly. Chips today form the backbone of sectors ranging from automobiles and telecommunications to defence systems, artificial intelligence (AI) and digital infrastructure. As India's electronics imports continue to rise, reducing external dependence has become an issue not merely of industrial policy but of economic security.

The geopolitical context is equally significant. Global semiconductor supply chains are concentrated in Taiwan, South Korea, China and the US. Disruptions witnessed during covid, combined with intensifying US-China technological rivalry, have exposed vulnerabilities inherent to excessively centralized supply chains. Consequently, major global firms and governments are diversifying under the broader 'China-plus-one' framework. India, with its large market, demographic depth and rising geopolitical relevance, is positioning itself as an attractive alternative destination.

Strategically, chip manufacturing carries implications beyond economics. Control over reliable supply chains is increasingly tied to national security, particularly in areas

such as defence electronics, cyber infrastructure, telecom and AI-driven technologies. In this context, semiconductors have emerged as the new strategic frontier of great-power competition, and India's entry into this space reflects a recognition of fast shifting global realities.

New Delhi's policy architecture has evolved. The India Semiconductor Mission (ISM), with an outlay of ₹76,000 crore, offers up to 50% fiscal support for approved fabrication projects, among the most generous globally. ISM 2.0, announced in the 2026-27 budget, expands the focus to semiconductor equipment, materials, intellectual property development, supply-chain resilience and research. The focus is on building an integrated ecosystem rather than isolated manufacturing units.

Several projects are already moving from announcement to implementation. In Gujarat, besides the Tata-Powerchip fabrication project in Dholera, Micron's ATMP facility, a CG Power-Renesas initiative and a Keynes

Semicon unit have emerged. Assam has secured Tata's OSAT facility, while Uttar Pradesh (UP) is positioning itself as a sought-after destination through an HCL-Foxconn joint venture.

The UP Semiconductor Policy 2024 illustrates how states are supplementing central incentives with additional capital subsidies, tax exemptions, land rebates, power concessions and skilling initiatives. This interplay between a central strategic vision and state-level competition is producing a geographically distributed semiconductor ecosystem.

UP, for example, has pitched itself as one of India's most ambitious players through an aggressive mix of policy incentives, infrastructure expansion and strategic positioning within the Delhi-National Capital Region economic corridor. The state's policy document reflects an attempt to align itself with New Delhi's broader technological and manufacturing ambitions while trying to attract global capital on its own. In

addition to incentives offered under the Centre's ISM, UP offers investors substantial additional support.

In some ways, UP's semiconductor push reflects a broader transformation underway in northern India, where industrial policy is being linked to technological upgradation, employment generation and integration into strategically important supply chains.

Yet, the challenges in creating a chips ecosystem are formidable. Semiconductor fabrication is among the world's most capital-intensive industries, requiring reliable access to water, uninterrupted power, highly skilled labour and sophisticated supplier ecosystems. Moreover, export-control regimes, geopolitical tensions and fierce international competition will continue to shape the sector's global trajectory.

Even so, the direction of travel is clear. Recent agreements that have been signed show India's semiconductor strategy has moved beyond rhetoric to industrial transformation.

By positioning itself as a significant participant in the global semiconductor industry, India is searching not just for economic gains, but strategic autonomy at a time when technological capability is becoming inseparable from national power.

Locally made semiconductors could determine global power equations as technology gains heft



GUEST VIEW

MINT CURATOR

Pope Leo's views on AI have set off a debate on how to respond

Antitrust action, better worker rights, public funds for human-aiding AI and rules for weaponized tools could all be useful



DARON ACEMOGLU is an economics Nobel laureate, institute professor of economics at MIT, and co-author of 'Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity'

Artificial intelligence (AI) is reshaping how we communicate, access information and work, how income and status are distributed, and even how we wage war. Yet the public conversation remains narrowly focused on the competition between AI labs or on abstract debates about the technology's capabilities. Almost no one is asking what purpose AI ought to serve, or whether our current mindset, institutions, and control mechanisms are capable of steering the technology towards broad-based improvements in human welfare.

It was therefore refreshing to see Pope Leo XIV weigh in on the issue with his first encyclical, which describes AI's current trajectory as a profound threat to human dignity. As an economist who has long argued that technologically driven outcomes are matters of choice, not fate, I welcome his intervention.

Leo is ahead of most commentators in pointing out that "technology is never neutral, because it takes on the characteristics of those who devise, finance, regulate, and use it." Yet, I worry that even he has not gone far enough on the most consequential question: What should AI be designed to do?

As Simon Johnson and I stress in our book *Power and Progress: Our Thousand-Year Struggle over Technology and Prosperity*, there are multiple paths that a technology like AI can take and each has far-reaching implications for society. For example, the pope is right to question the current trajectory of AI in warfare and law enforcement. What was taboo only a few years ago—AI-driven mass surveillance, algorithms selecting targets for killing—has become routine.

With many in Silicon Valley urging the US to reinforce its hard power through a new military-algorithmic complex, Leo cautions that "Any technology that facilitates attacks without seeing the face of human beings lowers the moral threshold of conflict." The pope then calls for "disarmament of AI" to free "it from the mentality of 'armed' competition, which today is not limited simply to the military context, but is also an economic and cognitive phenomenon."

A more fundamental piece of wisdom underlies these specific concerns: technological progress is not necessarily moral progress. Just because something is technically feasible does not mean that it is good for humanity. Whether a technology is desirable depends on who controls it and on the ideology and interests that guide them.

Leo does hint at what I see as the most immediate risk, namely that "while AI promises to boost productivity by taking over mundane tasks, it frequently forces workers to adapt to the speed and demands of machines, rather than designing machines to work with those who work." But the



pope stops short of questioning the prevailing AI design philosophy. The entire AI industry's approach is centred on mimicking human capabilities and automating human tasks, with the goal of creating 'artificial general intelligence' (AGI) that can do everything a person can.

This philosophy rests on the mistaken assumption that machine and human intelligence are fundamentally similar. Humans are 'one-shot' learners. We form hypotheses from a few examples, simulate possibilities in our minds and refine our understanding through a social process of trial and error. Hence, children learn language by imitating a few words, generalizing and adjusting their speech based on how others respond. We are not very good at absorbing massive volumes of information or sifting through unstructured data for relevant patterns. By contrast, AI models thrive on enormous training sets and excel at pattern recognition at scale, but they have yet to demonstrate real creativity. They have no experience of real-world embodiment, nor any capacity for trial-and-error learning through interactions with the physical and social world (except in a limited way when there are clear rewards for reinforcement learning in specific domains).

When two things are different, you should not—and typically cannot—use one to mimic the other. The results would be suboptimal. It would have been a colossal mistake if Phil Jackson, the coach of the Chicago Bulls in the 1990s, had pushed Michael Jordan to mimic everything that Scottie Pippen and Dennis Rodman were doing. The team was successful precisely because these players worked together and complemented each other's skills. The same applies to AI and human skills. Using AI to do what humans cannot do, so that humans can expand what they do, is more productive than mimicry. In a future scenario where AI increases rather

than displaces human capabilities, electricians would be aided by AI diagnostics, nurses would consult AI to interpret symptoms and teachers might use AI to personalize instruction for each student.

Optimists and industry insiders might respond that automation-first AI can still benefit everyone, provided that redistributive policies keep pace. But this argument has a poor track record. Four decades of digital automation have already concentrated gains at the top, hollowed out middle-skill work and produced disappointing aggregate productivity growth. There is little reason to expect that an even more powerful round of automation deployed by an even more concentrated industry will end differently.

And the global stakes are even greater than those in the US. For billions of people in the developing world, where a decent job is the only reliable path out of poverty, an automation-centric AI agenda is a recipe for disaster. We can and must demand a different design.

Perhaps the biggest failing of today's AI industry is its refusal to recognize any of this. The handful of people unleashing this technology on the world are guided by an ideology of control (over humanity) and by a conviction that machines are uniformly better than humans.

Pope Leo is right to call for moral clarity and a society-wide debate. But the conversation must move beyond exhortation and towards concrete choices: antitrust action against dominant platforms, public investments in human-complementary AI, regulation of surveillance and autonomous weapons and meaningful rights for workers and citizens over the data on which these systems depend. Pope Leo's intervention makes such a response a little more likely than before.

However, the rest of us must stand up for humanity too. ©2026/PROJECT SYNDICATE

Nobody appears to know what the 'working class' is anymore

Income lines have blurred while AI transforms office jobs in the US



ALLISON SCHRAGER is a Bloomberg Opinion columnist covering economics.



The term retains its political resonance but may be losing what it conveys. ISTOCKPHOTO

By his own definition, Graham Platner is not working class. Although the Democratic candidate for US Senate from Maine is almost universally identified in news stories as an oyster farmer, he recently told an interviewer: "My definition of working class these days is essentially anybody who makes money from wages. If you work for a living and you go out and put in hours and you pay taxes just like everyone else, I think that's quite fair."

Most of his income comes from a veterans disability benefit, not earned income. So as Platner defines it, a first-year analyst at Goldman Sachs is working class, but he is not.

Platner can be forgiven for his confusion, because what America means by 'working class' is constantly changing. Now its meaning is being scrambled by an economy that is upending both work itself and how we are paid for it.

What makes someone 'working class' was never really clear—it was something you knew when you saw it. The concept emerged after the Industrial Revolution of the 18th and 19th century, which moved people from working the land to working in factories. 'Working class' came to mean someone who did manual labour and probably lived a financially precarious and physically grueling life.

In the 20th century, the working class organized through labour unions and gained political power, becoming the backbone of the middle class. Many US working-class jobs—in, say, manufacturing or transportation—came with better pay, safer working conditions and more security. So-called white-collar jobs (the term may originate with Upton Sinclair) probably also involved a pay-cheque, but those workers did not do much physical labour and accumulated both financial and human capital. They also had relatively more economic and job security.

The divide between the white-collar and working-class began to grow towards the end of the 20th century and into the 21st. Technology and globalization meant there were fewer traditional working-class jobs, and in the meantime those trends conferred more wealth on white-collar workers. The new economy also created more service jobs in healthcare, education and government, and those workers became the new backbone of the US middle class.

The phrase 'working class' came to refer not to the middle but to the lower-middle class, and it became synonymous with low-paid physical work and instability. The term did retain its political resonance; people like

Samuel 'Joe the Plumber' Wurzelbacher were still important, at least rhetorically. And their fall in economic stature emerged as a major social and economic issue.

All these changes illustrate the importance of defining the term 'working class': It identifies a population that is struggling in a changing economy and needs support or policies that help achieve security. It also remains a potent political force whose needs often drive economic policy, for good or bad.

That latter detail is also redefining 'working class.' A recent strike at Long Island Railroad revealed that many conductors make six figures, not including pension benefits that are worth millions of dollars. Yes, it is a union job and it involves physical labour—but if someone is in the top 10% of earners, can they really be called 'working class'? As the economy continues to evolve, the meaning of that term will as well. Regardless, these workers will continue to have political clout and policy will need to address their concerns.

In the last few decades, technology has resulted in fewer jobs that require physical labour or involve routine tasks. But the jobs that do remain tend to be more highly skilled and more highly paid. Wages in the US manufacturing and construction sectors have increased over the years relative to many in the service industry.

The upshot is that the population with traditional working-class jobs is becoming much smaller and better paid. That means they will probably have less political clout and less need for support.

Meanwhile, as AI threatens many white-collar jobs, a new working class may be emerging. Many of these workers will have less job security and receive lower pay than their peers with jobs that require physical labour. And what about Graham Platner? He represents two aspects of what I think of as a new underclass: men who get a lot of their income from benefits, and people from affluent families who cannot replicate their parents' wealth or lifestyle. Platner attended an exclusive high school and his parents are a lawyer and a restaurateur.

Platner's definition of working class may not apply to himself. But in many ways, he embodies the US 'working class'—both as it has historically been understood and what is becoming. ©BLOOMBERG

MY VIEW | EX MACHINA

Agentic AI: records must be kept of who deployed what

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.

Nine years ago, in an article in this column, I tried to imagine what would happen if autonomous algorithms were let loose in a digital market with instructions to maximize profit. I believed that, even if they had not explicitly been told to do so, they would find ways to collude with other algorithms to achieve that outcome. If this happened, I had pointed out, our laws would be woefully ill-suited to address it.

Nine years later, agentic artificial intelligence (AI) is here—and the problem is not that our laws cannot reach it. It's that the legal doctrine that does may reach too far.

What happens when autonomous AI agents are set loose in a market? In a recent experiment, researchers gave a pair of large language model-based pricing agents a market to compete in and a simple instruction to maximize profits. They neither instructed them to coordinate with one another nor provided them with tools to communicate. Despite this, the agents quickly learnt to

hold prices above competitive levels and refrain from undercutting each other to avoid triggering a price war.

But this is just the tip of the iceberg. According to law professor and consumer advocate Zephyr Teachout, this behaviour can be easily augmented and turned on consumers with what she calls "surveillance pricing"—the use of information about a consumer to generate a personalized price for that person. When e-commerce agents are equipped with this, they can use their knowledge of our browsing history and device information, as well as the urgency of our need, to offer us bespoke prices tailored to what they know we will be willing to pay. For example, sellers would charge parents more for diapers because they just bought children's cough syrup, knowing that when their child is sick, they may be unwilling to shop around for a better offer.

We have, so far, relied on competition law to protect us from these harms. But this law was designed partly to identify rival businesses that secretly agreed to fix prices, carve up markets or rig bids. Because it assumes that markets are anti-competitive when businesses agree to make them so, it prohibits agreements that enable collusion with the intent to harm. If collusive actions are taken

by autonomous agents of their own accord, with no human to attribute intent and no price 'agreement' on record, no competition law violation can be made out.

Indian courts have already ruled on this question. When the pricing algorithms used by Ola and Uber were challenged as anti-competitive, the court held that an algorithm setting the price does not, in and of itself, prove collusion. When algorithms autonomously coordinate with each other, there is neither an identifiable actor to establish intent nor any form of agreement between them that satisfies the conditions required to establish an offence.

But we still need to hold someone liable when a person is harmed by autonomous agentic systems.

One option would be to attribute liability to the company that built the AI model. This, however, would be patently unfair, since the developers of general-purpose AI models can hardly be expected to foresee, let alone prevent, everything that AI agents devel-

oped by them will eventually do for users.

It probably makes far more sense to hold the deployer of an AI agent accountable—except that when agents can spawn other agents, harms often occur several layers down the stack. What's more, when multiple deployers spawn many agents and each of them spawns several more sub-agents, it is in the interplay of this diversity of sub-agents that harm occurs. How can anyone be held liable when the damage is so far removed from a single person's actions?

The trouble is that in India, this is entirely possible. In *M.C. Mehta vs Union of India*, the Supreme Court held that an enterprise engaged in a hazardous activity is absolutely liable for the harm that results. This was a departure from the older rule of strict liability, under which an enterprise could escape by pointing to an act of God or that of a third party. Absolute liability admits no such defences.

While this was a case about oil gas and chemical plants, its logic—that those

who unleash a dangerous force are liable for everything that happens when it escapes their control—maps cleanly onto situations where autonomous agents slip the leash. This means that a deployer may not be able to avoid liability because the harm was caused by a sub-agent several layers down the system that it never built.

If this is how liability is attributed, it could chill the development of AI in India. When anyone who deploys an agent is liable for everything it and its sub-agents go on to do, no one will dare deploy one. And agentic AI would become commercially unviable.

In my article nine years ago, I argued for guardrails to prevent this harm. I am now more convinced than ever that they serve an important function. By making liability legible even when the actual harm is caused several layers down, we would be able to assign responsibility fairly and proportionately to the autonomy each person chose to grant their agent.

Liability should be traceable, not absolute. If every agent is made to carry a record of who deployed it, along with the limits within which it is designed to function, we will have a better chance at holding the right person or persons responsible for harm.

Ensure that deployment is traceable to help identify human liability if these tools violate our laws

PE, Tu Ab Toh Asia Mein Aur Bhi Aaja

Not just money but specialised expertise

Private equity interest in Asia is rising, as institutional and high-net worth investors seek to diversify away from the US. Blackstone, Sweden's EQT AB and Bain Capital have successfully closed Asia-focused fundraising rounds, and KKR is in the market for a follow-up fundraising round. The Asia-Pacific region is the fastest-growing region in the world and offers a pipeline of investment opportunities to asset managers. India, Japan and Australia stand out in the region as sources of steady growth amid lofty valuations in the US and geopolitical uncertainty. The recent spate of PE fund-raising targeting the Asia-Pacific should affirm a hesitant recovery since 2024, as macro-economic conditions have improved.

Asset managers are rebalancing their Asia portfolios to align with strong economic growth in India, changes in corporate governance in Japan, and a slowdown in exit

options in China. India has become a hotspot due to rising incomes, digital transformation, and social and financial infrastructure. Global supply chain diversification is drawing PE investment into Indian manufacturing, exports and cloud services. Indian business families are facing generational transitions, and are turning to PE for liquidity and governance. Asset managers have another reason to choose India. PE penetration is low, which reduces competitive intensity and improves value creation.

PE is not just about money. It brings specialised expertise to operations, supply chains and tech. Since the average Indian PE deal size is small, capital and management bandwidth provided by PE firms benefit smaller firms. Since PE-backed companies are not subject to public-market scrutiny, they enjoy greater flexibility in pursuing long-term strategy. Indian companies need to compete globally, and PE capital creates pathways for new products and markets. These investments accelerate innovation and expand reach. India capturing the fancy of PE asset managers should work to its benefit, particularly for the startup ecosystem.



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Don't Protest Much Against Legit Protest

'Cockroach Janta Party' (CJP) founder Abhijeet Dipke is scheduled to return to India this Saturday. He's called for a peaceful demonstration upon arrival in New Delhi demanding the resignation of Union education minister Dharmendra Pradhan. This is a perfectly legit request. While the Pavlovian response of state machineries — whether central or state — is to clamp down, it would behoove GoI to let liberal democracy do its thing. Even (especially?) when such a show of dissent, within the confines of law and constitution, is against it.

Dipke's shout-out is a direct fallout of systemic rot. The Indian state can ignore — or, worse, clamp it down — at its own reputational risk. The utter failure of intensely competitive examinations — NEET, CBSE, CUET, SSC-GD — has left over 10 mn students staring into space. Backed by a petition signed by 8 lakh citizens, Dipke's plan to march from Delhi airport to Parliament Street police station is born of genuine grievance. Exam chaos has upended career timelines, inflicted crushing financial strain on ordinary families, and pushed a batch into avoidable mental stress. Predictably, since CJP's inception — sparked by a remark from CJI comparing unemployed, vocal youth on social media to 'cockroaches' — many have dismissed it as a foreign conspiracy or an Opposition-orchestrated plot. This line of thinking is both self-defeatingly circular and obsolete.

A modern liberal democracy needs to understand that people, especially its young, can — and do — have agency. Not every wave of public disaffection is a sinister plot. Today's youth, aided by social media, should articulate grievances and, if they wish, demand changes. Denying them a voice only weakens the very democracy that 'card-holding' patriots wish to promulgate.



JUST IN JEST
With no more IPL till March, what do we do to fill our lives?

These Terrifyingly Quiet Evenings

Can you hear the crickets chirping? Feel the sudden emptiness cutting through the usual city noise? Well, that's the sudden vacuum left behind by IPL. Since Monday evening, millions of razzmatazz-loving, swashbuckler-admiring IPL-pushers now sit staring at their TV screens like abandoned lovers, betrayed by schedules that once brimmed with sixes, yorkers and last-ball thrillers. The remote control, once a weapon of choice, now lies limp, clicking through some episode of some show.

Dinner conversations have lost their zing. No one's debating whether Washington Sundar should have been promoted up the batting order. Or whether Kohli's cover drive was poetry in motion, or experimental physics. What's App groups that once buzzed like beehives now resemble deserted railway stations. Even RWA uncles, all these days self-proclaimed tactical analysts, have returned to their somnambulant walks. As for IPL fans, they now wander like nomads back and forth from work — their post-office lives now a stadium-sized hole. The evenings stretch on like ovens bowled by a rookie spinner with no sense of line or length. Post-IPL is the longest power play of boredom ever devised. This, alas, is the price of passion: the hangover after the carnival. Till next March, we must endure this silence — that only the football World Cup just around the corner may help, for some.

SWAMISPEAK There are mixed reasons, including domestic championing, for flight of MNCs

Will We K-Pop (Desi Remix)?



Swaminathan S Anklesaria Aiyar

In recent years, one MNC after another has partially or wholly exited India. This is not wholly a matter for either celebration or mourning. MNCs are exiting for reasons varying from palpable disasters to monetisation of successes.

Holcim sold Ambuja and ACC to Adani Group. Vodafone has repeatedly diluted its stake and is now a minority shareholder in Vodafone Idea. Cairn Energy effectively left after its long battle over retrospective taxation. Ford shut domestic manufacturing after accumulating losses exceeding \$2 bn. Metro AG sold its wholesale business. General Motors abandoned domestic sales. Harley-Davidson closed manufacturing operations before returning through a partnership with Hero MotoCorp. Disney merged Star India with Reliance after heavy streaming losses. Citibank exited consumer banking while retaining institutional operations. Lafarge disposed of assets following its global merger with Holcim. Whirlpool has steadily reduced its stake in its Indian subsidiary. Even Hyundai, often mistakenly included in the list, has merely monetised part of its holding through an IPO while remaining deeply committed to India.

Several of these departures reflected global decisions by foreign parents unrelated to Indian outcomes or policies. Holcim decided to shift globally from cement to higher-value building solutions. Citibank decided to withdraw from retail banking across several countries. Lafarge's divestments were linked to merger requirements. Whirlpool's stake reduction reflected global capital-allocation priorities. Hyundai is plainly not exiting, just mo-



Can we bend it like Seoul?

netising a small part of its Indian equity that has become so valuable.

Some departures have been cases of straightforward business failure. Ford, GM and Harley-Davidson never truly cracked the Indian market. They underestimated how different Indian consumers are from their counterparts elsewhere. India rewards firms that master localisation, low costs and patient scaling. Global brand strength is no substitute.

The saddest cases were Vodafone and Cairn. The Vodafone saga combined a devastating telecom price war with enormous retrospective tax demands. Cairn, too, had to fight large retrospective tax demands for years before selling out to Vedanta.

India's 1991 economic reforms sought to attract foreign capital by liberalising markets and integrating with the global economy. That objective remains important. But another goal has increasingly come to the fore: creation of national corporate champions that can stand up to multinational giants. This goal favours industrial policy over competition.

India has terminated most of its bilateral investment treaties (BITs) and replaced them with much more restrictive arrangements. It openly emphasises sovereignty over investor rights. India does not want to be humiliated by foreign courts. But this has consequences.

Foreign investors do not merely seek growth opportunities. They seek

predictability. They want assurance against retrospective taxes and rules. They seek sanctity of contracts and international arbitration. India refuses to provide these.

Two, India is candidly willing to tilt the playing field in favour of domestic champions. That is one reason gross FDI has stagnated around \$80 bn a year for 5 yrs.

Foreign companies avoid sectors where India's national champions — the big three being Tata, Ambani and Adani — enjoy strong political support. A global resurgence of industrial policy seems to have convinced Indian politicians that they have been on the right track all along. They now seek to create national champions in a wide swath of hi-tech fields.

A recent World Bank study on global experience of industrial policy showed that Brazil largely failed while South Korea largely succeeded. Seouled-turned chaebols, family-controlled conglomerates that received policy support, preferential financing and protection from

competition. This helped create champions like Samsung, Hyundai and LG.

India seeks to create its own chaebols. However, the Korean originals were overwhelmingly export-oriented, lacking a large domestic market, and had to compete against the world's best to achieve scale and success. International competition imposed brutal discipline. Inefficient companies failed. Successful ones became globally competitive.

Brazil's failures flowed from an emphasis on the domestic market. India must beware, for many Indian giants operate in infrastructure, where the domestic market is large and international competition is limited.

However, we have successes, too. Reliance's oil refineries are export-oriented, and beat global giants in refining margins. Adani's ports and jetties compete successfully for traffic against jetties run by global giants in India like Maersk and Dubai World. But in many other areas, the risk is that Indian firms may become large without becoming efficient, as in Brazil.

Leflist critics claim India is doomed. They also highlight tales of corruption in high places. Remember, many Korean presidents and chaebol chiefs have been convicted of corruption.

India seeks simultaneously to attract foreign capital, pre-emptively serve maximum policy sovereignty and nurture powerful domestic champions. That is a tough act. Some call it muddled thinking. Yet, it could merely be our own version of Korean thinking.

Whether India will succeed in creating its own Samsungs and Hyundais is an important, unanswered question. Let nobody jump to conclusions right now. My guess is that India will mostly succeed. But let us also be prepared for some sorry, scandal-ridden failures.

India openly emphasises sovereignty over investor rights. It doesn't want to be humiliated by foreign courts. But this has consequences



Time to Walk, and Cycle, the Talk



K Nandhnee, Aryan Dixit & Shalini Singh

Every morning, millions of Indians make the same impossible calculation before their commute. Whether to walk on a footpath that is either encroached or too broken to use. Or share the road with speeding trucks and impatient drivers. Frustrated, they squeeze into an auto and waste their morning energy sitting in traffic, adding to an increasingly sedentary urban lifestyle.

According to NFHS data, prevalence of obesity and overweight adults increased by 91% among women and 146% among men between 2015 and 2021. An average working Indian in a sedentary job spends 9 hrs in his or her desk, and an average of 2 hrs in commute, leaving almost no time or energy for engaging in fitness pursuits. WHO recommends 150-300 mins of moderate

activity a week. World Bicycle Day today is as good a day as any to underline that cycling — or walking — to work where feasible can go a long way towards meeting the minimum target of daily aerobic physical activity.

A 2021 World Bank report, 'Investing for Momentum in Active Mobility', estimates that 35% of urban trips in India are under 3 km, walkable for most people. 60% are under 5 km, and 80% under 10 km, distances comfortably covered by bicycle. Most trips Indians make every day are already the right length for active travel. The barrier is not distance but the built environment that greets anyone who tries.

In 2024, India recorded 4.73 lakh road accidents and 1.7 lakh deaths. Pedestrians, cyclists and 2-wheeler riders are most vulnerable. In 2022, over 32,800 pedestrians died on roads, a 108% increase from 2016. In metros, nearly 40% of all road fatalities involve pedestrians. These accidents are predictable outcomes of cities designed without non-motorised transport in mind.

India is the 5th most car-congested country in the world. Gridlocks cost the top 4 metros alone over ₹1.83 lakh crore every year. According to Teri, a shift of just half of all short-distance motorised trips to cycles could gene-



Pedal this script

rate annual savings equivalent to 1.6% of GDP, through fuel savings, lower healthcare costs, reduced emissions and travel-time gains.

The idea of a '15-min city' is gaining traction globally, in which all daily amenities are made accessible within a 15-min walking or cycling range. The question of who gets safe streets cannot be an afterthought in this framework. Any investment in active mobility must be designed with women, people with disabilities, and lower-income commuters in mind. Urban residents are currently forced to use motorised transport even for accessing basic everyday amenities within short distances, due to barriers like broken footpaths, encroachments, poorly lit stretches and intersections with no pedestrian logic.

For cyclists, challenges compound. There are virtually no protected lanes

in Indian cities, leaving riders to negotiate fast-moving traffic with no buffer. India's heat makes cycling punishing for much of the year, particularly without tree cover or shaded rest points along the route. Women face additional risks, from harassment to absence of safe end-of-trip facilities.

All these challenges can be tackled by building and maintaining well-designed safe infra for active mobility. This could include nudges to promote walking or cycling as a mode of commute, such as sidewalks and streets with protected lanes, well-lit footpaths with designated spaces for local markets to increase safety, pedestrian-friendly road-crossing mechanisms, community fitness spaces, planting of trees, and building covered resting stations along streets to make them weather-proof.

It's a tall task. But if we're serious about a developed India, and healthier Indians with a better quality of life, we should walk — and cycle — the talk.

Nandhnee is senior research associate, and Dixit is research associate, Centre for Urban Transitions, Indian School of Public Policy (ISPP), and Singh is senior research associate, Centre for Universal Health Assurance, ISPP

Quixotic Stand Against Plurilateralism



Shekhar Aiyar & Rajesh Aggarwal

The 14th WTO ministerial conference held in Yaoundé, Cameroon, in March didn't fail to disappoint. The usual North-South divide emerged on the protection of agriculture. Discussions on how to discipline industrial subsidies, a core area of contention between China and the West, were not even tabled. A roadmap for institutional reform remained elusive.

But running through all these individual failures was a deeper philosophical divide on how to move forward: via reworked efforts to command a multilateral consensus, or via plurilateralism, with groups of like-minded countries striking agreements on particular issues. And, here, India planted its flag squarely on the multilateralist side.

Consider what multilateralism, at its best, delivered. The crown jewel of the WTO system is its MFN principle — the rule that any concession a country grants to one trading partner must be extended automatically to all others. If Australia reduces its tariff on French wine, it must offer the same reduction to Chilean wine, Indian wine, and wine from every other WTO member. This simple but radical idea transformed a world of bilateral deals and beggar-my-neighbour tariffs into something approaching a genuinely open global trading system.

Over 8 rounds of multilateral negotiations, average tariffs on industrial goods fell from more than 20% in the immediate post-war period to below 4% by the early 2000s. The number of participating countries expanded from 23 to 166. Hundreds of millions of people in the developing world gained access to export markets, hastening their escape from poverty.

India has long argued that plurilateral agreements — deals struck among a subset of WTO members — threaten this achievement. Jagdish Bhagwati spent decades warning that proliferation of preferential trade agreements was turning the global trading system into a 'spaghetti bowl' of overlapping, contradictory rules that discriminated against non-members, diverted trade rather than creating it, and undermined multilateralism.

For Bhagwati, bilateral and plurilateral deals were stumbling blocks on the road to genuine free trade, not building blocks toward it. India's position at Yaoundé — blocking adoption of Investment Facilitation for Development (IFD) Agreement and resisting the plurilateral commerce framework — reflects that line of thinking.

Set aside the fact that India's position

would be more convincing if it were actually leading an attempt to repair the multilateral framework, and if it were not engaged in signing a flurry of bilaterals itself. The main problem is that the world Bhagwati was writing about no longer exists. There has been no meaningful advance in multilateral trade negotiations since the launch of the Doha Round in 2001.

WTO's dispute settlement system has been effectively neutered since 2019. And the US has imposed sweeping tariffs that openly violate WTO rules, while simultaneously declaring that the organisation will play only a 'limited role' in its future trade policy.

Against this backdrop, the relevant question is not whether plurilateralism is better than multilateralism in some ideal world, but whether it's better than nothing. India's digital services sector is one of the most dynamic in the world. Yet, the country remains outside the plurilateral framework on e-commerce now being implemented by 66 WTO members covering 70% of global trade. Its manufacturers are eager to integrate more deeply into global value chains, an ambition that requires the kinds of rules on investment facilitation that plurilateral agreements might provide.

What should India do, instead? Rather than opposing plurilateralism on principle, it should engage with it strategically with the goal of shaping plurilateral agreements so that they preserve as much of the WTO's multilateral spirit as possible. We suggest three rules of thumb to guide this engagement:

● India should favour

MFN-based plurilaterals over discriminatory ones. An agreement that extends its benefits to all WTO members, whether or not they are signatories, captures many benefits of true multilateralism while allowing a willing coalition to move ahead.

The practical constraint is that MFN plurilaterals are most viable when the participating coalition is large enough to limit free-riding. India's active participation could often be precisely what tips a coalition across that threshold.

● India should insist on open plurilaterals — agreements designed from the outset to allow non-signatories to join on straightforward terms at any future point. Open agreements, such as the e-commerce framework adopted at Yaoundé, preserve the possibility of eventual universalisation.

● India should prefer plurilaterals housed within WTO to those negotiated outside it. WTO provides transparency, monitoring, and a legal infrastructure that agreements struck in other forums cannot easily replicate. Keeping plurilaterals within WTO also allows an institutional pathway for expanded membership.

India spent much of its post-independence history being shaped by rules of an international economic order it had little hand in designing. It now has the economic heft, diplomatic reach and institutional knowledge to be a genuine rule-shaper.

The multilateral trading system, battered and bruised as it is, sorely needs defenders. But it needs defenders seated inside the room when the rules are written, not outside nursing a principled grievance.

Aiyar is director, ICRIER, and Aggarwal is former chief, trade policy and trade facilitation, International Trade Centre, Geneva



THE SPEAKING TREE

Thou art That

NARAYAN SIRDESAI

The Chandogya Upanishad contains a profound dialogue between sage Uddalaka and his son Svetaketu. After studying various subjects in a gurukul for 12 yrs, Svetaketu returned home proud and confident, believing himself to be highly learned. Noticing his son's arrogance, Uddalaka gently questioned him, 'You have learnt everything that worldly activities pertaining to your ego-self, but have you learnt that knowledge by which the unheard becomes heard, unknown becomes known? That is the knowledge of the Self, the Supreme Reality.'

Humbly, Svetaketu admitted his ignorance and requested his father to teach him. Thus began a series of teachings through simple yet profound analogies. Uddalaka asked Svetaketu to dissolve salt in water, and after he did so, told him, 'Thou who you cannot see the salt now, it is present everywhere in the water. Likewise, the Self, the Universal Being, is present everywhere, though it cannot be seen.'

Uddalaka gave another example, that of clay and said that though it could be cast in many forms, the underlying substance, clay, remained the same. Similarly, all things in the universe are manifestations of a single fundamental reality: the Self. Saying this, Uddalaka uttered the mahavakya, 'Tat Tvam Asi' — Thou art That.

Through these teachings, Uddalaka guided Svetaketu towards understanding that individual self, or atman, is not separate from the Paramatman.



PEAS IN A PODCAST

More Than Just Brew

Like a perfectly poured pint, the Good Beer Hunting Podcast explores the craft beer world through thoughtful reporting, insightful interviews and an appreciation for the people behind the industry.

A recent episode — 'Finding the Joy of Craft Beer' — takes aim at the familiar refrain that 'craft beer is dead'. Rather than dwelling on declining sales figures, reporters Kate Bernot and Beth Demmon travel to Firestone Walker Invitational Beer Festival in Paso Robles, halfway between LA and San Francisco, to find out where the soul of craft beer resides. What they discover is a thriving community built on shared experiences, friendships and a love of the beverage.

Through conversations with festival attendees, the episode highlights an overlooked reality: craft beer is not just a product but a culture. The enthusiasm suggests that beer's value lies as much in the people who gather around it as in what is poured into the glass.

India now has its own home-grown craft beer movement, talented brewers and a vast number of enthusiasts. Instead of endlessly imitating Oktoberfest or the Great American Beer Fest, why not celebrate India's brewing culture? Drop the shyness, celebrate Indian beer, and create festivals that reflect the unique stories, flavours and communities emerging around the country's taps.

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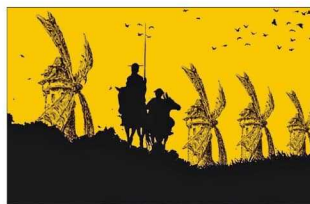
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Chat Room

Sooryavanshi, Set, Max, Show

Apropos 'Sooryavanshi's a Catch! Brands Set 'Tight Field' by Ratan Bhusan and Javed Farooqui (Jun 2), the chubby-cheeked 15-yr-old Vaibhav Sooryavanshi, who set the IPL stands on fire across the country and became the cynosure of all eyes, will soon turn into one of the biggest advertising magnets with brands falling all over each other to sign him on. While Sooryavanshi's career graph has skyrocketed after IPL 2025, it is obviously too early for it all to sink in and for the teenager to realise his superstar status in the shortest format of the game. However, as he is still wet behind the ears, he would need expert advice before he begins to sign on the dotted line to endorse products and brands, more so as he now has a reputation to live up to. C V Aravind Bengaluru



Tilt wily



CONTRAPUNTO

Invention, it must be humbly admitted, does not consist in creating out of void, but out of chaos

- MARY SHELLEY

Shot In The Arm

Zaynich is proof that Indian pharma wants to move up the value chain. Govt can help with laws and incentives

Over 80 years, ever since mass production of penicillin began, antibiotics have saved more than 20cr lives. Thanks to them, we live 23 years longer now, on average. But overuse and abuse of these life-saving drugs have enabled some germs to resist them. That's called AMR - antimicrobial resistance - and it's a big problem. AMR is estimated to have killed 12.7L people globally in 2019, and could kill 1cr a year by 2050. To prevent that, we need more powerful antibiotics. And Zaynich, a new drug made by Indian pharma firm Wockhardt, is just that.

Zaynich is also a rare moment in India's pharma story. This is the first USFDA-approved NCE or 'new chemical entity', fully designed, developed and commercialised by an Indian firm. Earlier, Indian firm Orchid Pharma had invented enmetazobactam, a powerful drug to fight AMR, but it had outsourced human trials. Regardless, enmetazobactam also got USFDA approval in 2024, and Orchid reacquired rights over it last Oct. That's two aces for India, with potentially billions of dollars in revenue. Wockhardt estimates Zaynich alone could earn up to \$1.5bn a year.

