THE INDIAN EXPRESS

● WEB EXCLUSIVE
Viksit Bharat begins in the classroom, at the right level
— Shobhini Mukerji, Rukmini Banerji
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The Editorial Page

● WORDLY WISE
Age is an issue of mind over matter. If you don't mind, it doesn't matter.
— Mark Twain

The Indian EXPRESS
~ FOUNDED BY ~
RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

On winter air, Delhi does the right thing

THE DELHI government has done the right thing in framing a pollution control strategy at least five months before the city's air quality assumes crisis proportions. It comprises most elements of the Graded Response Action Plan (GRAP) that have so far guided the NCR's approach to containing winter smog. But unlike in the past, when administrators would wait for the Air Quality Index (AQI) red alerts to impose restrictions, curbs on vehicles and construction activities will come into force from November 1 and continue for the next three to four months. Delhi government and private offices will operate with 50 per cent in-person staff attendance. This proactive approach would allow workplaces and business establishments to redesign work-flows, stagger employee attendance, invest in digital infrastructure and make transport arrangements before the pollution season begins. The plan addresses criticism that Delhi's pollution control authorities spring into action only after the foul air precipitates a public health emergency.

That said, bans and restrictions should not be part of a long-term pollution control strategy. Cleaning up Delhi's air will require creating a governance framework that rewards sustained reductions in emissions. Measures to implement the remote working directive, for instance, will need to be framed in a language of people's well-being and public health, not coercion. Policymakers will also be well advised not to treat Work From Home as a substitute for clean commuting. Delhi's recently-framed EV policy is a notable step in this direction. At the same time, reducing congestion on the capital's roads calls for sustained investment in reliable and interconnected public transport. The Delhi government has increased its fleet of electric buses, and the Metro has improved urban mobility to a great extent, but last-mile connectivity remains weak across many neighbourhoods.

The winter plan should, therefore, be part of a multi-pronged pollution control strategy. In recent years, experts have underlined that the national capital is part of a larger airshed with a chronic pollution problem. Delhi's air quality is influenced not just by activities in the city and its neighbourhood, but the toxic smog that engulfs the city in winters is also fed by biomass burning and industrial and transport sector emissions in an area stretching from Punjab in the north to Bengal in the east. In fact, most Indian cities fail to meet the national ambient air quality standards. The capital's decarbonisation plan should, therefore, be part of a larger project to ensure that people across the country breathe clean air. The Delhi government has taken the first step. Other states, too, need to get their act together — the Centre needs to guide and handhold them.

Delhi-Tokyo ties face the future

JAPANESE PRIME Minister Sanae Takaichi's visit to India this week comes in a time of growing uncertainty over the US approach towards China and the Indo-Pacific. While the first Donald Trump administration adopted a confrontational policy towards Beijing and invested in building regional coalitions to contain its rise, Trump 2.0 has favoured transactional one-on-one engagement over coalition-building. The Pentagon's decision to revert the Indo-Pacific Command (INDOPACOM) to its original name, Pacific Command (PACOM), the 2025 National Security Strategy's narrow conception of core US interests in the Indo-Pacific, and the recent Trump-Xi summit have all fuelled concerns about Washington's reliability as a long-term partner for Asian countries wary of China. Against this backdrop, summit-level talks between PM Narendra Modi and PM Takaichi, less than a year after the former's visit to Japan, further boost the deep-rooted Delhi-Tokyo partnership. Japan's advanced technological capabilities, investment capacity, and growing military power make it uniquely placed to complement India's rise.

Both countries share concerns about China's assertiveness. India has an unresolved border, while Japan has maritime and territorial disputes. Technology is another important pillar of bilateral cooperation. Both countries seek to reduce dependence on Chinese technologies and rare earths. Japan brings capital, advanced manufacturing, and semiconductor expertise, while India offers scale, software talent and a vast market. A coordinated India-Japan strategy can help shape the value chains of the future.

The Indo-Pacific continues to be central to India's economic and security strategy. Whether Washington's recalibration turns out to be tactical or strategic, India must do its part by accelerating its military and technological modernisation while deepening strategic partnerships across the region. A closer partnership with Japan advances both objectives. Preserving a stable, rules-based Indo-Pacific and a favourable balance of power requires India and Japan to emerge as stronger strategic actors.

Waiting for Vaibhav Sooryavanshi

THE WORLD waits for 15-year-old Vaibhav Sooryavanshi to face his first ball in an international game. Picked for the England and Ireland tour, a reward for his spectacular run on the junior circuit and in the IPL, he has sat on the bench for the first few games. This rising anticipation has bred questions. Should he be treated like just another debutant or does he deserve special treatment? Has Indian cricket drafted him way too early or is this a wise call?

In the days to come, the teenager, born in Bihar's Samastipur, will be facing newer and higher hurdles. In India, a young batting prodigy doesn't just need to beat the best of cricketing brains plotting his downfall in rival dressing rooms. There are other challenges — intense scrutiny of personal life and unrealistic hype. Before the England tour, Sooryavanshi's heated exchange with a Sri Lankan player was clipped from the live telecast, the resultant 15 seconds were put out in public for the world to give sermons. Another day in the life of an Indian cricketing prodigy. After getting hit on the head while dealing with a bouncer during the IPL final, former India pacer Irfan Pathan would write that "the father in me" didn't agree with what he'd just watched.

To its credit, the BCCI has responded: His parents now travel with him, the board covering the cost, an acknowledgment that a cricketer so young should not be alone. It was a thoughtful initiative but not a bullet-proof shield. The board isn't schooling him, or others as young and talented as him, to manage the fame and funds coming their way. Tennis learned this lesson only after losing several of its talented teenagers. Cricket, as usual, has been slow. Throwing a youngster into the deep end isn't a problem but being blind to the sharks is.

Air pollution plan needs political will, not an eye on the election cycle

GUFRAN BEIG

OVER THE past few years, we have witnessed a troubling disconnect between scientific evidence and policy implementation in the country. First, the weak enforcement of the fuel-ban policy for end-of-life vehicles undermined its intended impact. Then, the draft Electric Vehicles (EV) Policy 2.0 raised serious concerns among environmentalists by proposing to extend EV incentives to hybrid vehicles. While hybrids combine petrol engines with electric motors, they remain dependent on fossil fuels and cannot deliver the full environmental and public-health benefits of zero-emission mobility.

Against this backdrop, the Delhi government's latest initiative marks a step in the right direction by targeting emissions at their source rather than targeting the open sky. It offers renewed hope for sustained improvements in air quality. The push for the EV policy 2.0 might shrink the urban carbon footprint, and the purification of local air could help alleviate concerns over respiratory and other non-communicable diseases that affect a substantial section of the city's population. For the metropolis, which juggles a staggering fleet of over 15 million vehicles, transitioning to electric mobility is no longer just an environmental aspiration; it is a public health imperative.

The Delhi emission inventory database in the National Institute of Advanced Study's (NIAS) 2025 policy brief reveals that the transport sector accounted for 41 per cent of the city's most deadly air pollutant, PM 2.5, in 2024. The new policy will unfold in two phases. Starting January 1, 2027, the city will completely halt the registration of conventional three-wheelers and light goods vehicles, permitting only electric models. From April 1, 2028, only electric two-wheelers will be allowed to register.

Two-wheelers contribute 20 per cent, whereas three-wheelers contribute less than 5 per cent of transport emissions. Currently, almost half of the three-wheelers are already non-fossil fuel, so their contribution is not 17-20 per cent as estimated by earlier studies, including the one by TERI in 2018. So, the overall gain with 100 per cent EV conversion of these three categories of vehicles would be 35 per cent of total transport, which will translate to just 15 per cent of Delhi's PM 2.5 concentration — this is a good initiative, but it won't lead to drastic improvement.

However, a balanced perspective is one of the fundamental requirements of science. Studies conducted by the NIAS show that this policy is merely the first battle in a much larger war. While the present policy is a good start, to truly clear the air, subsequent policies must tackle the two heaviest polluters: Heavy commercial vehicles and buses, which command around 60 per cent of transport emissions. Tackling pollution from their tailpipes could reduce Delhi's PM 2.5 by 20-25 per cent.

The number of commercial vehicles and buses might be low, but their emissions are higher compared to those from two-wheelers and cars. Policymakers need to prioritise targets based on the most polluting fleet. Transforming commercial vehicles to EVs will yield the maximum benefit. However, practical challenges need to be assessed.

The public-health payoffs of this structural shift are monumental. According to an NIAS policy brief, adoption of EVs would avert 800 premature deaths annually because cleaner air would reduce diseases linked to vehicle emissions, such as heart disease, stroke, lung cancer, and respiratory illnesses. It will save 12,000 years lost to disability every year. In other words, Delhi's population would collectively gain the equivalent of 12,000 additional healthy years of life every year through reduced illness and premature death. Beyond the intrinsic value of human life, this transition makes undeniable economic sense. According to the NIAS study in 2025, transitioning two-wheelers, three-wheelers, and light commercial vehicles fully to electric power could save at least Rs 1,000 crore every year in averted medical expenses, reduced hospital admissions, and recovered economic productivity. When weighed against the Delhi government's pledge to invest Rs 15,000 crore in the EV policy over the next four years, the return on investment becomes clear. The state's entire four-year financial commitment to subsidies and infrastructure is likely to be offset soon. However, this needs to be extended to other vehicle categories firmly to get early returns.

The success of the policy will require sustained investment. Its true environmental and physiological rewards will mature over years rather than months. Policymakers will need to stay the course and demonstrate political will. Air pollution does not recognise election cycles. For Delhi to witness a permanent transformation, these mandates must be agnostic to political shifts, and public health needs to be given top priority.

The government also needs to give serious thought to phasing out CNG. After all, its use all involves combustion and, therefore, pollution — especially of NOx. Such pollution needs to be curbed.