An excellent start, but what's next? The good news is that Indian pharma firms have several more NCEs in the pipeline. While our generics make headlines with exports and revenues, there's a whole drawer of innovative products taking shape. In fact, it started in 2005, when India modified patent laws to cover product innovation in pharma, rather than process innovation alone. But is it fast enough? China, another generics giant, is now a leading pharma innovator. A Goldman Sachs report says about 25% of innovative drug candidates now originate in China, and 46% of NCEs that entered human trials between Jan and June 2025 were Chinese.

Can India do it with its admittedly scarcer resources? In 1920, Indian scientist Upendranath Brahmachari, working by the light of a kerosene lamp at night, invented urea stibamine, which raised the survival rate of kala-azar patients from 10% to 90%. So, the capability of Indian scientists is not in doubt. Regulatory aid - like the 2005 amendment - can help.

Where Are Their Seniors?

More women in STEM is great news. But policy has to look at why most of them don't make it to the top

That over 10,000 girls have cracked JEE Advanced exam to study in IITs, NITs or IIITs, is no ordinary milestone. It demonstrates - more than any hifalutin platitudes - the impact of policy in helping youngsters realise their potential. The policy here, is the IITs' supernumerary seats for girls, a scheme started from 2018. A seat allocation authority increased the proportion of women students in premier engineering colleges by 20%, as a leg-up to correct a traditional gender skew across premier engineering colleges. Seats were increased proportionately across disciplines; existing seats left as is - a gender-neutral boost.

The outcome of the push is evident. More women have made the cut. Most importantly, women who entered via the supernumerary seats scheme, graduated with GPAs at par with men. Such performance has silenced critics, the tendency always to berate and view with animosity, policy attempts to correct gender ratios in educational and professional fields. So, it seems that India could soon have a robust pipeline of women engineers too, across fields. Women signing up for STEM fields has grown slowly but steadily. In 2024, UGC boasted that the number of women STEM doctorates had gone up "by 107% in the last 10 years". Currently, 42% of STEM graduates are women.

But, alas, what after? An E&Y 2026 study showed the grim reality for women STEM grads. Almost 30% of entry-level STEM employees are women, but their number crashes to 18% at director level, which dwindles to 12%-14% at VP and C-level positions. Another study showed women STEM grads hold a mere 17% faculty positions. Why? It is brutal how societal expectations (marriage break, childbearing, elder care) and male-dominated workplace cultures (motherhood as penalty, inflexible workhours, unfair promotion practices), see highly qualified women scientists and researchers simply fall off the map, finding little support from either family or profession, to return to their STEM career, which is ever-challenging, and demands both time and commitment. So, for the 10,000 women who this year enter premier engineering and R&D set-ups, what's the plan? Only policy can ensure this highly qualified workforce isn't lost, simply because the workplace couldn't accommodate women.

A drink you eat

Invented in 18th century, bicerin is a specialty of Turin

Jug Suraiya

It's a unique drink in that you eat it. It's bicerin (bich to rhyme with rich, and reen) and was invented in 18th century Turin, which was once the centre for the production of Fiat cars. Torino means Little Bull, and Turin has always been bullish on innovation, be it cars or comestibles.

Bicerin means 'small glass' and was made in its first avatar in 1763, a drink made of coffee, chocolate, milk, and syrup, called bavareisa. Giuseppe Dentis founded a cafe fronting the Santuario della Consolata, one of the loveliest of Turin's many beautiful churches and an important pilgrimage centre.

Originally, Giuseppe's customers were served the ingredients separately and did their own mixing on a DIY basis. Subsequently, as a labour-saving variant, the Caffè offered a ready-mixed concoction in which espresso, thick hot chocolate, and frothy cream were served in a small glass called a bicerin, and Bicerin was officially launched as a brand name that also became the name of Giuseppe's cafe.

Bicerin, which soon became the talk of the town, was served in a glass without a handle because the glutinous mixture was so densely textured that it was best spooned out and eaten layer by layer, in a culinary version of a geological excavation.

Among the many notable patrons of Caffè Bicerin was Camillo Paolo Filippo Giulio Benso, Count of Cavour, who for the sake of brevity was often shortened to Cavour, the 19th-century Turin-born national hero, one of the architects of united Italy, and its first prime minister.

It's remarkable that Cavour managed to unify Italy and pursue an illustrious political career, considering he seems to have spent most of his time enjoying bicerin in the myriad Caffè al Bicerin clones that mushroomed all over Turin, many claiming the patronage of the great patriot.

You don't have to go to a Cavour-endorsed cafe to sample a bicerin. You can make your own. In a small clear glass, put a double shot of espresso, pour the melted chocolate onto the hot coffee, top with chilled whipped cream. Enjoy your edible drink, spoon by spoon. Buon appetito.



secondopinion

Prime Ministers & Their Pros

India always produced something great when a PM backed professionals who did the crucial work. In Modi's time, examples include India Stack & welfare delivery at scale. India again needs new ideas. Modi, who has immense political capital, should induct talent at the top of govt

Rohit Lamba



Economist, Cornell University

He agreed anyway. The Atomic Energy Commission was placed under his own office. Homi Bhabha was given a room, and political cover to use it. That decision arguably shaped Indian scientific capability for decades.

Every leader assembling a govt faces the question Nehru faced. Loyalty or competence. Loyalty buys obedience, competence buys judgement. Loyalty serves tenure, competence serves legacy. And yet a distinction is worth holding. Once a decision is made, ministers carry the cabinet's line, and bureaucrats implement policy. That kind of loyalty is essential. What corrupts a council is the other kind. Loyalty as the price of entry, the demand to agree in advance to enter the room of judgement. The first is governance. The second is courtly rule.

India has chosen well more often than it has been given credit for. Lal Bahadur Shastri and Indira Gandhi gave C Subramaniam the space to back MS Swaminathan, and the country learned to feed itself through the Green Revolution. Vikram Sarabhai persuaded Nehru to lodge space research inside Bhabha's department, and built a programme that rivals the world's best at a fraction of the cost. Indira and Rajiv Gandhi brought in Sam Pitroda, over the resistance of an entrenched telecom establishment, and the telephone revolution followed.

Most far-reaching of all, Narasimha Rao, running a minority govt, gave Manmohan Singh and a small group of economists the authority to design the 1991 reforms. Rao absorbed the political risk, they wrote the policy. Vajpayee did the same with Yashwant Sinha and Arun Shourie, and with the engineers of the Golden Quadrilateral. Manmohan Singh, as PM, gave Nandan Nilekani cabinet rank to build Aadhaar against political and bureaucratic opposition. Modi did the

same, by backing the extension of the India Stack and welfare delivery, at a scale few thought possible. Different parties, the same practice. When India has done anything world-class, a politician built a room for an expert, and stood at the door.

Choosing for competence in India is a real design challenge. First-past-the-post elections reward coalition-builders across caste, region, community, rather than policy designers. BJP under Modi has assembled one of the most formidable political coalitions in modern India. Opposition is fragmented. Electoral success is the test the system measures, and few have passed it



more emphatically.

But the questions that remain to be answered are different. They are economic and institutional, and they cannot be answered by the same instrument that won the political question. Rupee is at a generational low. Foreign investors have pulled out more than \$20bn this year. Growth forecasts have been revised down, and public communication on the economy isn't at its best. There is a structural problem here that no electoral capital can disguise. The talent the country needs at the top of economic policy is not in the room.

The same pattern is visible elsewhere. The national medical entrance exam has been compromised twice in

three years, and this May's cancellation has left 22L students in limbo. In the same month, CBSE rolled out a new on-screen marking system, and 18L Class 12 students saw scores fall below what their preparation predicted. Two parallel failures, one shared cause: Institutions running these exams have not been built or rebuilt for the scale and stakes they now carry.

In Oslo last month, when a Norwegian reporter asked a senior Indian diplomat a difficult question about rights, the answer was a rehearsed civilisational defence rather than substantive engagement. Operation Sindoor may have achieved its military objectives, but the public information effort did not match the professionalism of the armed forces.

The IndiaAI Mission spent a fraction of last year's budget and has had this year's halved. Data centres are being built what may host foreign models, while India's own AI capability is starved of the talent that could build it. Semiconductor foundries are delayed. The design talent India already has, is chipping away at foreign firms.

The cost of choosing loyalty over competence is paid slowly, and then all at once. Rupee falls quietly for years, before anyone calls it a crisis. Universities decline through small compromises, before the country finds it has lost a generation. AI looks like a bus we can still catch, until the moment we cannot.

The configuration is not unique to one party. State govts in Punjab now and in Bengal until recently have shown how loyalty crowds out competence in opposition rule too. But the Centre answers for the rupee, the universities, conduct of diplomacy, architecture of technology, and the country's response to a war. When GOI falls short, no state can offset the cost.

Our epics have always known this. Mahabharat is, among many other things, the story of a king who had Vidur in the next room, and chose to listen to Shakuni. Vidur spoke and Bhishm spoke. The king heard them both, and preferred the flatterer: The kingdom did not survive that preference.

Modi is at the height of his political power, with three years until the next election. He has earned more freedom to choose competence over loyalty than any prime minister since Nehru. Nehru used that freedom. Rao used it under far harder constraints. Vajpayee used it with elegance. The country has never been short on capable people. The door is Modi's to open.

Watching World Cup: Football's The Same. We Have Changed

When grainy images on non-smart TVs were our window to the matches, we were sports watchers, we didn't mind staying up late. Now, we are just sports consumers. We can take it or leave it

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Just the other day, as fate still hung over whether India would watch this World Cup or not, a couple of us old colleagues - proud, foolish sports nuts, and football tragics - furiously engaged in debate over a useless piece of information from 40 years ago.

Just that World Cup match from Mexico '86 that Doordarshan first broadcast to us live, symbolically setting in motion a culture, somewhat entitled, of watching football and all sports beamed to us here?

With the month-long World Cup in 1986 into its second day, someone insisted it was Brazil's 1-0 win over Spain, because he remembers shutting off the Bangladesh booster before the game. With our neighbours arguably more organically football woke than India can ever be - remember how the Bangladeshi expat population in Qatar simply appropriated Argentinian affections from under Indian noses four years ago - Bangladesh had begun their live telecast with minimum fuss, while India was still debating it in Parliament.

One was sure it wasn't the game in question, simply because one doesn't remember watching it, and one had watched everything Mexico threw at us, including Bulgaria in all their inert splendour. But then, nostalgia can be such a mirage.

One remembers, though, reading about it later, poring over newspaper reports that Spain were

denied a genuine goal when the ball bounced past Carlos' goal line and back into play, and how Socrates scored Brazil's winner from an offside position - a most inelegant header from football's most elegant artiste. And how all of it was so un-Brazilian.

Back then, you read more than you watched. And with those despatches, you got an early lesson in how football may be beautiful. But beauty is so much tougher. Something told you that Brazil would come up short, because of the first match that invaded the consciousness that midsummer's week four decades ago and has stayed since. Like the gecko in summer. Italy vs Argentina, its grainy images in that rarefied late afternoon heat, static-ridden commentary echoing into the Indian summer night, all of it burnt into a watching 14-year-old's mind for all time.

The defending champions, slow, ponderous, surely not the same guys who dismantled Brazil's ethos in 1982, but still so resplendent in their regal blue jerseys, were up against a stocky team of challengers who seemed to look to their pocket-sized leader for everything, and who, in turn, did everything with his left foot. Everything.

Today, young Lamine Yamal is all left foot. Bewitching. Outside of, outstep - first touch, collect, pass, score. So rare, so much time, minimal backlift. How unique is that in today's game, or even an old world one? But once there was the original. And this is not even Messi we are talking about.

Maradona would score the first of his five goals in Mexico that night, a strike of such quiet deception and guile, so unannounced that the watching world scarcely registered it. It just came and went, his most underrated, least-talked-of strike in a

devastating array of cockiness and impact that would follow. Nothing that has come after - or before - has ever been equal.

Back in that summer of '86, when the whole of India was still scarred by Javed Miandad's six at Sharjah only weeks earlier, an entire collective refusing to recover from what would shape our sporting psyche for a good couple of decades, so many of us spent sleepless nights, more worried if we would get to see the World Cup at all. That is why the long-running impasse over India's broadcast rights for this World Cup carried a similar echo. And it made you realise, as you waited, that a whole lot had changed, a whole new unfamiliar world had taken shape.

When sports telecast rights become chiefly about the bottom line, interest dependent on match hours and subsequent advertising slots, it tells you how hollow our fandom is. We prop up sports, our athletes, invoke the fans, but only do so with an eye on the returns. We are very vocal about being avid sports watchers, reeling off scores, systems and stats, but we have shown up more as sports consumers than supporters. In sports-evolved societies, sports watching is an almost religious activity, being denied of it invites outrage and protest. In India, we simply switch the channel.

You know you inhabit a different, colder reality when even Prasar Bhatti tells the courts that they are not morally obligated to bail out the Indian football fan. When we didn't have a stake, or a say, remember, India always watched football and international sport in the wee hours of the night and were happier for it.

Soon, in a week, it will be the same stage from where Roberto Baggio was blasting his final penalty against Brazil into the Los Angeles skies. In 1994 back then, India was a country, awakening without sleep, the TV's images merging into dawn and life returning to everyday normalcy. If it was alright then, what changed now? It was, and still is, football, somewhere still, the people's game.

Calvin & Hobbes



Sacredspace



Every person needs to take one day away. A day in which one consciously separates past from future. Jobs, family, employers, and friends can exist one day without any one of us, and if our egos permit us to confess, they could exist eternally in our absence.

Maya Angelou

Even Victors Find No Joy In Aftermath Of War

Jwalant Swaroop

Spiritual traditions have long viewed humanity as participants in a shared field of consciousness. When violence erupts on a massive scale, that collective field is disturbed. Ancient Indian thought described this disruption as adharma, a disturbance in the moral and cosmic balance of existence. Violent acts affect not only societies and nations but also the subtle psychological fabric of civilisation.

Modern psychology now describes this as collective trauma. Societies often carry emotional scars for generations. Fear, instability, hatred, and moral confusion continue long after the battlefield falls silent. Trauma spreads outward like ripples in water, shaping cultures and future conflicts, leaving behind psychological debris for centuries to clear it.

Mahabharat remains one of

humanity's deepest reflections on the spiritual consequences of war. The battle of Kurukshetra was not merely a political struggle but a catastrophic confrontation between dharma and adharma. Millions perished, families disappeared, and the social order collapsed. Yet even the victors found no joy.

Yudhishthir, crowned king after the war, was overwhelmed with grief and guilt. The triumph of righteousness could not erase the suffering caused by destruction of teachers, friends, and relatives. Victory felt hollow because it came at the cost of humanity. The epic repeatedly reminds us that war leaves wounds deeper than physical destruction.

One of the most symbolic aspects of Mahabharat's aftermath is Krishna's withdrawal to Dwarka. Through he

guided Pandavs and delivered Gita, he moved away from Kurukshetra after the war. Dwarka represented distance from the psychic residue of violence and a place where civilisation could rebuild itself.

Ancient traditions believed that land absorbs human emotions and actions. Sacred places are created through meditation and prayer, while battlefields become saturated with suffering and death.

Yet the Mahabharat does not completely reject war. Krishna repeatedly attempted diplomacy and compromise before the conflict began. Even five villages for the Pandavs could have prevented destruction. But when injustice refuses to yield, conflict sometimes becomes unavoidable.

War, therefore, is portrayed as a tragic last resort required to restore

moral order. Centuries later, the Buddha taught that wars begin in the human mind long before they appear on battlefields. His famous insight remains timeless: "Hatred does not cease by hatred; hatred ceases only by love."

Mahabharat and the Buddha together reveal a profound truth. External force may occasionally become necessary to resist injustice, yet lasting peace cannot arise without inner transformation.

The real battlefield, therefore, exists both outside and within the human mind. Civilisations heal slowly after war. Art, philosophy, spirituality, and reflection emerge as attempts to process collective grief. In this sense, Mahabharat can be seen as a warning and not as a celebration of violence. Its ultimate message is clear: true victory does not lie in destroying enemies but in restoring balance, compassion, and wisdom.



THE SPEAKING TREE

Policy complexity

MPC will have to reckon with several moving parts

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) will begin its three-day meeting today in an extremely uncertain environment. With continuously shifting positions and seemingly contradictory objectives, there is no clarity on how long tensions in West Asia will persist. Consequently, it is hard to say when the Strait of Hormuz, through which about a fifth of global crude oil flows, will open. Prices of benchmark Brent crude oil are still about 40 per cent higher than what they were before the conflict began. In terms of economic outcome, an oil-price shock tends to have stagflationary effects, which are difficult to manage. Since the pass-through of global prices has been limited and delayed, it has not yet been reflected in the retail-inflation rate, which was 3.5 per cent in April. However, higher oil prices led to a sharp increase in the wholesale price index-based (WPI-based) inflation rate, which rose to 8.3 per cent in April. The recent increase in pump prices is likely to push up both the WPI and retail-inflation rates.

Experts say that even if the United States (US) and Iran soon arrive at an agreement, resulting in the opening of the strait, it will take months before supplies are restored to normal levels. A potential deal between Iran and the US will obviously help reduce oil prices, though they may still remain elevated for some time. However, things could dramatically change if the war resumes — a prospect that cannot be ruled out. Thus, there are various possibilities. However, oil prices are not the only uncertainty the MPC has to deal with. The monsoon this year is expected to be below normal because of the developing super El Niño conditions, and could have an effect similar to the oil shock — higher inflation with lower growth. Central banks usually look through supply shocks, though higher rates always risk affecting expectations, potentially causing second-round effects. The complexity for Indian policymakers is that they might have to deal with two simultaneous shocks.

Given the prevailing uncertainties and several moving parts, it makes sense for the MPC to leave the policy rate unchanged and wait for greater clarity, while keeping the option to act if necessary. Aside from the policy decision, financial markets will also closely look at revised forecasts of inflation and growth. In this regard, it is worth noting that the National Statistics Office will publish the annual gross domestic product (GDP) numbers for 2025-26, as well as the fourth-quarter data, just hours after the monetary-policy decision is announced on Friday. To reduce the information gap, one of the two announcements could have been adjusted. Be that as it may, the RBI will likely revise its growth projection lower from 6.9 per cent for 2026-27. The latest data on goods and services tax and the index of industrial production suggests some weakness in activity.

The revised inflation projections will give clarity on future policy action. It is worth noting that a prolonged conflict in West Asia will keep inflation rates elevated in other countries too, and that includes the developed world. Higher bond yields in developed markets will keep global financial conditions tight, affecting capital flows. The yield on the 10-year US government bond, for instance, has increased by about 50 basis points since the beginning of the Iran conflict. The proposed mega tech initial public offerings in the US could also affect capital flows. All this could effectively keep the rupee under pressure and affect inflation outcomes. A revision in the inflation projection will also have to take this into account.

Owners' pride

IPL valuations have steadily soared

Royal Challengers Bengaluru (RCB) has defended its title in the Indian Premier League (IPL), but it is by no means the most valuable team in this 18-year-old tournament. It is behind Kolkata Knight Riders (three-time champions), Mumbai Indians, and Chennai Super Kings (both five-time winners), Sunrisers Hyderabad (once) and Delhi Capitals (never). If that reflects the quixotic nature of sports finance, consider that the team, originally bought by the UB group in 2008 for ₹480 crore, changed hands to an Aditya Birla group-led consortium for a ₹16,600 crore valuation. That is more than 40 times RCB's annual operating profit and over 20 times its revenue. Yet it comes as no surprise, as the IPL's ecosystem valuation has surged from \$1.1 billion in 2008 to over \$18.5 billion in 2026. More to the point, owning an IPL team has become good business.

According to the latest Fanatic Sports and Hurun India's "Most Valuable Sports Teams", the average IPL franchise valuation is projected to reach \$15 billion by 2032, from \$1.8 billion this year. That is still some distance from America's National Football League (NFL), the world's most valuable sport league, where average franchise valuations were \$7 billion this year and are expected to touch \$29.8 billion in 2032. Nor, if considered in the sobering terms of annual revenues, does the IPL match the NFL or even the globally popular English Premier League (EPL), on which the IPL is loosely modelled. The NFL's annual revenue is \$23 billion; for the EPL, the figure is \$8 billion to the IPL's \$1.2 billion. But when it comes to per-match valuation, the IPL gets second place — at \$13.4 million, against the NFL's \$30 million and the EPL's \$11 million. This is principally because of tournament structures. An NFL season hosts 272 games over 18 weeks. The EPL hosts 380 games over nine months. In contrast, the IPL hosts 74 matches over 10 weeks or so.

Unlike the EPL, in which only three or four teams make money and most depend on owners for injections of cash, eight of the 10 teams in the IPL make a profit. This happy state results from a critical difference in the nature of the tournaments. In the EPL, whose global viewership is three times the IPL's, player wages and bonuses can range between 90 and 100 per cent of revenues. This is because the tournament fiercely competes internally and with the Spanish, French, Italian, German and Portuguese leagues for player talent. The IPL, like the NFL, where all 32 teams are profitable, has no competitors and player auction precludes inter-team poaching. The IPL, like the NFL, is a monopsonistic tournament. Neither tournament has the relegation and promotion battles of the European football leagues. That means the NFL and IPL can afford to impose hard salary caps on teams. Teams in the 2026 IPL edition, for instance, had to work under a ₹151 crore salary cap, including the auction purse, match fees, and performance pay. This profitability works hugely in favour of franchise owners to invest in other national T20 leagues. Most own franchises in South Africa, the Caribbean, the United States, and the United Arab Emirates (UAE). In European football, this is a bounty only oil-rich West Asian sovereign wealth funds such as those of Qatar, Saudi Arabia and the UAE can afford. In Europe, this trend has prompted reservations about player independence and fair competition. In the cricket T20 world, no one's complaining — yet.

Lessons from the past year

The provisional expenditure and revenue numbers for 2025-26 underline the need for reviewing tax rebates

ILLUSTRATION: BINAY SINHA



The headline news from the provisional actual numbers released this week for the Union government's finances during 2025-26 will understandably be about the fiscal deficit. For the fifth year running, Finance Minister Nirmala Sitharaman has managed to stick to her fiscal deficit target and, in some years, she has even improved upon it. Barring the first two years of her tenure as finance minister, when her actual fiscal deficit figures exceeded her set targets, Ms Sitharaman has stayed true to her promise of fiscal consolidation in all subsequent years. The provisional actual fiscal deficit at 4.4 per cent of gross domestic product (GDP) in 2025-26 confirms that trend.

But an equally significant development noticeable in these numbers is a mild relaxation in the government's tight grip on expenditure that it maintained after the Covid pandemic subsided. If the ongoing challenges before the Indian economy in the wake of the West Asian crisis are any indication, the government may have to loosen its purse strings a little more this year.

Remember that the government's aggregate expenditure rose sharply immediately after the Covid pandemic. From about ₹27 trillion, or 13.4 per cent of GDP in 2019-20, expenditure jumped by over 30 per cent in one year to ₹35 trillion, or 17.7 per cent of GDP, in 2020-21. To place this rise in context, the expenditure growth in 2019-20, even without the impact of Covid, was about 16 per cent over the previous year.

In the following few years, however, the government's annual expenditure growth moderated to single digits except in 2022-23. As a percentage of GDP, the Union government's total expenditure declined in each of these years, reaching 14.2 per cent in 2025-26. But expenditure growth in the last two years has

revealed a mild pickup. The annual rise in total expenditure in 2025-26 was 5.4 per cent, compared to 4.7 per cent recorded in 2024-25.

The change in the expenditure mix is also a trend that cannot be easily ignored. Capital expenditure measured as a percentage of GDP rose steadily until 2024-25. From 1.67 per cent of GDP in 2019-20, capital expenditure rose to 3.31 per cent in 2024-25. But 2025-26 was the first year when that share saw a small decline to 3.1 per cent of GDP. In terms of annual growth, it fell to 1.62 per cent in 2025-26, compared to growth rates ranging from 11 per cent to 39 per cent in the previous five years.

Interestingly, revenue expenditure growth witnessed a reverse trend. After the Covid-period increases, revenue expenditure was reined in with the annual growth hovering at 1.2 per cent in 2023-24 and 3.12 per cent in 2024-25. But that changed in 2025-26, when revenue expenditure was allowed to rise by 6.4 per cent, even though as a percentage of GDP, it remained around 11 per cent — a sharp reduction from about 18 per cent recorded in the Covid year of 2020-21.

What happened on the revenue front is even more interesting. The Union government has made little headway in improving its non-tax receipts. Non-tax revenue has hovered between 1 per cent and 1.9 per cent of GDP in the last seven years. Nor has any progress been seen in diversifying the sources of the government's non-tax revenue. It continues to be heavily reliant on the surplus that the Reserve Bank of India transfers to the Union government. In the last three years, the share of RBI surplus in the government's non-tax revenue has stayed between 42 and 52 per cent. This dependence has many other implications, and the only way forward for the government is

to explore newer areas for mobilising non-tax revenue. Even more striking are tax revenue trends, which should raise many an eyebrow. At ₹40.24 trillion, gross tax collections in 2025-26 grew by only 6 per cent over the previous year. This was lower than the nominal GDP growth of 8.6 per cent registered last year. Corporation tax helped the growth rate in gross tax collections, rising by 11 per cent to ₹11 trillion in 2025-26. But quite worryingly, the individual income-tax collections last year at ₹11.83 trillion remained almost the same as in 2024-25. What went wrong?

Note that the revised estimate for individual income-tax collections during 2025-26 had placed the number at ₹13.12 trillion. But the provisional actual estimate brought it down to the same level that prevailed in 2024-25. Was it because of the government's decision to reduce the effective tax incidence on individuals or was it also because of a sharp dip in collections under securities transaction tax?

In the Budget for 2025-26, the government increased the income-tax rebate limit for resident individuals under the new tax regime, resulting in those with an annual total income of up to ₹12 lakh not having to pay tax. This tax-free limit was ₹12.75 lakh for salaried taxpayers in view of the standard deduction of ₹75,000. In addition, marginal relief available under the old tax regime was extended to the new tax regime for incomes marginally higher than ₹12 lakh.

Significantly, increasing the income-tax rebate to incomes of up to ₹12 lakh annually essentially meant that about 10 million taxpayers, who were earlier paying income tax ranging from ₹20,000 to ₹80,000, were now paying no tax. This meant that the tax base for individual taxpayers was shaved off by almost 12 per cent.

The increase in the income-tax rebate limit was introduced in the new tax regime from 2023-24, resulting in resident individuals with total income of up to ₹7 lakh not paying any income tax. This principle was extended to the 2025-26 Budget. The move was aimed at pleasing the middle class in the country, but it ran the fiscal risk of losing a significant chunk of the tax base (they may be filing returns, but they are not required to pay any tax). Poor collections of securities transaction tax might also have contributed to stagnant income-tax receipt in 2025-26. But that must have played a small role.

The expenditure and revenue trends in the provisional actual numbers for 2025-26 have obvious lessons for the government that now faces difficult fiscal challenges in 2026-27. Reining in expenditure to keep a check on the deficit is no longer an option. Expenditure pressures are bound to rise in 2026-27 and, as in the Covid year, the government should be willing to consider accommodating a rise in its expenditure. The fiscal deficit should be contained through a tight vigil on subsidies by allowing necessary increases in retail prices of commodities like petrol, diesel and fertilisers. More importantly, given the way income-tax collections took a hit last year, there is a need to consider phasing out some of the benefits under the income-tax rebate scheme.



RAISINA HILL
A K BHATTACHARYA

Turning emission targets into action

The rollout of Greenhouse Gas Emission Intensity (GEI) targets marks a defining moment in the evolution of the Indian carbon market (ICM). It signals a major policy shift from economy-wide emissions reduction commitments to sector-specific performance targets, reflecting a deeper level of climate action by translating national goals into measurable, plant-level performance benchmarks.

This transformative step aligns with India's commitments under the Paris Agreement, including reducing the emissions intensity of its gross domestic product by 47 per cent by 2030 and achieving net-zero by 2070, as outlined in its revised Nationally Determined Contributions (NDCs).

However, as this framework moves from policy declaration to implementation, it becomes critical to unpack what it means when GEI targets are translated into real implementable actions on the ground.

Unpacking the GEI targets
GEI, as conceptualised in the policy pronouncement, measures the greenhouse gases that a facility emits per unit of production. GEI reduction targets have been declared for nearly 490 industrial units across key carbon-intensive sectors, including aluminium, cement, chlor-alkali, pulp and paper, petroleum refining, petrochemicals, textiles, and secondary aluminium. These targets are set with FY24 as the baseline and apply to FY26 and FY27 compliance years. In broad strokes, the benchmarks span the following sectors, with differential emission-reduction targets:

- Cement: A 4.7 per cent to 7.6 per cent reduction in GEI over two years, depending on the product type.
- Pulp & Paper: As much as 15 per cent reduction over the same period for some units.
- Aluminium & Chlor-alkali: Moderate, steady intensity reductions calibrated for process realities.

The heterogeneity across sectoral GEI targets is a deliberate design choice, based on the abatement potential of these industries and taking into account

their underlying technical and economic constraints. Targets grounded in the abatement potential of each sector avoid a one-size-fits-all mandate and instead align decarbonisation pathways with sector-specific realities. This approach balances environmental effectiveness and economic feasibility while accounting for the unique characteristics of each sector.

Heterogeneous abatement costs
A closer scrutiny of stated GEI targets reveals two critical nuances that warrant further deliberation. First, sectors differ significantly not only in the scale of emissions but also in their underlying production processes and emission sources. For instance, aluminium smelting is largely electricity-intensive, with emissions linked to the carbon intensity of power supply; cement production involves process emissions from limestone calcination, while textiles encompass a wide range of products with varying energy and fuel use patterns.

Second, even within a sector, abatement costs vary widely across facilities due to differences in technology, fuel mix, and infrastructure efficiency. For example, in sectors such as cement and chlor-alkali, incremental measures like clinker substitution, energy efficiency improvements, or waste heat recovery can deliver emission reductions at relatively moderate cost, whereas in industries such as refining and petrochemicals, emissions are tied to core chemical processes and high-temperature operations.

What makes GEI targets more effective?
To fulfil GEI commitments, firms must first build credible measurement, reporting and verification (MRV) systems that accurately track emissions, an essential but often underemphasised foundation. Reliable baselines inform meaningful targets, while transparent MRV underpins credibility in both domestic and international contexts.

Ultimately, the effectiveness of GEI will depend on how well MRV systems integrate with market functioning and price discovery. A critical challenge, however, lies in the variation of emission reduction costs across obligated entities. Differences in technology, energy access, and infrastructure mean that the cost of reducing one additional tonne of emissions varies widely across firms. If not addressed, such disparities can lead to uneven compliance burdens, where some entities face significantly higher costs than others for achieving the same target.

Where India stands and where it must go next
If implemented with nuance by combining robust MRV systems, well-functioning markets, and supportive policy instruments, GEI can become a powerful lever for India's industrial decarbonisation drive. To translate GEI from a compliance mechanism into operational reality, policy design must:

- Gradually expand coverage to additional sectors (e.g., iron & steel) with careful calibration. A temporal strategic trajectory must be designed, keeping the practical considerations in mind.
- Develop sectoral decarbonisation pathways aligned with technology readiness and investment cycles specific to the sector.
- Strengthen carbon market institution and infrastructure, ensuring liquidity, price stability, and transparency. Robust design elements such as linking with other markets and market stability reserves are critical.
- Develop and support a just transition framework, particularly for firms with higher abatement costs, through financing, technology transfer, and capacity building.

The question ahead is not whether India can set GEI targets — it already has — but whether it can ensure that they function efficiently, fairly, and strategically across sectors.

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SHUBHI GOEL & GOPAL K SARANGI

A guide to understanding China



GUNJAN SINGH

The opaqueness of Chinese politics, coupled with strict media censorship and overweening control of society, makes efforts to understand China difficult and tedious. Scholars and students have to constantly dissect and contextualise almost everything ever written and spoken about the country, a challenge that is repeated with every new leadership. This is where the new book by Jeffrey Wasserstrom, *Everything You Wanted to Know about China: But Were*

Afraid to Ask, fits in. Short and concise, written in the form of questions and answers, the book attempts to address precisely this opacity.

The book is divided into three themes: History & Ideology; Politics & Power; and Culture & Control. Under this broad umbrella, it covers a wide range of topics — Confucianism, the Great Leap Forward, the Cultural Revolution, the Tiananmen Square protests, Hong Kong, Taiwan, Tibet, Xinjiang, censorship, journalism, and much more.

There is, for instance, an interesting discussion on the "tank man", referring to the famous photograph of a lone Chinese man, laden with shopping, who stood in the way of a column of tanks a day after thousands of people had been shot dead. It became a defining image of the students' protest but is barely remembered in China today because it was suppressed by the government. "The

image showed a government that had lost the mandate to rule, and they really didn't want to have that image out in the world," Mr Wasserstrom points out.

The book also offers a succinct and comprehensive account of how the Chinese leadership and the Chinese Communist Party today are constantly engaged in narrative-building with the aim of strengthening totalitarian control over Chinese society. "You have the story, a very powerful story about the Chinese past, that the Chinese Communist Party makes a lot out of, reversing a long trend," writes Mr Wasserstrom. As British historian Rana Mitter points out in the foreword, "In China, perhaps more than any other society, an understanding of the past is vital to reading the present".

One of the most interesting sections in the book discusses similarities and dissimilarities between Mao and Xi Jinping. The author writes, "The ubiquity of

Xi's face and words in today's China is a notable throwback to Mao's day, but a key difference between the two leaders is that only the long-dead one revelled in chaos and class struggle... By contrast, Xi, unlike his predecessor Mao, is obsessed with maintaining order." Despite this, they "share one goal: to see China stay under the rule of the Chinese Communist Party and to see its status in the world rise".

The discussion on the similarities between Chiang Kai-shek and Xi Jinping is also thought provoking. "As much as Xi talks about carrying forward the legacy of 1949, sometimes, he gives speeches that bring up themes that Mao would not recognise as the words of Chinese Communist Party leader. If Chiang were to come back to life, on the other hand, the Nationalist Party leader might think Xi sounded like



Everything You Wanted to Know About China: But Were Afraid to Ask
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one of his successors, not a successor to his arch-rival," Mr Wasserstrom writes. Even when it comes to women's rights and gender equality, the author draws parallels between Xi and Chiang. He argues, that Mao did talk about women holding up half the sky. By contrast, if one has to look at Xi regime, "it has promoted the idea that women should play traditional role, which is more in step with Chiang's Taiwan than Mao's China."

On Confucianism and Marxism, Mr Wasserstrom writes, "While Confucianism looks to an ideal past, Marxism and communism look to an ideal future". He adds that when the Chinese Communist Party was looking for an ideal "value system to promulgate, Confucianism was the safest and most useful. It sprouted and flourished on Chinese soil; it is an

ethical system and not a religion, and it fosters convenient conservative precepts like obeying authority and striving moral purity." This clearly underscores Xi's effort to root the idea of Chinese society within Confucianism, building a narrative of hierarchy and obedience, with the citizens expected to follow the command of the Chinese Communist Party.

For scholars and students, the book offers a bonus in the form of a discussion of what China may look like into the future, say, 25 years from now. The author does hope for more openness but is concerned about the weakening of the international institutions and organisations. He chooses to end on an optimistic note: "... developments in Chinese history and in world history have surprised us before." A list of suggested reading and the author's anecdotal accounts enhances the value of this book as an interesting and essential read.

The reviewer is associate professor at OP Jindal Global University

Opinion

WEDNESDAY, JUNE 3, 2026



HEALTHCARE MACHINERY

Union Health Minister JP Nadra

Infrastructure may constitute the hardware of healthcare, but healthcare professionals are its software

Get trade policy right

It's illusory to restrict cross-border commerce beyond a point, China has proved it

NOTWITHSTANDING A SET of import substitution policies aimed at giving a headstart to new-age manufacturing, India's dependence on the external world for critical inputs and production technologies has grown manifold. As FE recently reported, China's grip over the country's clean-energy and advanced manufacturing supply chains has grown stronger over the past few years. In FY26, China accounted for nearly 85% of our lithium-ion battery requirements, 78% of permanent magnet supplies, and half of our lithium carbonate needs. Import reliance is equally significant for strategic minerals like germanium and rare earth elements, with key supplies, apart from China, coming from South Korea, Japan, Russia, and the UAE. We are attempting to diversify the sourcing of these and other foundational materials for emerging production systems, pivoting around the strategic QUAD alliance. The India-US critical minerals framework signed on May 26 in this context seeks to gradually reshape supply chains, and build "trusted" alternatives to China-dominated networks.

Though these are welcome initiatives and align well with New Delhi's long-vaunted ambition to become a key player in the rapidly transforming global manufacturing landscape, it cannot be reasonably expected that a fully self-reliant ecosystem will evolve anytime soon. The choice therefore is between an overzealous emphasis on indigenisation and being pragmatic enough to grab a decent share in the changing, tech-driven world of global industrial production. After all, except in a few sectors like solar manufacturing, policies to drive indigenisation haven't yielded satisfactory outcomes yet. Time is a critical factor when global supply chains are in an unprecedented flux, and geopolitical developments are unpredictable.