This is the time for deliberate, science-aligned, and phased policy-making (as underlined by the National Air Quality Resource Framework of India) — one that sets clear targets and ensures that interim measures do not undermine long-term goals. If we truly care about clean air, we must get the priorities and the timelines right. We understand that transport bears an enormous responsibility for pollution's stranglehold on our cities, and we have finally made a good start. Now, we must summon the courage and political will to leap to the ultimate solution, attack the source directly, rather than languish in the mediocrity of transitional technologies.

In a city gasping for every breath of clean air, our survival may well depend on the choices we make today.

While the present policy is a good start, to truly clear the air, subsequent policies must tackle the two heaviest polluters: Heavy commercial vehicles and buses, which command around 60 per cent of transport emissions

The writer is chair professor, NIAS, IISc-campus, and founder, SAFAR

Vijaya Mehta gave my words a stage, my creativity a home

MAHESH ELKUNCHWAR

IT HAS been a long association which started in 1970 between a young greenhorn writer and a theatre director and actor of national repute. I started writing in 1967, and my publisher Shri Pu Bhagwat took the risk of publishing my one-act plays in his prestigious *Satyakatha*.

He sent it to Vijaya Mehta, who was training at the Royal Academy of Dramatic Arts (RADA) at the time. "Here is a new voice, see if you like it," he told her, and Vijayabai did. She wrote to me from London: "I have been looking for something like this ever since I came here. I am coming back in four months, and I want to do your plays." *Sultan*, *Holi*, *Yatanaghar*, one after another, she produced and directed my one-act plays under the banner of Rangayan.

Before this, I had never sent any of my plays to a director because who would know me? More importantly, how many directors would do a one-act play? But Vijaya had returned from London with many innovative ideas; she had a new bunch of young actors. The atmosphere was just right for experimentation.

A lot of new things had been done even before this, but we needed to do something bursting not only with new ideas but stylistically different. This was the time when the Marathi literary scene was undergoing a sea change.

There was new life in Marathi poetry, short stories and novels, and this vitality spilled over to theatre. B S Mardhekar had revolutionised literary sensibility. Vijay Tendulkar had already started writing, and Vijaya had done one or two of his plays as well.

Rangayan was founded around 1959-60. When I joined hands with Bai, as Vijaya was called, I knew that I had found my home ground. We were not interested in entertaining; fame and money were not even on our radar. We wanted to explore theatre, art and life through our work. And, we did not have a target audience.

The premise we started with was that we were learning something from theatre. So, I would write a play, and she would pick it up, and we would work together on it.

After five or six shows, maximum 10, we said, "Enough of that, we have learned what we can from this one. Now, let's move on." It was never our ambition to do a hundred shows and reach out to people. Rangayan had about 400 or 500 members — writers, artists, painters and musicians. We got feedback from them, and that helped us grow.

I learned a lot from Vijaya, about the meaning of space and time in theatre, about writing a text for performance. This was not the *guru-shishya* tradition because there is no such thing in theatre. You learn on your own or perish. But I like to call myself Vijaya Mehta's protege. She would say, "You were never my protege; I have been your friend." "That's fine, but I'd like to call myself your protege," I would retort. It was a very beautiful creative togetherness.

Vijaya did about five plays of mine in the beginning. That kind of experimental theatre was appreciated only by a handful of people and did not travel outside Mumbai and Pune, but the elite of the Marathi literary and theatre world got to know about my work because of Vijaya.

Though Vijaya's experimental theatre phase lasted 15 to 20 years, she did not ever completely dissociate from it. Later, when she decided to work in professional Marathi theatre, she brought a fresh approach to the genre as well. A pioneer in many senses, her contribution to Marathi theatre is irreplaceable.

A teacher, guide, philosopher, friend, confidante — she was many things to me. Very few people have lived such a rich creative life as Bai.

She was admired by people all over the world, particularly in Germany, where she did *Shakuntalam* and *Mricchakatikam* in German with German actors. She brought Bertolt Brecht's *The Caucasian Chalk Circle*, adapted as *Ajab Nyaya Vartulacha* to Marathi theatre.

Saying that her death is a big loss will be underrating her contribution, her service to India.

I am going to miss her dearly. She was 91 and ill. I met her about six months ago, and I could see that the end was coming. It was not exactly a shock when the news came, but a loss is a loss, and when it comes, you realise that you are really never prepared for it.

I learned a lot from Vijaya, about the meaning of space and time in theatre, about writing a text for performance. This was not the 'guru-shishya' tradition because there is no such thing in theatre. You learn on your own or perish. But, I like to call myself Vijaya Mehta's protege

The writer is a Sahitya Akademi award winning Marathi playwright, screenwriter and actor

Trump's Quad retreat opens door for India, Japan, Australia

GURJIT SINGH

THE RELUCTANCE of the US to convene a Quad summit, the decision in Washington to revert to a Pacific Command from the Indo-Pacific Command, and the Donald Trump administration's desire to establish a possible G2 with China have generated concern across the Indo-Pacific. These raise questions about the future of the Quad and the broader vision of a Free and Open Indo-Pacific (FOIP). Yet this may be the moment for India, Japan, and Australia to step forward. The Quad was not intended to be solely an American project. The intellectual foundations were laid largely by Japan, particularly through the vision articulated by Shinzo Abe. India and Australia embraced the idea because it reflected a shared interest in preserving an open, rules-based maritime order, stretching from Africa's eastern coast to the Pacific Ocean.

If US attention fluctuates, the responsibility for sustaining that vision increasingly falls upon the region's leading middle powers. The meetings of PM Modi with Japanese PM Sanae Takaichi yesterday and with Australian PM Anthony Albanese in Australia this month provide an opportunity to show that the Indo-Pacific's future does not depend exclusively on Washington's enthusiasm.

Japan signalled its intention to assume a greater role. Marking 10 years since Shinzo Abe first outlined the FOIP, Takaichi reaffirmed its relevance. Tokyo's updated FOIP focuses on economic infrastructure for the age of AI, resilient supply chains for energy and critical materials, and security cooperation. These are akin to India's own aims. Japan's proposed FOIP Digital Corridor, which includes submarine cables, Open RAN, satellite communications, and advanced optical networks, provides opportunities for collaboration with India and Australia. Australia's growing defence cooperation with Japan also shows how regional powers are trying to reduce reliance on any single external power.

Delhi has long indicated that the Quad is not an Asian NATO and has resisted efforts to transform it into a formal alliance. Strategic autonomy remains central to its foreign policy. But it shouldn't be confused with strategic passivity. A robust India-Japan-Australia framework would allow them to collaborate without depending on an alliance system. India need not be involved in the Taiwan crisis. It can play a bigger role in the Indian Ocean.

Beijing's growing naval strength, economic coercion, aggressive territorial claims, and weaponisation of critical supply chains cause anxiety across the Indo-Pacific. Simultaneously, many ASEAN members remain wary of having to choose between China and the US. This creates a window for India, Japan, and Australia. They are often perceived as partners rather than rivals.

If the Indo-Pacific is to remain free and open, it should be supported by economic integration. Could India apply for the CPTPP? India withdrew from RCEP in 2019 due to concerns about market access and Chinese domination. CPTPP covers Japan, Australia and others, and excludes China. It promotes rules-based trade, investment protection, digital commerce, and supply-chain integration. Strategically, it would place India firmly within the Indo-Pacific economic architecture, reduce dependence on bilateral trade arrangements and augment India's current FTAs. For a larger role in the regional order, India should look beyond security engagements to frameworks that mould trade, investment, technology, and standards.

The Quad was not intended to be solely an American project. The intellectual foundations were laid largely by Japan, particularly through the vision articulated by Shinzo Abe

The writer is a former ambassador

40 YEARS AGO

July 3, 1986

INDIAN EXPRESS

Akalis sounded on new proposals

Search for Chandigarh solution

Is it good news or bad?

Ten killed, 23 extremists held

Chandigarh deadlock ends

THE SEARCH for a new formula to end the deadlock over Chandigarh has started. The Centre sent feelers to the Akali leadership suggesting alternative proposals to resolve the knotty problem. The initial reaction of the Akalis was not favourable as they did not want to accept any step "outside the Rajiv-Longowal accord". One of the proposals on which the Akali leadership was believed to have been sounded was the retention of Chandigarh as a Union Territory and payment of Rs 400 crore and Rs 300 crore to Punjab and Haryana respectively by the Centre for the construction of new capitals. The other proposal was for the division of Chandigarh in the ratio of 60:40.

World Bank loan for India

INDIA WILL receive a loan worth $303.2 million from the World Bank this year. The loan, the biggest for any country this year, is to be used for fertiliser production in India. India will also receive another loan of $132.5 million from Japan, Italy, and Denmark.

Ten killed, 23 extremists held

TEN PEOPLE, including three hardcore terrorists, were killed and at least five injured while authorities captured 23 extremists, three of them trained in Pakistan, during the past 48 hours in Punjab. Three people, including terrorist Balbir Singh, who carried a reward of Rs 50,000, and his accomplice Ajit Pal Singh, were killed, and three wounded while Punjab Quami Ekta Committee president and Congress (I) leader B K Khullar escaped unhurt.

Language tension defused

THE EXPLOSIVE situation on the Karnataka-Maharashtra border was defused when the Karnataka CM, Ramakrishna Hegde, and a delegation of the Samyukta Maharashtra Seema Samithi, led by M S Joshi and Sharad Pawar, hammered out a formula. The government will withdraw its order on teaching of Kannada in border area schools by the year-end if the Maharashtra Government is able to prove that the directive contains an element of compulsion.