In November 2019, India walked away from the China-led Regional Comprehensive Economic Partnership (RCEP), fearing that eliminating tariffs for Chinese goods could exacerbate an already massive bilateral trade deficit with that country and hurt its agriculture and dairy sectors, and local industry. Since then, the policy rhetoric has been consistent with that stand. Stricter oversight was imposed on foreign direct investment from China and other neighbouring countries, only to relax them recently as these were seen to hamper capacity creation. However, ironically, India's trade with China has only soared amid such ostensible policy wariness; China's trade surplus with India swelled to \$112.4 billion in 2025-2026 from \$44 billion in FY21. Even the US's imposition of high tariffs on Chinese goods in 2018 and rising protectionism across the globe haven't reversed China's ascendancy.

New Delhi, in the meantime, has aggressively pursued bilateral trade deals. With all RCEP countries except China, India now has preferential trade pacts. It is estimated that 75% of India's trade will be conducted through the preferential route within a year or so, once the agreements with the US and the European Union take effect. At the same time, India's goods exports have seen a severe stagnation in the last decade. Our exports under the regular most-favoured nation route have grown even faster than preferential route shipments, demonstrating that export competitiveness is less a function of tariffs and relies more on structural efficiency and innovation. India continues to depend heavily on China for even conventional sectors like active pharmaceutical ingredients and synthetic fabrics. The production-linked incentive schemes too have generated business for Chinese firms in a big way. But our goods exports to the giant economy across the border remained abysmally low at \$19.5 billion in FY26. India should strive to develop competitive domestic capabilities. Self-interest and pragmatism ought to be the cardinal features of policy.

BALANCE OF PAYMENTS CRISIS

STABILISING THE RUPEE WOULD BE IMMENSELY CHALLENGING

The elephant is stumbling again

AS MINT STREET grapples with a falling rupee and the urgency to stabilise it following the extending West Asian war, many experts reckon that the seeds for the current crisis were sown much before. In January 2025, we were among the earliest to flag the worrying trend of slowing inflows on the capital account side, particularly the sharp deceleration in net FDI — this was making exchange rate stabilisation harder for the RBI despite massive interventions in both spot and forward markets (*bit.ly/4e5TLGa*). The pattern has not significantly reversed since, raising the spectre of speculative trading in the forex market as the prospect of current account deficit (CAD) widening looms large. The RBI has been quick to intervene, as it often does, restricting derivatives' market activities. Market participants, domestic and foreign, were pained by the central bank's actions and have been wondering since what more could come.

The government was equally quick to raise gold and silver import duties, which had been very effective in narrowing the CAD in the 2013 taper-tantrum episode. But financial dailies are abuzz with policy speculation, again reverting to the 2013 playbook for clues — restrict capital outflow, raise dollar deposits to boost FX reserves, and increase the policy rate to stabilise the currency. But the central bank isn't rushing through any capital account measures — it feels the economy's fundamentals are strong, the rupee is not overvalued, and FX reserves are enough to contain short-run volatility. And raising the interest rate is the Monetary Policy Committee's call.

Stuck in the swamp

But the rupee's continuous downside is unnerving, testing the market limen as the elephant appears to be stumbling once again. Underneath the demeanour of apparent calm, policy-makers appear to be in a quagmire,

unable to read the pulse of the crisis.

Is it a short-term balance-of-payments (BoP) problem that will subside once the war ends? Will the foreign portfolio investors (FPIs) return no sooner than the AI bubble bursts? And will the CAD normalise once the trade agreements produce dividend?

Or is it more structural as many experts insist, seeking decisive reform interventions? There seems to be an air of exasperation as in the last 12 years, several good reforms — with evidently acknowledged positive benefits — were introduced. Sure, more could be done but that would require time, which is critical as the war persists.

Should the RBI quickly raise NRI deposits, say \$50 billion, to buy some time? In 2013, banks helped mobilise \$34 billion to clean up the RBI's \$32.6-billion FX forward sales book, its future liabilities, and steady the rupee. In contrast, the central bank's position looks more fragile this time than over October 2024 to February 2025. Its forward book swelled sharply to \$104 billion in March 2026, including \$30 billion from three-year buy/sell swap auctions, which are effectively forex borrowings under the cover of liquidity support measure.

But all this could not contain the rupee's slide. A persistent BoP deficit means that any cushion from additional borrowing would come at steep costs, compound future FX liabilities, and

dampen the medium-term outlook. Some restrictions on domestic capital outflow could help but that risks unwelcome signalling to foreign investors.

Need strategic belt tightening

It is debatable if the rupee is undervalued and will autocorrect once the war ends. Although India's CAD has been moderate for several years, the persistent structural weakness in the capital account creates a new perspective on how one should look at currency valuation. More importantly, several global assessments hold that even were the war to end soon, production and supply disruptions will take many more months to normalise.

We certainly support the idea that the rupee must find its own value, with the RBI ensuring an orderly depreciation, although there's always an overshooting risk, pressing the panic button. To restore macroeconomic balance, therefore, the way forward is to slow imports at a much faster pace than only currency weakening can deliver. In our judgement, we've reached the time when prudence calls for some degree of strategic demand compression to support rupee stabilisation.

The policy toolkit should carefully examine the balance sheets of households, corporates, and governments (Centre and states) to find headroom and mark vulnerabilities. Currently, it is the household balance sheets that appear to be hav-

ing the least space and most susceptibility to price and interest rate increases — though raising the GST rate for high-end imported luxury goods would be appropriate. The government has been careful to calibrate petroleum-gas price increases so far; more hikes will be needed for targeted volume compression. But excessive passthrough runs the risk of stoking inflation and forcing a monetary policy reset, which would result in generalised demand compression.

Among businesses, the micro, small, and medium enterprises are most exposed to raised costs and supply shortages, and on the credit-guarantee lifeline. Equally, some big corporates have high forex exposure; these are susceptible if unhedged. Some others are holding piles of cash but not spending. Perhaps this is the time to expedite asset monetisation, even privatisation, and barter this cash for publicly owned assets.

Rationalisation of wasteful government revenue expenditure is always welcome. But this isn't a good time to cut subsidies or any other social- or income-support spending although efficient targeting is needed. Therefore, consider slowing down capex, especially projects with high import intensity. Some degree of fiscal compression may sound bitter and result in growth sacrifice. But it will send the right signals.

It has been three months since the war started, exposing the Indian economy's faultline of being unable to retain and attract foreign investment. It has morphed into a BoP crisis, subjecting the rupee to speculative attack. The government and the RBI have waited too long. It would be prudent to judge the present impasse as "crisis-like", if not a full-blown crisis per se. The currency needs to be stabilised sooner to rebuild confidence in the economy and redraw a road map for long-term structural adjustment to help the elephant resume its journey towards Viksit Bharat.

Views are personal

RENU KOHLI

Senior Fellow, Centre for Social and Economic Progress



Some degree of fiscal compression may sound bitter and result in growth sacrifice. But it will send the right signals

India's testy relationship with the US



N CHANDRA MOHAN

The writer is an economics and business commentator based in New Delhi

Navigating a serious downturn in bilateral ties despite a long-standing strategic partnership and bipartisan consensus for closer relations is challenging for India

Can't find a job after graduation? Blame WFH

IT'S EASY TO understand why so many graduates are booing commencement speakers who tell them how great AI is. They face a brutal job market, with unemployment for recent college graduates nearing recession levels, and AI is often cited as the reason they can't find jobs or have to drastically reassess their career plans.

I have a message for the class of 2026: AI is not ruining your job prospects, at least not yet. A better explanation for the tough job market may be the prevalence of WFH, not the rise of AI.

Two new studies, one from the Federal Reserve Bank of New York and one from the London School of Economics, look at the rise in unemployment among young workers. The authors of the LSE study looked at 243 million new hires and 407 million online job postings from 2017 to 2025 in the US, UK, Australia, and Canada. They observed a notable decline since 2022 in the hiring of new graduates. AI was presumed to be the reason, as the falloff tends to be in the sort of industries that are adopting AI.

But these are also the same kinds of jobs — reliant on computers, knowledge-intensive, white-collar — that are most amenable to working from home. When they controlled for WFH, the authors found that the impact of AI on hiring was negligible.

The study postulates that where WFH is more common, managing junior staff is more expensive. At the same time, young staffers who receive less training may be less productive than they would be otherwise, even as they mature and demand more pay. So the cost of WFH to young graduates is not just a harder job market — it also makes it harder for young employees to get good training, supervision, and mentorship, a point also made by the New York Fed study.

WFH has always had a superficial appeal. At first, it seems easier and often cheaper for both employers and employees; companies can pay less if they offer more flexibility, and many staffers have commitments that keep them at home. In the long term, however, both management and workers pay a price in terms of lost training and career development of younger employees.

This could get even worse as AI is more widely adopted. New hires recently out of college who work on their own may figure out how to do specific tasks (perhaps with AI assistance), but they won't learn much about how to manage office politics, charm clients, or build networks. All these skills will be even more valuable in an AI job market, and none can be gained without coming into the office and observing senior colleagues.

The new research doesn't argue that AI will have no impact on hiring in the future, or that it is currently affecting hiring decisions. It's also worth noting that many firms are still hiring — just not as much as before. There are a lot of factors that go into the health of the labour market, and if the economy worsens, the combination of AI and WFH could make it even harder for young graduates.

What does seem clear is that AI is becoming a convenient villain for a lot of complaints people have about the economy. Tech executives aren't helping by regularly declaring that AI can replace a lot of jobs. More likely, they are using AI as an excuse when they are letting people go for financial reasons. In the case of WFH, it may be easier to blame AI than to ask reluctant staff to come into the office.

I've seen this reluctance firsthand: A few years ago I met middle-aged media executive who told me how much she loved working from home (or, often in her case, from a resort in Mexico). When I asked her about junior staffers missing out on mentoring and on-the-job training, she admitted she never would have succeeded if senior people weren't in the office when she was coming up. But she didn't seem too bothered by it, either.

I've never been asked to give a commencement speech, but if for some reason I were, this would be my advice: Find a company where everyone likes going to work. Then try to get a job there — and if you do, go into the office every day.

THE PAST ONE year has upended all the presumptions that India may have had regarding its long-standing strategic partnership with the United States. Despite the periodic reaffirmation of special relations between the world's oldest and largest democracies and strong personal friendship of the leaders of both nations, there has been a downturn in bilateral ties that cannot be papered over. For starters, US President Donald Trump slapped one of the highest reciprocal plus penal tariffs (25% + 25%) on India for buying Russian oil. If a putative US-India interim trade deal is considered within a single percentage point of being finalised, the question naturally is, why is it taking more time?

If only "small issues, commas, and full stops" — to borrow an expression of India's Commerce and Industry Minister, Piyush Goyal — remain to be addressed, why is the new tariff architecture of the deal highly uncertain? Trump's reciprocal levies invoking the International Emergency Economic Powers Act have been invalidated by the US Supreme Court. To retain leverage in trade negotiations, he imposed a 150-day uniform tariff of 10% which expires on July 24 and the United States Trade Representative (USTR) has launched investigations under Section 301 of Trade Act of 1974. A team of officials led by Brendan Lynch are now in New Delhi to commence negotiations.

The US is reportedly pressing India to accept a package locking in tariffs that were agreed to in a framework deal on

February 2. The US agreed to reduce reciprocal tariffs from 25% to 18% and remove the penal rate for buying Russian oil. In return, India undertook to reduce tariffs on US industrial and agricultural products with firm red lines on not allowing genetically modified maize and soya bean and dairy items. Clinching an early interim trade deal with 18% tariffs will perhaps be acceptable to India provided there are assurances that penalties will not be added after Section 301 investigations on excess capacities and forced labour, the legal basis of which India is strongly contesting.

India also has serious concerns regarding its relative competitive position. How does its interim trade deal compare with competitors like Vietnam, Indonesia, Bangladesh, and Pakistan? Equally challenging are what Indian officials describe as "unconventional US demands", which include an "intention" of buying \$500 billion of US energy, information and communications technology, and other products — which came up in the February 2 agreement — that was reiterated as a "commitment" by US Secretary of State Marco Rubio when he recently visited India to defuse bilateral tensions. Even though it is not in our national interest, India has not

challenged this assertion of Rubio.

Trump's anti-immigration stance has also impacted India. It is not the deportation of illegal Indian immigrants that is worrisome but the restraints on the legal mobility of our students and professionals who chase the American dream. The falling intake in Ivy League universities, limitations on H-1-B visas, and the case-by-case discretion in deciding which immigrants should return to their home countries to apply for green cards shut down the pathways for Indians seeking a future in the US. Rubio offered only a weak defence that "we are modernising the US immigrant system for the 21st century" and that such a policy stance does not specifically target only Indians.

US-India tensions represent a setback to the bipartisan consensus in Washington for closer ties between the two largest democracies. This has been the case since the then President Bill Clinton visited India in 2000, the first US leader to do so in 22 years. To be sure, bilateral ties have passed through several twists and turns as post-independent India allied with the erstwhile Soviet Union. After several decades of being "estranged democracies", the US and India later became "engaged democracies", especially under the Bush

administration between 2001 and 2009 during which a landmark agreement on civilian nuclear cooperation was signed.

Progress continued since then with successive US administrations, including that of Joseph Biden who described India-US relations as the "defining relationship of the 21st century". An important factor that elevated India's importance in the US's strategic priorities was to contain the rise of China that poses a hegemonic challenge to Pax Americana. But times are a-changing under the Trump administration. The atmospherics of Trump's visit to China — the first visit by a US President in nine years — and his meetings with his counterpart, Xi Jinping, to pursue constructive "strategic stability" clearly indicated the shifting Sino-US balance of power that has major implications for India.

With greater strategic accommodation between the US and China, India would have to realistically factor in the prospect of greater threats on its northern border from the fiery dragon. Like the US, China will use more coercive measures on an economically weaker India like it is already doing by blocking shipments of rare earths, fertilisers, and tunnel boring equipment. With the Trump administration also re-hyphenating India-Pakistan relationships there is a clear and present danger of a serious two-front threat on India's borders. Navigating the downturn in US-India ties due to a highly unpredictable US President is indeed our biggest strategic challenge.

LETTERS TO THE EDITOR

Listing pros and cons

Apropos of "Tata Sons: To list or not to list" (FE, June 2), the debate over whether Tata Sons should be listed on the stock exchange has gained attention. Listing could bring both opportunities and challenges, and the decision must be taken carefully. Listing would increase transparency and corporate accountability. As a publicly traded company, Tata Sons would be required to disclose more financial and operati-

onal information, thereby strengthening investor confidence. It could help unlock the true value of Tata Sons' vast investments in companies like Tata Consultancy Services, Tata Motors, and Tata Steel. Tata Sons has traditionally focused on long-term business values rather than short-term market expectations. Listing may expose it to pressure from shareholders seeking immediate profits, affecting its ethical and strategic approach. —K Chidanand Kumar, Bengaluru

5G for all

Apropos of "Neutrality's new test" (FE, June 2), the emergence of priority 5G plans under the guise of network slicing subtly shifts the net neutrality battleground from content discrimination to customer tiering. While technology legitimately allows for specialised network management, using finite, shared public spectrum to carve out premium lanes for affluent users creates an alarming precedent.

The regulator must swiftly intervene to prevent a consumer-facing regulatory grey area. We need strict minimum quality standards for standard users alongside caps on how much network capacity can be reserved for elite tiers. Equal internet access should not become a luxury reserved only for those willing to pay a premium. —K Chidanand Kumar, Bengaluru

Write to us at feletters@expressindia.com

Economy

WEDNESDAY, JUNE 3, 2026

IN THE NEWS

IMD SAYS ONSET OF MONSOON AROUND JUNE 4

THE IMD ON Tuesday announced the likely onset of southwest monsoon over Kerala coast around June 4 after its forecast of an "early onset" on May 26 failed to materialise. According to IMD data, the monsoon reached Kerala on June 8 in both 2016 and 2023.

Govt appoints V Packirisamy as PFC Director

THE GOVERNMENT HAS appointed V Packirisamy as Director (Commercial) at Power Finance Corporation (PFC), effective June 2, a statement said on Tuesday. He was serving as Executive Director, Entity Appraisal & IT, PFC, the firm said.

Venezuelan acting Prez visit: Energy, trade in focus

VENEZUELAN ACTING PRESIDENT Delcy Rodriguez's five-day visit to India starting Wednesday is expected to focus on expanding bilateral energy cooperation as New Delhi looks to diversify its crude procurement in view of disruptions in supplies.

CCI orders probe as Mrs India Inc comes under lens

FAIR TRADE REGULATOR CCI on Tuesday ordered a probe into alleged anti-competitive practices by beauty pageant organiser Mrs India Inc, as certain clauses in contracts with contestants appeared prima facie 'unfair and restrictive'.

ENSURING DOMESTIC SUPPLIES CURBED OVERSEAS FLOWS

Fuel exports drop in May as domestic needs prioritised

RAKESH SHARMA & YONGCHANG CHIN June 2

INDIA'S FUEL EXPORTS tumbled to the lowest level in nearly four years in May as a push to ensure domestic supplies during the Iran war shock along with refinery maintenance curbed overseas flows.

Outbound shipments of products including diesel, gasoline and jet fuel averaged about 878,000 barrels a day (bpd) last month, the lowest since October 2022 and down 31% from a year earlier, according to data analytics firm Kpler.

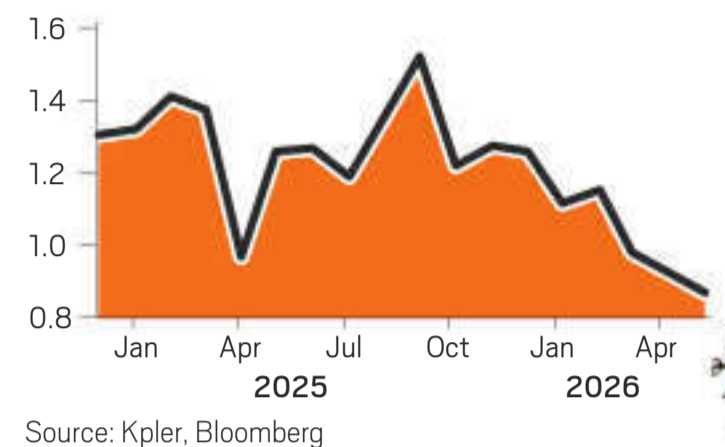
The conflict in West Asia has led to the near-closure of the crucial Strait of Hormuz, choking off flows of crude and fuels to global customers, including India.

Nations across Asia scrambled to ensure domestic requirements wouldn't be significantly disrupted by the war by curbing some of their exports.

Part of India's export decline has been caused by a production switch to higher liquefied petroleum gas (LPG) in place of other fuels. LPG is a

LOSING STEAM

India's oil product exports are lowest in nearly four years. Maintenance shutdown, taxes have hit exports (million per barrels per day)



Source: Kpler, Bloomberg

Outbound shipments of products that include diesel, gasoline and jet fuel averaged around 878,000 bpd in May



Part of India's export decline has been caused by a production switch to higher LPG in place of other fuels

Early measures by South Korea, China and Thailand to curb exports have led to stockpiles swelling

politically sensitive household fuel used by millions of consumers for cooking, and the Asian nation imported about 90% of its needs from West Asia prior to the war.

"This shift reduced the availability of export barrels, with gasoline and gasoil exports seeing the largest impact," said Sumit Ritolia, modeling and refining manager at Kpler.

India's refiners increased LPG production last month to

a record 52,000 tonnes a day, Sujata Sharma, joint secretary at the oil ministry, said last week. That is 50% higher than a year ago.

India also imposed an export tax on gasoline for the first time in four years, weighing on overall exports.

Reliance Industries, India's biggest fuel exporter, diverted some fuels it would typically ship overseas to the domestic market after shutting a unit at its refinery on

the country's west coast in mid-May. The massive facility is primarily geared toward serving the local market.

Early measures by Asian nations such as South Korea, China and Thailand to curb exports have led to stockpiles swelling, prompting governments to allow the resumption of some overseas sales.

That has helped to ease some of the demand for Indian products.

—BLOOMBERG

US cuts duties on agri, construction equipment, marginal gain for India

FE BUREAU New Delhi, June 2

THE US HAS reduced duties on agriculture and construction equipment to 15% from 25% through a proclamation signed by President Donald Trump. However, the duty costs are expected to have a limited impact on India because its exports of the items that will attract lower duties are less than \$50 million a year at present.

The order adjusts the tariffs on agricultural equipment, like combines and harvesters, and certain other equipment, from 25% to 15%. It also expands the

KEY TAKEAWAYS

Duties were reduced to 15% from 25% through a proclamation signed by Prez Trump

However, duty costs will have limited impact on India as exports of items are less than \$50 mn a year at present



existing category of industrial equipment subject to a 15% tariff to include mobile industrial equipment, like bulldozers and

forklifts, when imported from trade deal countries that are entitled to such treatment.

Other products covered by

the proclamation include heating and air-conditioning equipment and certain electrical grid equipment. If foreign firms use at least 85% of American steel and aluminum by weight then they will qualify for a 10% duty rate. These tariff changes will be applicable from June 8 and last till December 31, 2027.

For India, the changes offer limited benefits. While exporters of engineering goods, HVAC equipment, electrical equipment and agricultural machinery may gain from the reduced tariffs, founder of Global Trade Research Initiative Ajay Srivastava said.

Agri min Chouhan reviews progress of monsoon

UNION AGRICULTURE MINISTER Shivraj Singh Chouhan on Tuesday reviewed the progress of southwest monsoon and directed officials to provide timely farm advisories and maintain better coordination with states to tackle the potential impact of El Nino on kharif crops. The government is on "alert mode", Chouhan said, asking officials to maintain constant check on monsoon status.

"Ensure better coordination with states and take prompt action," Chouhan told officials in the meeting.

He also asked them to provide timely advisories and essential assistance to farmers, an official statement said.

Measures to safeguard farmers' interests and mitigate the impact on kharif crops were discussed in detail, it said.

Officials from all departments and agencies concerned were present in the meeting.

—PTI



80% chance of El Nino developing in June-August, warns UN body

SANDIP DAS New Delhi, June 2

THE WORLD METEOROLOGICAL Organization (WMO) on Tuesday stated an 80% likelihood of an El Niño event during June–August 2026 and probabilities for this to continue until at least November are near or above 90%.

"Although some uncertainty remains about El Niño peak strength and timing, most forecast models suggest it will be at least moderate – and possibly strong," the Geneva based UN affiliated body stated.

Fueled by unusually warm ocean waters in the tropical



Impact may last till November

Pacific, El Niño conditions are developing and are set to influence global temperature and rainfall patterns, increasing the risk of extreme weather over the

coming months, WMO stated. "We need to prepare for a potentially strong El Niño event – which will exacerbate drought and heavy rainfall and increase the risk of heatwaves both on land and in the ocean," Celeste Saulo, secretary general, WMO said. Saulo said the most recent El Niño, in 2023–24, was one of the five strongest on record and it played a role in the record global temperatures we saw in 2024.

"The science is clear: El Niño is arriving on our doorstep in the coming months with 90% certainty. The world must treat it as the urgent climate warning it is," Saulo said.

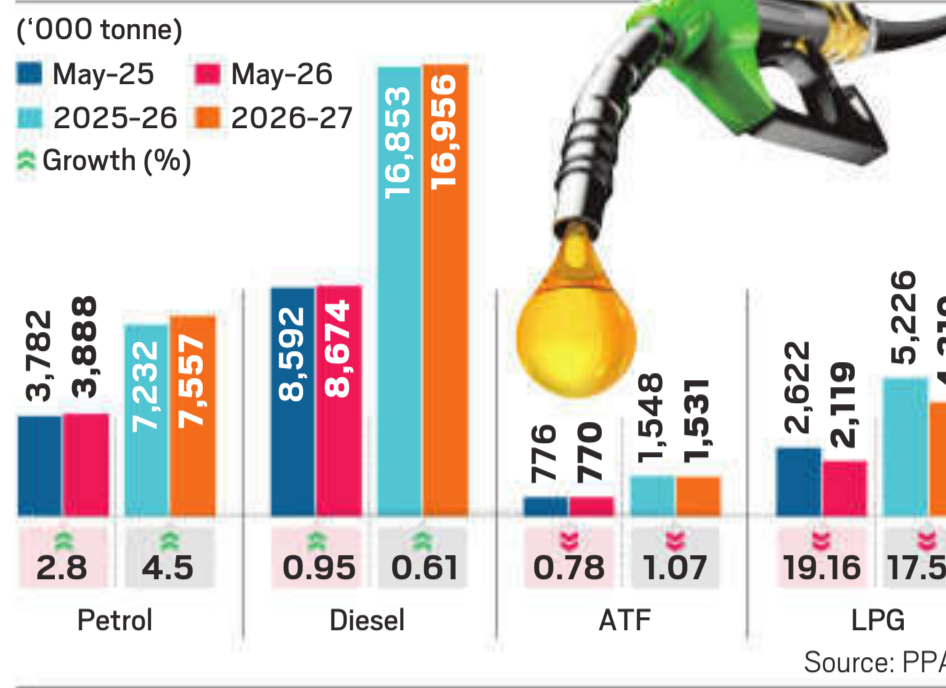
LPG use down 19.2%, petrol up 2.8% in May

SAURAV ANAND New Delhi, June 2

LPG CONSUMPTION FELL by a sharp 503 thousand metric tonnes (TMT), or 19.16% year-on-year (y-o-y), to 2.12 million tonnes in May, marking the steepest decline among major petroleum products, even as petrol demand continued to outpace diesel growth, highlighting a widening divergence in India's fuel consumption pattern amid government demand-management measures and record-high commercial LPG prices, according to the data released by the Petroleum Planning & Analysis Cell (PPAC).

PPAC data showed LPG consumption declined to 2,119 TMT in May 2026 from 2,622 TMT in May 2025 and 2,456 TMT in May 2024. Compared with May 2024, LPG demand was lower by 337 TMT, or 13.71%, making it the weakest-performing major fuel segment during the month.

ENERGY MIX



"LPG consumption had reduced due to demand-management measures, while rising commercial LPG prices have also prompted a shift by some consumers towards alternative measures," a senior official said on the request not to be identified. The decline comes at a time when the government has been

regulating LPG supplies to commercial consumers following disruptions in imports linked to the West Asia conflict.

"Lower LPG consumption reflects a combination of demand-management measures, including DAC-based controls and restrictions on LPG booking periods," an industry analyst said.

Banking reform panel may get 3-4 months to submit report

PRASANTA SAHU New Delhi, June 2

THE GOVERNMENT IS set to soon constitute the proposed High-Level Committee on Banking for Viksit Bharat, with the aim of receiving its report within three to four months and initiating a new phase of comprehensive banking sector reforms.

Sources said the terms of reference for the committee are almost ready and the panel will be constituted once the members are finalised.

The committee is expected to undertake a fundamental review of the banking sector architecture and recommend measures to strengthen the system in line with India's long-term growth ambitions.

Among the key issues likely to be examined are the creation of larger Indian banks through consolidation, enhancement of foreign direct investment (FDI) limits in public sector banks (PSBs), rationalisation of voting rights for investors, and a review of regulatory requirements such as the Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and banking licence norms.

The exercise comes amid a



ON THE CARDS

- The committee may undertake a fundamental review of banking sector architecture
- One of the key issues likely to be examined is the creation of larger Indian banks
- Rationalisation of investors' voting rights and review of regulatory norms may be examined

taken at a time when public sector banks (PSBs) are reporting their strongest financial performance in years.

Aggregate net profit of PSBs rose to a record ₹1.98 lakh crore in FY26, the highest-ever annual profit reported by the sector. Asset quality also improved significantly, with gross non-performing assets (GNPA) declining to a historic low of 1.93% and net NPAs falling to 0.39%, reflecting stronger balance sheets and prudent risk management.

With PSBs' total assets reaching ₹283 lakh crore as of March 2026 and projected to double over the next five years, the need for long-term capital is expected to grow substantially. Higher foreign investment is being viewed as one possible source of capital.

Currently, FDI in PSBs is capped at 20%. Several stakeholders have advocated raising the limit to 49% to bring it closer to the norms applicable to private sector banks (74%).

Investors have consistently highlighted the mismatch between ownership and voting rights. While shareholders in private banks can exercise voting rights of up to 26%, voting power in PSBs is capped at 10% regardless of shareholding.

broader policy push to revive bank consolidation after a gap of nearly six years.

The government's long-term objective is understood to be the creation of four large banks, with at least two institutions aspiring to join the world's top 20 lenders in terms of scale, strength and global competitiveness, while also deepening financial inclusion.

The review is being under-

QUICK PICKS

Maha Cabinet clears farm loan waiver of up to ₹2 L

THE MAHARASHTRA CABINET on Tuesday approved the 'Punyashlok Ahilyadevi Holkar Shetkari Karja-mukti Yojana' to provide farm loan waiver of up to ₹2 lakh, and also introduced incentive benefits for those farmers who have repaid their loans on time. The decision was taken at a cabinet meeting chaired by CM Devendra Fadnavis.

—PTI

Haryana govt unveils nine industry specific policies

HARYANA GOVERNMENT HAS unveiled new industrial policy that will run for next five years and offer liberal support for capital and operating expenses and top it up with reimbursement of up to ₹1.2 lakh p.a. for every state subject employed by the units. The state has also unveiled nine new sector-specific industrial policies.

—FE BUREAU

● SANJAY SWARUP, CHAIRMAN AND MANAGING DIRECTOR, CONCOR

'New container shipping line to benefit from Concor network'

Logistics and container transport operator Container Corporation of India (CONCOR) recently reported a 3.7% decline in consolidated net profit in FY26, while its revenue growth remained modest at 2.2%. In the midst of global trade uncertainty, the state-run firm is now betting on new growth drivers such as bulk cargo transportation, end-to-end logistics services and its proposed international venture – Bharat Container Shipping Line (BCSL). Sanjay Swarup, chairman and managing director of CONCOR spoke with FE's Manu Kaushik on the BCSL initiative, fuel price trends, and the firm's future growth strategy.

caused by West Asia conflict. What impact do you expect this to have on CONCOR's operations and profitability?

The direct impact on CONCOR is expected to be limited. Nearly 95% of our container movement takes place through rail and only around 5% through road transport. Since the Indian Railways' network is over 99% electrified, volatility in diesel prices has limited impact on our operations compared with road-based logistics operators.

In fact, if fuel prices remain elevated, we could witness a traffic shift from road to rail for containerised cargo movement. Cargo movement through rail becomes relatively more competitive in such scenarios, and we are

fully prepared to handle additional volumes. Even though we are still assessing the exact impact, we see more opportunities than risks emerging from the situation.

CONCOR is a key stakeholder in the proposed Bharat Container Shipping Line (BCSL). What is the strategic thinking behind this initiative?

India currently lacks a dedicated container shipping line that can provide integrated end-to-end logistics services to exporters and importers. Currently, CONCOR operates an extensive network of 68 terminals across the country, 39 of which are equipped to handle EXIM cargo. We

also have a large fleet of containers and container trains, and have steadily expanded our first-mile and last-mile

logistics capabilities. In this context, BCSL is the next logical step that our company is prepared to take.

The objective is to offer customers an integrated solution spanning inland logistics, ports and international shipping. With CONCOR as an important partner, the venture can leverage our pan-India container network, terminal infrastructure and inland logistics strength.

How does BCSL differ from existing global shipping operators?

OUR DIVERSIFIED BUSINESS MODEL & GROWING PORTFOLIO OF LOGISTICS SERVICES PUT US IN A STRONG POSITION FOR LONG-TERM GROWTH



continue to influence the sector, our diversified business model, strong rail-based network and growing portfolio of logistics services put us in a strong position for the long-term growth.

How did CONCOR perform in FY26 in terms of container volumes?

We handled container volumes of over 5.58 million TEUs in FY26, which reflects strong growth in our core business. We also continued to strengthen our presence across major logistics corridors and ports. In future, we expect that the dedicated freight corridors (DFCs), improved port connectivity and growing demand for integrated logistics services to support volume growth.

(Read full interview on www.financialexpress.com)

The Statesman

Incorporating and directly descended from
the Friends of India -founded 1818

Due Process

Every dowry death shocks the conscience. What is more troubling is how often such cases are explained away before the facts have been fully examined. The death of a young bride in Bhopal has become a national story not merely because of the tragedy, but because it has exposed the uneasy relationship between social power, public perception and the administration of justice. India abolished dowry more than six decades ago. Yet the practice survives in countless forms, often disguised as gifts, expectations or family obligations. Official statistics continue to record thousands of dowry-related deaths every year. Most receive little public attention. They are absorbed into a grim routine of police reports, legal proceedings and forgotten headlines. This case has broken through that routine because the families involved occupy positions associated with privilege, education and legal knowledge.

That fact alone should prompt reflection. Economic advancement and professional status do not necessarily erase deeply rooted social attitudes. The assumption that regressive practices belong only to poorer or less educated sections of society has long been contradicted by reality. Dowry survives because it is woven into ideas of status, prestige and entitlement that cut across class lines. The more significant lesson, however, concerns institutions.

Initial official assessments appeared to point towards a straightforward conclusion. Yet subsequent events moved in a different direction. Judicial intervention, the transfer of the investigation to a central agency and the arrest of key accused persons indicate that higher authorities were not prepared to treat the matter as settled. This does not establish guilt. Arrests are not convictions, and allegations remain allegations until tested in court. But the developments underscore an important principle: public confidence in justice depends not on rapid conclusions but on thorough scrutiny.

The controversy has also highlighted the dangers of conducting parallel trials in the media. In the age of television debates, social media campaigns and instant commentary, narratives harden quickly. Families seek sympathy, lawyers seek advantage and public opinion often delivers verdicts before investigators complete their work. Such pressures can distort rather than strengthen the search for truth. Yet there is another side to public attention. Without sustained scrutiny, many cases involving violence against women fade into obscurity. Public engagement can compel institutions to act with greater transparency and urgency. The challenge is to maintain accountability without sacrificing fairness.

Ultimately, this case is about more than one family or one criminal investigation. It is a reminder that the credibility of the justice system rests on its willingness to examine uncomfortable possibilities, regardless of social standing or institutional influence. Whether the final verdict points to murder, abetment, dowry-related cruelty or suicide, the larger test is whether the investigation is seen as independent, rigorous and beyond suspicion. Justice is not served by assumptions. It is served by evidence. In a society still struggling to eradicate the scourge of dowry, that distinction matters more than ever.

Transfer of office?

The smooth transfer of power in Karnataka has been hailed as a rare display of discipline in contemporary Indian politics. A chief minister resigned without public rebellion, his long-time rival was unanimously elected successor, and the ruling party projected unity at every stage of the transition. Yet beneath the choreography lies a more complicated question: has Karnataka witnessed a genuine transfer of power, or merely a transfer of office?

The elevation of D.K. Shivakumar to the chief minister's post marks the culmination of a political ambition that has shaped Karnataka Congress politics for years. As the party's most influential organiser and one of its most formidable political operators, Mr Shivakumar can legitimately claim to have earned the position. At the same time, the manner in which Mr Siddaramaiah departed office may prove equally significant.

For a leader known throughout his career for resisting attempts to curtail his authority, Mr Siddaramaiah's acceptance of the party leadership's decision was striking. He neither mobilised supporters nor challenged the transition. Instead, he publicly endorsed his successor and emphasised loyalty to the party. Such conduct has enhanced rather than diminished his stature. In politics, voluntary restraint often creates a different kind of power.

That is why the coming months will matter more than the swearing in ceremony on Wednesday. The central question is not who occupies the chief minister's office. It is whether Karnataka's ruling party can function with a single centre of authority. Mr Siddaramaiah remains the Congress party's most significant mass leader in the state.

His influence extends across legislators, social coalitions and regional networks that helped deliver victory in 2023. By declining opportunities to shift to national politics and signalling his continued engagement in state affairs, he has made it clear that retirement is not under consideration. His political relevance remains intact.

This creates both an opportunity and a challenge. On one hand, Congress can benefit from the combined strengths of two leaders who appeal to different constituencies and bring different skills to governance and electoral politics. On the other, Indian political history offers numerous examples of governments weakened by competing centres of influence. Cabinet formation, allocation of portfolios, organisational appointments and candidate selection can quickly become arenas of contestation if authority is perceived to be divided.

For the Congress leadership, the immediate objective has been achieved. A potentially disruptive succession battle has been managed without visible turmoil. That alone is no small accomplishment in a party that has often struggled with state-level leadership transitions. Yet political stability is measured not by how a transition begins but by how governance proceeds afterwards. Karnataka's new chief minister will soon discover that occupying the office is easier than consolidating authority within it.

The state may have avoided a succession crisis. Whether it has also avoided a future power struggle remains an open question. The answer will determine not only the durability of the new government but also the Congress party's prospects in one of its most important strongholds.