WHAT THE OTHERS SAY
Supreme Court checks Trump, but empowers the presidency.
— Financial Times

DIS/AGREE
THE BEST OF BOTH SIDES

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

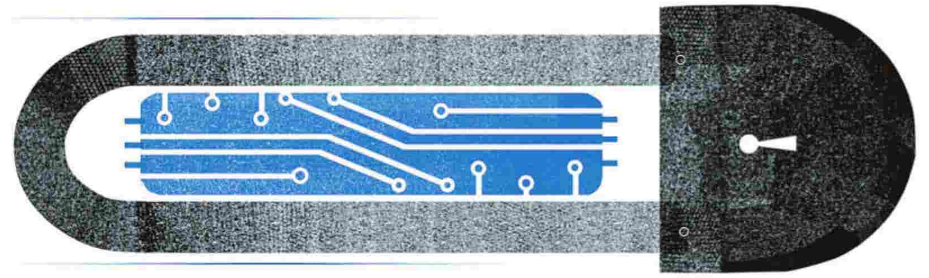
ILLUSTRATION: C R SASIKUMAR

Is restricting access to frontier AI models turning it into a geopolitical weapon and/or leverage?

Don't bet on an AI trickle-down

SOUMYA BHOWMICK

THERE IS an Adam Smith reading of the present moment: Even as the US tightens its grip on the most advanced chips and models, the invisible hand will, given time, diffuse capability outward, with prices falling and the frontier becoming the floor. The difficulty is the time. As John Maynard Keynes noted of this classical optimism, in the long run, we are all dead. In a domain where capability compounds by the quarter, the long run is the period in which the strategic gap becomes permanent.

This is the harder reading that New Delhi should adopt. AI is being weaponised, and the country that holds the frontier has every incentive to keep it scarce. Modern statecraft has normalised the conversion of interdependence into leverage. We saw it with vaccine nationalism during the pandemic; we are seeing it with the Strait of Hormuz. We see it in critical mineral and rare earth export controls, where processing dominance can be switched on as a weapon. AI is the next and most consequential entry on that list because it is not just one commodity but the general-purpose input to all the others.

The American architecture for this is already built. The 2025 AI Diffusion framework sorted the world into tiers of access and, for the first time, placed AI model weights under export control alongside the chips that train them. That specific rule has since been loosened into a more discretionary, country-by-country regime, but the principle survived and hardened. Its sharpest expression came only weeks ago, when Washington ordered Anthropic to cut off the latest versions of its most capable models, Mythos and Fable, to every user outside the US; the company complied by suspending access for everyone, curbs that have since been lifted from July 1.

At the G7, the pitch to allies was that frontier models would be reserved for "trusted partners." Read plainly, that means access to the most powerful general-purpose technology of the era is becoming a privilege that Washington can extend or revoke at will. That is not a market trickling outward. It's an arms race with a gatekeeper. Unlike earlier technologies, AI feeds its own outputs back as inputs and reaches into cognition itself, so the leader's edge compounds and a follower's lag hardens into a structural gap.

In my conversations across Washington this month, the same uneasy picture kept surfacing. Neither India nor Europe sits at the frontier of AI development. China, by contrast, has leaned into open-weight models that are cheaper and easier to adopt, which gives much of the world, India included, a powerful commercial pull towards Chinese systems exactly when the American frontier becomes harder to reach. That pull collides with real concerns about data sovereignty, security, and strategic dependence. India risks being squeezed from both ends: Rationed by Washington at the top, courted by Beijing at the bottom, and fully sovereign at neither.

None of this is a case for fatalism, because India is not starting from nothing. It has the demographic ballast its rivals lack: The world's largest population, a median age under 30, and one of the deepest pools of software talent anywhere. But scale is potential, not power, and soft endowments do not substitute for hard capacity. India still buys its chips rather than making them, and the binding constraints are physical: Advanced semiconductors, reliable energy, data-centre capacity, patient risk capital, and the university-to-industry pipelines that turn talent into frontier research.

To its credit, the government has stopped treating this as a private-sector afterthought. The IndiaAI Mission has built a shared national compute pool that has crossed 34,000 GPUs and is scaling further, with subsidies for startups and universities. It has commissioned a dozen indigenous foundation models, and at the India AI Impact Summit in New Delhi, builders such as Sarvam released competitive open models tuned for Indian languages.

What is still missing is preparation for the contingency this whole episode foreshadows: A future in which a chip generation or a frontier model is simply switched off for India, as Mythos was switched off for the world. That preparation is partly legal, securing binding guarantees of compute and model access rather than goodwill that expires with an election, and deepening ties with Europe and other middle powers that share the predicament. It is partly industrial, accelerating domestic fabrication, power generation, and data-centre buildout so that sovereignty does not rest on imported silicon. And it is partly strategic patience of the right kind, investing now in the institutions, talent, and capital a frontier capability demands, in the knowledge that this is the one race where catching up later is not an option.

The comforting view assumes a long run in which everything equalises. The weaponisation of AI is the warning that there may be no such long run to wait for, only a sequence of short ones in which advantage is banked or lost. India has the people, a credible start, and a narrow, closing window. The question is whether New Delhi treats that window as a horizon or as a deadline.

The writer is with the Observer Research Foundation (ORF)

US gatekeeping will only lead to diffusion

ANIL SASI

AMERICA'S GOVERNANCE of AI is proving whimsical, much like the Donald Trump administration's approach to most other aspects of geopolitics. But its more recent efforts to wall off access to advanced American AI models could end up being counterproductive. Policies designed to further America's lead could encourage foundational AI model developers worldwide to build on Beijing's largely open-source model push and unintentionally catalyse China's rise in AI, while also forcing more cooperation across other jurisdictions such as the EU or Japan. While Trump's increasingly transactional approach has now been legitimised as state policy, its willingness to treat AI as a new source of extraordinary leverage comes with pitfalls in the long term.

So, how fickle is this new US regulatory stance on AI? A departure from its traditional light-touch regulatory strategy, the new American policy seems to be adjusting and improvising, quite like a saxophone player in a jazz quartet, to the arrival of increasingly powerful models with national-security implications. On June 12, three days after Claude Fable 5 was launched, the Trump administration directed Anthropic to exclude foreigners from accessing its latest and most capable frontier AI model. On Wednesday, after an over two-week ban, the US government allowed Anthropic to restore customer access.

Despite this, the signals these actions send are likely to endure: That America is not loath to exploit its role as the gatekeeper to frontier AI while capriciously deciding who gets to use the world's most crucial technology. That the US is willing to ride roughshod over private AI companies, as it did earlier in March when it designated Anthropic a supply-chain risk, and it will not hesitate to treat users pretty much the same way. All this despite the models having been developed entirely by private companies with commercial operations across multiple jurisdictions.

While Trump has consistently upended many established tenets of US foreign policy and appears to be unflinchingly proud of brandishing an unreliable image of America in everything from defence to trade, this administration is by no means an exception. After World War II, the US stopped assisting the UK's nuclear weapons programme, only to relent after the latter developed expertise of its own. It has consistently chosen not to share its best military equipment, like the F-22 fighter jets, even with close allies. Most of this administration's restrictive policy actions do not just affect America's adversaries, but also its closest allies.

Reversing the AI ban likely happened not out of altruism, but because of the realisation in Washington DC that the legal basis of the order was shaky and was unlikely to stand up to challenges in courts.

From a strategic standpoint, though, these restrictions seem even more tenuous. Take America's more recent restrictions focussed on cutting off China. Following export bans that blocked China from accessing advanced semiconductor technologies and space equipment, Beijing has aggressively pivoted to domestic development. In the process, Chinese firms successfully designed and launched their own high-performance chips, specifically testing processors in the 28-nanometre (nm) to 16 nm range, all the way to Huawei's project aimed at producing 1.4-nm chips by 2031. US space restrictions may have restrained NASA and federally funded contractors such as SpaceX from engaging in collaborations with China, but Beijing has managed to build a top-notch space sector that is achieving historic milestones, including retrieving samples from the far side of the Moon and fabricating its own low Earth orbit space station.

America's AI move is anti-innovation, too. Innovation works best through diffusion — like GPS becoming dominant because it was widely available, despite it having started as an American military project. A ban on software is even more untenable than Trump's earlier interventions that blocked access to hardware, such as Nvidia chips.

For the world, the move could force AI companies elsewhere to look for models from other countries or build their own. Countries would now want to cooperate more to overcome this American hegemony in frontier AI. China is already pushing ahead on cost-optimised open-source models and accelerating adoption across its economy; the EU is now fostering cooperation to build sovereign compute while Japan has announced substantial capital investments.

For India, too, it's becoming clear that without a sovereign AI stack, the reliance on foreign tech could be detrimental, despite all the hype around the country's diffusion strategy: Hybrid public-private AI diffusion aimed at deploying AI across healthcare, agriculture, and public services. It makes sense for Delhi to double down on committing to its own foundational models, however imperfect, and then leverage its scale to engage multiple ecosystems simultaneously. That should be the singular takeaway from the US actions on Claude.

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Birthright citizenship survives, but immigrants remain vulnerable

SUMIT GANGULY

IN A 6-3 ruling, the United States Supreme Court has upheld the constitutional commitment to birthright citizenship, thereby affirming the Fourteenth Amendment to the American Constitution. Under its terms, any child born in the United States (except for those of foreign diplomats), regardless of the citizenship status of the parents, is deemed to be an American citizen. The decision, from a Supreme Court that has given the US President a series of legal victories, came as a major blow to Donald Trump, who has been railing against this constitutional right.

Trump's hostility to this right stemmed from his stated commitment to limit immigration, both legal and illegal, to the US. More specifically, he was hostile to the principle of birthright citizenship because he and several of his advisers argued that it was being routinely abused. In their view, pregnant women from any number of countries were deliberately traveling to the US to give birth to their children in order to obtain American citizenship for them.

The evidence for such claims is scant. For example, of the 3.6 million children born in the US, a mere 9 per cent or 320,000 were born to parents who were illegal immigrants or had temporary protection as their immigration status was being adjudicated in US courts. These numbers hardly constitute a surge and, in any case, the mothers of most of these babies were already in the US, whether legally or otherwise. They had not specifically come to the US to give birth. Trump, who rarely accepts political or legal defeats with good grace, is now appealing to Congress to introduce legislation to override the decision.