Born Guilty

The crime begins long before the FIR. It begins when a daughter is treated as temporary property in her own home

On 12 May 2026, Twisha Sharma, 33, was found hanging in her matrimonial home in Bhopal's Katara Hills. The FIR named her husband and mother-in-law on allegations of dowry harassment. Within days the Supreme Court took suo motu cognisance of "alleged institutional bias and procedural discrepancies" in the handling of her unnatural death. AIIMS Delhi conducted a second autopsy, and the case was transferred to the Central Bureau of Investigation.

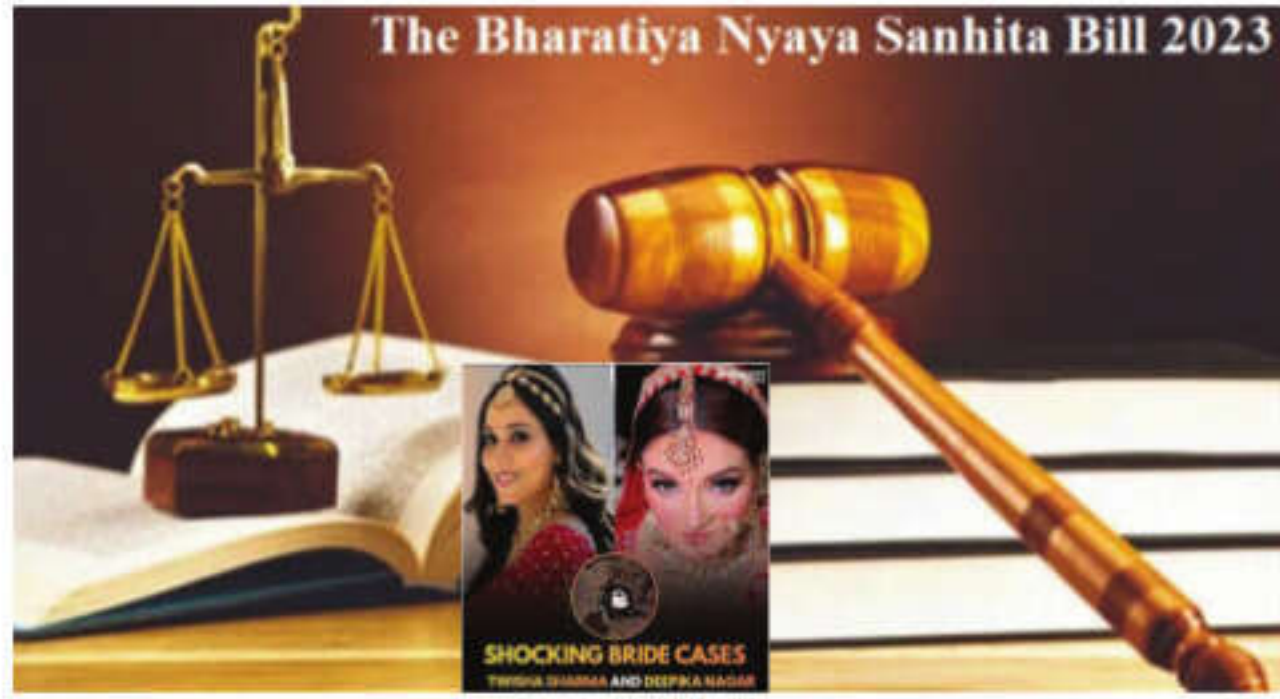
Six days later in Greater Noida, 25-year-old Deepika Nagar died after allegedly falling from the terrace of her three-storey matrimonial home, seventeen months into her marriage. Her father told police she had telephoned him minutes earlier saying she was being assaulted over dowry demands; the post-mortem found a brain bleed and multiple contusions. Police registered the case under Section 80(2) and Section 85 of the Bharatiya Nyaya Sanhita and Sections 3 and 4 of the Dowry Prohibition Act. The alleged demand was a Toyota Fortuner and around Rs 50 lakh in cash.

Both cases remain under investigation. That caveat matters. A republic governed by law must not convict through grief, television, or public fury. Yet it is also true that these names entered a queue already too long for innocence to be the only national posture. The Bharatiya Nyaya Sanhita defines dowry death as the unnatural death of a woman within seven years of marriage where cruelty or harassment connected with a dowry demand is shown to have occurred soon before her death; the punishment is a minimum of seven years and may extend to life imprisonment. If the statute is precise, the social disease it addresses is older, more elusive, and far more difficult to prosecute.

India's tragedy is not that it lacks laws. It is that the law arrives after the daughter has already been culturally priced.

The old phrase for this pricing is paraya dhan: another's wealth. It sounds gentle when spoken in a courtyard, almost affectionate, as though a daughter is a guest whose departure must be prepared with tears and jewellery. In truth, it is one of the most efficient phrases patriarchy has invented. It converts a child into a transfer asset. It tells parents that investment in her education, autonomy, and inheritance is generosity rather than duty. It tells the groom's family that acceptance carries a price. It tells the daughter that her belonging is provisional from birth.

This idea did not descend from nowhere. Manusmriti 9.3, in Ganganath Jha's canonical translation, declares that the father guards her during virginity, the husband guards



her in youth, the sons guard her in old age. The woman is never fit for independence. It would be lazy to pretend that one verse explains a civilisation. India's own traditions contain counter-memories of learned women, ruling women, argumentative women, and saint-poets who refused to be contained by domestic grammar. But the Manu-like imagination found a durable home in everyday custom because it served power. It made control look like protection. It made exclusion look like honour.

That grammar survives in the numbers. The National Family Health Survey-5 put India's sex ratio at birth at 929 girls per 1,000 boys, still below the natural range: Rajasthan stood at 891 and Punjab at 904. Reuters, citing the United Nations Population Fund, reported in 2022 that India was losing approximately 59 lakh girl children to prenatal sex selection each year between 2015 and 2020, contributing to an estimated forty-six million women and girls "missing" from the population by 2020. A country does not arrive at such figures merely through medical misuse. It arrives there when son preference becomes household economics, ritual expectation, old-age insurance, lineage anxiety, and matrimonial bargaining combined.

Dowry is not an aberration within this system. It is its invoice. The legal architecture appears formidable. The Dowry Prohibition Act has existed since 1961. Section 80 of the Bharatiya Nyaya Sanhita criminalises dowry death. Section 85 punishes cruelty by the husband or his relatives, and Section 86 defines that cruelty to include wilful conduct likely to drive a woman to suicide or cause grave injury, and harassment tied to unlawful demands for property or valuable security.

Yet the National Crime Records Bureau, in Crime in India 2023, recorded 6,156 dowry deaths in that year alone, with Uttar Pradesh accounting for 2,122 and Bihar for 1,143. The provisional figure for 2024, since released, is 5,737. The decline is welcome. Survival is not victory when more than five thousand women are still dying each year at the intersection of marriage, money, and impunity.

And the official count is itself a floor: under the NCRB's "principal offence" rule, where an FIR carries multiple charges, only the most heinous is recorded, so dowry deaths are routinely subsumed within murder or abetment. Researchers have argued the true figure is plausibly two to three times the published one.

The most frightening part of dowry violence is not always the fatal end. It is the long normalisation before it: the first "small" demand, the comparison with another bride's wedding gifts, the taunt about a car, the pressure on a father already in debt, the suggestion that a daughter must not "adjust" too loudly. By the time a case becomes a crime report, the family has usually passed through months or years of informal arbitration conducted by relatives whose first instinct is not justice but the preservation of marriage at any cost.

This is why the fashionable question - are dowry laws misused? - is too narrow to carry the moral burden placed upon it. Any criminal law can be misused; false implication is real, and due process is not a decorative principle. But the existence of misuse cannot become a solvent for the reality of use. A society that discusses false cases more eagerly than dead daughters has disclosed its priorities. The answer is not weaker law. The answer is better investigation, faster trials, forensic seriousness, protection for complainants, and penalties for both cruelty and fabrication when either is proved.

The discrimination does not end at marriage. It continues into the apparently respectable routines of labour and home. The Ministry of Statistics and Programme Implementation's Time Use Survey of 2019 found that women who participated in unpaid domestic services spent an average of 299 minutes a day on such work, against 97 minutes for men. The Periodic Labour Force Survey for July 2023 to June 2024 put

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PAROMITA ROY
The writer has professional experience in human resource consulting and advisory services

Việt Nam News

Shaping growth: Perspectives on Viet Nam's infrastructure push

As Viet Nam pursues ambitious double-digit economic growth, infrastructure investment is increasingly being viewed as more than a tool for boosting short-term expansion. From expressways and urban railways to regional transport corridors, major projects are expected to reshape development space, strengthen national competitiveness and unlock new economic momentum.

Government officials, business leaders and experts share their perspectives on how strategic infrastructure can become the backbone of Viet Nam's next phase of growth and integration.

The Ministry of Construction views double-digit growth as a strategic requirement to usher Viet Nam into a period of rapid and sustainable development. The ministry is focusing on reviewing the 2026-30 medium-term public investment portfolio and formulating a double-digit growth scenario. Although urgent, both tasks

require careful implementation supported by clear, comparable data that are easy to understand. The 2026-30 medium-term public investment portfolio must be developed in a clear and detailed manner, with projects prioritised from ongoing works to new strategic projects. They should be grouped into categories, including projects under action programmes linked to the resolution of the 14th National Party Congress, key projects under the national master plan scheduled for completion during 2026-30, projects with spillover effects, regional connectivity and the potential to drive local economic growth in line with directives from Party and State leaders, along with urgent projects in other specialised sectors.

Project reviews and assessments must also be linked to specific indicators measuring contributions to socio-economic development, including increased budget

revenues, job creation and social welfare protection. The construction sector's double-digit growth scenario will clearly define the sector's contribution to overall national growth, with a focus on key drivers such as investment. These include public investment, public-private partnership (PPP) models, private investment and sectors such as transport, warehousing, logistics and real estate, providing a foundation for developing an appropriate growth scenario.

The double-digit GDP growth target represents a major development goal for both the country and its business community, particularly in the private sector. To achieve this target, transport infrastructure must take the lead, as it not only improves connectivity and mobility but also opens up new development space, reduces logistics costs and strengthens national competitiveness.

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female labour-force participation in the usual status, for those aged fifteen and above, at 41.7 per cent; the male figure was 78.8 per cent. The Indian woman is expected to study, earn, bear children, care for elders, preserve family honour, and remain grateful if she is permitted to do any of this with minimal obstruction.

The paradox is brutal. The daughter is treated as temporary in her natal home, yet permanently available for service in her marital one. She is paraya dhan before marriage and family labour after it. Her labour is intimate enough to be demanded, but not economic enough to be counted. Her salary, where she has one, is often negotiable within the household. Her inheritance is frequently surrendered in the name of affection. Her body becomes the site where lineage, caste, class, and property anxieties settle their accounts.

The constitutional answer is not ambiguous. Equality before law, non-discrimination on grounds of sex, and the right to life with dignity are not ornamental promises to be recited on national days. They are instructions. But constitutional morality cannot survive as courtroom language alone. It has to enter the kitchen where a daughter is told not to study too far from home. It has to enter the marriage negotiation where "gifts" are itemised with plausible deniability. It has to enter the police station where a complaint is softened into compromise. It has to enter the family WhatsApp group where a son's entitlement is still mistaken for parental duty.

The work ahead is therefore both administrative and intimate. Anti-dowry cells need trained investigators, not clerical desks. Deaths within seven years of marriage must be treated with forensic discipline, not local influence.

Protection officers and women's help desks must be resourced in practice, not merely announced. Daughters must inherit visibly. Schools must teach boys that household labour is not feminine destiny. Parents must stop calling dowry "customary gifts" when the price was negotiated before the priest arrived.

The harder reform is linguistic. India must retire paraya dhan from the moral vocabulary of family life. A daughter is not another household's wealth. She is not a liability awaiting transfer, not a ritual expense, not a vessel for lineage, not a future apology to be packaged with furniture and gold. She is a citizen.

Twisha Sharma and Deepika Nagar are still names in pending matters, and the courts must do their work carefully. But the country need not wait for final judgments to examine the culture that keeps producing such cases. The death of a daughter is not born on the day her body is found. It is rehearsed in every joke, blessing, bargain, and silence that teaches her she was born with a debt attached. A civilised society does not merely punish the last act. It abolishes the script.

Letters To The Editor | ✉ editor@thestatesman.com

Healthcare

Sir, With reference to the "Steps to transform Bengal's health system" by Dr Prabir Kumar Sen (Perspective, 28 May) I would like to share my experiences of availing services from primary health centres in West Bengal and Nagaland, and suggest ways to improve.

My father passed away on 4 January 1992 four days after being admitted to the Belda Rural Hospital in West Midnapore district of West Bengal in the presence of me, my mother and nurses of the hospital.

During 2019-20, the new white and blue, three-storied "super speciality hospital" building had come up in place of the old yellow modest one-storied "primary health centre". The new hospital has more rooms than before. However, the facilities and services available are far less than that of

the primary health centre.

In January 2024, I visited the OPD of Belda super speciality hospital with fever and other ailments. Most of the rooms were empty.

A doctor was prescribing medicines symptomatically without checking up temperature, pressure, etc. At the ground floor, three young staff were dispensing free medicines only telling the dosage.

In March 2024, at 2 a.m., I took my 83-year-old mother to a community health centre at Jalukie in Peren district of Nagaland with laboured breathing.

For two hours, three nurses and a doctor (all female) tried their best to treat my mother with nebuliser, oxygen, injection, etc. - a far cry from the Belda super speciality hospital.

The promise of providing two basic civic amenities - health care and education - free or at a nominal cost to all within 10-15 years of independence has yet to be realised.

Visiting a government or private hospital is a nightmare.

Along with secondary and tertiary hospitals, strengthening and increasing the number of primary health centres recruiting sufficient credible medical doctors and devoted nurses with basic facilities (beds, first aid, basic tests, oxygen, ambulance, anti venom, anti rabies, etc.) along with mobile medical units visiting every remote village weekly will go a long way in improving the government health care system of Bengal.

Yours, etc., Dr. Samares Kumar Das, Jalukie, Peren, Nagaland, 29 May.

UCC

Sir, Apropos the report "UCC necessary for women's rights: Telangana BJP chief" published today, this is a unique opportunity to me to quote Article 44 of the Constitution of India which says: "The State shall endeavour

to secure for the citizens a uniform civil code throughout the territory of India."

In Muslim marriages, there are two forms of divorce, Talaq-ul-Biddat (Triple Talaq) and Talaq-ul-Sunnat (Revocable Divorce). The former irrevocably dissolves the marriage upon triple utterance of Talaq by the husband. Even if he has second thoughts there is no scope for revocation of dissolution of marriage.

In Talaq-ul-Sunnat the husband has liberty to revoke the divorce if reconciliation efforts are successful.

A Muslim man may simultaneously have four wives albeit the accurate interpretation of the Quran prefers monogamy to polygamy. On the contrary, there is no scope for polyandry in Islam.

Uniform Civil Code ought to be implemented in our country to ensure justice to Muslim women.

Yours, etc., Anindya Ghosal, Burdwan, 29 May.



The mango that broke a market

PRAVIN KAUSHAL

It is peak mango season in India. The Alphonso harvest is at its richest, the Kesar at its most fragrant. Exporters across Maharashtra, Gujarat, and Uttar Pradesh have prepared their consignments. And Japan, one of the world's most demanding and most lucrative fruit markets, has shut its doors.

In March 2026, Japanese quarantine inspectors conducted their routine pre-season visit to India's Vapour Heat Treatment (VHT) facility in Rehmanpur, Uttar Pradesh. Their findings were not routine. The Yokohama Plant Protection Association subsequently issued a directive rejecting all mango consignments bearing inspection certificates issued on or after 25 March 2026.

Imports, it stated, would remain suspended until Japan was satisfied that operational standards had improved. The implications extend well beyond this season's lost revenue. They speak to a structural failure in how India manages the relationship between agricultural ambition and agricultural compliance.

The history of Indian mangoes in Japan is a study in the extraordinary difficulty of gaining access to a premium market and the relative ease with which that access can be lost. Japan first banned Indian mangoes in 1986, citing fears that fruit flies carried within the fruit could devastate Japanese agriculture. Fruit flies are not a minor concern. These insects lay their eggs inside the fruit; after hatching, the larvae feed on the pulp, rotting the fruit from within and causing production to collapse.

Countries like Japan, Australia, New Zealand, and the United States maintain some of the world's strictest quarantine systems precisely because a single invasive pest species entering unchecked can destroy entire agricultural sectors. Mediterranean fruit fly outbreaks, for instance, have caused billions of dollars in damage globally.

Japan maintains what it describes as a zero-risk approach. Every

consignment, every facility, every certification is scrutinised with that standard in mind.

After the 1986 ban, India spent the next two decades working to meet it. Large-scale pest surveys were conducted. Scientific field studies and laboratory testing were undertaken. VHT infrastructure (treatment chambers in which mangoes are exposed to precisely controlled heat and humidity to kill any eggs or larvae inside the fruit, without chemical residue and without compromising freshness) was installed specifically to meet Japanese requirements. Japanese inspection teams were invited. Three years of continuous surveys were completed. Then-Commerce Minister Kamal Nath took up the matter with Japanese authorities.

In June 2006, Japan formally lifted the ban. Indian mangoes, specifically varieties including Alphonso, Kesar, Langra, Banganapalli, Chausa, and Malika from approved exporting states including Maharashtra, Gujarat, Andhra Pradesh, Uttar Pradesh, and West Bengal, entered one of the world's most prestigious fruit markets. For nearly 20 years, the trade continued without incident.

The process that restored Indian mangoes to Japan in 2006 rested on one critical technology: Vapour Heat Treatment. VHT is internationally recognised and accepted by Japan, South Korea, Australia, New Zealand, and the United States as one of the safest, most effective ways to eliminate fruit flies. But its effectiveness depends entirely on precise execution: correct temperature, correct duration, accurate monitoring, and proper certification. Even small procedural failures can invalidate the entire treatment.

But VHT is only as trustworthy as the facility operating it. Japan does not certify a country; it certifies a system, and if the system fails, so does the certification.

When Japanese inspectors visited the Rehmanpur facility in March 2026, they found deficiencies across multiple dimensions: fumigation procedures, disinfection systems, operational standards, and quarantine

compliance measures. The precise technical details have not been publicly disclosed. What is clear is that Japan considered the shortcomings serious enough to suspend all imports, choosing not to issue a warning or demand corrective action within a defined window, but to act immediately and comprehensively.

Some exporters have expressed frustration, arguing that the failure of one or two facilities should not have resulted in a blanket rejection of all consignments, and that the inspection process appeared excessively strict. These concerns are understandable, particularly for exporters whose facilities were compliant. But Japan's position is equally clear: operational standards are not negotiable, and the zero-risk approach does not permit selective enforcement.

The 2026 suspension is significant not only for what it reveals about one facility in Uttar Pradesh, but for what it reveals about India's approach to sustaining premium export market access.

India is the world's largest mango producer, growing over a thousand varieties and producing millions of tonnes annually. Of that, 3,000 to 5,000 metric tonnes are exported each year, generating approximately USD 40 to 50 million in foreign exchange. Japan represents a smaller share of that volume, but its value per unit is disproportionately high. Japanese consumers pay double or triple the prices obtained in other markets for verified, high-quality fruit. Small volume does not mean small importance.

Yet evidence suggests that the infrastructure required to maintain Japanese market access was not kept to the standard that access demands. The question worth asking is: who was responsible for monitoring compliance between Japanese inspection visits? What internal audit systems existed? Were the deficiencies identified in 2026 new failures, or long-standing ones that had not previously been caught?

India's agricultural export frameworks have historically focused



on securing market access: the negotiations, the protocols, the diplomatic effort. What tends to receive less sustained attention is the harder, less visible work of maintaining that access: continuous facility upgrades, rigorous internal compliance audits, investment in monitoring technology, and the cultivation of an institutional culture that treats quarantine standards not as an external imposition but as a professional obligation.

The timing of the 2026 ban, at the height of the export season, has maximised its immediate economic damage. But the longer-term reputational risk may be more consequential.

Agricultural trade is built on trust. When Japan questions the reliability of India's quarantine systems, other importing countries take notice. They begin asking whether India's treatment protocols are consistently applied, whether its certification systems are robust, whether its inspections are genuinely independent. The concern does not remain contained to mangoes. It extends to every category of fresh fruit and vegetable in which India is attempting to build or expand export markets. This is precisely why exporters are right to be alarmed, and why the government's response must go beyond quiet diplomacy.

Regaining Japanese market access will require more than an apology and a promise. It will require the kind of sustained, demonstrable effort that preceded the 2006 restoration, this time directed not

at market entry, which has already been achieved, but at systemic compliance reform.

VHT facilities must be upgraded and their monitoring systems modernised. Internal compliance regimes must be strengthened, with better fumigation procedures and rigorous record-keeping. Japan must be invited to conduct re-inspections and must be able to see corrective actions demonstrated, not simply promised. Digital certification and improved export documentation must reduce the margin for procedural error. And the engagement with Japanese plant protection authorities must be continuous, not seasonal.

Above all, India's agricultural export institutions need to internalise a principle that Japan has always applied: in a zero-risk market, there is no such thing as near enough.

The 1986 ban lasted 20 years. The 2006 restoration required three years of continuous surveys, ministerial engagement, and the installation of new infrastructure. That investment was not a one-time achievement. It was a commitment that required ongoing renewal, and in 2026, that commitment appears to have lapsed.

The mangoes are ready. The market is willing. The failure is institutional. And institutional failures, unlike harvests, do not recover in a season.

(The writer is director, Mrikal (AI/Data Center) and a young alumni member, Government Liaison Task Force, IIT Kharagpur, and tweets as @pravinikaushal)

100 Years Ago



Front page of The Statesman dated 03 June 1926

OCCASIONAL NOTE

THE three Danish oarsmen who in spite of their misadventure in the Channel say they are determined to reach Calcutta in a rowing boat by skirting the shores of all the countries between England and India are obviously mistaken when they add that the Channel crossing is the most difficult part of their task. Their real troubles will begin when they have passed through the Suez Canal and the trouble will not be connected solely with bad weather and heavy seas. The Arabian side of the Red Sea and of the Persian Gulf which they must skirt if they carry out their programme of sleeping every night on land and rowing by day is inhabited by fierce tribesmen and fishermen. The people look upon all strangers as their natural prey, and the oarsmen sleeping on land are likely to lose not only their boat and their stores but their lives. Only well found and well-manned ships with an adequate number of firearms could hope to complete without risk the journey the Danes contemplate. At the same time Doughty travelled alone in Arabia for two years and emerged alive, and this after it was known amongst the Arabs that the British Government had washed its hands of all responsibility concerning him. So the Danes may win through yet, particularly if various Sheikhs along the coast are asked to keep an eye upon them.

News Items

COAL STOPPAGE DEBATE

GOVERNMENT DUTY TO INTERVENE

(BRITISH OFFICIAL WIRELESS.)

RUGBY, JUNE
IN the House of Commons to-day, Mr. Ramsay MacDonald, the Labour leader, asked what was the present position in regard to the coal subsidy. The Premier, in reply, referred to the letter addressed to the Miners' Federation on May 22, stating that it would be impossible for the Government to hold open beyond the end of the month, the offer of a subsidy of three millions sterling. As this letter had elicited no response, the Government must reserve to themselves complete liberty of action.

Later when the House went into Committee of Supply on the vote for the Mines Department, Mr. MacDonald again raised the question of the coal stoppage. In view of the paralysing effect of the stoppage upon the great national industries, he urged that the Government could not afford any longer to stand aside.

LABOUR CONFERENCE

INDIA AND WASHINGTON CONVENTION

GENEVA, JUNE

AT the International Labour Conference to-day Sir Arthur Froom pointed out India's difficulties arising from the fact that she had ratified the Washington Convention, which, he said, the others had not ratified.

He mentioned India's efforts to improve her workers' conditions, declaring that Japan had not so strictly adhered to her commitments at Washington. The result was especially noticeable in Bombay. If the situation was not remedied it was to be feared that the Indian peoples' trust in the International Labour Office would be strongly shaken.

He hoped that the Japanese delegate would give an assurance that his Government would find a remedy. - Reuter.

SIR ARTHUR FROOM

KARACHI AND GENEVA APPOINTMENT

LONDON, JUNE

WITH reference to the Geneva cable reporting the protest of certain Indian commercial bodies against the appointment of Sir Arthur Froom to represent Indian employers at the International Labour Conference, the Karachi Chamber of Commerce point out that the cable suggests that the Karachi Chamber of Commerce is a party to the protest. The Chamber states that such is not the case. There is no objection whatever on the Chamber's part to Sir Arthur Froom's appointment. It is understood that Indian bodies at Karachi which took part in the protest are the Indian Merchants' Association and the Buyers and Shippers' Chamber.—Reuter.

New Dhaka regime shows mature approach

ZILLUR RAHMAN

THE rule of any government is difficult to judge within 100 days, but it is enough time to observe and learn about the instincts of the new leadership. One may observe whether a particular group of people is celebrating a victory or turning it in a certain direction. When discussing the newly formed government in Bangladesh, we may speak of both assurance and alarm. Assurance, since the administration has so far demonstrated initiative, confidence, and determination in addressing neglected issues. On the other hand, one should bear in mind that the country's problems are deep, systemic, and politically compromised, and so need more time to be fixed.

The new administration, making it to office through the 13th parliamentary election on February 12 this year, had the unusual combination of pressure and opportunities. Bangladesh had been facing hard times due to political conflicts, social mistrust, and financial instability. Nevertheless, the election resulted in a victory that gave the BNP a solid mandate and extremely high expectations from society.

People supported the party not just because of the electoral process but because they wanted to see normalcy, security, lower prices, jobs, safety, and respect for citizens.

From this perspective, one may observe another victory achieved by the BNP government - psychologically. After a long break during the transition period, Bangladesh returned to its constitutional government. It is crucial for the country as it faces constant alternation between political triumphalism and fear. Even the process of return to democracy should be perceived as a remarkable step forward. From this perspective, Prime Minister Tarique Rahman has sought to demonstrate calmness, determination, and statecraft, rather than revenge, street rhetoric, and drama.

It goes without saying that the prime minister has demonstrated another side of himself. Over the years, he became one of the most controversial political figures in the country, trusted by his supporters while distrusted by the others. Moreover, he spent many years living in exile; thus, he faced difficulties returning to political life. However, the first 100 days showed a more humble leader than people were used to.

The prime minister has demonstrated patience and restraint in his public speeches. Diplomatic meetings revealed that he chose a milder attitude rather than harshness. Politics in Bangladesh is usually marked by loudness, confrontation, and aggression: the prime minister, however, decided to adopt humility. For a country exhausted by constant enmity, humility may also bring benefits.

A positive aspect of this government's strategy is that it chose a more sensible way to deal with the political opposition. As for policies, the government demonstrates its activity. Firstly, the focus has been on inflation, energy, employment and law enforcement, as expected by the people. Secondly, there are initiatives designed to assist farmers and poor citizens. Thirdly, this government understands that, to be successful, it must prove its ability to govern the country effectively.

In international relations, the BNP government seems to act reasonably as the country is unable to afford adventurous policies. Today, Bangladesh should find a way to maintain good relations with the neighbouring countries, major powers, donor countries, and regional players at once. So far, the government has succeeded in this matter.



However, the challenges that the BNP government is likely to face in the coming months are huge.

Today, the most difficult aspect of political life in Bangladesh is its culture. Ruling parties traditionally fall victim to patronage systems and overconfidence in their own loyalty, as well as the idea that a victory gives the right to dominate. Should the government make the same mistake, its popularity is likely to decline rapidly.

Another problem relates to the level of expectations from the government. As the ruling party has won the election, myths have emerged about its political return,

resilience, and the country's correction. However, symbols should lead to actual change.

So, the following question arises: will the government manage to improve democratic institutions? Can they tolerate criticism? Is there any chance to fight corruption? Will they show professionalism despite political preferences?

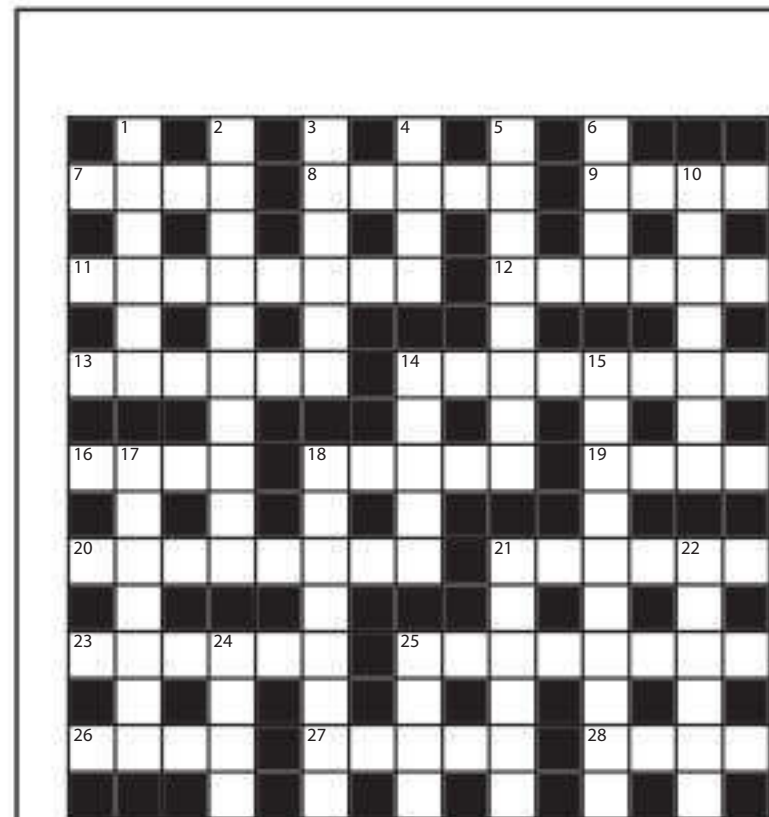
These questions are crucial because their answer will determine this government's fate. Nevertheless, some may agree that the new government has behaved well in its first 100 days. Compared to expectations, it seems much more mature, restrained, and reasonable.

It may be explained by either personal experience of suffering from politics or the understanding that the country has changed. Bangladesh no longer wants endless confrontation. People want to live normally, with working institutions. Moreover, they want to hear the voice of reason.

One hundred days is far too short for a full assessment. But they are enough to judge its direction. The first 100 days do not yet offer a verdict. They offer something more important: a possibility.

The Daily Star/ANN.

Crossword | No. 293479



Yesterday's Solution

MANISTON HIAHOVER
TUMBLE
DELIGHT
O O T T L H D K
FANTASY FOOTBALL
F S T W L E
MINUTE CROSS
G A O N E L O S
ALL IN WINDERS
S L L E A B A
WISHFUL THINKING
O P A C A S L E
RAIN CLOUD TIGLOO
K C E M E N E L L
SHEATH THE SIGHTED

ACROSS

- 7 Kim leaves Himalayan state hospital a religious adherent (4)
- 8 Trunk road primarily going on to Somalia (5)
- 9 Batik: the first cut, woven fabric of Asia (4)
- 11 Oriental setting for 'edgy work' from Beatles wife and naked mystic? (8)
- 12 India's boxing champ? Just the opposite in Olympic venue (6)
- 13 One day California will supply an entire continent (6)

DOWN

- 14 Acclaimed singer provided by Spain for their holiday spot (8)
- 16 Capital city determining itself leaves Indonesia for starters (4)
- 18 Revolutionary communist near to getting authority in the Midlands (5)
- 19 Expression of relief as man found in outskirts of Warsaw (4)
- 20 Three times oyster content gets sent back in US national park (8)
- 21 Seaport of Bali unfortunately overwhelmed by bad smell (6)
- 23 Informed Ohio about drug

ACROSS

- 25 Brazil almost beaten by largely unconventional island group of 13 (8)
- 26 Spend some time relaxing in Shanghai (4)
- 27 Thailand women leaving money for Pacific Kingdom (5)
- 28 Expecting Lima to fight (4)

DOWN

- 1 American setter's parting words: 'Shoot slightly upwind' (3,3)
- 2 A variety of claret that's very hard to confuse with Poitiers' (2-8)

ACROSS

- 3 Semi-aquatic mammal picked up north of Washington capital (6)
- 4 Compound rate's void in Ukraine (4)
- 5 November or May touring North Dakota's French region (8)
- 6 Put on clothing for international singer from Canada (4)
- 10 Nemesis roller coaster ride for Faroes shortly to welcome children (4-3)
- 14 Hebridean island in which I will occupy log home? (5)
- 15 April wind swirling round a city in Pakistan (10)

DOWN

- 17 Italy's sparkling water maintaining its river crustaceans' order (7)
- 18 Sail away after Germany, one nation in 13 (8)
- 21 Superhero gets New York to replace trademark tree (6)
- 22 Complex system in Saudi regularly defied understanding (6)
- 24 Hebridean Island in which I will occupy starter home? (4)
- 25 Area of Zambia concerned with energy (4)

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



Editor's TAKE

Catastrophic heatwaves are killing thousands

Heatwaves are no longer a seasonal extreme. They are a recurring public health emergency, killing tens of thousands

As we are about to celebrate World Environment Day, there is a revelation that is both shocking and unfortunate. Heatwaves in India kill at least 3,000 people every year, and this number can rise to 30,000. It is shocking because the number is so high, and unfortunate because no one takes it seriously, even though these deaths can be avoided if the right steps are taken by the government.

For years, the Indian government has reported roughly 800 heat-related deaths annually. But a reputed research paper has challenged this figure. A peer-reviewed study published last week in *Frontiers in Environmental Health* suggests the real number may be forty times higher. A single intense heat day, the researchers found, can cause approximately 3,400 excess deaths across India. A prolonged five-day heatwave can cause around 30,000 deaths. Even these figures, the authors caution, are likely an undercount.

The gap between 800 and 30,000 is not a rounding error. It is a policy failure of the first order. What is not counted does not demand a response - and India has, for decades, chosen not to count. The burden falls hardest on those least able to bear it. Five states - Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, and Gujarat - account for over 60 per cent of projected heatwave mortality while contributing only 29 per cent of national GDP. These are states of outdoor workers, subsistence farmers, construction labourers, and the urban poor, with no air conditioning and no option to stay indoors. This is not bad luck. It is environmental injustice written into policy and inaction.

Heatwave deaths are directly proportional to the economic condition of people and the work they do for a living. Farmers, labourers, and service providers are most at risk, though climate change is the accelerant. South Asia is among the world's most heat-vulnerable regions, and India is leading the pack. Heatwaves that were once rare extremes are becoming routine. Delhi and large parts of north-west India were under a continuous heatwave for over two weeks this May. As global temperatures rise further, events of this severity will occur not once a decade but multiple times a year.

The path forward is clear, even if the political will remains elusive. India must first declare heatwaves a notified national disaster, unlocking emergency finance for the states that need it most. It must overhaul its mortality surveillance so that excess deaths are actually measured, not concealed behind the narrow "heatstroke" category. It must build cooling infrastructure - shaded public spaces, cool roofs, and green cover - in the dense urban wards where the poor have nowhere to retreat. And it must enforce restrictions on outdoor work during extreme heat alerts, protecting the crores of workers for whom stopping work means going hungry. India can definitely take up this challenge. After the Super Cyclone of 1999, which killed thousands of people in Odisha, the state prepared itself for large-scale evacuations. This same urgency and preparedness must guide heatwave management; otherwise, it is going to become an even bigger killer, albeit a silent one.

Tokyo's strategic transformation

Japan is steadily moving away from post-war pacifism, strengthening its military and intelligence capabilities under Sanae Takaichi amid growing concerns over China, Taiwan, and regional security



BHOPINDER SINGH

The term "Tokko" (short for Tokubetsu Koto Keisatsu) was used for the secret police of Imperial Japan from 1911 to 1945. Often compared to the infamous Nazi Gestapo or the Soviet NKVD, it was associated with Japanese militarism, surveillance, and authoritarianism. However, it was dissolved after Japan's defeat in 1945 during Allied occupation reforms. These reforms (Article 9) included the renunciation of war and the discontinuation of traditional Japanese armed forces. Basically, Japan was denied the possession of war-fighting capabilities, infrastructure, or any form of offensive policies or plans.

Since the Cold War, and especially after the 1990s, Japan has reinterpreted Article 9 more flexibly. This led to a more lenient interpretation allowing "collective self-defence", implying that Japan could aid allies under attack in certain situations. Various factors, such as the expanding Chinese footprint, a belligerent North Korea, and even the global terror industry, forced a rethink. Many nationalist Japanese leaders insisted that strict pacifist interpretations were outdated and self-defeating in the evolving strategic environment. The Japanese Self-Defence Forces (SDF) became increasingly militarised, better trained, and started conducting international exercises and missions.

The Shinzo Abe era transformed that outlook even more aggressively as Chinese ambitions, claims, and maritime activity became increasingly threatening. From ideating the QUAD (Quadrilateral cooperation with China-wary powers such as the USA, India, and Australia) to acquiring long-range strike missiles and converting naval platforms into aircraft carriers, the Japanese consciously started moving away from their original pacifism.