ILLUSTRATION: TANUSHRI MITRA

The prospects of any such legislation, which would require a constitutional amendment, are dim at best. To pass it would require a two-thirds majority vote in each of the two chambers, the House and the Senate. Subsequently, three-quarters of the states would have to ratify it. The current or even likely future political maps offer little or no hope for such an outcome. Constitutional amendments are notoriously difficult to pass.

Does this decision have any significance for Indians legally working in the US, who are, nevertheless, not permanent residents or citizens? To some degree. Children of H-1B visa holders born in the US will now remain eligible for American citizenship and will not need to fret about their status.

That said, the administration is unlikely to relent in its pushback against immigration. Despite pleas from the Government of India as well as American firms, it has not relented on the high fees that it imposed on American employers. As of September 1 of last year, American employers wanting to bring in a worker from abroad on the H-1B visa programme will be compelled to pay $100,000. Since India was the recipient of close to 70 per cent of these visas, the impact on prospective Indian visa seekers will be disproportionate. A federal judge struck down the order in June, declaring it to be an unlawful tax that can only be imposed by Congress, but the Trump administration will appeal the decision.

Beyond the issue of citizenship and visas, Indians and even Indian Americans have cause for concern. Systematic statistical data on hate-related crimes against them is not readily available, but according to a recent, reliable survey, as many as 27 per cent of Indian Americans feel that they are now the objects of discrimination while 25 per cent of permanent residents reported the same sentiment. Since this was a nationwide sample, it does not reveal regional variations. Some anecdotal evidence, however, suggests that even in America's Silicon Valley, hostility towards people of Indian origin working in the high technology sector is growing.

The rise of anti-immigrant sentiment both within the current administration and in American society is disturbing, especially since the US is a land of immigrants, barring the marginalised native American population. Sadly, hostility to immigrants is not new in the US. In the mid-19th century, in the wake of the Irish potato blight, thousands of impoverished immigrants turned up on America's shores, and faced blatant discrimination and hostility when they landed in major urban centres such as New York City. Such attitudes persisted for years before people of Irish origin were assimilated into American life and society.

Compared to those of Irish descent, Indian Americans are a small fraction of the American population. There are nearly 40 million who are of Irish ancestry, while there are slightly over 5 million Indian Americans. Yet, as recent immigrants who are non-White and mostly of other faiths — as opposed to the numerically dominant Christians — they can easily become the object of scapegoating. Common tropes suggest that anti-immigrant sentiment toward Indian Americans stems from the belief that they are unfairly seizing job opportunities and are abusing the visa system. Sadly, the current administration has done little to quell these fears and has instead fanned them. Though profoundly disturbing, hopefully these sentiments are only the latest version of anti-immigrant bigotry and will abate over time.

The writer is a senior fellow and directs the Huntington Programme on US-India Relations at the Hoover Institution, Stanford University

Kabir, the rationalist we must rediscover

ADITI NARAYANI PASWAN

RECENTLY, THERE has been a renewed interest in Indian Knowledge Systems (IKS). When one talks of IKS, one immediately thinks of classical Sanskrit texts. There is no denying the value of these traditions, but our understanding of IKS should also include literature from people at the periphery. Otherwise, we miss the chance to understand the empirical and far more people-centric, democratic branch of Indian philosophy, engineered not by academic elites but by a 15th-century working-class weaver from Varanasi named Kabirdas.

A towering force in India's intellectual history, Kabir fused absolute non-dualism with the practicality of ancient yoga. Through his *nirguna bhakti*, he democratised the search for truth. His life and work are the ultimate proof of how IKS can be applied in everyday life.

Kabir's contribution to Indian thought was his approach to *pramana* — the philosophical concept of valid evidence and authority. Since ancient times, orthodoxy had clung to *shabda pramana*, which treats scriptural authority and mastery of these texts as the only gateway to the truth. Kabir broke the barrier by replacing scriptural compliance with *anubhuti* — direct experience, making use of the senses. This marked a tectonic shift in how knowledge was understood. For Kabir, knowledge was not an inheritance one derives at birth, nor something to be memorised or restricted to specific ghettos. It was a reality to be actively tested, lived, and made accessible to all.

Historian Purushottam Agrawal demonstrates in *Akath Kahani Prem Ki* argues that in Kabir, the "weaver" represents a confluence of robust "indigenous modernity" and "spiritual universalism". For Agarwal, Kabir represents the voice of a dynamic, reflective public ethos. Kabir's voice is unique: He prioritises individual agency, placing morality over vapid institutional labels.

One of Kabir's most famous verses goes: "Jhini jhini bini chadariya, kahe kai tana kahe kai bharni, kaun tar se bini chadariya.(Finely, so finely is the cloth woven; what is the warp, what is the weft, and with what thread is the body woven?)." In these lines, he turns manual labour into a sacred act of cosmic inquiry. One can see the confluence of two streams here: The absolute non-dualism (*advaita*) of the Upanishads and the practical, bodily training of the Nath Sampradaya and Hatha Yoga.

Kabir's democratic vision of humanity is seen in his point that every human has the same physical and internal infrastructure, irrespective of gender or creed. To deliver these truths, he chose *Sadhukkari* — a rustic, vibrant blend of regional vernaculars. Also, Kabir frequently utilised *ulatbansi*, upside-down or paradoxical verses designed to shock the listener and awaken them from their slumber. He regularly targeted the conceptual category of *maya*, the grand illusion that distorts human perception.

Kabir's combination of rigorous empirical testing and passion for radical equality explains why modern reformers, most notably B R Ambedkar, claimed him as one of their primary intellectual gurus. Ambedkar recognised that Kabir was instrumental in foregrounding a deeply rational, scientific temper within the Indian tradition.

After grasping the essence of Kabir's compositions, one understands that true knowledge is a universal fabric, and its potential lies in how well it binds together substantive equality, lived truths, and radical empathy for all living beings to ensure a dignified living experience.

The writer is associate professor, Dr Ambedkar International Centre

LETTERS TO THE EDITOR

Mamdani model

AMERICA HAS never been inherently conservative in a cultural sense ('Can Mamdani effect break through cultural barriers of American conservatism?', *IE*, July 2). What appears as conservatism is rooted in the material conditions shaped by its capitalist system. In the 1930s, amid the Great Depression, significant working-class radicalism emerged, yet communist votes remained limited. This was not due to voter conservatism but because the ruling class, facing pressure and the example of the USSR, offered concessions like the New Deal, Social Security, and later Medicare. These measures, funded by imperialist super-profits, effectively bought social peace and integrated large sections of the working and middle classes into the system. Today, with capitalism in crisis — marked by militarisation, declining hegemony, and attacks on welfare under figures like Trump — the system's capacity to buy social peace has weakened. This explains the surge in support for DSA-style politics and leaders like Zohran Mamdani.

Manu Kant, via email

Citizenship quagmire

WHAT STANDS out is how uncertainty itself becomes a tool of pressure, regardless of the court's final word ('Trump could use new tools after court snub', *IE*, July 2). Long-term visa holders now live with an added anxiety about their children's status. India's diaspora bodies should actively counsel affected families on legal safeguards rather than leave them to rumours. Bilateral channels could also raise this concern quietly, given the size of the Indian community involved. Predictability in immigration policy benefits both India and the United States, and abrupt shifts serve neither the economy nor the goodwill of the diaspora.

Abbharna Barathi, Chennai

Soil health

THE ARTICLE rightly highlights that soil health is the foundation of sustainable cotton production ('India's cotton farms need better soil, not just new GM seeds', *IE*, July 2). New seed technologies alone cannot overcome the challenges posed by declining soil organic matter, nutrient imbalance, and water stress. Farmers need greater support for regenerative farming practices, including organic carbon enhancement, balanced fertilisation, and efficient irrigation. Scientific innovations should complement, not replace, sound agronomic practices.

Sharad Shinde, Ahilyanagar

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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

Scams, spoofing: Govt's concerns over WhatsApp's username feature

Soumyarendra Barik
New Delhi, July 2

THE CENTRE has asked Meta-owned WhatsApp not to roll out its upcoming username feature over concerns of impersonation and fraud. In a notice issued to the company on Wednesday, the IT Ministry has given WhatsApp three days to furnish a detailed explanation of the feature.

This week, WhatsApp announced it would gradually allow users to select a username and hide their phone numbers when contacting another user for the first time. It is currently allowing users to "reserve" a username to avoid overlaps with others. It is an optional unique identifier that can be used to message or call, while keeping a user's phone number private. Messaging services like Telegram and Signal have similar features.

Though the company is billing the feature as one making WhatsApp conversations more private, some are concerned that bad actors could use it for impersonation. WhatsApp earlier clarified in response to the government's notice that it had built safeguards around the feature.

Username as identity

In its notice, the government is understood to have told WhatsApp that the feature may materially increase the incidence of online fraud, phishing and digital arrest scams. The government has also flagged that the feature may facilitate impersonation of public authorities and government agencies, by permitting the adoption of usernames closely resembling those of genuine people and institutions.

Senior government officials said a risk assessment of the new feature would be undertaken. "During our internal assessment and subsequent questioning of WhatsApp, if we do not think there are enough guardrails to protect against impersonation, the government may also look into whether the feature's rollout should be stopped altogether," an official said, requesting anonymity.

PRIVACY CONCERN

- WhatsApp says the feature, which will allow contact through usernames instead of phone numbers, secures privacy.
- But it could potentially enable bad actors to misrepresent their identities, opening another avenue for scams.

India is WhatsApp's biggest market, with over 850 million users. Some in the Indian tech community had also criticised the feature. Mobikwik's CEO Bipin Preet Singh said on X: "Not a good idea at all. Will lead to proliferation of fraud and impersonation. For example, I checked, most variations of my name already taken. Wonder what can it be used for."

WhatsApp's defence

A WhatsApp spokesperson said that to protect against impersonation, the company has held high-profile names of public figures, government entities and celebrities.

"Users still require a phone number to use WhatsApp and we've built multiple layers of defense against scams into usernames: Other users need to know the exact username to message you, we will limit how many new people an account can contact... and have systems to detect and remove activity showing common impersonation and abuse patterns," they added.