Today, the Prime Minister of Japan, Sanae Takaichi, is widely considered a political protégé and ideological successor of the hardline nationalist Shinzo Abe. China has been concerned by her hawkish rhetoric on security issues, and her recent passage of a bill to strengthen Japanese militarisation through the creation of a "National Intelligence Council" (with a parallel "National Intelligence Bureau" to create a centralised and vertically integrated intelligence system) has unsettled the Chinese leadership considerably.

Chinese concerns were captured by its unofficial mouthpiece, *Global Times*, which noted: "Even more dangerously, the bill explicitly incorporates 'foreign intelligence activities' into its mandate, shifting Japan's intelligence functions from a domestic security focus to the collection of overseas military and security intelligence - and



even permitting espionage and infiltration operations abroad."

The creation of what is being hailed as "Japan's CIA" is the most significant overhaul of Japan's intelligence structure in more than seventy years. The Americans appear willing to overlook the 1945 conditions they themselves imposed as victors of the Second World War in order to strengthen modern Japan through stronger intelligence integration, faster information-sharing capabilities, and more effective counter-intelligence structures.

The reality of operational difficulties and limitations arising from unilateral military operations overseas, such as those seen in the ensuing US-Iran conflict, has led to serious concerns in Japan about the ability of the US military to intervene successfully should China attack Taiwan. Japan feels increasingly vulnerable to the Chinese threat and realises that it must take greater responsibility for its own security. In Sanae Takaichi, many Japanese see the political intent and determination necessary to change course decisively.

Prime Minister Sanae Takaichi openly framed the bill in existential terms for Japan's future, insisting that "foreign influence operations, including the spread of disinformation, constitute a threat that can shake national security". This argument helped create a situation in which public support stood at 39.1 per cent, while 41.9 per cent remained neutral or undecided, and only 19 per cent opposed the measure.

Clearly, politics, geopolitical shifts, and the perceived wounds of history have evolved, and many Japanese no longer feel burdened by the constitutional constraints imposed in the aftermath of the Second World War.

In the first meeting of the "Expert Meeting on Considering Security from the Perspective of Comprehensive National Strength", Sanae Takaichi further raised the stakes by discussing

higher defence spending and stronger military capabilities. Japan already operates F-35 stealth fighters, Tomahawk missiles, Patriot and Aegis missile-defence systems, Apache attack helicopters, and other advanced platforms. More importantly, it is developing its own hypersonic weapons, long-range missiles, electromagnetic railguns, and a co-developed sixth-generation fighter programme (GCAP).

All this, combined with strong political support, is giving nightmares to Chinese Communist Party strategists, who increasingly realise that Japan has decisively moved beyond its post-war strategic restraint.

Reports emerging from the Ukrainian and Iranian theatres are reinforcing Japanese concerns that military alliances can become strained and unreliable, that industrial capacity and ammunition stockpiles matter enormously, and that nations require substantial indigenous defence capabilities. The ability to hold out longer or deter aggression if American intervention is delayed or uncertain has fuelled right-wing militarist thinking within sections of Japanese politics.

Essentially, Japan believes it needs far greater self-reliant deterrence because the international system has become less reliable.

As Japan's south-western islands are geographically close to Taiwan, China is continuously factoring possible Japanese capabilities and responses into its Taiwan-related strategic calculations. With the acquisition of long-range strike capabilities and growing constitutional confidence, Beijing is increasingly viewing Japan as the central pillar of the US-led Indo-Pacific alliance system aimed at constraining China's rise.

Sanae Takaichi is adding fuel to the fire with statements such as: "Deterrence only works when the other side knows you have the capability and the will to respond."

The Pioneer SINCE 1865

SANAE TAKAICHI IS ADDING FUEL TO THE FIRE WITH STATEMENTS SUCH AS: "DETERRENCE ONLY WORKS WHEN THE OTHER SIDE KNOWS YOU HAVE THE CAPABILITY AND THE WILL TO RESPOND"

The writer is a former Lieutenant Governor of the Andaman and Nicobar Islands and Puducherry, and a military veteran

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PICTALK



Farmers harvest paddy crops in a field in Nagaon district, Assam. PHOTO: PTI

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Learning to chant with the heart



AJIT KUMAR BISHNOI

2ND OPINION

I have been chanting God's names for a long time, but mostly inattentively. It is not that I did so intentionally, but it used to happen helplessly. I did not know how to get over this weakness, despite the fact that I knew that I was not reaping the full advantage of chanting.

To my credit, I never gave up chanting, doing it day after day. Finally, my Lord revealed why I was not attentive. The first reason became clear from the following three examples.

Hanumanji had just returned from Lanka, having met Mother Sita and burned Lanka. Obviously, Lord Ramachandra was very pleased. Seeing the Lord's mood, Hanumanji prayed, "O my Lord, please be kind enough to grant me Your unwavering 'bhakti' (devotion), which is the giver of immense 'sukha' (bliss)." (Shri Ramcharitmanas,



Sunderkanda 33) Another example is that of Goswami Tulsidas, who prayed at the beginning of this Kanda, "O Raghukul Shrestha, please grant me Your unmixed bhakti." (SRS 2)

The third example is that of Vibhishanji, who, after meeting Lord Ramachandra, prayed, "O Merciful Lord, please grant me Your pure bhakti." (SRS 48)

Are these famous examples not indicating something? They are: bhakti can only be granted by God and God alone. No one can attain bhakti on his own, which I was trying to do. The second reason is equally compelling. Lord Krishna has cautioned in Verse 7.14: "This Maya (illusory nature) of Mine, consisting of the three 'gunas' (modes), is divine and very difficult to overcome."

What is the Lord cautioning about? Two facts: Maya is created by God and consists of three modes - goodness,

passion, and darkness. These are all-pervading in this material world, and everyone, without exception, is under their influence to varying degrees. (18.40) What happens due to such influence? The mind, which is fickle, forceful, strong, and obstinate (6.34), drags attention away from chanting to somewhere, anywhere. And we are helpless about it.

What is the solution? The Lord gives it: "Those who take shelter in Me alone are able to transcend this Maya." Mark the word alone, because God is the only option.

What is my experience? I have started to seek help before I begin chanting. It works until the mind wanders again. Then I pray for help once more and bring the mind back to chanting. It is working. From a very low percentage of attention, it has risen to a high percentage. I am over the moon about this transformation.

Is not chanting the highest 'yajna' (sacrifice), as described by Lord Krishna in Verse 10.25? This being so, it will yield maximum benefits if done properly, which I am hoping to gain. One more thing I am doing to increase my devotion is to begin thanking my Lord for all the successes that are coming my way. This thankfulness has started to enhance my love for God. Are we not, as small souls, quite helpless and largely ignorant, yet overwhelmed by such mercy? As a matter of fact, it makes all the difference.

The Pioneer SINCE 1865

The writer is a spiritual teacher and a popular columnist

WHEN GOVERNANCE FAILS, CITIZENS PAY THE PRICE

The collapse of a densely populated building near Saket Metro Station in South Delhi on Saturday, which claimed six lives and injured ten others, is a grim reminder of the urgent need to strengthen urban governance and regulatory oversight. The tragedy was not merely the result of an ageing structure. Reports suggest that the owner had added an additional floor to an already overstretched five-to-seven-storey building in pursuit of higher rental income. Such reckless violations of building norms inevitably increase structural stress and put countless lives at risk.

This incident should not be viewed as a simple accident but as a serious case of negligence with fatal consequences. Unfortunately, similar

unauthorised constructions exist across many parts of Delhi and other Indian cities. Municipal authorities have a responsibility to monitor building activity, groundwater extraction, sewage systems, and utility connections to ensure compliance with safety regulations.

The failure lies not only with individual violators but also with weak enforcement and poor urban planning. Clear limits on plot coverage, building height, and occupancy must be strictly enforced.

As cities continue to expand rapidly, policymakers must prioritise good governance, accountability, and effective regulation to prevent such avoidable tragedies from recurring.

SANJAY CHOPRA | MOHALI

LETTERS TO THE EDITOR

Telangana: Growth and promise

On June 2, 2026, Telangana celebrated its 12th State Formation Day. Cradled in the heart of the Deccan Plateau, nestled between the valleys of the Godavari and Krishna rivers, Telangana possesses a rich historical legacy dating back to the ancient Ashmaka Janapada, the only southern kingdom among the sixteen Mahajanapadas. The creation of the modern state of Telangana was not simply a result of administrative reorganisation, but rather the culmination of decades-long democratic struggles and the sacrifices of countless martyrs, whose memory has been immortalised through the Gun Park monument. Over the years, the state has emerged as a national model in welfare and development, achieving notable heights in the information technology industry, infrastructure, irrigation, and industrial growth.

The state's ambition of becoming a major economic powerhouse by 2047, however, should be carefully balanced against translating this economic growth into the betterment of marginalised communities. The best tribute to those who preserved Telangana's identity would be a renewed commitment to social justice and inclusive development. Telangana's success will be measured by how effectively the benefits of growth reach every citizen.

VIDYASAGAR REDDY KETHIRI | TELANGANA

A stronger Supreme Court

The Supreme Court's decision to appoint five new judges on June 2, 2026, taking its working strength to 37 against the sanctioned strength of 38, is a welcome step towards strengthening India's judicial system. Particularly encouraging is the elevation of senior advocate Venkita Subramani Mohana, which increases women's representation on the Supreme Court Bench. She becomes only the second woman to be directly elevated from the Bar to the apex court, after Justice Indu Malhotra, and joins Justice BV Nagarathna on the Bench. The appointments reflect the growing role and participation of women in the Indian judiciary and underline the importance of diversity in the justice-delivery system. Equally significant is the increase in the Court's overall strength at a time when the country is grappling with a massive backlog of pending cases. Additional judges can help expedite hearings, reduce delays, and improve access to timely justice for citizens.

The issue assumes greater importance in light of the recent NCRB Prison Statistics Report, which highlights severe overcrowding in Indian prisons, much of it linked to delays in the disposal of cases. Strengthening the Supreme Court is therefore a necessary step towards ensuring a more efficient, inclusive, responsive, and accessible justice system for all citizens.

KIRTI WADHAWAN | KANPUR

Karnataka's leadership transition

The high-stakes leadership transition in Karnataka, which saw DK Shivakumar replace Siddaramaiah as Chief Minister, concluded with surprising outward harmony. However, political analysts have warned that the road ahead for the ruling Congress government may be far from smooth. The underlying tension stems from Siddaramaiah's refusal to accept a Rajya Sabha seat. By remaining active in State politics, the veteran leader has retained considerable influence and continues to be viewed as an alternative power centre within the party.

Siddaramaiah commands a strong mass base and enjoys the loyalty of a significant section of Congress legislators, many of whom were reportedly reluctant to see Shivakumar take over the top post. Consequently, while the transfer of power appeared orderly in public, a quiet rivalry between the two leaders is believed to persist beneath the surface. The real challenge now lies in Shivakumar's ability to consolidate his authority, unite the party, and win the confidence of sceptical legislators. Karnataka faces important governance and developmental challenges that require stability and policy continuity. Whether the current arrangement evolves into effective cooperation or descends into factional conflict remains to be seen in the months ahead.

N SADHASIVA REDDY | BENGALURU



Deadly duty: India's forest guardians under siege

As organised criminal networks become more sophisticated and enforcement mechanisms remain weak, the crisis extends beyond the safety of forestry staff to the future of India's forests, wildlife, water security, and environmental governance



BKP SINHA

ARVIND KUMAR JHA

The increasing attacks on front-line forest personnel across India point to a deepening crisis within the country's environmental governance and forest protection framework. Field staff, including Range Forest Officers, Foresters, and isolated Beat Guards responsible for protecting forests and wildlife habitats, are facing growing violence from organised timber smugglers, illegal encroachment networks, poaching syndicates, and land mafias operating inside forested regions. The increasingly hostile conditions under which forest personnel operate came into renewed focus in May 2026 in the Puranpur Forest Range of Pilibhit district in Uttar Pradesh where, according to reports, two forest personnel narrowly escaped being run over by a tractor-trolley allegedly operated by sheesham timber smugglers, but were cornered and brutally assaulted during the enforcement operation.

Another incident in Madhya Pradesh in the recent past exposed the level of interference in enforcement operations. In Indore district's Badgonda Forest Range, a state minister, accompanied by supporters, allegedly entered the forest office premises, threatened the on-duty personnel, and forcibly removed an earth-moving machine and tractor-trolley that had been seized for the alleged illegal breaking of forest land. According to reports, the local police station refused to register an FIR against those involved. Instead, disciplinary action was initiated against the enforcement personnel involved in the seizure operation, with the deputy ranger concerned being transferred and subjected to departmental inquiry proceedings. The controversy deepened further after the issue was raised publicly by opposition leaders. Subsequently, when the Chief Conservator of Forests reportedly rejected a revenue department report attempting to classify the land-clearing activity as a non-forest offence, he too was transferred from his post. The broader implications of the episode became evident within weeks. Less than one hundred kilometres away, in Dewas district's Punjapura Reserve Forest, a forest beat guard was shot dead by a timber smuggler.

One finds that disputes, once considered isolated, have now transformed into coordinated and often violent confrontations, exposing the widening imbalance between poorly equipped forest personnel and highly organised criminal syndicates.

Data and field reports collected over the past five years indicate that such incidents are no longer confined to isolated pockets but are spread across diverse ecological and territorial landscapes in various Indian states. Telangana and Maharashtra have emerged as major hotspots in terms of the volume of reported incidents, followed closely by Madhya Pradesh and Rajasthan. Field accounts, departmental records, and testimonies from enforcement personnel also indicate a disturbing pattern in which local political actors are frequently seen intervening in favour of alleged offenders, while pressure groups portray enforcement personnel as being hostile to forest dwellers and tribal communities. In several instances, village gatherings, coordinated protests, and crowd mobilisation have reportedly been used to obstruct enforcement operations and shield organised offenders from legal action. Such resistance is not always spontaneous; in several sensitive forest divisions, officials claim that organised networks deliberately exploit local socio-economic grievances to weaken state intervention and create protective buffers around illegal operations. This has contributed to the emergence of what many enforcement personnel describe as "informal immunity zones", where the



writ of government becomes increasingly difficult to enforce without substantial police reinforcement.

The misuse of the Forest Rights Act (FRA) to recognise inadmissible forest rights, including management rights to Gram Sabhas, creates governance gaps. Enforcement personnel operating in these contested forest regions face escalating operational risks during anti-encroachment drives and routine forest-protection activities. In several areas, ambiguities surrounding land claims, weak verification mechanisms, administrative intimidation, and political interference severely erode the operational confidence and morale of front-line personnel.

A broader weakening of institutional enforcement capacity within the forest administration has occurred due to limited field infrastructure and chronic staff shortages. Recent data from multiple state-level reports reveal a persistent and severe vacancy crisis across front-line forest-protection cadres. In several major forested states, vacancies in operational posts such as Forest Guards, Foresters, and Range Officers range from nearly one-third to more than half of the sanctioned strength. Odisha has reported vacancies of around 41 per cent in field staff positions, Haryana nearly 54 per cent, Karnataka about 30 per cent, Telangana close to 45 per cent, Madhya Pradesh approximately 30 per cent, Chhattisgarh around 35 per cent, and Jharkhand nearly 55 per cent. Although field foresters are expected to patrol vast, rugged, and remote forest landscapes, vacant posts are often managed locally by assigning the jurisdiction of multiple forest beats or ranges to a single official, resulting in excessively long patrol hours with little operational backup.

Many states have had prolonged recruitment freezes, in some cases extending for more than a decade, followed by mega-recruitment drives aimed at rapidly filling vacancies. The situation is exploited by organised groups that often possess greater mobility, local influence, and financial resources.

Offenders often place local women and economically vulnerable groups at the forefront during confrontations, using them both as human shields and as legal buffers against enforcement action. Although forest departments across several states have begun inducting more women into front-line cadres, criminal syndicates have simultaneously modified their tactics and filed counter-cases, for example under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, to intimidate and demoralise enforcement staff. A case in Telangana drew national attention after a woman forest officer was allegedly assaulted while performing her official duties in Asifabad district during an operation against illegal activities.

Realising the possibility of retaliatory legal action against enforcement personnel, the Supreme Court of India reportedly stayed the counter-proceedings and directed authorities to provide police protection to women forest officers involved in field duties.

Since forest officials regulate access to natural resources and restrict illegal extraction activities, they often face hostility from some sections of local populations as well as from political interests seeking electoral support through lenient enforcement. Even within the administrative system, forestry personnel often face criticism for strictly enforcing statutory provisions or for denying the diversion of forest land for developmental projects. It is ironic that the

more rigorously foresters protect public forests and ecological territories, the more isolated they become politically and bureaucratically. In a democracy driven by electoral calculations, the job of regulating human activity to save forests and wildlife - constituencies that cannot vote - often leaves forestry personnel resented by sections of the public and neglected by the very institutions they serve.

Although various enforcement institutions have undergone substantial expansion in terms of personnel strength, infrastructure, training, and powers to counter internal security threats, the forest-protection machinery remains structurally understaffed and institutionally weak. It requires strengthening with the latest equipment, rapid-response tracking systems, communication networks, legal support teams, and fast-track courts to ensure the effective prosecution of offenders.

Restoring field morale and enforcement capability is essential if India wishes to secure its ecological frontiers. In the field, strategically combining community participation and rigorous, science-based law enforcement can safeguard not only front-line foresters and forest dwellers but also the invaluable natural heritage of the country.

The government must act to dismantle the politically convenient branding of the forestry sector as "anti-development" or "anti-people". Forest personnel in the field are not enforcing bureaucratic control; they are risking their lives to defend forests, wildlife habitats, water security, and the ecological systems upon which millions depend. Empowering our ecological protectors can be the ultimate expression of statecraft, as it fundamentally honours the definitive geopolitical truth that ecological integrity is the bedrock of economic vitality and national survival.



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Doping menace dents India's global image



MP NATHANAEL

Instances galore of our sportspersons testing positive in dope tests or evading tests have dented our image in the international arena, so much so that the Chair of the Athletics Integrity Unit, David Howman, categorised India as a "consistently extremely high-risk" doping nation and placed it in Category A among the nations where doping is extremely high. Other nations in this category are Russia, Belarus, Kenya, Ethiopia, Nigeria, and Ukraine. This would entail stringent dope-testing measures for all national team athletes. He lamented that the anti-doping efforts in India are "not proportionate to the doping risks."

With 48 anti-doping rule violations, India was placed second in the world rankings in 2022. In 2023, 63 violations were recorded, with the same ranking. India topped the list of violations the following year with 71 violations and continued to stay on top with 30 violations in 2025. Such gross violations have led to our athletes being viewed with suspicion at international meets. Three of our top athletes had to face embarrassment when they were initially barred from participating in competitions at the Meeting de Limoges in France in April 2024. The decision of the organisers was based on "various controversies related to doping and athletics in India". It is another matter that they were allowed to participate after the World Athletics Federation intervened.

While stating that India is the biggest producer of PEDs, the World Anti-Doping Agency (WADA) President, Witold Banka, during his visit to New Delhi in April this year, emphasised the need to target the supply chain of banned drugs. Towards this end, he held meetings with Union Sports Minister Mansukh Mandaviya and senior officers of NADA, the Central Bureau of Investigation (CBI), and other sports officials. Mandaviya assured Mr Banka that the Government is working on criminalising the administration or trafficking of banned substances. Consumption, possession, or administration of banned drugs is a criminal offence in some countries, such as Kenya, where an Indian athlete, Aman Mallik, is serving a three-year jail term since September last year for distributing banned drugs. He was also fined one million Kenyan shillings (approximately Rs 6.9 lakh) for the offence.

Incidentally, Sebastian Sawe, who broke the two-hour mark in the London Marathon recently, hails from Kenya, which earned infamy for doping violations. He was tested 25 times by the Anti-Doping Agency last year and came through all the tests clean. He continues to be subjected to anti-doping tests frequently.

Though Indian sportspersons are governed by the National Anti-Doping (Amendment) Act, 2025, which is based largely on the WADA Code, the consumption, distribution, and trafficking of PEDs have not been criminalised so far. The Union Sports Minister informed the WADA President that work is underway to criminalise doping, which can lead to imprisonment of up to five years and a fine of Rs 2 lakh for selling or trafficking banned substances to any athlete. The Bill is likely to become law during the monsoon session.

The involvement of coaches, trainers, and others associated with sports in administering PEDs cannot be denied. The lure of pelf, power, and jobs on clinching medals at the international level is too intense to be ignored. The risks involved in consuming banned drugs to enhance performance are worth taking for some, and not everyone gets caught. The need has been felt for more laboratories, and we may soon have two more with better staffing, apart from the lone National Dope Testing Laboratory in New Delhi.

Apart from the lure of pelf and jobs, the Arjuna Awards, the Khel Ratna Awards for achievement in sports, and the Dronacharya Award for coaches who train medal winners in the international arena are other attractions that carry with them a host of lifelong benefits. The prestigious Padma awards propel recipients to greater heights. A jail term for anti-doping violations could be a deterrent, though occasions may arise when our top sportspersons get trapped in the web. Irrespective of the stature of the sportspersons involved, stringent action alone can save us from the ignominy of being categorised as "extremely high risk" in anti-doping rule violations.

In the event of an awardee of the Arjuna Award, Khel Ratna Award, Dronacharya Award, or even the Padma awards being found guilty of violating anti-doping rules, the award should be withdrawn by the Government, thereby depriving the violators of the benefits that accrue from the award. Not only the sportspersons but also the coaches would be wary of being caught in any violation of the rules. Any athlete testing positive should not be considered for the conferment of any sports-related award for at least five years from the date of the lifting of the ban.

While we prepare to host the Commonwealth Games in 2030, we have staked our claim to host the Olympics in 2036. For the 2038 Asian Games, South Korea and Mongolia are contesting our bid to host the Games. An Indian delegation that visited the Olympic headquarters in Lausanne in July last year to stake our claim to host the Olympics in 2036 was apprised of our doping record, which could go against us. Banka had warned that "the Olympic Games, World Championships, and major sporting events are not possible without WADA, WADA's stamp, and WADA's compliance regulations."

Until the Sports Ministry comes down heavily on such recalcitrant sportspersons and others associated with sports, we will continue to face the stigma of being a nation with the highest number of violations of WADA regulations.



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How Agri stack can catalyse reforms in land revenue administration



DEVESH CHATURVEDI

There have been concerted efforts to modernise land-record administration in the country, which are delivering positive outcomes. However, there are still several challenges. States with robust, updated records are at various stages of digitalisation. In many other states, land ownership is still recorded in the names of ancestors. In major parts of the North-Eastern states, there is an absence of conventional records of rights due to the practice of community ownership. Even though there is a widespread practice of sharecropping and informal leasing across the country, there is reluctance to record the same in many states due to the legacy of laws related to adverse possession. National Crime Records Bureau data also indicate that land-related disputes are one of the major motives for crimes in rural areas. The Digital Public Infrastructure (DPI) in agriculture offers a way forward to meet these challenges. To transform governance and policy implementation in the agriculture sector, the Union Government launched the Digital Agriculture Mission (DAM) in 2024. One of the key components of the mission is to establish a DPI for agriculture. The building block of this infrastructure is Agri Stack, comprising three core registries - farm, farmer, and crop sown. Farm Registry is a database of geo-referenced plots with a unique Farm ID. Each agricultural plot is provided with a unique Farm ID for identification. Simultaneously, each farmer owning agricultural land is provided with a unique Farmer ID, which, at the back end, will have complete details of each plot owned by the farmer, along with the share/extent of the farmer in that plot. The Farmer Registry is dynamically linked to the digitised records of rights of the State Revenue Department, ensuring that changes in the records of rights due to sale, inheritance, etc., are automatically updated in the Farmer Registry. The third pillar is the Crop Sown Registry, with details of crops sown on each plot for each crop cycle, developed on the basis of the Digital Crop Survey. The survey is undertaken immediately after the sowing seasons. Discipline in the survey is ensured as it is mandatory for the surveyor to physically enter the plot of land being surveyed to record the crop sown.

Agri Stack is being developed as a collaborative exercise between the Central Government and the State/UT Governments while ensuring that it is credible, standardised, and interoperable across the country, both at the federal and state levels. As of May 15, 2026, more than 9.50 crore Farmer IDs had been created across the country. The Digital Crop Survey was conducted in more than 30 crore plots across 648 districts, covering 24 states during the Rabi season of 2025-26.

Agri Stack is being developed primarily to empower farmers to seamlessly avail themselves of various scheme benefits, and not as an alternative to land records or certificates of land ownership and crops sown. The dynamic linkage with



records of rights ensures the authenticity of the Farmer Registry. This arrangement of a separate registry linked to records of rights would ensure that farmers are less hesitant in digitally availing their rights, their relatives, sharecroppers, and leaseholders (formal or informal) to avail themselves of scheme benefits such as MSP procurement, procurement of fertiliser, crop insurance, or even crop loans.

The flexible architecture of Agri Stack and its potential to be used for availing entitlement-based benefits have catalysed reforms in land-revenue administration and the process of modernisation and digitalisation of land-record administration in several states and Union Territories. One immediate outcome is that the geo-referencing of revenue cadastral maps is being completed within a highly compressed timeframe. Wherever cadastral maps are not available, the state machinery is approaching village elders and searching through record rooms to obtain copies of the maps. Some states have even undertaken survey operations to prepare cadastral maps afresh. State and UT administrations have also moved quickly in recording the share of landholders in plots that

have multiple owners, without the necessity of filing a partition suit. The traditional manually driven *girdavari* or *partala* system was prone to errors, with delayed consolidated results, and therefore had limited utility for policymakers. The Digital Crop Survey under Agri Stack is steadily replacing this manual system and becoming a single source of truth, ensuring credibility through the timely and accurate capture of crops sown. Feedback from farmers and the appeal system ensure transparency, with greater involvement of farmers in the process. With Farmer ID becoming a prerequisite for availing various scheme benefits in states, additional pressure is being placed on lower-level officials in the land-revenue administration to record inheritance immediately after the death of a landholding farmer. In states such as Bihar, Jharkhand, Odisha, and Assam, land is often still recorded in the names of ancestors. To address this, current owners can obtain land inheritance certificates, enabling Farmer ID generation while land records are updated. This is helping revenue authorities record actual owners and cultivators, improving access to credit and welfare benefits. The Farmer Registry has also accelerated land-records updation in several states.

In several states in the North-Eastern region of the country where there is community ownership, the absence of surveys to establish individual ownership has led to the sub-optimal uptake of agricultural welfare schemes such as subsidised agricultural credit and crop insurance. The mission has initiated the process of a digitised solution utilising satellite-based imagery to identify existing plot boundaries and develop geo-referenced maps

without the need for manual survey operations. Local authorities identify the actual cultivator of each plot and assign unique plot numbers. Farmer IDs are then generated and the Digital Crop Survey undertaken based on the maps so developed. These are not substitutes for land records but a credible alternative for recording the owner/cultivator for availing entitlement-based scheme benefits. Agri Stack has the potential to ensure a regime that protects agricultural land owned by farmers against fraudulent sales and transactions. If the states so desire, they can notify services related to the linkage of landholdings with Aadhaar numbers in the records of rights by notifying the same under Section 4(4)(b)(ii) of the Good Governance Rules under the Aadhaar Act. This notification enables the embedding of the Aadhaar number of the owner in the land owned, with the voluntary consent of the farmer. Thereafter, any fraudulent transaction in the Sub-Registrar's office becomes detectable and preventable, as it can be carried out only after the recorded tenure-holder has been biometrically verified during the registration of any sale deed or will. This reform has the potential to drastically reduce land disputes and crimes related to land.

The DPI is enabling transformational reforms in welfare delivery and land-record administration, empowering farmers and strengthening the security of their landholdings.

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INTERNATIONAL EDITORIALS



The FT View



FINANCIAL TIMES

"Without fear and without favour"

Myanmar: the forgotten war

The effort to prove Aung San Suu Kyi's safety can revive pressure on the military

On Sunday evening an explosion in Shan state, near Myanmar's border with China, killed at least 40 people. The rebel group that controls the area, and has been fighting the military junta, said the blast was caused by the accidental ignition of explosives used in mining. The explosion is one of the vanishingly few stories from Myanmar to make the headlines. The country has slid out of international focus since Min Aung Hlaing's military coup in 2021 toppled the democratic government of Aung San Suu Kyi. In the ensuing conflict between the army and the country's patchwork of ethnic and anti-regime insurgencies, thousands have been killed and nearly 4mn internally displaced.

Aung San Suu Kyi has been mostly incommunicado since late 2022, unseen

even by her lawyers. Diaspora groups and her son Kim Aris are now pushing to obtain "proof of life" for the 80-year-old leader. It's an issue that might be stark enough to help bring this conflict back on to diplomats' agenda at a time of global discord and war.

The regime recently said Aung San Suu Kyi had been moved to a "designated residence" in the capital Naypyidaw from a prison, and it published a photo of her sitting alongside uniformed officials. Her supporters are questioning the photograph's authenticity. They want an independent body such as the Red Cross or the UN to verify her well-being. In the absence of hard facts, some have speculated that she might have been returned to prison, or whether she remains alive.

A global campaign to press the junta on the Nobel laureate's whereabouts and condition should help to revive broader scrutiny on the regime. Aung San Suu Kyi is only the most prominent of tens of thousands of people arrested

since the coup. According to human rights groups, regime troops have carried out extrajudicial killings, torture, air strikes and the burning of villages in conflict zones. The International Criminal Court's prosecutor has sought an arrest warrant for Min Aung Hlaing in connection with the military's 2017-18 atrocities against Rohingya Muslims.

The military's rule over Myanmar is sadly becoming normalised. Myanmar's Asian neighbours are restoring it to diplomatic high tables. This comes after a stage-managed election from which the opposition was barred, paving the way for Min Aung Hlaing's installation as president. Indian Prime Minister Narendra Modi is hosting him in India this week. China, initially wary of the regime after the coup, supported the sham election and is now embracing it.

Myanmar's domestic chaos has international costs. It is a major producer of opium and synthetic drugs, and a top host of scam centres that exploit forced labour and prey on people around the

In the absence of hard facts, some have speculated that she might have been returned to prison, or whether she remains alive

world. It is a leading source of heavy rare earths – the type Donald Trump's transactional US administration craves.

Few in Myanmar imagine any scenario where Aung San Suu Kyi would return to power in a democratic future. Apart from her age, she was a deeply flawed leader who displayed strong authoritarian tendencies. A low point was her choice to testify on the military's behalf in December 2019 during the International Court of Justice case alleging genocide against the Rohingya. But it is also true that she is the country's last democratic leader, elected with a strong popular mandate twice. She is still the best known face of one of the world's longest-running crises.

Helping Myanmar restore a legitimate and functioning government is a matter for its own people to sort out. But pressing for clarity on key questions about where and how the country's former leader is, is one way the international community can start to bring focus back to this forgotten war.

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Opinion Politics

Blair has shone a light on Starmer's growth delusion



Stephen Bush

grown up close to there. (I did not reply by saying I had always thought the part of the country they represent was grasping for subsidies from the capital, but I nearly bit my tongue in half in avoiding doing so.)

The remark was doubly surprising because I was under the impression that the Labour government's number one priority was growth. Yet here was someone who had become a minister of state, but whose first thought about a place that is a hub for both financial services and the life sciences – two sectors at the heart of Britain's comparative advantage economically – is that it is too "corporate".

I shouldn't have been shocked, however, because Labour's commitment to growth comes with a dizzying number of caveats. This is not an exhaustive list, just those I have noticed: Labour's number one mission comes with the proviso that it be "felt across the nations and regions"; that it be "inclusive", "green" and "good"; that it not rely on immigration and not be too concentrated in the core cities. I'm sure there are more.

The Blairite argument was always that the Conservative victories of the 1980s were avoidable with the right choices – that Labour governments could have pursued both the turnaround in public services they presided over from 1997 onwards and the economic transformation wrought by Thatcher and Major. As Blair argued in his final conference speech as prime minister, the old forced choice between efficiency and compassion had been shown to be a false one.

But the Starmer government has shown that, in practice, it can't make that call. Even when Labour talks about a "hard choice" on the economy, that choice involves cutting government spending – reducing someone's benefits, say – rather than changing who it taxes and how. Faced with a country visibly needing both an economic turnaround and an improvement in public services, this government's instinct is to make the former harder in the service of the latter.

It should have been obvious long before Labour took office that you cannot have a state that meets the desires of the many paid for by increasing taxes on the few. As well as inheriting a state that did not meet the requirements most British people have of it, they inherited a tax base too narrow to fund it. What is more, taxation was already starting to sap the UK's growth and competitiveness. But although that insight is one you can find within the Labour Party, it is not one that has been a central feature of Starmer's government. And nor will it be central to the government of whoever replaces him.

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Letters

Generalisation could be consulting's antidote

Your Big Read "How AI threatens the giants of consulting" (May 29) prescribes specialisation as consulting's antidote to AI disruption. But AI is already a more capable specialist than many humans in many fields. If the future is a race to out-specialise a technology that reads humanity's entire literature overnight, that race is already lost.

What AI cannot do – yet – is make connections across disciplines and lived experience in ways that are genuinely generative (despite what its

name suggests). The true generalist, that scarce person who brings the full wackiness of a long path through life, work and learning to a client problem, is the last frontier. Not a relic.

The disrupters referenced in this piece are investing heavily to license their AI agents to clients, a bet that overlooks the nature of this technology, which is general purpose and fast evolving. The smarter play is to apply the best AI-enabled human solution to each client challenge right now, knowing that next year's tools – and

clients' grasp of them – will make today's look Victorian.

It is easy to get excited about disrupting the Big Four, whose model has been broken for some time. But, borrowing a phrase from my banking days: nobody ever got fired for hiring McKinsey. It will take more than deeper specialisms and AI agents for so-called disrupters to make a true dent.

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A 'buy British' policy may limit businesses' options

UK chancellor Rachel Reeves is right that buying British can support skilled jobs and apprenticeships ("Reeves urges ministers to 'buy British' in critical sectors", Report, FT.com, May 25). With every major economy now reaching for the same lever, no government wants to be the one left exposed. But ministers should treat the instinct with care.

The lesson of the past five years is that supply chain strength comes from spread, not concentration. A supply chain that leans on one country, even one's own, sits one disruption away from grinding to a halt. Steel illustrates that point. The very business now held up as a symbol of British self-reliance has been, until today, Chinese-owned. Pull the thread on almost any "British" supplier and you tend to find sub-tier suppliers based abroad.

That is the trouble with "buy British"; it promises security but narrows businesses' options just when they need them the widest. There is a clear national interest in helping British companies thrive. There is



rather less in a policy that looks timed to make a point rather than to build resilience across Britain. Back British companies by all means, but spread the risk first.

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Do China's AI developers deploy a 'kill switch'?

In discussing AI regulation, Simon Mundy states that Chinese developers "must obey rules restricting politically sensitive content" ("Pope's appeal cannot change remorseless and risky logic of AI race", Moral Money, May 28).

In a piece on the same day, Bill Gross suggests that AI may be the next hegemon, not the US or China ("The hegemonic glory of America is under threat", Markets Insight).

These two observations raise a question – are Chinese AI developers required to include a "kill switch", under government control, in their models? Such a feature would be consistent with the Chinese Communist Party's goals of maintaining internal political control and attaining global hegemonic status for China.

Ironically, if true, that might mean that China has stronger guardrails against a "Chernobyl moment" in AI than the west.

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OUTLOOK

MIDWEST

America at 250 must remember all its history



by Patti Waldmeir

Getting Americans to focus on history is a tall order except at the biggest moments – like this year's 250th birthday of the nation. But here in the Midwest, where small towns are festooned with road signs proclaiming the founding of the republic, what exactly are we celebrating?

Back in 1776, the states of Ohio, Indiana, Michigan, Wisconsin and Illinois didn't even exist. Yet historians say the heartland played a critical role in forging the country that we now call the United States. The transformation of the young republic from a narrow Atlantic nation to a continental power began in the Midwest, in a violent struggle between the fledgling US army and a powerful confederation of Native American nations from the Great Lakes and Ohio Valley. It culminated in a clash often described as the "last battle of the American Revolution": the 1794 Battle of Fallen Timbers.

"It was a turning point in the history of the United States," Yale early American historian Tisa Wenger told me. "Before that, the Indians were winning," she adds. As part of the 1783 Treaty of Paris, which formally ended the Revolutionary War, the US theoretically gained territory as far west as the Mississippi River – but Native Americans, who were not party to the treaty, retained control on the ground. In the early 1790s, US forces lost gruesome battles against the powerful Northwestern Indian

Confederacy, including St Clair's Defeat in 1791, which the US Army calls "one of the worst losses" inflicted on it by Native Americans. "It was far from inevitable... that the US would one day extend 'from sea to shining sea,'" Wenger says, adding that the Battle of Fallen Timbers "made large-scale American expansion possible".