In an earlier blog post announcing the feature, WhatsApp said: "Usernames are our latest step to make WhatsApp even more private. There's no directory to browse and no suggestions". As an added safety feature and to allow users to control who can reach them on WhatsApp with their username, the platform has built an optional numeric key that others will need to know to message a user.

"When you message someone for the first time who doesn't have you saved in their contacts, we might share whether your phone number is registered in a country different from theirs to help them know who they're connecting with so they can stay safe and avoid unwanted contact," WhatsApp said.

The feature has not yet been rolled out. For creators, small businesses, and organisations that may want to maintain a consistent presence online, WhatsApp will allow an option to claim their existing Instagram or Facebook username on WhatsApp. The company said it takes impersonation-related abuse "seriously," and will take action against users who may pretend to be someone else.

• RAM TEMPLE DONATION ROW

How temples deal with donations

India's biggest temples have similar processes to handle donations. What differs are the institutions governing these systems

DEEPTIMAN TIWARY

EVERY DAY, thousands of devotees fold currency notes into temple *hundis* (donation boxes) believing the offering has reached the deity.

What follows is a donation handling chain that is broadly similar across India's biggest temples. Offerings are removed by authorised personnel, shifted to counting centres, segregated into cash, coins and valuables, counted, and recorded before being deposited into designated bank accounts. The entire process is under CCTV surveillance.

The recent allegations of theft of donations at the Ram Janmabhoomi Temple in Ayodhya have brought this invisible chain into public view. But Ayodhya is far from the country's only temple handling massive offerings. Shrines such as the Sri Venkateswara Swamy temple in Tirupati, the Jagannath temple in Puri, Vaishno Devi temple in Katra, Siddhivinayak temple in Mumbai and Kashi Vishwanath in Varanasi receive hundreds of crores in donations every year, besides tonnes of gold, silver and jewellery.

Where temples differ is not in the journey of the donation but in the institutions governing the handling process. We examine the donation systems, oversight mechanisms and governance frameworks at five of India's biggest temples and compare them with those at the Ram Temple.

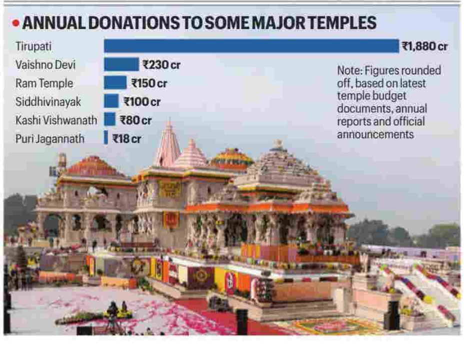
RAM TEMPLE: At the Ram Temple in Ayodhya, donations from about 35 *hundis* are opened by authorised personnel, including trust officials and a State Bank of India (SBI) representative, and taken to a counting hall inside the pilgrim facilitation centre. There, counting staff outsourced by SBI and trust staff count cash and jewellery under the supervision of retired banker Subhash Srivastava, while overall responsibility for the donation process rests with trust member Anil Mishra. Once verified, the collections are deposited into the trust's SBI account.

TIRUPATI: Few religious institutions in the world process donations on the scale of the Balaji temple, and its famed 'Parakamani system' has evolved accordingly. Permanent Tirumala Tirupati Devasthanams (TTD) finance personnel, representatives of nationalised banks, and vetted volunteers — mostly serving or retired government and bank employees — work together to process donations under a CCTV network monitored by the temple's vigilance wing. People, wearing pocketless clothes, are frisked before entering and leaving the counting hall. Cash movement is secured through armoured transport under escort, while access to different stages of the process is segregated among finance officials, vigilance staff, bank representatives and volunteers.

JAGANNATH: At Puri, *hundis* are opened under the supervision of the temple administrator or an authorised gazetted officer, while a member of the Managing Committee serves as an independent witness.

Each *hundi* is sealed before and after opening, entries are made in statutory forms, and CCTV monitors the handling of donations. Designated accounts staff maintain statutory registers for cash and valuables before bank deposits are made. The temple has also expanded official donation channels through payment gateways and Odisha's digital *hundi* initiative.

• ANNUAL DONATIONS TO SOME MAJOR TEMPLES



Note: Figures rounded off, based on latest temple budget documents, annual reports and official announcements

The Ram Temple in Ayodhya on its consecration day in January 2024. PIB

• Systems in the states

TAMIL NADU: The Hindu Religious and Charitable Endowments Department, established under the Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959, administers over 40,000 temples.

ANDHRA PRADESH: The Tirumala Tirupati Devasthanams (TTD) is an independent trust that manages the Sri Venkateswara Temple and several allied temples. The government appoints its Board of Trustees and Chief Executive Officer.

KERALA: The Travancore Devaswom Board, constituted in 1950, manages over a thousand temples, including the Sabarimala Temple.

UTTAR PRADESH: Following a major temple theft in January 1983, the UP Sri Kashi Vishwanath Temple Act was enacted by the then Congress government. A Board of Trustees was entrusted with its management, with a government-appointed CEO.

JAMMU & KASHMIR: A state government-appointed body manages the Vaishno Devi temple.

VAISHNO DEVI: At Vaishno Devi, donation handling mirrors the shrine's corporate-style management. Donation boxes are opened by committees comprising accounts officers, area managers, and security personnel rather than individual trustees or religious functionaries. Finance, security and operations are handled by specialised administrative departments under the Shrine Board. Given the mountainous location, the Board uses battery vehicles and, when required, helicopters, to move valuables.

SIDDHIVINAYAK: Here, independent oversight begins at the counting table itself. According to treasurer Pawan Tripathi, the main *hundi* is opened every Thursday in the presence of an executive officer, a trustee, a bank representative, and an auditor under CCTV surveillance, ensuring multiple independent stakeholders witness every stage of the counting. Devotees also have access to official banking and digital donation channels.

KASHI VISHWANATH: At Kashi Vishwanath, the district administration is part of the accountability chain. The temple's 56 donation boxes are opened under the supervision of a Sub-Divisional Magistrate, while counting takes place in the presence of bank officials and a retired gazetted officer.

Deposit receipts are generated for every transaction to create an audit trail. Jewellery is valued by government-approved appraisers before being taken into custody.

How Ram Temple stands apart

Most of India's older major temples are administered under dedicated legislation enacted by state governments. TTD functions under the Andhra Pradesh Charitable and Hindu Religious Institutions and Endowments Act, the Jagannath Temple under the Shri Jagannath Temple Act, the Shri Mata Vaishno Devi Shrine under the Jammu and Kashmir Shri Mata Vaishno Devi Shrine Act, the Siddhivinayak Temple under a Maharashtra law governing its trust, while the Kashi Vishwanath Temple is administered under the Uttar Pradesh Shri Kashi Vishwanath Temple Act.

These laws create the governing bodies, define the powers of administrators, prescribe financial procedures, provide for government oversight and statutory audits, and in some cases lay down detailed rules for handling donations.

The Shri Ram Janmabhoomi Teerth Kshetra functions through a trust deed rather than a dedicated statute governing the administration of the temple. Day-to-day management, including appointments and financial administration, rests with the trust.

Another point of departure is the composition of the management. In several older temples, key financial processes involve executive officers, statutory administrators, government nominees, magistrates, auditors, or other public officials whose responsibilities are defined under law.

At the Ram Temple, many of the key office-bearers associated with donation management — including General Secretary Champat Rai, trust member Anil Mishra, administrator Gopal Rao, and donation supervisor Subhash Srivastava — have long associations with the RSS or its affiliates. Responsibility for administration is therefore concentrated within the trust structure rather than distributed across a broader statutory administrative framework.

The distinction assumes significance because a private internal audit commissioned by the trust within months of its formation identified weaknesses in the administrative framework.

Unlike many temple boards, the Ram Temple trust is not subject to mandatory financial audits by the state or central governments. Questions relating to public audit and oversight of the trust's finances have also reached the courts. The trust has not publicly disclosed whether the recommendations contained in the 2020 audit were fully implemented.

When systems are tested

No major temple has been untouched by controversy. Tirupati has over the years tightened access controls, vigilance, and surveillance after instances of theft involving employees and volunteers. At Jagannath, the Ratna Bhandar dispute centred on the custody and inventory of temple valuables, eventually leading to court-directed scrutiny and fresh inventories.

At Kashi Vishwanath, efforts have increasingly focused on routing donations through official channels rather than direct offerings to priests, while Siddhivinayak has periodically faced scrutiny over governance and financial management.

The allegations at the Ram Temple are still under investigation and no conclusions have been reached. But the experience of India's older temples suggests institutional safeguards are rarely built overnight.

The traditional models to manage temples, state's role

SHYAMLAL YADAV

THE RECENT allegations of embezzlement of offerings and donations at the Ram Janmabhoomi Temple in Ayodhya have brought its management into focus. The Shri Ram Janmabhoomi Teerth Kshetra Trust was formed in 2020, when the Union Cabinet cleared the way for its establishment.

With reports of irregularities, Ram Temple Construction Committee Chairman Nripendra Mishra has advocated for appointing a CEO to manage trust affairs. On the other hand, the Vishwa Hindu Parishad, the main driving force behind the Ram Temple movement, has called for 'liberating' temples across the country from government control.

Temples and their assets

There are no official figures for Hindu temples in India, but estimates put the number at around 10 lakh. Most of these are small village shrines or modest structures maintained by local communities, families or hereditary priests who take the offerings and donations. A significant number of large temples own substantial properties and receive large donations from devotees. Charitable trusts often manage temples. Significant donations in the form of cash offerings and goods in kind are mostly unaccounted for.

Three main traditions of temple management

Temples are managed through diverse systems, primarily under three traditional models, with varying degrees of government involvement:

1. FAMILY MANAGEMENT ('PANDAS' AND PRIEST FAMILIES)

The majority of temples are managed by specific families or hereditary priest lineages known as *pandas* or *pujaris*. Offerings, donations and ritual responsibilities traditionally belong to them. When multiple families are involved, control often rotates.

A notable example is the Udupi Sri Krishna Mutt in Karnataka. It is administered by the *Ashta Mathas* or eight monasteries founded by the 13th-century saint Madhvacharya. Each *matha* manages temple administration and rituals for two years; thus, the next cycle for a *matha* comes only after 16 years.

2. MAHANT SYSTEM

Here, a single spiritual head (mahant, mathadhish or pithadheeshwar) holds prime authority. The mahant exercises control over temple assets, properties, offerings, and administration and typically appoints or nominates his successor.

A prominent example is the Gorakhnath Math in Gorakhpur, UP, headed by Chief Minister Yogi Adityanath, who was appointed by the late Mahant Avaidyanath. Similar successor-based systems operate in the Shankaracharya *mathas*.

3. AKHADA (PANCHAYATI) SYSTEM

Akhadas are autonomous organisations of *sadhus*. These are often in the limelight during the Mahakumbh, where they are prioritised for the holy dip according to their relative status. *Akhadas* function as collective bodies, often with elected or consensus-based heads and also called "Panchayati Akhada". They appoint priests, oversee rituals, and control donations.

Government's role in managing temples

The British introduced the Religious Endowments Act in 1863, which handed over control of temples to committees set up under the Act. However, the government retained considerable influence through other legal provisions.

In 1925, the Madras Hindu Religious Endowments Act empowered provincial governments to legislate on endowments. Its powers gradually expanded to include oversight, even allowing takeover of the temple management. After Independence, the 1925 Act became the blueprint for various state laws.

Article 25(2) of the Constitution empowers the state to regulate or restrict "any economic, financial, political or other secular activity which may be associated with religious practice" and to enact laws for social welfare and reform.

This provision is the basis for state legislation governing temple endowments. Muslims and Christians manage their places of worship and religious institutions through community-run boards or trusts.

Apart from government-appointed bodies playing a role in temple management, they also pay salaries to priests and ensure that offerings and donations are deposited into dedicated accounts. States also use part of the income from offerings at large temples for the administration and upkeep of those and smaller temples, and for non-temple welfare activities.

• BUSINESS

Sanae Takaichi's visit: What India and Japan can do to boost their business ties

EXPERT EXPLAINS

AJAY SINGH

TOKYO-BASED ENERGY & SHIPPING EXECUTIVE WHO HAS WORKED AT THE SENIOR-MOST LEVELS OF JAPANESE INDUSTRY.

A STATISTIC often cited to illustrate the underperformance of India-Japan business relations, despite the otherwise flourishing strategic partnership, is the number of Japanese companies operating in India — 1,500. Thailand, in contrast, has around 6,000 Japanese companies.

Of the 1,500 in India, just 1% account for over half of all business. And most of this business, in turn, comes from a single sector — automobiles — thanks largely to the early commitment to India by Suzuki Motor Corporation in the 1980s.

However, more Japanese companies than ever before are now making efforts to do business in India, noticing the steady growth of the Indian economy despite global challenges, and realising that India offers stability in an increasingly uncertain world.

There is a subtle but telling shift in that a small number of the best Japanese corporations are now sending their most capable Japanese staff — a precious resource — to explore opportunities in India. There has been much investment in real estate, technology startups and steelmaking. Prime Minister Sanae Takaichi has brought welcome support to Indo-Japanese clean energy partnerships, among others. The fruits of all these endeavors will be visible in the coming years.

How Japanese firms can adapt

Japanese firms' most valuable assets when it comes to doing business in India are perseverance and resilience. To these they must add adaptability and the ability to develop strong Indo-Japanese teams.

The key to success in India — as in the case of Maruti Suzuki, Reliance's Jio telecom service and others — is to provide products and services suited to Indian conditions, competitively priced and produced on a large scale; quality is vital but must come at a price the consumer is willing to pay.

Many Japanese companies insist on applying traditional Japanese ways of doing business in India — whether it comes to product designs or speed of response to customer requests — and lose out to more nimble competitors, including Indian ones.

Many Japanese corporations have become accustomed to operating in China which efficiently 'packages' everything necessary to 'plug and play' in the country — from industrial plots to construction contractors to trained workers to well-developed vendor bases to seamless logistics.

In India, foreign companies have to figure things out for which hiring and motivating capable Indian staff is essential. Japanese companies often make local hiring decisions based on a compliant attitude rather than one needed to win in a tough market and to develop a better understanding of India. The latter occasionally entails challenging entrenched cost structures or inefficient business processes or nudging mid-level managers at Tokyo headquarters outside their comfort zones.

It is almost unheard of for Indians to head even the India operations of Japanese multinationals, let alone taking global responsibilities. In contrast it has been commonplace for decades for Western multinationals to recruit the best talent in India, provide it with the same career opportunities as anyone else, promote based on globally-benchmarked merit and deploy it globally.

As a result, Japanese companies rarely attract quality Indian talent. The solution to these problems lies in reform within Japanese corporations.

What Indian companies can do

Although the governments of India and various states, industry associations and the like actively market India to Japan, it would be helpful to focus more deeply and actively support Japanese investors in India, especially first-timers in select sectors.

Partnerships utilising all available capabilities — not only government agencies — to create support structures that can deliver results on the ground are needed.

Corporate India would benefit by engaging with Japan more strategically and intensively. It is rare to find an office in Tokyo of even the biggest names among Indian firms, or even a part-time local advisor. Consequently, there is a lack of understanding of the Japanese mindset and of how business can be developed here.

Indian companies still look for old fashioned 'collaborations' or 'transfers of technology' in return for enabling 'access' to the Indian market by navigating bureaucratic complexity; this does little justice to India's image, achievements and potential.

The Japanese are swayed less by the prospect of high profit or growth — important though these are — and more by their estimation of the people they may do business with. The ability to listen, to develop shared understanding, to stand by one's commitments and to let achievements — not words — speak for oneself, are the behaviors that are respected. I believe Indian corporations can fruitfully leverage reciprocal opportunities to bring their products and services to Japan or jointly to third countries, and develop partnerships with Japanese firms to enhance their own research & development and other capabilities. Japanese firms, on an average, spend over 4% of their revenues on research and development compared to the Indian average of under 1%. This is why, despite its much smaller population and lack of natural resources, Japan remains a top global economy.

SUSTAINED RELIANCE ON THERMAL POWER ALSO PUSHED COAL CONSUMPTION ABOVE SUPPLIES

Reliance on coal soars as weak rains drag hydro output by 19.5%

Pratyush Deep
New Delhi, July 2

THE COUNTRY is leaning more heavily on coal to meet surging electricity demand this summer, as rainfall deficit has squeezed hydropower output. Hydro generation fell 19.5% year-on-year (y-o-y) to 13,361.96 million units (MU) in June, down from 16,593.07 MU a year earlier, according to data from the National Power Portal.

At the same time, coal-fired generation climbed to 117,677.69 MU in June 2026, the highest for the month in the past three years. That was 13.9% higher than June 2025, 3.9% above June 2024, and 14% higher than June 2023.

Coal-fired generation increased amid a 40% rainfall deficit in June, while the India Meteorological Department (IMD) has forecast below-normal rainfall for July as well. The weak monsoon has also kept electricity demand elevated for cooling and irrigation, pushing peak power demand to 264.76 gigawatts (GW) in June.

This year's situation stands in contrast to last year, when hydroelectric power played a crucial role in meeting evening peak demand during summer when solar output drops. However, rainfall deficit has altered the equation. With hydro generators prioritising reservoir conservation, grid operators are relying more on thermal sources in providing flexible peak-hour generation.

Stress on coal power

Throughout the April-June period this year, coal-fired generation has remained elevated, with output climbing to 352,725.38 MU — the highest for the period since 2023. The sustained reliance on thermal power also pushed coal consumption at power plants above supplies during the first two months of the quarter.

Latest data from the Central Electricity Authority shows the country's 223 GW thermal fleet consumed 156.8 million tonnes (mt) of coal during April-May 2026, against supplies of 147.2 mt, resulting in a drawdown in inventories.

The higher thermal generation reflected the need to meet sustained demand from elevated night-time temperatures and agricultural consumption amid a monsoon rainfall deficit, a senior official said.

However, coal supplies to the power sector gathered some pace in June, with dispatches by Coal India Ltd (CIL) — the country's largest coal miner — rising 7.5% y-o-y, according to company data.

That marked a sharp acceleration from the 2.2% growth recorded in May, indicating stronger coal movement to power plants as thermal generation remained elevated. Notably, CIL accounts for about 83% of the coal supplied to the power sector in India, while nearly 80% of its total offtake goes to power utilities.

Grid operators turn to gas-based power

The sluggish progress of southwest monsoon has also prompted the country's top grid operator to turn to expensive gas-based power this summer. On June 29, Grid Controller of India (Grid India) issued an advisory asking gas-based power stations to plan fuel procurement arrangements, anticipating the need for additional gas-fired generation for 10-15 days in July.

The assessment is based on projected demand, planned and forced outages of generating units, hydro, renewable generation profiles and present weather information available on IMD, the advisory read. Similar advisories were issued for June as well. This comes as the conflict in West Asia has cast a shadow over fuel availability for gas-based power plants this year. During April-June period, gas-based power generation fell to 6,594.81 MU from 8,794.35 MU in the same period last year, marking a 25% y-o-y decline. Even though gas-based power accounts for only a small share of India's overall generation mix, it plays a crucial rebalancing role during evening peak hours.