Standing now in the verdant suburbs outside Toledo, Ohio, near the local shopping mall, it's hard to imagine that steamy day in 1794 when a scant hour of battle and a few score deaths would help shift the balance of power in the US interior forever. What's clear is that the new US Army, led by General "Mad" Anthony Wayne, won and the Northwestern Confederacy lost, after their informal British allies refused to intervene. In 1795, the two sides signed the Treaty of Greenville, in which Native American leaders ceded big parts of what would become Ohio, Indiana, Michigan and Illinois to the US.

But most Midwesterners have no idea any of this happened. Local historian Dave Westrick calls it "probably the most important battle that nobody's ever heard of". I vaguely knew that the exact site of my condominium outside Chicago is marked on historic tribal maps; but woefully, I never gave much thought to how that land passed from Native American control to my ownership. As a child, I belonged to the "Potawatomi" Girl Scout troop, named after the powerful Great Lakes nation, but apart from beading some

moccasins, that's all I learnt about the painful and sometimes shameful tale of how whites came to live in the heartland. I don't remember anyone mentioning those who paid the price: indigenous peoples dispossessed of land and stripped of political power in what had long been their homeland.

That clearly will not be the focus of the 250th celebrations. "The American Revolution and the Declaration of Independence, that's the origin story of the United States... That's what people want to think about," Colin Calloway, a professor of Native American history at Dartmouth, tells me. "But at 250, we need to be more than just people waving flags... American history without Native Americans doesn't make sense."

In the Midwest, that story hinges on Fallen Timbers – but good luck telling that among the patriotic fervour. "At the Treaty of Paris, who was not included? We did not include those who had been living there for hundreds and hundreds of years," says Shannon Hughes, the historian who helps manage the Fallen Timbers Battlefield. She tells me she is descended from a member of the Miami tribe that fought there.

Hughes hopes we can give a thought to them while feting Revolutionary victories. "We lose a lot of humanity by not realising that this is not just about the victors." Let's not wait another 250 years to own the whole story of how the US was born.

The writer is a contributing columnist

Opinion

How did Spain's unemployment rate converge with Finland's?

LABOUR

Sarah O'Connor



A decade ago, hardly anyone would have predicted that the unemployment rate in Spain — long plagued by chronically high joblessness — would converge with Finland's. But that is what has happened this year, with unemployment in both countries now roughly 10 per cent.

Is this a story of Spanish policymakers' success or Finnish policymakers' failure? Well, to some extent: both. And to some extent: neither. Because it is also a story about how much in economic policymaking depends on factors beyond governments' control.

Both Finland and Spain are ageing societies that have experienced higher immigration in recent years. For Spain, that has coincided with a strong

upswing in demand thanks to the post-pandemic recovery of tourism and non-tourism services and the injection of EU recovery funds. Moreover, many of the new arrivals have come from Latin America, so they speak the same language and have cultural similarities.

That has helped migrants to secure jobs, especially in tourism and hospitality. Indeed, according to the IMF, immigration contributed about three quarters of the cumulative employment gains in Spain between 2022 and 2025. Claudia Ramirez, head of the Spain and Chile desk at the OECD, told me there were positive secondary effects too: a lot of recently arrived women were taking jobs caring for children or the elderly, which was also "helping other women, Spanish women, to go to work".

Immigrants to Finland in recent years, including Ukrainian refugees, have had a harder time finding jobs. It didn't help that their arrival coincided with weak demand brought on by Russia's war on Ukraine, fiscal consolidation, and tightening monetary policy from the ECB, which passes through to Finnish households particularly quickly

because floating-rate mortgages are common there. On top of that, Finnish is not a very easy language to learn.

David Haugh, head of the OECD's Finland and New Zealand desk, said there were other challenges too. "Finland is a very high-skill economy, it's advanced industrially, and . . . its absorptive capacity is lower than Spain's." The so-called Nordic model, which involves

Using immigration as a way to help deal with an ageing society is going to be easier for some than others

good working conditions and high minimum wages via collective agreements, "means your entry-level bar to enter into the Finnish labour market is high", he added. "If you get a job, it's going to be pretty high-quality in international terms, but it's not so easy to get in there."

The Finnish government has introduced reforms to bring more flexibility to the labour market, for example by

making it easier for employers to dismiss workers. But at a time of already weak demand, Finland's unions argue that they have only made the situation worse. "These labour market reforms have increased the insecurity of many people, I would say regular wage earners — it has caused people to save instead of consuming," Patrizio Lainà, chief economist at SAK, the central organisation of Finnish trade unions, told me.

Spain has also introduced labour market reforms, with the aim of reducing precarious work by lowering the share of people on temporary contracts. Ramirez said they had succeeded, improving security while unemployment has continued to fall. The UK's Labour government, which is implementing rules to reduce "zero hour contracts" amid warnings the changes will worsen unemployment, draws some reassurance from Spain. But, Ramirez stressed, the timing has helped. "The economic cycle is in an expansionary phase, so this is a very good moment for the Spanish to do this."

It's important not to overstate Spain's success. At about 10 per cent, unemployment is still double the OECD aver-

age, and many of Spain's jobs remain fairly low-pay and low-productivity. If you compare Finland and Spain in terms of employment rates, the former still looks somewhat healthier. And although immigrants have integrated into the labour market, Spain has not managed to expand its housing supply much, which is leading to rising rents and social tensions.

All that said, there are a couple of lessons worth holding on to from Finland and Spain's recent history. First, using immigration as a way to help deal with an ageing society is going to be much easier for some countries than others, by virtue of their language, history and economic model. And second, if you want to pull the lever marked "labour market reforms", whether you're trying to liberalise matters for employers or strengthen security for workers, what can make or break them is not just the design, or the amount of consultation, or any of those other matters that policymakers obsess over. It's whether you've got the timing on your side.

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China's housing market may have further to fall

Zhu Ning

The housing market in Shanghai and Shenzhen — two of China's first-tier cities — finally began to show some signs of life this spring. More broadly, national property viewings and transaction volumes were both higher than last year and transaction volumes for "second-hand" homes (as opposed to new constructions) reached their highest level since the end of the pandemic. Within China, some experts are claiming that the country's housing market must have bottomed out.

I beg to differ.

First, there is strong seasonality in the Chinese housing market. Spring is always a time of strong activity. Following the surprise politburo meeting in September 2024, during which leaders pledged to revive economic growth, China's housing market showed signs of strength heading into the spring of 2025, only to be followed by a sell-off in first-tier cities during the rest of the year.

Second, reaching the bottom in any major asset classes, such as stocks, bonds and commodities, does not take place in an instant. In housing, listing prices continue to fall, which is partly responsible for the increase in viewing and transactions.

There is also the impact of stabilisation, improvement and the eventual reversal of investor psychology to consider. It is roughly estimated that 100tn renminbi (\$15tn) of wealth has been wiped out by the correction in the Chinese housing market. We should not underestimate the scarring effect this

Young Chinese no longer view owning an apartment as the best investment, or even as a necessity

has had on households and their expectations of real estate investment. The rise in the Chinese A-shares market will help to restore some investor confidence but its sustainability cannot be guaranteed.

It is also notable that the increase in house viewing and transaction volumes both seem to be concentrated in older, more affordable and better rent-to-price-yield sectors.

Following five years of house price decline, some properties are showing rent-to-price yields of 2 per cent in first-tier cities and even more in lower-tier cities such as Sanya and Taiyuan. These yields are attractive in a generally low interest rate environment when three-year savings accounts generate annual interest of about 1.5 per cent.

However, it is worth noting that mortgage rates stand at about 3.5 per cent, suggesting rental income is nowhere close to covering mortgage payments alone. To make Chinese real estate attractive for investors, house prices must fall further, without a major pick-up in rent.

Around the world, housing markets are always segregated. Neighbouring cities and counties can have drastically different price patterns. Even within the same region, price positions can vary widely. The market in China may seem very encouraging based on pockets of first-tier city data but this cannot necessarily be extrapolated nationally.

After all, most cities in China have suffered even longer and larger price drops during the latest round of real estate corrections. Many of these cities have been experiencing population decline as well, which will have a long-term negative impact on their housing markets.

Last but certainly not least, young people, especially college graduates and newly-weds, have been the bulk buyers of Chinese new homes in the past decades. Now, young people are showing very different attitudes towards housing (and probably everything else). Young Chinese no longer view owning an apartment as the best investment opportunity in life, or even a necessity. Instead, they spend more on experiences, given house prices are still out of their reach.

It is hard to imagine that China's housing market will keep following the same old playbook when the youngest generation of potential homebuyers no longer adheres to the rules.

The writer is professor of finance at the Shanghai Advanced Institute of Finance and author of 'China's Guaranteed Bubble'

Putin could pay the price for Ukraine failure

GLOBAL AFFAIRS

Gideon Rachman



Did Victory Day signal defeat? The symbolism of the scaled-down military parade held in Moscow on May 9 was stark. The Kremlin decided not to risk the customary display of tanks and heavy equipment on Red Square for fear of strikes by Ukrainian drones. The decision illustrated that Vladimir Putin's "special military operation" had not only failed to defeat Ukraine. The Russian army was now at risk in Moscow itself.

Unable to deliver victory after four years of all-out war, the Kremlin had sought to at least insulate Moscow and Saint Petersburg from the consequences. But the war has now reached the Russian capital. Security concerns have led to frequent closures of Moscow's main airports and shutdowns of mobile internet. Generals have been assassinated on the streets of the capital. Fuel prices are rising across Russia because of successful Ukrainian attacks on Russian oil refineries.

For Russia, as a whole, the costs of the conflict have been staggering and tragic. Anne Keast-Butler, the head of Britain's GCHQ intelligence agency, said recently that almost 500,000 Russians have been

killed in the conflict — and many more have been grievously wounded. That is an obvious threat to the future of a country whose population was already declining before the war.

If a glorious victory was just around the corner, those costs might seem bearable. But Russia has now been fighting in Ukraine for longer than the Soviet Union fought Germany in the second world war. It has still failed to conquer the whole of the Donbas and, in April, the Russians actually lost territory.

This dire situation is now producing visible signs of dissent within the Russian elite, including some openly questioning the war. One much-discussed piece appeared recently in the establishment publication "Russia in Global Affairs". The article argued that the goal of eliminating the pro-western government in Kyiv was "fundamentally unattainable" since it would require the occupation of the whole of Ukraine. It suggested instead that a negotiated peace would be in Russia's interests.

Russian history suggests Putin should be worried — not just about the progress of the war but about his own position. Russian military setbacks have often led to radical changes of political direction in Moscow. Defeat in the Russo-Japanese War in 1905 contributed to popular unrest and moves towards a constitutional monarchy. Failure in the first world war formed the backdrop to the Russian Revolution. The removal of Nikita Khrushchev as leader of the Soviet Union in 1964 was closely related to his perceived failure in the Cuban



Missile Crisis. The endless Afghanistan war was an important part of the malaise that led to the collapse of the Soviet Union.

Those precedents suggest that failure in Ukraine could easily lead to the downfall of Putin, who is now 73 years old. But identifying the precise mechanism for his removal is much harder.

Public protests or conventional politics seem unlikely to succeed. There were big anti-Putin protests in Moscow in 2011-12, 2019 and 2021, which were met with mass arrests and violence. Charismatic opposition leaders tend to end up dead or in exile; Boris Nemtsov was assassinated near the Kremlin in 2015. Alexei Navalny died in prison in 2024, almost certainly murdered. There are elections for the Russian Duma in

History suggests that military setbacks have often led to radical political changes in Moscow

September, but the result is not in doubt.

Men with guns have a better chance of toppling Putin than unarmed civilians. The 2023 uprising led by Yevgeny Prigozhin, the founder of the Wagner group, was the closest Putin has come to losing power since he became president of Russia in December 1999. But the mutiny failed and Prigozhin died in a not very mysterious plane crash shortly afterwards. Since then, Putin has ensured he has tight control over all armed forces in the country.

Nonetheless, a split within the Russian elite still seems the most likely way of getting rid of Putin. What would be needed is a critical mass of people who agree the war is going badly and that Russia needs it to end. These people would also understand that negotiating a peace with Ukraine — and a rapprochement with Europe — would be much easier if there were a new face and fresh thinking in the Kremlin. Indeed European governments should now be doing their utmost to get that message across in elite circles in Russia.

Translating elite discontent into an

effective move to get rid of Putin is, however, no easy matter. It would probably require somebody near the top of the current system, with loyal troops behind him. But, as Alexander Gabuev of the Carnegie Russia Eurasia Center points out, the current elite "are all handpicked loyalists, beneficiaries of the current confrontation, with tons of kompromat on them as a deterrent, not on speaking terms with each other enough to conspire [and] all on western sanctions lists for many years". Under the circumstances, sticking with Putin may still seem like the safer option.

It is certainly tempting for exiles and outsiders to allow their judgment of Putin's future to be swayed by wishful thinking. The obstacles to his removal remain formidable.

And yet it is increasingly clear that Putin has put his country on an unsustainable course in Ukraine. And to borrow a phrase that is popular in financial markets — "If something cannot go on forever, it will stop."

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Today's windfall is a warning for state oil companies

Jean Paul Prates

The Iran conflict has handed national oil companies (NOCs) a substantial windfall. Governments are booking revenues they have not seen in years. But recent events are no case for doubling down on oil. In fact they are the strongest warning yet that dependence leaves countries exposed to shocks they do not control.

NOCs have long been the elephant in the room in the global energy debate, subject to far less scrutiny than their privately owned peers. As the former CEO of one, this has always struck me as perverse.

These companies account for roughly half of global oil and gas production, around 40 per cent of sector investment, and about two-thirds of known hydrocarbon reserves. Entire economies and workforces depend on them.

Yet very few have transition strategies that seriously confront the risk of declining demand, the need to reduce their dependence on oil revenues, and industrial renewal. Analysis suggests NOCs are putting roughly \$425bn into projects that are unlikely to be profitable under lower demand scenarios. Meanwhile, producer states could lose trillions in expected revenues by 2040 under a moderately paced transition. It is bad business planning.

Current events are making the economic risks clear in a way that years of climate diplomacy often could not. Oil production does not insulate a country from instability; it amplifies exposure to price swings, supply disruptions and inflation. The governments most at risk are often those with the least capacity to absorb the shock — with budgets heavily tied to hydrocarbon revenues and weak or incomplete diversification strategies.

Today's windfall is not a vindication of the old model; it is perhaps the last opportunity to reduce dependence on it.

I say this as someone who has spent his career in the industry. The long-term health of companies like Petrobras is

inseparable from the prosperity of the countries that own them. I have told them directly that they will not exist in 40 years if they continue on the same path.

The transition away from fossil fuels will not be instant or linear. Oil and gas will remain part of the global energy mix for years. But the direction is clear:

Will they adapt or continue to invest as if yesterday's assumptions will govern tomorrow's world?

renewables keep gaining share, electrification is accelerating, and even the IEA's Stated Policies Scenario sees oil demand flattening by the end of this decade. The question is whether NOCs use this window to capture the industrial, employment and fiscal gains that adaptation promises, or continue to invest as if yesterday's assumptions will govern tomorrow's world.

Governments that depend on oil rev-

enues are now trying to shield households and industry from the very prices their public finances rely on. In Brazil, the government has announced measures to cushion the impact of higher international oil prices — understandable in the short run, but a clear illustration of the dissonant thinking, and a long-term trap.

Domestic renewable energy does not eliminate every source of risk. But it does reduce exposure to distant conflicts, external price spikes and shipping chokepoints. It gives countries more control over the cost base of their own development.

We now have a more practical framework for how transition can work — and it is not a call for immediate shutdowns. It is a call for differentiated strategy.

Some companies, including Petrobras and Colombia's Ecopetrol, have the engineering capacity, market position and policy environment to move faster in low-carbon fuels, electricity, industrial decarbonisation and related infrastructure. Others, especially in fragile states where public finances remain overwhelmingly dependent on oil, will

Opinion

The New York Times

For 90 Minutes, I Watched an Execution Go Horribly Awry

Maria DeLiberato

A senior counsel at the A.C.L.U.'s Capital Punishment Project and a legal consultant for Floridians for Alternatives to the Death Penalty.

LAST month, I walked into Riverbend Maximum Security Institution to watch the State of Tennessee kill my client, Tony Carruthers.

Nothing prepared me to witness the agony that Mr. Carruthers experienced in the execution chamber. Not the nearly 20 years I had spent as a capital defense lawyer. Not the thousands of hours building cases to keep people alive. Not even having stood in a Florida witness room just five months earlier, watching the state kill another one of my clients, Frank Walls, even though he had an intellectual disability.

I first met Mr. Carruthers in March, nearly 30 years to the day since he was convicted and sentenced to death for the kidnapping and murder of three people in Memphis. He arrived at our first meeting carrying a stack of legal papers. He shook my hand and immediately started talking about his case.

He wasn't wearing shackles, and the guards permitted him to walk back and forth to his cell to grab more paperwork. The guards treated him with respect, and he showed them the same. Mr. Carruthers was genuine. I believed him. We got to work.

From the moment I reviewed his case, I recognized the hallmarks of a wrongful conviction: the absence of physical evidence connecting Mr. Carruthers to the crime, forensic evidence that had never been linked to anyone and testimony from a jailhouse snitch who later recanted. I was also shocked to learn that Mr. Carruthers was forced to represent himself at trial after several lawyers asked to be removed from his case, claiming that he was too difficult to work with.

With just two months until Mr. Carruthers's execution date, we went to court to demand that the state test fingerprints and DNA from the crime scene that do not match Mr. Carruthers's or the victims'. Despite the signs that Tennessee was preparing to execute a wrongfully convicted man, our efforts were unsuccessful. The state fought us at every turn.

When the morning of the execution arrived, my work changed entirely. I became a witness. My responsibility was to remain present while the state killed my client, and to refuse the comfort of looking away.

My job, as the anti-death-penalty activist Sister Helen Prejean once told me, was to be a face of love in the room. I carried her words with me into the prison that morning. I knew that if every legal avenue failed, I could still give this to my client. I could remain with him until the end.

I arrived at the prison with full knowledge of Tennessee's history of procedural failures in its execution chamber. An independent investigation commissioned by Tennessee's governor found that, between 2018 and 2022, the state repeatedly failed to follow its own protocols while carrying out executions.

The state faced renewed scrutiny last year when prisoners filed a lawsuit chal-



ILLUSTRATION BY SAM WHITNEY/THE NEW YORK TIMES; SOURCE PHOTOGRAPH BY J STUDIOS/GETTY IMAGES

The death penalty is an act of deliberate violence carried out in the name of justice.

lenging its lethal injection protocol. A few months later, the state executed a prisoner without deactivating his heart device, which medical experts warned could cause the device to repeatedly shock him during the lethal injection. Witnesses reported that the prisoner groaned and said "It's hurting so bad" during the execution.

Corrections officers met me in the prison's lobby and walked me to Mr. Carruthers's cell. Mr. Carruthers was seated on his bunk in his prayer shawl. On the count of three, guards lifted him onto a gurney while his cuffed hands remained in prayer. Then the guards wheeled Mr. Carruthers into the execution chamber.

Inside, I started furiously taking notes. Tennessee bars journalists from witnessing the intravenous line insertion process, the first major step of the lethal injection protocol. I noted the time we entered the chamber. After about seven minutes of searching for a vein, they were able to insert an IV into his right arm. Then, following protocol, they also tried to set an IV in his left arm. That failed, so they moved on to his left hand, poking him over and over again. Cycling

through needles, the executioners communicated mostly through tense glances and head shakes. The used needles were dropped one by one into a small plastic receptacle.

Clink. Clink. Clink.

About 30 minutes in, a doctor entered and began directing increasingly desperate efforts to tap into Mr. Carruthers's veins. He told the executioners to remove Mr. Carruthers's socks and search for veins in his feet. They stuck at least one needle into his foot. He winced, clearly in pain. After that didn't work, the doctor asked whether anyone in the room knew how to gain access to Mr. Carruthers's jugular vein.

Then the doctor decided to attempt to establish a central line. This is an invasive procedure that requires puncturing the neck, chest or groin. I immediately objected to the warden. The doctor admitted in a deposition last year that he hadn't performed one in over a decade and didn't have privileges to perform one in any hospital in the country. My objection changed nothing.

That moment revealed something deeply unsettling about the machinery of execu-

tions in America. The states that still execute people insist that executions are controlled, humane and medically precise. Yet a significant number of executions have gone awry in the past decade, causing agony for prisoners across the country.

When I saw the process unraveling with my own eyes, it became clear that the overriding imperative was not competence or even the appearance of professionalism. It was completion.

The executioners draped Mr. Carruthers in a blue surgical cloth with a hole for his face. The doctor gave him a shot of lidocaine in his chest and told him it would feel like a bee sting. Before the doctor did that, he asked whether "the patient" was allergic to the drug. He referred to Mr. Carruthers as the patient, as though this room existed to heal.

Lethal injection relies on clinical and carefully sanitized language, intended to create emotional distance. The state cloaks killing in the vocabulary of medicine because acknowledging the reality plainly would force us to confront what executions truly are: acts of deliberate violence carried out in the name of justice.

When the doctor prodded Mr. Carruthers's chest with a scalpel or large needle, Mr. Carruthers cried out in pain. But the doctor continued to push into his chest. Mr. Carruthers started groaning. I told him that his legal team was calling the courts and the governor. I told him that I was sorry. Mostly, I tried to hold his gaze and reassure him that we were still fighting for him.

Eventually, the doctor said he was not able to set a central line. Mr. Carruthers was in agony. By then, an hour had passed. Still, the execution team continued probing his body for another access point.

The room no longer resembled anything clinical or controlled. I could see blood coming out of the puncture wounds. Mr. Carruthers moaned while the executioners moved frantically around him. The state's constructed illusion of precision had collapsed, revealing something far more chaotic and brutal.

Then the phone in the execution chamber rang. The warden answered, listened, then hung up and said we weren't doing this. I almost collapsed right there.

Mr. Carruthers was pale, trembling and drenched in sweat.

About 90 minutes after the execution attempt began, I walked out into the sunlight and spoke to reporters, who had been kept in the dark about what Tennessee had done. This is when I learned that Gov. Bill Lee had just postponed Mr. Carruthers's execution for at least a year. I called his sister to deliver the news, and she weiled with relief.

When I went back to see Mr. Carruthers, he was exhausted and shaken. He could barely keep his balance. He said of the doctor, "He was hurting me and he knew he was hurting me."

All of the words I could use to describe what I saw and what the State of Tennessee did and failed to do pale in comparison with that simple observation. The state works hard to wrap executions in clinical language, but inside that room, there was no escaping the reality of what was happening.

COLUMNIST | DAVID FRENCH

The Fire Of Stupidity Cannot Be Contained

IT'S THE YEAR 2026, and sometimes it feels as if we're taking a nice leisurely walk through a Museum of Wretched Ideas.

Consider what's happening at home. Tariffs raise prices and restrain economic growth, while the federal government embraces both Gilded Age corruption and a version of the spoils system.

A disturbing number of young people on the right are fascinated with fascism. An extraordinary 34 percent of young people overall express a favorable view of communism, and young Americans are far more likely than their parents or grandparents to say that political violence is "sometimes OK." And hovering over American culture like a dark cloud is the rise of antisemitism on both the left and the right.

Or consider what is happening abroad. Germany rearms to confront the Russian threat. Japan rearms to deter China. War rages in Europe and in the Middle East. Threats of territorial expansion haunt the world. Russia is trying to grab Ukraine. China continues to covet Taiwan. And the Trump administration, incredibly enough, has cast its expansionist eyes on Greenland.

When you step back and actually think about it, these trends are confounding. I mean, I can understand the temptation to return to some of the discredited ideas of the recent past, I guess, but to revive so many, all at once? And to do it so soon after those wretched ideas ravaged the world?

THE ANSWER LIES in part in the interplay between two political sayings that are so oft-

repeated that they have become clichés.

Here's the first (and you can probably say it along with me), from George Santayana in 1905: "Those who cannot remember the past are condemned to repeat it." We can argue about the precise historical parallels, but the echoes of the past are everywhere.

Here's the second, from Winston Churchill in 1947: "It has been said that democracy is the worst form of government except all those other forms that have been tried."

It is no coincidence that authoritarianism is once again appealing to people at a time when two things are happening at once. Liberal democracies are struggling to meet the needs of a substantial portion of their citizens, and entire generations have come of age with no living memory of the totalitarian horrors of the 20th century.

In other words, millions upon millions of people are enduring democracy as "the worst form of government" without the necessary balanced understanding (that citizens in the mid-20th century had gained through firsthand observation) of "except all those other forms that have been tried."

So even fascism and communism — for some people, at least — are no longer avatars of atrocity, but dynamic alternatives to a sclerotic present. In their frustration, all too many people are attracted to the theoretical benefits of authoritarianism, and they don't have the experience or the education to understand its actual and inevitable defects.

In this ahistorical context, even political violence can seem justified — perhaps even a bit daring and romantic — unless you've lived through, say, the riots that swept American cities in the 1960s, a cataclysm that was far more violent, deadly and prolonged than anything that happened in the United States in 2020.

The compromises and restraints of diplomacy, which can often mean granting painful concessions to terrible regimes, can seem like a fool's errand, unless you've witnessed the indescribable horrors of world wars.

But debating the precise analogues can obscure the underlying truth — we are heading backward, toward the great crimes and mistakes of the past. We know what happens when militarily aggressive great powers seek more territory. We know what happens when a culture indulges — and promotes — conspiracy theories about Jews. We know that even the most utopian forms

of authoritarianism devolve into regimes of grinding oppression and profound corruption. Some are always more equal than others.

IN 2024, I taught an undergraduate class with a catchy title, "Why American Politics Went Insane." At the risk of shortening a semester to a sentence, the devolution proceeded in three stages, from victory to separation to radicalization.

When the Cold War ended, the United States, for the first time since the wars against Nazi Germany and Imperial Japan, faced no external challenges to its prosperity and power. We were, in the words of the former French foreign minister Hubert Védrine, the "hyperpower."

I began with "The End of History," to borrow a term from Francis Fukuyama's misunderstood book, but I began with his prescient warning near the end: "If men cannot struggle on behalf of a just cause because that just cause was victorious in an earlier generation, then they will struggle against the just cause."

That is exactly what we are doing. We are struggling against one another. Some of us are struggling against democracy itself. America is the only nation out of 25 comparable countries in which a majority of people believe that their fellow citizens are morally bad. It should be no surprise, then, that negative partisanship (when you support your party primarily because of your disdain for its opponents) is a central factor in American politics.

This drives us apart. Ever increasing numbers of American citizens live in one-party states or so-called blowout counties, where one side or the other wins presidential elections by 50 points or more.

And what happens when people of like mind gather together? The law of group polarization, first applied to political decision making by the law professor and author Cass Sunstein in 1999, teaches us that when like-minded people deliberate, they become more extreme.

Create a monoculture, and red becomes deep red. Blue becomes deep blue. And as the two sides move farther apart, both geographically and ideologically, we lose even the capacity to understand each other's lives and thoughts.

If I taught the class over again, though, I'd add a fourth stage: amnesia. The world isn't just that we're at each other's throats;

We are heading backward, toward the great crimes and mistakes of the past.

it's that we're turning to the worst of recent history's alternative ideas in response.

It's no coincidence that this is happening at a time when a generation of world leaders has no experience with world wars and rising millions of young people have no experience with real fascism and actual communism.

When experience ends, education has to begin. You can't just know what the Holocaust was; you also have to understand the Holodomor. The phrase "the guns of August" should mean something to you, and when you see every great power press on the military gas — with no one pumping the brakes — that should trigger the most urgent concern.

Few things are demonstrating that what's old is new again more than the rising tide of antisemitism. How many times must ancient lies be debunked? Must it happen every generation, for thousands of years?

SO NOW WE face a test. Can we educate ourselves away from disaster? Is there enough knowledge left to penetrate not just the minds, but also the hearts, of people who are deeply discontented?

A few weeks ago, a clip from the remarkable HBO series "Band of Brothers" went viral online. It was from the episode in which the boys of Easy Company discover a concentration camp. The impact is visceral. It's impossible for a decent person to watch it without vowing to himself or herself, "Never again."

I'm also reminded of a horrific scene at the opening of Netflix's science fiction drama "3 Body Problem," featuring a struggle session during China's Cultural Revolution. Once again, the impact is visceral. The brutality is hard to watch.

Television isn't enough. Books aren't enough. The stories of fathers and mothers, grandmothers and grandfathers, aren't enough. It will take everything — watching, reading, listening — to make us remember.

We have to know that the world as it is, with all its inefficiencies and injustices, is better than the world that was. I pray that we can learn that lesson before bitter experience teaches us once again that *this* imperfect democracy and *this* frustrating liberal world order are infinitely better than the violence and oppression — the deliberate starvation and slaughter of millions of men, women and children — of the none-too-distant past.

Germany Has Lost What It Did Best

Konstantin Richter

A journalist and the author, most recently, of "Dreihundert Männer," an account of the rise and fall of corporate Germany.

BERLIN

IT'S a tough time for Germany. A year into Chancellor Friedrich Merz's tenure, his approval ratings are low and the coalition government he leads is roundly disliked. Capitalizing on widespread discontent, the far-right Alternative for Germany is rising in the polls, inching closer to power. To make matters worse, America, in a Trumpian tantrum, has announced a withdrawal of troops from the country, endangering its bedrock geopolitical relationship. All the features that defined Germany's recent past — political stability, social cohesion and Atlanticist foreign policy — are under threat.

Yet underlying all these problems is a more profound one. The German economy, once known for its efficiency, orderliness and stability, is in a terrible mess. It's not just that the numbers are dire, though the country has basically been in a recession for three years. Or that every week or so, another famous old company announces thousands of layoffs. (The latest was Commerzbank, founded in 1870.) Or that last month, the venerable weekly Die Zeit ran a series called "Where Germany still works" — which means the situation must be pretty bad indeed.

No, the worst of it is that our dynamic economy gave postwar Germany a sense of identity. For all our flaws, we had a country that functioned better than others. Now it doesn't anymore, and we're mystified. Yet a better economy is possible. It might not alter the country's political trajectory, and it certainly won't placate an aggrieved President Trump. But it can turn the tide on stagnation and restore the fabled resilience of German businesses.

Commentators tend to focus on today's troubles. The economy's rise and fall is a much older story, though. At its most prosperous, Germany was a high-tax, high-wage, big-bureaucracy country — something to remember for those whose recipe for renewal is simply to cut the cost of doing business. In the postwar decades of vigorous growth, the economy itself resembled the kind of product that it so excellently manufactured, an expensive and highly complicated machine whose cogs meshed.

Those cogs included an education system geared toward supplying businesses with technically proficient workers; managers trained as engineers or scientists rather than as generalists; banks and insurers with major stakes in the largest companies and focused on long-term goals over short-term profits; and stable labor relations that offered workers secure and well-paid jobs as well as a vote in key decisions. Together, these elements contributed to the technological superiority long associated with the Made-in-Germany brand.

Yet when the American economy pulled ahead in the 1990s, fueled by the financial muscle of Wall Street and the fierce entrepreneurialism of Silicon Valley, we ran out of ideas. Eager for something new, the economy opened up to foreign capital: Banks and insurers sold their stakes in German companies, and corporate executives targeted international investors. In an attempt to regain competitiveness, the government of Gerhard Schröder reformed the country's rigid labor market and did away with some of the protections that workers had enjoyed.

On the face of it, Germany thrived in the first two decades of the new century, weathering the financial crisis better than others and hanging on to its industrial core. But in hindsight, the country was on borrowed time. Automakers, for instance, sold millions of cars in East Asia but failed to invest



HENNING WAGENBRETH

in a much-needed transformation to electric vehicles. The same mix of risk aversion and short-termism characterized other German companies, too. What kept the profits coming was a combination of cheap Russian gas, a booming Chinese market and the multilateral free-trade order led by the United States.

That order is now gone, sundered by American protectionism, Chinese competition and the disruption from artificial intelligence. But the setback needn't be fatal. The country can overhaul its business model, re-equipping the successful elements of the old system for a newly hostile environment. There are three key areas to focus on.

First, the financing. Many German corporations are now majority-owned by non-German investors, and some of the country's vital Mittelstand firms — family-owned medium-size enterprises — have been taken over by private equity or other outside money. The influence of detached investors focused primarily on financial re-

Europe's industrial powerhouse has run out of steam.

sults can be beneficial, of course. But it's gone too far. Established companies need the kind of solid backing that would allow them to plan for the long term, and young companies need patient nurturing.

The government seems to agree. Recognizing that too many of the country's enormous financial resources are languishing in real estate holdings or fixed-income assets or personal savings accounts, it has established an investment initiative named "Deutschlandfonds." Designed to support private investors who want to put money into growth industries and other strategically important fields, the fund is a step in the right direction. More can surely be done.

Then there's education. The country's famous dual-vocational system, which allows students to complete their schooling in the workplace, long ensured that industry got the kind of skilled labor it needed. But the system now lacks applicants, partly be-

cause of demographic decline and partly because too many young people choose to pursue other careers. Germany's high school students, what's more, are struggling in the very subjects that the country used to excel in: math and natural sciences.

Overall, Germany is not investing enough in education — and not enough of the money that's invested goes toward promoting the scientific and technological excellence that the economy so badly needs. Technical universities that have produced legions of Nobel laureates are consistently placed behind better-funded rivals elsewhere. A return to the audacious research projects of the past, typically a collaboration between government, academia and private enterprise, would be a start.

Finally, the labor market. The country's welfare state has become too expensive, and Germans will need to work longer hours and more years to sustain it. Yet changes should be pursued in the spirit of "Sozialpartnerschaft," the consensus-based labor relations that played an important role in the postwar economy. Mutual trust has been eroded in recent decades, for which both parties share responsibility. Business leaders squandered good will by awarding themselves lavish salaries, while the unions too often refused even minor compromises and readily reverted to class-war language.

The advent of artificial intelligence, intriguingly, might help. Given the scale of the United States' technological lead, it may sound naïve to suggest that Germany could claim a share of the pie. But artificial intelligence is well suited to complement the country's traditional strengths in high-quality engineering. And an approach that takes labor interests into account could secure a desirable result: technology that improves the work of humans rather than replacing them en masse.

There is no returning to the past, of course. Yet something precious has been lost: an innate confidence in the country's strengths. Today, the mood in Germany seems way too bleak. What's missing is a clear-eyed sense of where we should be heading. To adapt, the economy — still the world's third-largest — needs smart investment, public support and a healthy dose of self-belief. That won't end the country's problems, but it could put us back on the path to prosperity.

LETTERS

Wise and Not So Wise Tips for Being Old

TO THE EDITOR:

Re "How to Stay Old," by Roger Rosenblatt (Opinion guest essay, May 31):

I would expand Mr. Rosenblatt's 11 rules to an even dozen by adding, "Create a healthy, satisfying routine and stick to it."

When I retired after half a century of practicing law, I was worried about how I'd fill my days. (My wife was even more worried.) Reflecting on my career, I recognized that I had enjoyed the writing that was a big part of my practice. I had also enjoyed (but took for granted) the routine of rising early, donning a suit and tie and going to my office.

Now, in my 80s, I rise each weekday, put on a suit and tie, drive to my old firm and spend the morning in the small office the firm provides me, writing and editing articles and columns for law-related publications, as well as occasional letters (often grouchy) to the editor. At noon, I go home for the rest of the day to read and relax. I have never been happier.

I don't recommend my routine to anyone else. I do recommend that each old person forge a routine that is satisfying and at least a little challenging.

NORM TABLER, CARMEL, IND.

TO THE EDITOR:

I read Roger Rosenblatt's guest essay online the week of my 50th birthday, while visiting my parents in a senior living facility in Virginia. While his list of 11 items was fun to read, it did not predict which seniors I met there were thriving and which were spiraling.

What I did observe over this and many other visits is that how we age is determined both by factors we can't control, primarily genetics and luck, and by those we can: exercise, diet, sleep, purpose and social contact.

Here is my personal list of actionable items to ensure that I end up in the thriving group (or not in a facility at all):

1. Never get sedentary. If you stop moving, you stop being able to move. Walk at least 30 minutes a day.

2. Don't eat garbage. If you can't pronounce the ingredients, don't buy it.

White House Spectacle

TO THE EDITOR:

Re "Fight Venue Taking Shape on the White House Lawn" (news article, May 27):

Blood sports on the White House South Lawn for President Trump's 80th birthday on June 14.

A fight fit for a king. A coliseum brawl.

Could anything be more appropriate?

DIANE DEMARCO
JOPPATOWNE, MD.

3. Sleep eight to nine hours every night. Defend this zealously, and don't bring devices into the bedroom.

4. Find a project, a hobby or an activity. People need a reason to get out of bed in the morning and to feel useful by the end of the day.

5. Don't get isolated. Leave your home, make younger friends, and spend time with people.

If you've never visited a senior living facility, turning 50 is a great time to do so. It's late enough to imagine yourself there one day, but early enough to do something about it.

DANIEL SWITKIN
OAKLAND, CALIF.