• COAL POWERS AHEAD AS HYDRO OUTPUT WEAKENS

Coal generation

Year	2023	2024	2025	2026
Coal power generated in June (MU)	103,250.93	113,292.29	103,293.11	117,677.69
June 2026 performance	+14.0%	+3.9%	+13.9%	—
Coal power generated in April-June (MU)	315,243.90	349,531.08	325,521.71	352,725.38
April-June 2026 performance	+11.9%	+0.9%	+8.4%	—

Hydro generation

Year	2023	2024	2025	2026
Hydro power generated in June (MU)	14,134.76	13,748.56	16,593.07	13,361.96
June 2026 performance	-5.5%	-2.8%	-19.5%	—
Hydro generation in April-June (MU)	34,364.97	34,117.28	39,438.02	36,861.99
April-June 2026 performance	+7.3%	+8.0%	-6.5%	—

NOTE: MU IS MILLION UNITS
SOURCE: NATIONAL POWER PORTAL

EMPLOYEES' PROVIDENT FUNDS SCHEME, 2026

New withdrawal rules, same PF contribution rates

Aanchal Magazine
New Delhi, July 2

THE MINISTRY of Labour and Employment has notified Employees' Provident Funds Scheme, 2026, in line with the Code on Social Security, replacing the Employees' Provident Funds Scheme, 1952. The recent decisions taken by the retirement fund body, Employees' Provident Fund Organisation (EPFO) regarding partial withdrawals, streamlining of withdrawal categories, have been incorporated in the new scheme along with an explicit mention about mandatory and voluntary contributions above the statutory wage ceiling.

For contract workers, the concept of 'principal employer' has been introduced in the scheme for the first time. This is in line with the provisions of the labour codes.

The EPF Scheme, 2026 states that the employer will be required to pay both the employer's contribution and the employee's contribution, in the first instance, along with administrative charges or other fees for an employee directly employed by the employer or through a contractor (not registered independently), within 15 days of the close of every month.

In cases where the PF payment is made by the contractor, the ultimate responsibility for contributions will be with the principal employer.

Changes in scheme

In October 2025, the EPFO announced a slew of changes to its withdrawal norms by streamlining the withdrawal categories from 13 to three — essential needs (illness, education, marriage); housing needs; and special circumstances — along with an introduction of a minimum balance of 25%.

The new EPF Scheme, 2026 incorporates those changes by allowing members to withdraw funds in case of illness of self and family members, up to 100% of the eligible member balance, after completion of 12 months of total membership of the Fund. The 100% eligible member balance means withdrawal of 75% of the total funds as 25% is mandatory minimum balance requirement. The full 100% amount can be withdrawn after remaining unemployed for one year.

Members can also withdraw for the education of self and family members, an amount up to of the eligible member balance, after completion of 12 months' total membership of the Fund. Partial withdrawal cannot exceed 10 times during the membership. For the marriage of self and family members, an amount up to 100% of the eligible member balance can be withdrawn, and partial withdrawal cannot exceed 5 times during the membership of the Fund.

For housing-related requirements, a member may be allowed partial withdrawal from the Fund for purchase of a flat, house; site for construction of a house; construction of a house; repayment of a home loan obtained for purchase, construction of a flat or house or for acquisition of a site; and additions, alterations, renovations or improvements to an existing house or flat. The condition is that such withdrawals will be limited to 75% of total funds after completion of 12 months of total membership in the Fund and partial withdrawal not exceeding five times during the membership.

"Members will be able to make partial withdrawals under simplified rules for essential needs such as illness, education and marriage, as well as for housing requirements and other specified special circumstances, subject to prescribed conditions and maintenance of a minimum balance of 25% of aggregate of total contributions to the Fund," Puneet Gupta, Partner, People Advisory Services, EY India said.

What remains the same in the scheme?

The rate of contribution remains the same from the previous scheme at 12% and 10% for certain notified establishments. As per the existing scheme, the rate of contribution is mandatory till the wage ceiling. The EPF Scheme, 2026 requires provident fund contributions at 12% of wages from both the employer and employee and specifically provides that where wages exceed the statutory wage ceiling, mandatory contributions will be restricted on the wage ceiling amount, Gupta said. "Employees may, however, opt to make voluntary contributions either on wages exceeding the statutory wage ceiling or at a rate higher than the prescribed 12%. Employers also have the option to make matching contributions against such voluntary contributions," he added.

FULL REPORT ON
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• REVISED SCHEME

- The concept of 'principal employer' for contract workers has been introduced in the scheme for the first time, in line with the labour code provisions
- Under the EPF Scheme, 2026, employers must deposit both employer and employee EPF contributions, along with administrative charges, within 15 days of the close of every month

SHARES DROP 4% AFTER THE ANNOUCEMENT

BoB settles overseas court cases with UAE's NMC, pays Rs 5,700 cr

George Mathew
Mumbai, July 2

LONG-STANDING insolvency-related disputes involving Bank of Baroda (BoB) and the NMC group of companies of the UAE, have been settled out of court with the Indian lender paying $600 million (around Rs 5,700 crore) to the joint administrators of the firm — ending a series of proceedings spanning multiple jurisdictions.

BoB shares fell 4.18% to Rs 260.15 on the exchanges after the bank made the announcement on Thursday.

Once listed in London, NMC in 2020 revealed over $4 billion in hidden debt, leaving many UAE banks and other lenders with heavy losses. BoB had lent $250 million to NMC and its founder BR Shetty who later backed away from providing collateral.

The Mumbai-headquartered public sector lender came into the picture after NMC's joint administrators alleged that the bank facilitated financing arrangements by processing or extending credit based on fictitious invoices and undisclosed borrowings, enabling the firm's management to conceal its true financial position. They sought billions of dollars in damages from BoB. The bank, on its part, denied the allegations in court.

BoB had lent $250 mn to NMC & its founder who backed away from providing collateral. REUTERS

Now, as a consequence of the settlement, the proceedings before the Abu Dhabi Global Market courts have been formally discontinued. NMC Health PLC, NMC Healthcare Ltd, NMC Holding Ltd and their respective joint administrators have settled all claims and disputes with BoB.

The agreement resolves all claims, causes of action and related matters between the parties without any admission of liability or wrongdoing by either side, BoB said in an exchange filing.

The parties emphasised that the settlement has been reached on a confidential basis, with all other terms of the agreement remaining undisclosed. The payment was settled through the Abu Dhabi branch of the bank.

The announcement further clarified that the bank's liability in the proceedings is limited to the agreed settlement amount, bringing certainty to one of the most closely watched insolvency-related disputes arising from the collapse of the NMC group. Additionally, the related proceedings before the English courts are currently being discontinued, effectively bringing the litigation to an end across both jurisdictions, the filing said.

NMC Health was founded by India-born BR Shetty.

In 2020, it collapsed after investigators discovered billions of dollars of previously undisclosed debt and alleged financial irregularities. The firm, with $6.6 billion of debt, entered administration, and administrators sought to recover losses from various parties they believed were involved or responsible.

Allegations emerged from a large-scale accounting fraud that allegedly concealed billions of dollars in debt over several years.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

Mehli Mistry exits Tata's investment firm board

George Mathew
Mumbai, July 2

MEHLI K Mistry, a close associate of the late Ratan Tata, has resigned as a director of RNT Associates Pvt. Ltd, the investment firm founded by the former Tata Sons and Tata Trusts chairman.

Mistry, one of the executors of Ratan Tata's will, cited preoccupation with other commitments as the reason for stepping down

Established in March 2009, RNT Associates is a privately held investment firm of Ratan Tata with offices in India and Singapore. The firm focuses on funding startups and early-stage enterprises across industries including venture, advisory, financial services, social inclusion and technology. Its board includes Ratan Tata's half-sisters Shireen Jejeebhoy, Deanna Jejeebhoy, Jamsheed Poncha and Siddharth Sharma.

Mistry's departure comes amid a broader wave of governance and leadership changes across Tata-linked institutions over the past several months.

The move follows recent changes in the governance of key Tata philanthropic entities.

In October 2025, Mistry stepped down as a trustee of Sir Ratan Tata Trust, Sir Dorabji Tata Trust and Bai Hirabai Navsari Charitable Institution Trust after his reappointment to their boards was not approved by other trustees. Tata Trusts, which holds a 66% stake in Tata Sons, are among the principal philanthropic bodies associated with the group and play a crucial role in overseeing charitable initiatives and holding stakes in Tata Sons. Despite these changes, he continues to serve as a trustee of the Tata Education and Development Trust.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

FM meets French biz leaders, seeks investment in India

New Delhi: Finance Minister Nirmala Sitharaman Thursday held separate meetings with senior executives of global banking major BNP Paribas and transport solution provider Flying Whales, during which she highlighted India's investment opportunities and startup ecosystem. In a meeting with Flying Whales president Sebastien Bougon in Paris, she welcomed the firm's interest in establishing its ecosystem in India.

"She informed Bougon about the opportunities in India for a company like Flying Whale and encouraged him to engage with the vibrant startup ecosystem operating in this space," the finance ministry said on X. Sitharaman, who is in France, also highlighted opportunities available in India for firms such as Flying Whales and pointed to the framework available at the International Financial Services Centres Authority in GIFT City for ship and aircraft leasing as well as Maintenance, Repair and Operations, which could be leveraged by the company. PTI

After WhatsApp, Telegram, Signal get notices from IT Ministry

New Delhi: After sending a notice to Meta-owned WhatsApp, the IT Ministry has now shot off notices to Telegram and Signal, raising questions on their existing username feature and asking how the platforms are addressing concerns related to fraud and impersonation risks, according to a source.

The source said that in the notice to Telegram, the government has asked the platform why it should be allowed to have the username feature.

The feature allows users to create unique usernames that can be used for connecting on the platform without sharing phone numbers.

On Wednesday, the Centre issued a notice to Meta over the username feature announced for WhatsApp, citing concerns that it could materially increase online fraud, phishing, digital arrest scams, and impersonation attacks.

It had also directed WhatsApp to pause the feature until consultations on the issue are completed "to the satisfaction of the government". PTI

Fuel price cut not yet warranted: Puri

Saurav Anand
New Delhi, July 2

STATE-RUN OIL marketing companies may review petrol and diesel prices in the next two to three months if crude remains stable around current lower levels, Petroleum and Natural Gas Minister Hardeep Singh Puri indicated Thursday.

An immediate reduction, however, is unlikely as refiners are still processing expensive crude procured during the West Asia conflict and continue to carry cumulative under-recoveries of around Rs 2.19 lakh crore.