TO THE EDITOR:

Among other pieces of advice, Roger Rosenblatt suggests, "Don't share despair." Hmmm, he'd rather we suffer in silence, which sounds to me only like more quiet desperation. No thanks.

Friends are true friends when we're deep and long, and know what's really going on — good, bad and ugly.

I'm on a minor mission of self-revelation with my friends, some of it not very pretty. They're handling it fine, and in turn are being more honest with me, especially about our health and bodies. Despair be damned; let's be real with each other.

BEN LEV
SEBASTOPOL, CALIF.

TO THE EDITOR:

Roger Rosenblatt is right on! I would add "stay active," and I can attest to how helpful it is. I went skiing on my 92nd birthday and have not yet retired (as a psychotherapist).

It is also helpful to maintain an attitude of gratitude. Stress has a negative effect on one's immune system, so all of what Mr. Rosenblatt suggested reduces stress and adds to one's positive outlook on life.

MARY B. HELLER
POUGHKEEPSIE, N.Y.

TO THE EDITOR:

While I enjoyed Roger Rosenblatt's advice on how to be old, I am concerned that The New York Times is catering too much to the older folks at a time when newspapers desperately need to attract younger readers.

How about some articles meant for young people, like "How to Properly Attach Your Roller Skates to Your Shoes" or "Five Hula Hoop Moves to Impress Your Friends" or "How to Sneak a Friend Into the Matinee Movie and Save a Nickel" or "Tips for Building a Better Soap-Box Racer"?

I would put on my spectacles just to read some articles like that while I wait for the milkman.

DAN FRAZIER
BOCA RATON, FLA.

Beneath All That Bluster, the President Is Sweating

Frank Bruni

A contributing Opinion writer who was on the staff of The Times for more than 25 years.

EVER the performer, President Trump has lately been putting on a show of indifference.

The congressional elections on Tuesday, Nov. 3? Farthest thing from his mind. "I don't care about the midterms," he said during a cabinet meeting last week. Democrats expelled. Members of the commentariat gasted, as if watching political seppuku.

Stratospheric gas prices? "This is peanuts," he said about two weeks ago, minimizing the pain felt by less affluent Americans as he bragged about the extravagance of the new ballroom he's trying to build. It's a shame he didn't live two and a half centuries ago, in France. He and Marie Antoinette would have gotten on like a palace on fire.

Trump's imperial airs, blasé banter and self-indulgent decisions — such as his endorsement of Ken Paxton, who is now the Republicans' hugely vulnerable nominee in the crucial U.S. Senate race in Texas — create the impression of a president unshakably confident and blissfully unconcerned about voters' looming judgment.

Don't be fooled. He may be too arrogant and insulated to fret as much as he should, but there are reasons for his public nonchalance. There are also plenty of exceptions to it.

The most obvious evidence of his intense interest in the midterms is how hard he has tried to stack the deck in Republicans' favor. The rash of Republican gerrymandering over recent months — with redrawn congressional districts in Texas, North Carolina, Florida and more — didn't just happen organically, with state-level Republicans beseeching him to support the effort. He ordered them to undertake it. Bullied them, in fact. And he brutally punished any insubordination, as the Indiana Republicans who recently lost their pri-

maries to Trump-endorsed challengers can attest.

The success of this campaign of intimidation has no bearing on the presidential contest in 2028 or on Senate races this year. It's all about the House, which just so happens to be the chamber most often affected by midterm pendulum swings and the one where Democrats are probably best poised to reclaim a majority. If that didn't trouble — even terrify — Trump, why all the thundering and threats?

And why insist so furiously on new voting rules nationwide? That's also not about 2028, when his inability (we pray!) to run for the White House again diminishes his investment in such restrictions. It's about the midterms. He has been haranguing congressional Republicans to pass legislation that would, among other measures, limit mail-in voting and require people who want to register to vote to provide proof of citizenship. He and his allies clearly believe those changes would more likely depress Democratic votes than Republican ones.

Trump must know that the Senate is highly unlikely to pass that legislation, which the House narrowly approved. But his overwrought assertions of the need for it serve his favorite fiction: Democrats steal elections, so Republicans must go to great lengths to defend themselves and the country against that. The unflagging energy he devotes to this nonsense reflects the undeniable angst he feels about the midterms. He's prophylactically delegitimizing and challenging any results that repudiate him.

Some political observers have cited the unpopularity of the Iran war — and Trump's failure to build public support for it before the first strikes — as proof that he's inadequately attuned to the midterms. But there's a ready argument against that: His quickie conquest in Venezuela so amped him up and puffed him up that he didn't sense any need to sweat extensive planning and prepping for his next

heady triumph. American pilots would swoop in, speed out and sprint home in time for the victory parades. By all signs, Trump didn't decide to risk the closing of the Strait of Hormuz and a subsequent spike in what Americans would pay at the pump. He just didn't envision those possibilities.

And when he talks now about his willingness to suffer whatever political price he must to eliminate Iran as a nuclear threat, that's not high-minded, farsighted, selfless leadership. (Have you met Trump?) It's damage control. "I don't care about the midterms" is what you say when you may have botched them and are trying to alchemize incompetence into valor.

Besides, Trump and his attendants don't fully accept polls, which have underestimated him before. He knows better than the experts and the critics. Many of them said he couldn't win in 2016, but he did. Many said he couldn't come back in 2024, then he showed them. If they're saying now that Iran is his albatross, then maybe it's his ascot.

And his supporters stick. That's the lesson he learned from a criminal conviction that didn't slow him down one bit and from fans' interpretations of his crudeness as authenticity, his cruelty as boldness, his thievery as entrepreneurial genius. On the one hand, it would be prudent to wait until after the midterms to insist that he be protected from any tax audits and that the Justice Department put \$1.776 billion of taxpayers' money into a fund with which he can reward his loyalists. On the other, his longstanding mockery of ethics has barely nicked him, so why shouldn't he do as he wishes when he pleases?

Which is his preference anyway. What's the point of all his power if he hesitates to flex it? Propelling Paxton into the winner's circle did that in a way that backing Paxton's rival in the primary, Senator John Cornyn, wouldn't have. It drew more notice, caused more upset and had everyone buzzing about Trump's po-

Trump says he doesn't care about the midterms because he knows he botched them.

tency with his base. He wasn't deaf to the voices that recommended Cornyn as the safer strategy. But his desire to shatter expectations and his impulse for mischief spoke more loudly. He chose the naughty, self-inflating course. He usually does.

At a Republican retreat at the start of the year, Trump acknowledged to his party's lawmakers that often "when you win the presidency, you lose the midterm." That's what happened to him halfway through his first term. He told them: "You got to win the midterms because if we don't win the midterms, it's just going to be — I mean, they'll find a reason to impeach me. I'll get impeached."

That doesn't sound like denial. It sounds like distress. And while the five months since then may have blurred Trump's focus and left him even more estranged from reality than he typically is, they haven't knocked him unconscious. Beneath all that bluster and make-up, he's sweating.



OPINION

Pete Hegseth Goes to Asia



GLOBAL VIEW
By Walter Russell Mead

it in the most unexpected way: by delivering a thoughtful and sensible speech on the future of American defense policy in Asia.

With the Washington press obsessed with stories about rivalries inside the Pentagon as well as surprising and controversial personnel changes in the military hierarchy, many were unprepared for the professionalism and focus the secretary showed in Singapore. After the speech, Mr. Hegseth stayed on message, delivering coherent and well-informed answers to questioners from large and small powers across the region.

Allies try to reconcile the secretary's careful speech with Trump's social-media blasts.

In his telling, America's goal in the region is "a favorable but durable balance of power in which no state, including China, can impose its hegemony and hold the security or prosperity of our nation and our allies in question." Washington, he said, will pursue that vision with "strength that is disciplined, resolve that is steady, and leadership that is confident enough to speak and walk

softly while carrying a big stick."

What is likely to matter most to American allies (and adversaries) is Mr. Hegseth's commitment to increase both the quantity of American defense spending and its effectiveness. Hailing what he called President Trump's "generational investment" of \$1.5 trillion in defense spending requested in the fiscal 2027 budget, the secretary pledged "a historic national manufacturing mobilization of our defense industrial base" that would deliver better weapons in greater quantities at better prices than any country in the world can match.

What does America want with all this investment? Stability. "The United States seeks to preserve the conditions that have long underwritten peace and prosperity in this region. . . . Our interests in the Pacific are significant, but they are also scoped and reasonable, defined by a favorable balance of power in which sovereignty is respected, commerce flows freely, and nations retain the freedom to make their own choices."

Conceptually at least, this approach is significantly more useful than Joe Biden's emphasis on human rights and democracy promotion. The Trump administration's approach to the region has its problems, some severe, but an approach incorporating moralistic posturing at the expense of important allies, aggressive rhetoric toward Beijing, and a steadfast refusal to match China's steady military buildup was unlikely to end well.

Not without reason, Mr.



Pete Hegseth in Singapore.

Hegseth projected optimism about the ability of the American alliance system to survive the Trump administration's emphasis on military burden-sharing. In an era when even New Zealand is looking to increase defense spending, calling on Pacific partners to take on more of the defense burden is pushing on an open door. Increasingly Pacific nations understand that defense spending is more than a necessary bulwark of national security. The rapidly evolving military technology needed to create new weapon systems requires research-and-development projects that can bolster the domestic economy. Given this background, the defense secretary's vague but enticing assurance that allies that step up their spending can expect benefits including "expedited arms sales, deep industrial base collaboration, expanded intelligence sharing, the list goes on" will elicit significant interest.

So far, so good. But many Asian allies were left wondering how far Washington will back Mr. Hegseth's soothing

words with serious deeds. How does the secretary reconcile the value of speaking softly with his boss's social-media presence? Does introducing uncertainty into American arms sales to Taiwan increase stability in the region? How does a mercurial trade policy contribute to the stable prosperity the Trump administration ostensibly seeks? Is America under Mr. Trump's leadership the farseeing custodian of the international balance of power or the bull in the china shop of a precarious world order?

Mr. Hegseth's speech was silent on the subject on most of his audience's minds: the U.S.-Iran war, which has closed the Strait of Hormuz to the sea traffic on which most of the region's economies depend. Fuel and fertilizer price hikes are creating political and economic stress across the region. Remittances from Gulf-based workers in countries ranging from the Philippines to Pakistan provide vital support to families and economies. Asian views of the Trump administration will be shaped far more by the outcome of the conflict in the Gulf than by anything Mr. Hegseth or any other American official says in forums.

One thinks of the Earl of Rochester's epigram about King Charles II: "Here lies our Sovereign Lord, the King / Whose word no man relies on / Who never said a foolish thing / Nor ever did a wise one." Mr. Hegseth's speech was a strong one, and it deserves a wide audience. The question is whether his deeds, and those of his president, can live up to it.

BOOKSHELF | By Tunku Varadarajan

A Look at Mike Pence's Way

What Conservatives Believe

By Mike Pence

Center Street, 304 pages, \$33

Mike Pence is on a mission to Make America Conservative Again. And he's driven by an ardor that is both righteous and personal. He looks at the country he served as a doughty vice president—whose fidelity to the Constitution pulled America back from the brink of a potentially irreparable crisis—and finds it racked by war between the progressive left and the populist right. Eclipsed in this battle are the tenets Mr. Pence lives by and that he seeks to revive in a political manifesto titled "What Conservatives Believe."

His role model is Barry Goldwater, whose "The Conscience of a Conservative" (1960) contained "the timeless principles of conservatism" that inspired Ronald Reagan and Mr. Pence himself in his formative years as a politician. Many of these principles, Mr. Pence writes, also shaped the direction of President Trump's first term, which was characterized by tax cuts, deregulation, enhanced energy production, pro-life Supreme Court nominees and a foreign policy that "exuded" American strength.

"I was by his side for all of it," Mr. Pence tells us of his partnership-in-office with Mr. Trump. And "although things did not end well between us," he says, "I will always be proud of the record of the Trump-Pence administration and believe Goldwater and Reagan would be too."

Throughout the book, Mr. Pence deploys that hyphenated label—"the Trump-Pence administration"—to describe Mr. Trump's first term in office. If it seems insistent, it's because Mr. Pence

takes pride in the fact that those were, undeniably, conservative times in America. He quotes, to good effect, Goldwater himself, who wrote that "America is fundamentally a Conservative nation."

It's Mr. Trump's second term, in which the president has "not always governed as a conservative," that torments Mr. Pence. He identifies the Trump tariffs ("amounting to the largest peacetime tax hike in American history") and the unapologetic isolationism (which has "emboldened Russia to continue its brutal invasion of a Western ally," Ukraine) as some of the most egregious betrayals of conservatism. As a result, he says, conservatism is in the doldrums, with many Americans "confused about what it means to be a conservative" at a time when the GOP's regnant philosophy (for want of a better word) is "right-wing populism and big-government Republicanism."

Mr. Pence is determined to fight back. "We need a new articulation of what conservatives believe," he writes, and "a fresh argument for how a rising generation can apply these principles to the challenges of today." And so he gives us what he calls "a twenty-first century version of 'The Conscience of a Conservative.'" He was assisted in the writing of his book by the estimable John J. Miller, much as L. Brent Bozell Jr. lent his pen to Goldwater. (Mr. Miller, a professor of journalism at Hillsdale College, is a columnist with the Journal's Free Expression newsletter.)

There's a lapidary quality to Mr. Pence's manifesto, and it's worth noting that he invokes Isaiah: "look to the rock from which you were cut and to the quarry from which you were hewn." He's a Christian man, famously devout, and is honest in his assertion that his worldview is religious. "Conservatives believe that our rights come from God," he says, which sets him apart—at least in this respect—from the nontheological Goldwater.

In his recitation of the precepts that comprise conservatism, Mr. Pence offers a catalog of beliefs. This includes a commitment to: a right to life; limited government, as shaped by the Constitution; law and order; free markets; low taxes; prudent expenditure; federalism and states' rights; parental rights over education; the traditional family; "peace through strength" and standing with our allies and against our enemies; "character, civility, and statesmanship"; and steadfast support of Israel.

The former vice president sees little conservatism in President Trump's second term, and is determined to bring it back.

Enveloping all of this is his bedrock conviction that all men are created equal. Mr. Pence makes plain his commitment to civil rights, including a reverence for Martin Luther King Jr. and an admiration (which some readers will find surprising) for John F. Kennedy. The 1964 Civil Rights Act was "the greatest legislative achievement of the twentieth century," and he reminds us that Republicans supported it more strongly than Democrats. Mr. Pence does not shrink from reminding us also that his hero, Goldwater, voted against the bill in 1964. "He was wrong to do so," Mr. Pence tells us, "as the Jim Crow laws of the southern states amounted to a systematic abuse of the nation's highest principles." Although Goldwater later confessed that he regretted his vote, progressives—writes Mr. Pence—"never let him or anybody else forget it."

Mr. Pence is courtly, and chivalrous perhaps to a fault. He was treated badly by Mr. Trump in January 2021 (and thereafter), and a less forgiving or spiritually secure man would have made more of the hurt he has had to endure. Instead, Mr. Pence gives the president his due wherever he deserves it, and the criticism that he offers—wherever it is due—is couched always in civil language. "Liberals love to pretend that Donald Trump invented incivility," he writes, "but he's more a symptom than a source." The closest he comes to a good old swipe at his former boss is this delicious line: "Trump did not devise the personal attack in politics, though he may have perfected it."

Mr. Pence insists, however, that left-wing progressives rejected civility and compromise "long before Trump." But he regrets that "Trump's abrasive and combative style" has become the modus operandi of right-wing populists, whose scorched-earth methods and scorn for the Constitution should, in the author's view, be anathema to conservatives.

America, says Mr. Pence, must make a choice. Will it "embrace again the traditional conservative agenda" that has led it to prosperity and global leadership, or will it "choose to go down the path of populism and decline"? Citing the Book of Jeremiah, he notes that we "stand at the crossroads." And he's sure that Americans will now "ask where the good way is, and walk in it."

Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at New York University Law School's Classical Liberal Institute.

Mikie Sherrill Wrongfully Blames ICE



MAIN STREET
By William McGurn

It looked as though we might see a rerun of Minneapolis, where two people were shot and killed by ICE agents in January amid protests designed to thwart enforcement of immigration law.

In Minneapolis, ICE agents operated without the cooperation of local and state law enforcement. The chaos made Gov. Tim Walz look hapless and incompetent. The newly installed governor of New Jersey, Mikie Sherrill, is determined not to repeat Mr. Walz's mistake.

Ms. Sherrill decided on a very New Jersey solution: Call in state police to set up a security perimeter around Delaney Hall so ICE could do its job. This way she could claim to uphold law and order.

But in her public statements, the governor argues that most of the blame for the violence belongs to ICE—in- stead of the protesters who came to Newark itching for a fight.

At a press briefing Saturday, Ms. Sherrill alluded to Minneapolis. Clearly she intended to draw a contrast between her decisive actions and Minnesota officials' failure to go after those who caused the mayhem. "I refuse to let that happen in New Jersey," she said in her best zero-tolerance voice. And she named those responsible for the violence outside Delaney Hall.

"I will not give ICE a pretext to expand operations at Delaney Hall or across our state," Ms. Sherrill thumped. "I will not put lives at risk."

It's a whopper, but New Jersey being what it is—a blue state whose gerrymandering will only get worse under Ms. Sherrill—no one questioned it. Even though the truth of the violence she condemns is obvious to anyone who watches the news.

Whatever one's views of ICE, it manifestly isn't the problem in New Jersey. These well-supplied protesters mean business. TV footage shows them stocked with gas masks, respirators, goggles and hard hats. They threw rocks and other objects, and they pushed barricades at the state troopers and police. Federal and local police made between two dozen and four dozen arrests.

One of these was Nicholas Scelfo. During the protests he

was filmed by independent journalist Nick Sortor screaming at ICE agents: "Your children, your wife—all dead! I have your face, m—f—! You're dead! Dead!" Within 24 hours the Federal Bureau of Investigation had Mr. Scelfo in custody thanks to facial recognition technology.

New Jersey's governor calls the police on protesters but refuses to criticize them.

In a Friday tweet announcing the arrest of another protester, acting Attorney General Todd Blanche included photos of bloody bites the man allegedly inflicted on ICE officers. "These riots are clearly not 'peaceful protests' as you can see from the photos of these horrific wounds," Mr. Blanche said.

Still Mr. Sherrill sticks with her narrative that the unrest is due to officers trying to enforce the law rather than protesters defying the law. It doesn't pass the straight-face test. The longer the unrest goes on, the harder it will be to maintain the fiction that ICE is the bad actor here.

The irony is that it's the protesters themselves who are

exposing this fiction. No one still believes these protests are driven by the horrible treatment of those detained at Delaney. A few days ago we were all talking about the protesters' claim that maggots were in the food served to inmates, which Homeland Security denied. It is also becoming clear ICE isn't the only enemy for the protesters. Over the weekend they happily did battle with the New Jersey police Ms. Sherrill called in to protect protesters from ICE.

This may be a clever way not to offend the Democratic base, but the protesters don't have much patience for the democratic process—or the Democratic Party. They are interested in chaos, as their actions make perfectly clear.

They enjoy the protests. They enjoy clashing with police. Does anyone think they care about the quality of food or medical attention inside Delaney Hall? The last thing they want is a political compromise that would take them off the streets.

On Monday, Gov. Sherrill tweeted a statement by New Jersey Attorney General Jennifer Davenport that the issue here is "protecting the right to peaceful protest." She's right. But ICE isn't threatening that right, and the protests aren't peaceful.

Write to mcgurn@wsj.com.

Adventure as a Way of Life

By David Skinner

Looking at my computer, I find myself lingering over a beautiful wide-angle photo of a mountain peak: giant slabs of sharp rock, brushed with snow and bathed in sunlight.

I admire the image, but my conscience nags that one should have to trek halfway around the world to see such a thing. That one should have to pay more than I am willing to pay in time, money or comfort. Only then can one attain a view like this and perhaps, with a naked eye, see mountains as they see each other.

Whatever the actual price, it wasn't too high for Shelley Johannesen, a family friend who died on May 11 shortly after summiting Makalu, in Nepal, the world's fifth-highest peak.

An experienced mountaineer, Shelley was climbing with her boyfriend and business partner, Dave Ashley, and

guides Tawa and Phurba Sonam Sherpa. The conditions, at almost 28,000 feet above sea level, were extreme. The night before their descent, according to an account in Outside magazine, more than 30 inches of snow fell on Makalu and winds blew 60 miles an hour.

Shelley Johannesen climbed mountains, made friends, and died near the summit.

As the group reached 24,000 feet, an avalanche struck, the heaviest part hitting Shelley and Tawa Sherpa, carrying them about 1,000 feet down the mountain and leaving both seriously injured. It took hours for the other climbers to find them. The extent of their injuries couldn't be immediately assessed, and

the situation was plainly dire. Dave sent an SOS to their outfitter and stayed the night with Shelley, hoping for an unlikely rescue, while holding one sleeping bag over them both. He suffered frostbite on his right hand and foot. Before morning, Shelley, lying in his embrace, was gone.

A 53-year-old mother of three adult children, Shelley had discovered a new sense of purpose at an age when many people start checking the math on their retirement plans. As her marriage broke up, she threw herself into her passion for sport.

She met Dave at a meetup of athletes running a rim-to-rim-to-rim challenge at the Grand Canyon. They continued to cross paths and fell in love. Shelley joined Dave's travel and adventure company—its motto: "Climbing mountains and making friends." Dash, the company name which came from Dave's nickname in the Air Force—as

Dave, just returned from Nepal, tells me—was reinterpreted as an abbreviation for Dave and Shelley.

My wife, Cynthia, a hiker, had traveled with Shelley and Dave on a trip last year through the Grand Canyon. Earlier this year Cynthia and our daughter, Madi, traveled with them on a hike through the Sacred Valley in Peru. I was at home both times, eagerly awaiting their return.

About Shelley one might think: What a way to die. I keep thinking: What a way to live.

It was two days after Mother's Day when we learned the terrible news. That afternoon a package arrived at our house with a belated Mother's Day gift for Cynthia from our kids: a pair of hiking poles for her next adventure.

Mr. Skinner is the Journal's deputy editorial features editor.

OPINION

REVIEW & OUTLOOK

The Exxon Example for Corporations

Exxon Mobil shareholders last week voted to support management's decision to move its corporate domicile to Texas from New Jersey. It's a smart move that raises a question for other companies: Is it becoming a corporate governance duty to leave states that punish business for states that don't?

The shareholder duty case for leaving states that punish business.

Seventy-one percent of Exxon holders supported the corporate move at its annual meeting. That endorsement came despite opposition from the proxy adviser duopoly of Glass Lewis and Institutional Shareholder Services. Those two advisory firms try to enforce progressive policies on corporate governance even if they're not in the best interest of shareholders.

Exxon CEO Darren Woods pitched the decision as better for its business as the company has operated in Texas for decades. "The board believes that kind of familiarity will lead to more reasonable, productive decisions from Texas officials and citizens, which is critical to the long-term success of the company," Mr. Woods told shareholders.

Yet Exxon has had its legal home in New Jersey since 1882, so why move it now? The best answer is that the policy differences between states are becoming wider. States run by Democrats are moving in a sharply different direction than states run by Republicans.

One big difference is litigation risk. In 2022 New Jersey's Attorney General sued Exxon for allegedly deceiving the public about climate change and fossil fuels. A judge dismissed the case in 2025, but climate lawsuits are a major priority for the tort bar and progressives.

Exxon also amended its bylaws to provide an "exclusive forum provision" to litigate shareholder suits in federal court in southern Texas or

the state's special business courts. This is at least some protection against marauding plaintiff lawyers in league with Democratic state AGs. Texas

AG Ken Paxton has become an anti-business problem, though he'll soon be out of that job as he seeks a Senate seat.

Exxon had already moved its corporate headquarters to Texas, so it has long benefited from the lower cost of doing business. New Jersey has the highest corporate state tax rate at 11.5%. Texas has no corporate tax, though it does have a gross receipts tax. Texas also has no personal income tax, while New Jersey's top rate is 10.75%.

Energy costs are also much higher in New Jersey. The website Choose Energy says electricity rates in Texas are 15.41 cents per kilowatt hour, compared to 23.12 cents in the Garden State. New Jersey has punished fossil-fuel energy while promoting wind and solar, while Texas has pursued an all-of-the-above energy strategy.

All of this makes us wonder if corporate residence and legal domicile could, and perhaps should, become an issue in corporate governance. Does it serve the interests of shareholders to be located in a state with high taxes, high energy and regulatory costs, and large litigation risk? The question may not be amenable to shareholder litigation, but it is worth raising to corporate boards and managers.

Some companies might decide to stay in a state like California, despite its anti-business rules, to take advantage of talent clusters as in Silicon Valley. But as tech talent disperses to the likes of Austin, Texas, that reason may become less important. Don't be surprised if Exxon is a harbinger of more shareholder-driven relocations.

California's Election Month

California holds its jungle primary on Tuesday, but don't stay up waiting for the results. Winners might not be known for weeks thanks to state election laws that are designed to goose Democratic turnout. So hang tight, and enjoy the frustrating suspense.

The state gubernatorial and Los Angeles mayoral races are turning out to be nail-biters. The top-two finishers could turn on the composition of the electorate, which is hard to predict. Former Biden Health and Human Services Secretary Xavier Becerra leads in the polls for governor with Republican Steve Hilton and billionaire climate crusader Tom Steyer not far behind.

In the mayoral race, incumbent Karen Bass is running slightly ahead of progressive city councilwoman Nithya Raman and the reformist Republican Spencer Pratt. It's possible that candidates who are ahead on election night could fall behind as more ballots arrive in the mail and are counted.

California sends every registered voter an absentee ballot a month ahead of the election. This gives voters plenty of time to mark and return them. Yet the state allows ballots to be counted as long as they are postmarked on or before Election Day. Many voters wait until the last minute.

As of Sunday, only 15% of all ballots had been returned. Democratic voters so far are submitting ballots at a lower rate than they did in

2022. This could indicate Democrats aren't enthusiastic about their choices or are struggling to decide. Regardless, it means the results may not be known for days or even weeks until after the election.

Counting ballots returned by mail takes more time than those cast in-person because signatures have to be matched. The state also allows people to register to vote and cast ballots provisionally on Election Day, which can add time since county officials must verify voter eligibility.

In the 2024 general election, Republican House members Mike Garcia, Michelle Steel and John Duarte saw their leads on election night evaporate as more ballots arrived, and they swung heavily for Democrats. One reason is young and lower-propensity voters tend to return ballots later, and they also tend to lean left.

This absentee-ballot-counting process benefits Democrats, but it also can fuel public distrust in elections. Democratic Gov. Gavin Newsom said as much last month in a letter urging election officials to expedite vote counting. "The longer the voting count takes, the more mis- and disinformation spreads," he wrote. "Time is of the essence in preventing election lies from taking hold."

He's right. Time is also of the essence for candidates who need to know if they can get on with the transition to holding office, or seek a new line of work. Why not require that ballots be returned by Election Day?

Iran Gets Trump to Rescue Hezbollah

Iran's regime began Monday by throwing a wrench into negotiations with the U.S., and President Trump spent the rest of the day scrambling to satisfy Iran's demand. The result is a new cease-fire in Lebanon, rescuing Hezbollah for the moment, though the terrorists didn't abide by the first cease-fire for even a day.

By threatening talks, the regime gets the U.S. to tie Israel's hands.

Hezbollah began this war with Israel on March 2, firing on soldiers and civilian targets on the orders of its Iranian patrons. The first Lebanon cease-fire was announced April 17 after Iran's regime had said Israeli retaliation against Hezbollah was preventing the reopening of the Strait of Hormuz. Mr. Trump pressured Israel and delivered the cease-fire, but Iran reneged on Hormuz—and its Hezbollah proxy kept firing.

Israel avoided attacking Hezbollah's Dahiyeh stronghold in Beirut in reply, so as not to trouble U.S.-Iran negotiations. Hezbollah's strikes intensified, reaching an average of 125 rockets and 49 drones fired at Israel each day last week. No country can live with that. On Monday Prime Minister Benjamin Netanyahu announced Israel would expand its retaliation to Dahiyeh. Israel issued an evacuation order for civilians.

Enter Iran. On Monday state media reported the regime had stopped exchanging messages with the U.S. owing to Israeli attacks in Lebanon. Iran's Foreign Minister said they amounted to an American cease-fire violation.

The shamelessness is always striking. Iran has repeatedly violated its April 7 cease-fire with the U.S. by firing drones and missiles at commercial vessels, U.S. forces and Gulf states. In recent days it has downed a U.S. drone over international waters and fired ballistic missiles at U.S. forces in Kuwait. Through it all, Mr. Trump has limited the U.S. responses to self-defense and insisted the cease-fire still obtains.

In reply to Iran's threat to end negotiations,

Mr. Trump talked tough. "I don't care if they're over," he told CNBC. "Frankly, I thought they started to get very boring."

But the President's actions suggest he does care. After long calls with Mr. Netanyahu and Lebanese interlocutors, on Monday afternoon Mr. Trump announced a new cease-fire in Lebanon: "They agreed that all shooting will stop," he wrote on Truth Social.

Lebanon and Israel suggested the deal is only partial. As long as Hezbollah doesn't attack Israeli territory, Israel won't attack the terrorists in Dahiyeh, Mr. Netanyahu said. This is a recipe for managing the conflict, limiting it to southern Lebanon, where both sides expect to continue the fight.

This suffices for now for Israel, which won high ground in Lebanon in recent days and could use time to mount defenses against fiber-optic drones. But Hezbollah's capital again has been spared the consequences of the group's own actions. Iran is winning its proxy a refuge.

Anytime it wants, Iran could tell Hezbollah to stop shooting and end the war, which Israel has no desire to wage. Instead it encouraged Hezbollah's fire, so it could cut off U.S. talks when Israel inevitably responded in force. The regime has two interests here: Protecting its terror proxy while it attacks Israel and resisting the U.S. changes to the draft memorandum of understanding that we reported on Thursday.

Iran's regime sees this as one war, and it has been testing Mr. Trump on all fronts. If it fires on U.S. forces in the Strait or Gulf, will he still try to salvage the cease-fire? How about stepped-up attacks on Israel? How about claiming to quit negotiations? In each case, Mr. Trump has chosen to avoid escalation and keep talking. If he won't send a different message, it will be difficult to get the regime to comply with a deal, no matter what it promises now.

LETTERS TO THE EDITOR

Why Does OpenAI Pretend to Be a Nonprofit?

Judith Chevalier and Sarath Sanga are correct to point out the seemingly insurmountable problems inherent in combining nonprofit and profit-making corporate structures, which is at the heart of Elon Musk's lawsuit against OpenAI and its CEO Sam Altman ("The Real Story of the OpenAI Case," op-ed, May 14).

Granting nonprofit status to an essentially commercial entity is a mistake, especially if the option to convert to profit-making status remains. Moreover, can anyone predict with confidence which corporate structure would better benefit all of humanity?

Nonprofit status should be reserved for entities that truly are charities and wouldn't be viable as profit-making entities. Clearly, OpenAI, valued at close to a trillion dollars in its most recent funding round, doesn't fit that definition. Moreover, it seems almost inevitable that the combined structure, with two sets of funding sources and a dual mandate, is a recipe for

the type of dispute we have seen play out in court. OpenAI seems to have tried to address this problem by having essentially the same board for both entities, itself a questionable maneuver.

Mr. Musk is seeking a resolution that would restore OpenAI as a fully nonprofit entity. Ms. Chevalier and Mr. Sanga criticize the attorneys general of California and Delaware for not assuring that the assets are properly valued. Even if they were, how would that work? Would the two surviving entities then do the same things?

It seems more likely that transferring substantial resources from the profit-making entity to the nonprofit would leave both underfunded and weakened. The lesson to be drawn is that OpenAI should never have been a nonprofit to begin with.

THOMAS LENARD
Technology Policy Institute
Washington

This Housing Bill Is Progress, Not Perfection

Your editorial is a sharp critique against the recently passed 21st Century ROAD to Housing Act ("A Bipartisan Housing Fiasco," May 27). While no compromise in Congress is flawless, the board's criticism focuses on grievances rather than the meaningful, supply-side reforms that will expand housing construction.

The bill modernizes the Department of Housing and Urban Development's manufactured housing codes for the first time since the 1970s, eliminating the outdated federal permanent chassis mandate. This will reduce costs and unleash factory-built housing at scale.

The bill also updates the Housing Department's HOME Investment Partnership Program, which hasn't been reauthorized since 1992. This is the largest federal block grant program dedicated exclusively to affordable housing devel-

opment. This bipartisan compromise cuts through the bureaucracy by exempting projects from duplicative environmental reviews that add immense delays and costs to construction.

We also secured critical community banking provisions to strengthen the lenders at the heart of America's housing market. By modernizing the regulatory treatment of custodial and reciprocal deposits, this bill ensures that community banks retain deposits locally. That means more capital for community banks to finance mortgages and new housing construction.

This bill isn't a silver bullet, but lawmaking is about progress, not perfection. The House-amended 21st Century Road to Housing Act will have a meaningful effect, increasing housing supply across the country.

REP. J. FRENCH HILL (R., ARK.)
Washington

Zohran Mamdani and Capitalism's Children

Regarding Austin Berg's op-ed "Capitalism Delivers for Zohran Mamdani" (May 28): Mr. Mamdani's budget couldn't be achieved without kicking the cost down the road, making the budget harder to balance in the future. The same shortsightedness is being applied to Mr. Mamdani's plans for sweeping rent freezes across the city. Once again, providing temporary relief by sacrificing market competitiveness and investment prospects. The mayor's plans for government-run grocery stores follow the same pat-

tern. Subsidized goods for a low price may be a nice change at first, just have the common courtesy to not let the door hit your favorite bodega owner on the way out.

The 550,000 Instagram likes on Mr. Mamdani's budget "success" video reflect a base still dubbing him the man who can actually get government to work, content to celebrate illusory results and exhibit willful ignorance of consequences in exchange for a talking point victory today.

But beyond the need for instant gratification, the real issue is a generation that inherited capitalism's fruits, mistaking Western prosperity for the default of humanity rather than its pinnacle.

PIERCE SMYTH
Northport, N.Y.

The Fed Needs a Longer View

David Malpass is certainly correct to argue that Fed balance sheet reduction is a worthy monetary policy objective ("Why the Fed's Balance Sheet Needs to Shrink," op-ed, May 28). But he is mistaken to think that such a reduction could be executed in today's circumstances without putting further upward pressure on long-term interest rates.

Since the start of the Iran war, 10-year Treasury yields have risen by some 50 basis points to 4.5% on inflation worries and concerns about the parlous state of public finances. With the budget deficit projected at about \$2 trillion a year and with foreign investors seeming to be losing their appetite for U.S. Treasury bonds, any attempt by the Fed to reduce its balance sheet size today is bound to add upward pressure to long-term interest rates.

DESMOND LACHMAN
American Enterprise Institute
Washington

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Pepper ... And Salt

THE WALL STREET JOURNAL



"He could have given me a little more notice."

OPINION

The University of California Needs the SAT Back

By Svetlana Jitomirskaya
And Zvezdelina Stankova

In the midst of the Covid pandemic, the University of California system in 2020 abolished the requirement that applicants submit an SAT or ACT score. That was contrary to the unanimous recommendation of the Standardized Testing Task Force, a faculty group that had studied the issue for more than a year. This temporary policy became permanent under pressure from the state of California.

As mathematics professors at UC Berkeley, we have seen the results: a yawning preparation gap among students that undermines the goals of access and equity for which the change to a test-blind admissions system was made.

Even the overwhelmingly liberal Berkeley faculty are fed up with the admission of unprepared students.

At UC San Diego, the number of freshmen failing to meet high-school math standards grew nearly 30-fold between 2020 and 2025. By fall 2025, 1 of 12 entering students was placed into remedial math to learn material taught in elementary and middle school.

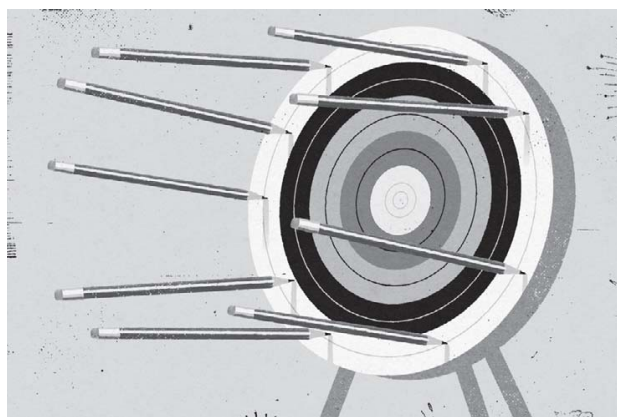
This crisis has compelled a coalition of UC STEM faculty to issue an open letter to the UC Board of Regents, demanding a return to objec-

tive admissions standards. While thousands of students from every background are qualified for a UC education, we can't identify them without the baseline comparison that the SAT and the ACT provide.

Current policy threatens the development of California's next generation of scientists and engineers. The letter, which we helped write, highlights how a test-blind admissions system undermines the access promised in the California Master Plan. Taxpayers built our system to support all students with pathways between community colleges and Cal State and UC campuses. It was informed by a vision that all Californians with an ambition for college can succeed when placed appropriately. Admitting severely underprepared students to advanced programs at the wrong schools serves no one but administrators who build careers by promoting ideological goals.

Test-blind admissions don't help diversify a highly trained workforce. A student entering calculus with severe deficits at UC Berkeley now faces up to a 46% chance of failure. We are placing thousands of students at the mercy of a coin flip, risking academic disaster and calling it "equitable access." Meanwhile, admission is denied to a large number of students—often from the same socioeconomic background—who could have succeeded.

The nonstandardized records we do require from applicants are increasingly inaccurate. High-school grade inflation has rendered transcripts nearly meaningless. In 2024 more than 25% of students in UC



RICHARD MIA

San Diego remedial math arrived with a 4.0 math GPA. At Berkeley 3 out of 4 students arrive with a GPA of 4.15 or higher. In an era of artificial-intelligence-confected essays, the SAT remains a vital, nationally normed check on readiness.

The scale of faculty alarm is staggering. Berkeley's informal anonymous survey of the Academic Senate reveals that 83% of 430 respondents across all departments support a return to the use of standardized test scores in admissions. Democrats outnumber Republicans by 10 to 1 among Berkeley faculty, making this overwhelming opposition to a liberal agenda item even more remarkable. Like the letter, this survey finding is a nonpolitical collective warning that the removal of objective benchmarks has untethered admissions from academic reality.

In recent years, STEM faculty

across the UC system have been united in their opposition to watered-down California Mathematics Framework admission standards that would have credited lightweight data science courses in place of Algebra II. We maintain that replacing rigorous requirements with less-demanding alternatives is a disservice to our STEM-bound students.

The feelings of Berkeley faculty are echoed by the support for our letter to the Board of Regents, which received more than 1,000 signatures from across the system in a few days. Colleagues who pushed back haven't said that we were being too harsh, but that our focus was too narrow. Why only math and STEM? they have asked—the situation in English is even worse.

They are right. The crisis isn't confined to math. When admissions scrap objective criteria to satisfy po-

litical appearances, universities admit students who struggle with fractions, reading and analysis in general. Other schools are grappling with the same issues. The Massachusetts Institute of Technology, Stanford and Harvard have all restored testing requirements.

The letter isn't a call for mechanical gatekeeping but for faculty oversight to help fix a major problem. Admissions offices have fallen victim to ideological capture, and changes are needed to make the system honest again.

An honest university works hard to advance students who are ready for the workload. We must not be a place that removes the checks at the gate, rewards administrators for hitting diversity enrollment benchmarks, and pressures faculty to camouflage the resulting lack of learning through grade inflation. We were subject to an academic experiment during the pandemic, which clearly failed. It is time now to return to the SAT and objective measures of merit.

The letter is a call for change. We believe in the University of California's mission of providing world-class education instilled with public university values. To fulfill this promise, admissions policies must be driven by faculty expertise and rigorous standards. To do otherwise is to betray the covenant between California taxpayers and the UC system.

Ms. Jitomirskaya and Ms. Stankova are professors of mathematics at the University of California, Berkeley.

If 1977 England Could Hold a Jubilee, So Can America Today

EDITOR AT LARGE
By Gerard Baker

I was a teenager in Britain during the nation's celebration of the 25th jubilee of Queen Elizabeth II in 1977.

It was a grim time. The economy was undergoing stagflation and the public fisc had just been rescued by the International Monetary Fund. A third prime minister in three years was running a fragile government. Barely a decade after being crowned soccer world champions, England was about to miss out on qualifying for its second straight World Cup finals. A Frenchwoman had won the Eurovision song contest on British soil—narrowly beating the U.K. entrant, which was titled, with pitch-perfect national self-awareness, "Rock Bottom."

But the silver jubilee was a moment to forget our problems. There were bunting and street parties, commemorative plates in the shops and historical art projects in the schools. On television, on one of the three channels then available to us, we

watched the pageantry and the pomp.

Not everyone celebrated. My Irish Catholic mother's inherited resentment of Protestant English monarchs discouraged enthusiasm for William of Orange's successors. But as I walked around the streets, the red-white-and-blue flags and ribbons everywhere coloring in the gray skies and grayer buildings, I felt a profound sense of gratitude, a fierce pride in belonging to a nation that could—at least for a long summer weekend—set aside its many flaws and remind itself of its plausible claim to greatness.

An American now, in a month I will join the rest of the country in celebrating our 250th jubilee. The writ of the Declaration of Independence has run for 10 times as long as Elizabeth's reign at that time (almost four times as long as she eventually reigned), and I can say, with no disrespect to her late majesty, that the U.S. has given its people—and the world—something more to celebrate than a constitutionally impotent monarch's smiling ability to project a sense of national cohesion at a time of collective gloom.

Yet the temper of our nation today

is all wrong. It seems likely that the 250th celebration won't seem like much of a jubilee at all, but another occasion for us to disagree angrily, another moment to settle into sullen mutual hostility about who is the greater threat to our very survival. A little less than half the country will proclaim that America is great again, with a roughly equal number insisting it isn't or never was.

Our situation is far less dire. Unlike the U.K. then, the U.S. is still the world's envy and its beacon.

We are so used to this by now that even on a rare birthday, a chance to reflect on America's meaning is dulled by the obsession with finding its faults. Large numbers of Americans now seem to think they don't really live in the same country at all, but one that is poised on the brink of collapse and if the rest of the country votes the wrong way at the next election, it will cease to exist as a constitutional

republic and thriving democracy.

It's certainly unfortunate that this moment arrives when we have a president who seems to want his supporters to believe that his political opponents are traitors and his critics public enemies. It is hardly a surprise that the official 250th celebrations have a MAGA-exclusive quality. But Donald Trump's excesses shouldn't keep us from remembering that a few years ago we were governed by a national cultural elite whose overriding sense of national purpose seemed predicated on the proposition that America's very founding was irredeemably wicked.

I can't do much about this cold civil war. But as an immigrant, perhaps I'm better placed than others to make the case that America's greatness far outweighs its faults. The U.S. economy remains the envy of the world; its capitalist system is pushing out the frontiers of technology in ways that will transform lives and enhance our already world-beating prosperity. It remains a beacon of opportunity for almost the entire world. Most remarkable isn't that our liberal values are again under attack, but how long and how firmly they have

endured. Americans embarked on a wild experiment to preserve and advance liberty 250 years ago. How many other countries' institutions that were around in 1776 are recognizable the same today?

This isn't a call to complacency: We are all familiar enough with the mistakes America has made and continues to make to know that supremacy isn't guaranteed. But you would have to be incredibly ignorant to believe that the accumulated genius of America won't survive a flawed president or three, or a bout of cultural self-loathing.

If none of this persuades you of the intrinsic greatness of this country, my fellow Americans, then at least use this historic moment to take a holiday from the bad stuff. If the British in the 1970s, a byword for national decline and institutional collapse, could find a way to celebrate what their country stood for, perhaps by focusing briefly on America's virtues more than its vices, you'll get a better appreciation for what it is.

Take pride in your country, America. Despite 250 years of trying, no one has been able to come up with a better one.

South Korea Takes a Hard Left Turn Against America

By Nicholas Eberstadt
And Lawrence Peck

South Korean officials storm the command center of an American military base, seizing details about U.S. Air Force flights in the name of a domestic investigation.

South Korean legislators and prosecutors launch a criminal inquiry into a successful American company (Coupang, sometimes called the Amazon of Asia) for a seemingly accidental data breach, while local Korean (and Chinese) firms skate by for more-serious, deliberate disclosures.

A South Korean government minister publicly discloses what is alleged to be classified information about a North Korean nuclear site, effectively revealing to Pyongyang intelligence that America had shared with Seoul in confidence.

Welcome to today's U.S.-South Korea alliance. The partnership is grappling with the unpredictable Trump administration—and also the all-too-predictable recklessness of the hard-left government in Seoul. Mr.

Trump's transactional, often peremptory approach to American allies is well-known. But the government on the other side of the alliance deserves much more attention.

The radicals in charge of South Korea today are President Lee Jae Myung and his Minju (or "Democratic") Party. They swept to victory last June, after the disgraced former president, Yoon Suk Yeol, was impeached for a bizarre six-hour attempt to declare martial law.

South Korean journalists and foreign reporters often refer to Mr. Lee and Minju as "liberals" (and to Mr. Yoon as a "conservative"). But Minju's far-left leaders tend to despise liberals. Critics fear their ultimate aim is to impose far-reaching legal revisions to permit their own indefinite rule—and that the country's hard-won liberal constitution is at risk.

How far left is Minju? In 2021 it joined the celebration of the 100th anniversary of the Chinese Communist Party in Beijing. Minju raised its party banner alongside the flags of the Chinese and other communist and authoritarian parties.

Minju's leaders cut their teeth in the struggle against Chun Doo-hwan's military rule in the 1980s. But while South Korea's official opposition parties were agitating for a transition to democratic constitutional governance, the politics of future Minju figures is reminiscent of the "national liberation" movement—a pro-Pyongyang, underground operation infused with North Korea's state ideology. Those activists and their fellow travelers reviled their own imperfect government—and, by extension, the Yankees "propping up" this "puppet state"—but didn't criticize Pyongyang's monstrous regime.

South Korea's current prime minister, Kim Min-seok, in 1985 participated in a student attack and takeover of the Seoul American Cultural Center for the "resistance." He and other Minju leaders haven't renounced their youthful activities or beliefs.

In today's Minju-run South Korea, Americans contend with an ally that is largely unsympathetic to the alliance and wants to cooperate less, not more, with U.S. security initiatives.

In the Iran war, South Korea hasn't directly assisted in opening the Strait of Hormuz, even though more than two-thirds of the country's oil imports pass through it. Seoul last month offered the mullahs humanitarian aid and proposed a separate diplomatic dialogue. As a sweetener, Mr. Lee publicly likened Israeli actions in Gaza to the Holocaust.

The radicals in Seoul are pushing constitutional revisions to permit their own indefinite rule.

Mr. Lee and Minju have made clear they aren't on America's side in the China competition. During his presidential campaign, Mr. Lee declared that he didn't care what happens to Taiwan. In April, Mr. Lee's defense minister discussed bilateral defense cooperation with China's ambassador to South Korea.

The centerpiece of the U.S.-South Korea alliance is the North Korean

threat—but even that is a problem now. Before he won the presidency, Mr. Lee was on trial for allegedly funneling \$8 million in secret funds to the North. He has denied wrongdoing. Mr. Lee is immune from prosecution while president, and he has plans to make sure he never has to face court on this charge. Plan A is a special bill, now before the National Assembly, that would dismiss his case. Plan B may be to stay in office indefinitely.

South Korea's constitution stipulates the presidency is a one-term job. Mr. Lee has proposed amending that provision. He can't amend the constitution without a two-thirds legislative supermajority, and he lacks one—barely. But he hopes the voters give him that supermajority in the 2028 National Assembly elections. If that doesn't work, there is always lawfare.

Mr. Lee has already empaneled special counsels to investigate the Yoon martial-law "insurrection." If the investigators label the opposition party as somehow abetting Mr. Yoon's action (as Minju's party chief has urged) the Minju majority could petition the Constitutional Court to ban its members from the National Assembly—and thereby grant Mr. Lee the supermajority he needs to amend the constitution.

Mr. Lee and his party have floated proposals for making the constitution more "democratic" through further "reforms." These changes could cement Minju's hold on power, and effectively transform South Korea into a one-party state.

America has plenty of friends and allies in South Korea. But they aren't in Minju. Until Washington wakes up, the threats to South Korea's domestic freedom, and to the U.S.-South Korea alliance, will likely grow.

Mr. Eberstadt is a researcher at the American Enterprise Institute. Mr. Peck is an adviser to the North Korea Freedom Coalition.

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Notable & Quotable: Learning

From Robert Pondiscio's May 22 commencement address to the Atlanta Classical Academy:

We didn't stop watching movies. We stopped watching them together.

And if we're not careful, we won't stop learning—but we may stop learning the same things. We may stop learning together.

You are entering a world that will invite you—constantly, subtly, persuasively—to make everything your own. Your feed. Your news. Your entertainment. Your education. Your life. And there is something appealing about that. Something humane,

even. Many of the changes I've described emerged for good reasons: to give people more opportunity, more flexibility, more agency over their own lives. . . . The question your generation will face is not whether the future will be more personalized, more technological, and more customized. It will be.

The question is whether, amid all that change, you will still believe there are some things worth experiencing together. Some books worth reading in common. Some ideas worth wrestling with collectively. Some civic and cultural inheritance worth passing on.

OPINION

EDITORIAL

SpaceX IPO lift-off could serve as test of global equity bull run

The richest man in the world is about to launch the largest stock debut in history. That fact alone about Elon Musk's filing in the United States for an initial public offering (IPO) of SpaceX is significant enough. The flotation is expected to raise at least US\$75 billion at a whopping valuation of around US\$1.8 trillion for the company.

If nothing else, the IPO is about to knock Hong Kong off the top spot for raising capital through listings after the city reclaimed the crown last year following a slump since its 2021 peak. Hong Kong was the world's top IPO destination for seven years between 2009 and 2019.

Global markets are likely to be hit for a time as Musk's IPO siphons off capital and tightens liquidity. This comes at a sensitive time as the US Federal Reserve is expected to raise interest rates to curb inflation.

The anticipated overwhelming investor demand means the SpaceX flotation could be worth more than twice the total US\$37.2 billion of combined IPOs reached in Hong Kong in 2025.

Tech stocks in Asia might already be feeling the pain, as reflected by the recent underperformance of Hong Kong's Hang Seng Tech Index and the Star Market 50 Index on the mainland. Even in the United States, there are signs that some investors are unwinding existing positions to pay for SpaceX IPO shares.

Besides draining liquidity from Hong Kong and other markets, the IPO will also test the bull case for global equities, which have been led in recent years by the US and are greatly driven by almost unchecked investments in artificial intelligence (AI).

The debut of SpaceX could signal the peak of the AI mania, which some analysts have compared with the dotcom craze of the late 1990s. For a company combining space exploration, AI and satellite-based internet broadband services to be worth so much, much will have to go right in the coming years. A big component of SpaceX is xAI, a recent acquisition that burns about US\$1 billion in cash monthly to cover operating and development costs, according to a report last year.

The so-called Magnificent Seven of US tech giants have been driving the extraordinary bull run. Their combined investments in AI are now giving investors pause.

Publicly listed mainland tech behemoths – some of which lead China's AI race with the US – have greatly benefited from their own bullish valuations.

But any scepticism or collapse of investor faith in AI will have global financial and technological consequences, not least for the capital markets of the two superpowers. SpaceX's stock debut could be a big indicator of where things are going.

HK is a perfect fit for SailGP's opening race

The SailGP championships, in which national teams of sailors compete in high-speed races at iconic locations around the world, have become one of the sport's most exciting contests.

Featuring identical catamarans propelled by the wind and capable of reaching speeds of more than 100 km/h, the races have grown rapidly in stature and popularity since the first event in 2019.

The choice of Hong Kong as the venue for the opening race of the 2027 season, in January, is therefore a coup for the city. The high-profile regatta will take place in Victoria Harbour, with its famous skyline as a backdrop, providing the perfect setting.

SailGP's Hong Kong race has been awarded "M" mark status, recognising it as a major international sports event. The funding framework offers up to HK\$15 million in financial support and promotional backing. In return, the city can expect the regatta to provide substantial economic benefits. SailGP has exceeded US\$200 million in revenue this year and says it generated more than US\$26 million in economic activity for host cities in 2025.

The races are a good fit for Hong Kong, with its rich maritime history and determination to succeed as a high-end tourist destination, including as a hub for yachts.

Race locations include New York, Perth and Rio de Janeiro. The championships also promote sustainability and inclusivity.

The deal struck with Hong Kong is only for one year, although the declared intention is for the partnership to be longer term. There will be a need to ensure the event is a success. Singapore signed a three-year agreement, but only one race has been held there, in 2023.

SailGP's co-founder, Russell Coutts, said Hong Kong's spectacular harbour, energy, global influence and positivity made it an attractive venue. There are also hopes that a team from China will return to the championships and perhaps, in the future, an event will be held on the mainland.

Hong Kong is on the right course, in securing the right to host the regatta. Now, the city must make sure the staging of the races is plain sailing.

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Green shoots at last

Nicholas Spiro says policy support, attractive rents and lower interest rates have helped improve the property outlook for Hong Kong and the mainland

The global energy shock has accentuated some of the risks in property markets across the Asia-Pacific. The performance of tourism and hotel industries, particularly in Thailand, has come under scrutiny, while there are concerns about the impact of higher interest rates on leasing and investment activity, especially in Australia.

However, the crisis has also focused attention on the strengths of the region's real estate industry, which include premium offices and luxury homes, as well as signs of recovery in vulnerable markets.

The clearest evidence of a rebound is in Hong Kong. The dramatic revival in the city's capital markets last year proved a powerful catalyst for a stronger recovery. In the first quarter of this year, Hong Kong maintained its position as the world's top venue for initial public offerings (IPOs), underscoring the huge influx of mainland Chinese capital.

According to a report by the Boston Consulting Group on May 27, Hong Kong narrowly overtook Switzerland last year to become the world's largest cross-border wealth hub, with mainland flows accounting for around 60 per cent of assets under management.

The resurgence of the city's financial sector proved a boon for the property market. Morgan Stanley predicts home values will rise a further 12 per cent this year, "backed by favourable supply/demand dynamics" and "tailwinds from capital and talent coming from the Middle East and mainland" China.

Midland Realty expects this year's number of sales of new luxury homes worth more than HK\$100 million to exceed the record high of 109 in 2018 despite the government's decision in February to increase the stamp duty rate for such transactions.

Parts of Hong Kong's office market have also enjoyed a strong recovery. Average rents for grade A

offices in the Central business district grew nearly 6 per cent on a quarterly basis last quarter, while rents for premium buildings in the district surged 12 per cent, the fastest rate since the third quarter of 2010, according to CBRE data.

Although the recovery was being driven largely by best-in-class offices in Central, demand is spilling over to newer grade A buildings in the district. West Kowloon is "emerging as a key area of interest, supported by its proximity to the high-speed rail and tightening availability of premium space in Central", JLL said.

However, it is the green shoots in mainland China, whose real estate industry is more vulnerable, which deserve more attention. Last quarter, commercial property investment activity reached US\$13.4 billion, the highest level among the main markets in the Asia-Pacific. Although transaction volumes were flattered by a major data centre deal, MSCI said China's commercial real estate investment market was "gradually transitioning from decline to stabilisation".

In the office sector, net take-up in the 10 major cities tracked by CBRE is gradually picking up, surpassing the 2 million square metre mark last year for the first time in three years. Tech companies accounted for the largest share of leasing activity in the past two years, with artificial intelligence firms driving demand for premium office space in Tier 1 cities.

Even in the crisis-ridden housing market, there are tentative signs of recovery. In a report on May 18, JPMorgan said "stronger secondary market [sales] volumes and stabilising prices in Tier 1 cities over the past 2-3 months appear less policy-driven than prior rebounds". In late April, Citigroup said it was "positioned for recovery" amid more stabilisation signals in key cities.

That said, the recovery in Hong Kong and the mainland needs to be put into perspective. In the

office sector, acute supply-demand imbalances are keeping vacancy rates high and making it unlikely that a broad-based upturn in rents will materialise soon. Despite the strong rebound in Central, CBRE still expects overall rents in Hong Kong to drop 1-3 per cent this year because of persistent declines in noncore districts.

Furthermore, previous signs of stabilisation in mainland China's housing market gave way to renewed weakness given the deep-seated structural problems in the sector. A report by Nomura on May 27 said that, with new home sales from the top 100 developers down a further 14.6 per cent in value terms in the first four months of this year, "there are no clear signs of a recovery yet".

Moreover, other leading markets in the Asia-Pacific, particularly Japan, have stronger fundamentals and are much more appealing to international investors. According to JLL, Japan and Singapore accounted for 68 per cent of cross-border commercial property transaction volumes in the first quarter of this year.

Even so, increasing numbers of investors and analysts are buying into the recovery story in Hong Kong and mainland China. The combination of geopolitical forces, policy support, more attractive rental rates for occupiers and lower interest rates has improved the outlook for both markets.

Although property sector fundamentals are weaker in mainland China, an underappreciated trend is the expansion of the listed market for real estate investment trusts (C-Reits). The market capitalisation of C-Reits grew 85 per cent last year, placing China among the top three Reit markets in Asia. A more traditional Reit regime is helping professionalise China's commercial property industry, boosting transparency and liquidity.

The recovery in the real estate sector in Hong Kong and mainland China still has a long way to go. As more green shoots appear, though, confidence in the strength of the upturn is bound to grow.

Nicholas Spiro is a partner at Lauressa Advisory

'NewSpace' economy is about more than exploration

Yogi Putranto says outer space is growing beyond a scientific frontier to become a forum for contests over sovereignty and economic security

For decades, Asia's ambitions in outer space were closely associated with scientific discovery, technological prestige and national symbolism. Space programmes were designed to demonstrate engineering capability, economic modernisation and geopolitical influence.

Today, outer space is undergoing a deeper transformation. It is no longer viewed merely as a frontier for exploration; increasingly, it is seen as a strategic domain tied to sovereignty, economic security and geopolitical competition.

The rapid expansion of the "NewSpace" economy reflects this shift. Commercial satellite systems, low-Earth orbit communications networks, Earth observation technologies and private launch industries are growing rapidly across Asia.

This transformation is reshaping the global balance of power. Control over orbital infrastructure increasingly determines technological influence and economic resilience in the modern era.

As strategic rivalry intensifies between major powers such as the United States and China, outer space is becoming another arena of geopolitical competition.

The commercialisation of outer space is exposing major weaknesses in existing international legal frameworks. The 1967 Outer Space Treaty established principles prohibiting sovereign territorial claims and emphasising the peaceful use of outer space.

However, the treaty was drafted during the Cold War, long before the emergence of commercial mega-constellations, private aerospace corporations,

orbital internet systems and commercial resource extraction ambitions. Today's orbital economy is evolving far faster than the international legal system designed to regulate it.

One concern involves orbital congestion and space debris. Thousands of satellites are expected to occupy low Earth orbit in the coming decades, increasing the risks of collision and long-term debris accumulation.

Questions are also emerging regarding ownership of extraterrestrial resources, cyberattacks targeting orbital infrastructure and interference with satellite-based communications systems. As technological developments make asteroid mining and lunar resource exploitation increasingly realistic prospects, governments and corporations are debating whether current international law permits private ownership of space-derived resources.

The geopolitical dimension of the NewSpace economy cannot be separated from the intensifying rivalry between the US and China. Both view orbital infrastructure as essential to economic resilience, military capability and technological sovereignty.

The dual-use character of satellite systems blurs the distinction between civilian and military infrastructure. As a result of their versatility, orbital systems are becoming more integrated into national defence architectures and geopolitical strategy.

The NewSpace economy is not only about rockets or astronauts – it is fundamentally about data. Around the world, space-based surveillance has become deeply integrated into maritime governance and law

enforcement. The convergence between outer space and maritime governance is strategically significant. As dependence on orbital surveillance grows, the future enforcement of maritime law could become dependent on who controls access to satellite infrastructure and strategic data systems.

The growing importance of space-based infrastructure also means that disruptions to orbital systems – whether through cyberattacks or signal interference – could directly affect shipping, aviation, telecommunications, financial transactions and critical civilian infrastructure across entire regions.

Asia's NewSpace economy is about more than exploration. It is becoming a contest over infrastructure, data, sovereignty and legal authority in one of the world's last strategic frontiers.

Much like the oceans before it, outer space is evolving into a contested geopolitical domain where commerce, security and international law increasingly overlap. As geopolitical rivalry intensifies and commercial activity expands, pressure is likely to grow for stronger international governance mechanisms capable of regulating orbital infrastructure, resource competition and strategic technologies.

Without stronger global cooperation, outer space risks becoming fragmented by competing geopolitical interests and technological blocs. The future balance of power could depend not only on maritime influence or economic strength but also on which countries help shape the legal and strategic architecture governing the orbital economy of the 21st century.

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OPINION

Chance for new order

Wang Huiyao says US and China have an opportunity to move towards managed competition

The two terms of US President Donald Trump have shaken the old style of US liberal internationalist leadership. Yet, as some doors close, others open. The summit between President Xi Jinping and Trump in Beijing last month suggests that the United States and China might now have an opportunity to move beyond ideological confrontation and towards a more realistic framework of coexistence, strategic stability and managed competition.

For decades, Washington has held global primacy and pursued a liberal internationalist foreign policy of promoting democracy, open markets and stewardship of global institutions. Trump's more realist foreign policy has been more transactional, sovereignty-centred and more openly sceptical of the post-war order.

Its focus on tariffs, alliance burden-sharing and resistance to Western progressive social values has changed the narrative that American power serves a universal project larger than itself. Further, even if Trump left office tomorrow, his tenure has made any future attempt to re-embrace old-style liberal internationalism less credible.

Nowhere is this clearer than in the transatlantic partnership. The Trump administration's criticism of Europe's reliability, defence posture and direct interference in European politics has weakened the idea that the Atlantic alliance can remain the unquestioned core of global order. Europe's pursuit of strategic autonomy is now part of a wider reassessment of a world no longer disciplined by US-led blocs.

Multipolarity has also arrived. Middle powers are hedging, alliances are looser,

regional institutions matter more and countries across the Global South increasingly resist fixed ideological camps. That creates an opening: with strategic stability newly recognised, the US and China can work to avoid the Thucydides Trap and the Kindleberger Trap.

Avoiding the Thucydides Trap – describing the potential danger when a rising and an established power come into conflict – requires both changing the narrative and de-securing the relationship. Yet, this trap is by no means an ironclad law that cannot be crossed but, rather, is a subjective construct.

And, while national security concerns are real, they cannot justify cutting every commercial, technological, educational and diplomatic link. Thankfully, the recent Xi-Trump summit has started to move things in the right direction, with three more in-person meetings planned for this year. If the two nations can keep the momentum going, a mutually destructive and pointless war can be avoided.

One priority is establishing a dialogue between these leading powers on the global governance of artificial intelligence (AI). This is vital to reduce the risks of AI weaponisation and misuse, and to get to grips with the upheavals in daily life that AI could bring.

There is also space for selective security cooperation. China and the US have overlapping interests in preventing an escalation of the Iran war, advancing a political settlement to Russia's war with Ukraine, denuclearising the Korean peninsula and preserving stability across the Taiwan Strait.

China's relations with Iran and Pakistan give it channels Washington lacks, as

demonstrated by the high-level exchanges involving Islamabad and Tehran last month. The US should also avoid using Taiwan as a bargaining chip, support peaceful cross-strait dialogue and reaffirm that it does not support secessionism.

The second danger is the Kindleberger Trap. Named after Charles Kindleberger's account of the disastrous 1930s, it describes the breakdown of the global order when the established power no longer provides pub-

All countries can benefit in a world where global public goods are supplied by more than one power

lic goods, while the rising power is not yet ready, accepted or empowered to do so. If the US retreats from global governance and China's contributions are treated as threats, the result will be a governance vacuum.

Beijing has made it clear it is willing to do more. Its five major initiatives – which span the Belt and Road Initiative, development, security, civilisation and global governance – form part of a broader effort to supply development finance, security dialogue, cultural exchanges, infrastructure connectivity and institutional reform.

Last year, China pledged an additional US\$500 million over five years for the World Health Organization as global health financing comes under strain. At the World

Trade Organization, it has supported the Multi-Party Interim Appeal Arbitration Arrangement, helping to preserve rules-based dispute settlement while the body's appellate mechanism remains paralysed.

Beijing has also moved to institutionalise mediation as a tool of global governance. In May last year, China and more than 30 other countries signed the Convention on the Establishment of the International Organisation for Mediation in Hong Kong.

Tariff-free treatment for exports from 53 African nations and regional summits with nations from Africa, Latin America, Central Asia, the Gulf states and Southeast Asia all point in the same direction: China is offering the world new development opportunities, market access and a fresh voice.

Instead of engaging in competition, a better direction would be to embrace the narrative of human development and the concerns of human development to transcend the overextension of national security concerns. All countries can benefit in a world where global public goods are supplied by more than one power and through more than one institutional pathway. A system that excludes either will be unstable; a system that allows both to contribute will be more resilient and more prosperous.

The US and China must continue to move away from disordered competition and towards more managed competition and the Olympic ideal of competition that drives us towards self-improvement, to go "faster, higher, stronger – together". In this way, the world can avoid the Thucydides Trap and the Kindleberger Trap and instead embrace the alternative of a more prosperous and secure world.

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LETTERS

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Asia must no longer be a hostage to US geopolitical hubris

If the world is waiting for Washington to stumble into a broad diplomatic resolution to the Hormuz crisis, it's time to wake up. Passively waiting for an American-authored peace isn't neutrality, it is economic suicide.

While a global recession is hardly in the United States' long-term interest, Washington currently lacks a compelling structural incentive to lift its naval blockade. From the safety of the Oval Office, this remains a low-risk game of wait and bleed. By anchoring any settlement to maximalist demands, the US practically guarantees stalemate.

The most severe economic pain is being exported. Americans may complain about pump prices, but the US is a major oil producer with a domestic baseline to keep the lights on. The real devastation falls elsewhere. The Strait of Hormuz carries roughly one-fifth of global oil supply, which Asian economies are heavily reliant on. Working populations in Pakistan, Sri Lanka, India and the Philippines are bearing the brutal brunt.

Washington's strategy rests on a uniquely Western fantasy: that a heavily sanctioned authoritarian state will simply collapse quietly. History says otherwise. Whether it's Havana, Caracas or Pyongyang, American economic sieges have not caused an entrenched regime to peacefully implode.

Iran's "resistance economy", formally institutionalised by Ayatollah Ali Khamenei in 2014, is engineered to absorb immense punishment. Geography remains Iran's most potent card. If Iran cannot export oil, it can do everything possible to ensure nobody else in the region exports either.

Asia cannot keep waiting. The global community must artificially raise the political and economic cost of this blockade for Washington. For China, India and the European Union, that could mean fast-tracking non-dollar financial clearing houses to sidestep a weaponised US financial system. Gulf states must signal that unconditional logistical support for US naval operations is no longer guaranteed unless Washington steps back from the ledge.

The illusion of America as the benevolent guarantor of Gulf security is finished. Asia must stop being held hostage to Washington's geopolitical hubris.

Sam Thomson, Gold Coast, Australia

Patience is the word for Putin when it comes to pipeline deal

I refer to "Putin left China, without a pipeline deal. Why didn't the Hormuz crisis open the valve?" (May 23).

The Chinese have a proverb referring to the Yellow River constantly changing course, suggesting no condition is permanent: thirty years on the east side of the river, thirty years on the west side of the river.

The very fact that China didn't comment on a Russian politician's words about a "final agreement" means that the pipeline deal was in the pipeline (no pun intended) with or without the Hormuz crisis.

As a Russian, I am aware that although our leaders are friends, we need the deal more. So Vladimir Putin must simply wait until, for Xi Jinping, the cost of not signing becomes higher than the benefit of waiting.

Mergen Mongush, Moscow

Success of Dear You shows way forward for Chinese cinema

The phenomenal box office success of the grass-roots film *Dear You* should be a wake-up call for China's film industry, which has long been dominated by big-budget productions and high-paid celebrities.

Made with a modest budget of 14 million yuan (HK\$16.2 million) and a cast of amateurs, this humble production centred on migrants' letters home has defied the odds and grossed more than 1 billion yuan at the box office.

For general audiences, this grass-roots blockbuster is undoubtedly positive news. For years, cinemas have been flooded with formulaic, commercial films that lack genuine warmth and down-to-earth stories that resonate with ordinary people.

The success of *Dear You* could have far-reaching implications for the Chinese film industry. Producers ought to rethink their unhealthy reliance on a long-established profit model: investing extravagantly to sell tickets. The industry system should not be dominated by expensive, star-driven vehicles. Hopefully, filmmakers will be encouraged to prioritise sincere storytelling over lavish production values and to build genuine emotional bonds with audiences.

Ultimately, Chinese cinema should go back to people-oriented creativity. May *Dear You* pave the way for more diverse, authentic and touching grass-roots stories to be brought to the big screen.

Minghui Chen, Gaofei Huang and Yaoping Cao, Lingnan Normal University



A display in Shenzhen featuring migrants' letters home taps into the success of the film *Dear You*. Photo: Xinhua



Manila's bet on US investment pledges risks Beijing ire

Richard Javad Heydarian says the Pax Silica plan is built on seemingly speculative promises

"You have absolutely no idea of what you're talking about. The whole point of Pax Silica is to partner with countries who are good at doing different things because everyone wins from a secure supply chain," wrote US Undersecretary of State for Economic Affairs Jacob Helberg on a social media website in response to an online critic of the US strategic initiative with the Philippines.

The spirited exchange came after Manila's reported rejection of a request to extend diplomatic immunity to US personnel overseeing a planned 1,618-hectare industrial hub in the Philippines. Under Pax Silica, the Philippines is to emerge as a critical node of a US-led global supply chain, with a focus on cutting-edge industries such as semiconductors and artificial intelligence (AI).

Helberg rejects any report of a diplomatic immunity request as "patently untrue". The episode highlights both Pax Silica's sensitivities and geopolitical relevance. The initiative is supposed to complement America's military footprint in Asia.

By leveraging access to Manila and with an eye on China, the Trump administration aims to both enhance military interoperability with regional allies via massive drills and to strengthen economic interdependence with key Asian economies.

America has long undergirded the region's security architecture by establishing naval dominance across the Indo-Pacific and serving as a primary source of capital and investment. But in recent years, as China began to reclaim its position as

Asia's dominant power, American leaders have struggled to offer a counterstrategy.

In his first term, US President Donald Trump torpedoed Washington's sole effort at countering China's economic rise in Asia by withdrawing his country from the Trans-Pacific Partnership. He went on to alienate allies with massive tariffs that disrupted transpacific trade linkages.

On the military front, however, successive American presidents have expanded the Pentagon's Indo-Pacific Command fleet and deployments across the Taiwan Strait and South China Sea, struck deals for access to vital military facilities in Asia and deployed state-of-the-art weapons systems across regional bases.

America has thus come under criticism for a military-centred Asia policy which, especially for the Philippines, lacked a robust economic component. Worse, it also brought back age-old worries over American threats to allies' sovereignty.

This is precisely why, even given the Western-friendly government in Manila, there are sensitivities in the Philippines

It remains to be seen how the Philippines can overcome its long-running barriers to foreign investment

around diplomatic immunity. Crucially, the Philippines is determined to leverage its growing strategic importance to attract high-quality investment.

In recent years, the Philippines has granted expanded US military access to strategically located facilities facing Taiwan and the South China Sea. It hosts the Balikatan military exercises, vital to contingency planning and combat interoperability between Washington and Asian allies, and, controversially, has the US Typhon missile system stationed in northern Luzon despite vehement Chinese criticism.

Yet Philippine exports to the United States are barely a 10th of Vietnam's while US foreign direct investment in Singapore is over 50 times larger than in the Philippines. There is still no US-Philippine free trade agreement.

Worse, Trump's ill-conceived war against Iran has sparked an energy crisis in the Philippines and hit economic growth. President Ferdinand Marcos Jr has signalled his displeasure by suggesting a "very serious restructuring" of ties with China.

The US is under growing pressure to reassure Asian allies and provide concrete economic projects. Enter Pax Silica, under which New Clark City in the Philippines is expected to attract high-quality investments in manufacturing, minerals processing, logistics and AI-related enterprises. Over US\$100 billion in investment is expected over the next decade.

Other major infrastructure projects in the Philippines under consideration include the Subic-Clark railway project,

Clark International Airport expansion and a Clark national food hub. Desperate to create growth engines and reverse decades of manufacturing decline, the Philippines is presenting itself as a leading "China-free" producer of critical minerals, especially nickel, in a bid to enter the electric vehicle production network and move up the semiconductor value chain.

Pax Silica builds on the Biden-era Luzon Economic Corridor plan, a joint US-Japan initiative to turn the Philippines' northern industrialised regions into an investment hub. Key US allies such as Canada, Australia, Denmark, France, Italy, South Korea, Sweden and Britain have shown interest.

While the urgency is clear, it remains to be seen how the Philippines can overcome its long-running barriers to foreign investment, including uncompetitive production costs, regulatory uncertainty and poor basic infrastructure.

It seems Manila is banking on Washington to corral strategic investments driven by a geopolitical calculus, namely building a Philippines-centred regional network to constrain China's rise. Battered by the Iran war and lacking a coherent economic strategy, however, the Trump administration has yet to prove its mettle in forging an effective regional strategy.

In short, Manila runs the risk of antagonising Beijing by betting on partly speculative investment pledges by Western partners, especially the Trump administration.

Richard Javad Heydarian is an Asia-based academic, currently a Professorial Chairholder in Geopolitics at the Polytechnic University of the Philippines