The statement comes as Brent crude has dropped nearly 44%, from a four-year high of $126.41 a barrel on April 30 to about $70.78 on Thursday. The September Brent contract was down 1.09%, after touching a fresh four-year low of around $70.37 a barrel.

"If the question is, when will you bring prices down, they are still carrying the stock which was bought at a higher price, with higher insurance and higher freight rates. If this low crude price persists for the next two or three months, then that would be a legitimate question," Puri said addressing reporters. FE

• MARKETS

Sensex ▲	NIFTY ▲	Gold ▲	US Dollar ▲
77,502.12	24,175.70	₹1,43,003	₹95.40
579.48	169.85	Silver ▲	Oil ▼
0.75%	0.71%	₹2,28,850	$68.28

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

• BRIEFLY

Modi, Japan PM inaugurate Maruti's Kharkhoda plant

New Delhi: Car market leader Maruti Suzuki India's fourth manufacturing facility at Kharkhoda in Haryana was inaugurated by Prime Minister Narendra Modi and his visiting Japanese counterpart Sanae Takaichi on Thursday. The plant was virtually inaugurated by the two leaders at the India-Japan Joint Economic Forum here in the Capital. PTI

UAE's IHC, Adani plan $11.5 bn aluminium project in Odisha

Bengaluru: Abu Dhabi's International Holding Company plans to invest $11.5 billion in an integrated aluminium project in Odisha through a joint venture with Adani Group, a state official said Thursday, in what would be the country's largest foreign investment in the metals sector. Under the MoU, IHC and Adani Group will each hold a 50% stake in the venture. REUTERS

Unwelcome surge

The buoyancy in GST collections is spurred by imported inflation

India's June GST collections rose 13.9% year-on-year to ₹1.95 lakh crore, driven largely by import IGST, which surged 34.6% compared with June 2025, up from 17.2% growth in May. Domestic GST collections grew by a more modest 6.5%, suggesting that the sharp increase in overall collections owes less to a broad-based improvement in domestic value addition. Some economists have argued that this reflects stronger imports of capital goods and industrial inputs. However, May petroleum products' trade data and Q1 FY27 data on the performance of the eight core industries, point to a rather different explanation. June GST collections reflect economic activity during May. While crude and petroleum products constituted a 54% rise this May (YoY) in merchandise imports by value, the other chunk was gold, which constituted another 34% rise. The surge in gold price, by nearly 60% between last May and this May, suggests hedging during difficult times, rather than broad-based economic activity. To stem gold imports, the government hiked its import duty from 6% to 15% on May 13, which likely added to the May import GST kitty. This period also coincided with the rupee depreciating by almost 6% against the U.S. dollar since late February. This coupled with a spike in freight charges, and a 14.5% rise on non-oil imports in May at elevated global prices mechanically raised the June tax base. This suggests that much of the import GST rise is driven by imported inflation and currency depreciation rather than domestic production growth, indicating an unwelcome increase due to higher prices.

Read alongside the performance of India's eight core industries, which expanded by only about 2.8% in Q1 FY27 compared with around 6% in the corresponding period last year, the domestic economy appears more subdued. Growth has been expectedly weak in crude oil, natural gas, refinery products, fertilizers and electricity. The latest HSBC Manufacturing PMI reading of 54.2 likewise points to steady but moderating factory activity, marking the second-lowest expansion in 13 months. These figures come as India marks nine years of GST as a unified destination-based indirect tax. The government can point to the expansion of the tax base from about 66 lakh taxpayers in 2017 to over 1.65 crore today, reflecting better compliance, greater formalisation, and faster refunds, though input tax credit, litigation and federal balance in revenue sharing issues remain unresolved. GST has strengthened India's indirect tax architecture. Yet, the June numbers are a reminder that a growing share of the recent buoyancy appears to have been underwritten by imported inflation and a depreciating rupee rather than stronger domestic value addition.

A hold on AI

AI holds scientific promise, but it should not unfold unchecked

The UN's Preliminary Report of the Independent International Scientific Panel on AI drives at a few fault lines in the rapid investment into and proliferation of AI technologies: the Global South-Global North divide, with the latter poised to take the lion's share of the benefits of the diffusion of advanced AI models in different industries; and the challenge poorer countries face in regulating models far more advanced than what their own AI ecosystems can develop. These divides force emerging countries to choose between capital-intensive undertakings to get a seat at the table, or to accept the hand dealt to them by the half-dozen companies whose decisions shape AI access and use. These divisions are all the more urgent when seen in the light of what makes a country a voice that matters in AI: abundant electricity, highly capitalised firms that employ scarce talent with high salaries, and a drive to plow through policy resistance with a competitive zeal to outdo last month's capabilities. While the report highlights AI technologies' transformative potential in scientific research, its development is far more rapid than that of social media – an industry that had time to act responsibly yet deformed public discourse and affected democracies, even as people were more or less able to tell what was going on in real time. It is unclear whether individual countries, even China or the U.S., have enough power to meaningfully arrest how AI develops.

AI firms acting irresponsibly have already caused harms that would not be tolerated in any other industry. AI models have ensnared teenagers and adults in parasocial fantasies that have sometimes turned fatal; they have flattened the world wide web, grievously injuring the news media's ability to deploy resources in their respective missions to inform the public; they have unleashed an epidemic of deepfakes, undermining trust in the written word and images alike; and they have deeply intertwined their promises of Artificial General Intelligence with global financial systems, with possible catastrophic economic consequences. The most important task for governments is how to hold these firms to account when needed, as taking a backseat on this conversation – even if industry leaders ignore the Global South's concerns – carries far greater costs. India has already experienced the cost of not asserting itself in the technology development of the decade: even as Anthropic's Mythos and Fable held out the tantalising promise of securing vast cyber systems, the U.S. pulled access, leaving the firms that had these models to ponder the risk of a different model succeeding at attacking their infrastructure. There is a limit to visions of AI as a geostrategic asset; much needs to be done to address its potential for broad damage.

The right to a fair trial at the crossroads

Gautam Bhatia

Delhi-based lawyer

When, earlier this year, the Supreme Court of India denied bail to Umar Khalid and Sharjeel Imam in the 2020 Delhi Riots cases (while granting bail to five other individuals in the same case), one key question that arose was this: "how long is too long" for people to be kept in jail without being found guilty of an offence? At the time of the Court's judgment, Umar Khalid and Sharjeel Imam had spent more than five years in jail without trial; at the time of writing, that period is approaching six years.

Bail, delay, and rights

In its own prior judgments, the Court had noted that an extended delay in trial would trigger an accused's right to personal liberty under Article 21. Thus, even though the Unlawful Activities (Prevention) Act (UAPA) has strict requirements for delay, these statutory restrictions could not override the constitutional (and indeed, human) right to personal liberty.

However, in denying bail to Umar Khalid and Sharjeel Imam, another Bench of the Court noted that a delay in the trial could not create an iron-clad right to bail, but would have to be weighed against other factors such as the gravity of the offence and which of the parties was "responsible" for the delay. With respect, these observations appear to miss the point. Issues such as the gravity of an offence are factors used to determine, in the first instance, whether or not a case for bail is made out. To then invoke the gravity of the offence–which, at the stage of bail, is only an allegation made by the state – to override the question of delay essentially creates a sliding scale under which certain individuals can be kept in jail for decades simply because they have been "accused" of grave offences.

Indeed, this has happened: people accused under the UAPA have been kept in jail for more than two decades before eventually being acquitted, with the best years of their lives robbed from them. Indeed, the very fact that this has happened on more than one occasion ought to have given the Court pause.

Nor does the argument that the accused themselves might be responsible for delaying the trial hold any water. Whatever applications an accused (or, for that matter, the state) may make, ultimately it is the judge who controls the courtroom and the pace of the trial, and it is the judge upon whom the ultimate responsibility rests to ensure that trials are completed within a reasonable timeframe.

Indeed, it was clear that the Court itself recognised some of these issues when, in a rare move, another two-judge Bench recently openly criticised the Delhi Riots bail rejection as being contrary to established precedent and reiterated the fundamental principle that, under a Constitution committed to the rule of law, individuals cannot be incarcerated indefinitely without a trial.

In response, and in another case, the Delhi Riots Bench "referred" this question to the Chief Justice to constitute a larger Bench to resolve. With respect, the very fact that the Supreme Court is effectively debating whether people who have spent more than half a decade in jail (the amount of time that another famous political prisoner, Captain Alfred Dreyfus, did) should or should not be released, is a cause for consternation.

Bail and legal inconsistency

In the meantime, at the level of the trial court and the High Courts, conflict and inconsistency in judicial decisions continue to persist. Recently, the High Court of Delhi (correctly) granted bail to the Kashmiri human rights activist, Khurram Parvez, who had been incarcerated for more than four years without trial. This length of time in prison without trial weighed heavily with the High Court in deciding to grant bail. What is curious, however, is that the judge who (correctly) granted Khurram Parvez bail had denied bail in the Delhi Riots cases the previous year, when the accused in that case had already spent more than four years in jail. Nor is this the only instance of the same judge speaking with different judicial voices: in the Delhi Riots cases themselves, on the same underlying facts, the same judge delivered opposing bail judgments a year apart.

It is trite to say that no case is identical to the other. On an issue as basic as pre-trial incarceration, repeated inconsistencies across cases and courts undermine the rule of law and, ultimately, damage the cause of fundamental rights and individual liberty. These questions assume particular significance because laws such as the UAPA, in particular, have an undeniably political character, and it has been demonstrated across the world that states are only too happy to interpret these laws in a way that blurs the line between political dissent and what the law defines as "terrorism". Recent attempts in the United Kingdom and the United States around dissent linked to Israel's genocide in Palestine are examples of this.

What the judiciary must ensure

In such a context, it becomes particularly important for the judiciary to ensure that such laws are not weaponised. While legal interpretation is subjective, one thing is – and should be – crystal clear: that the state cannot keep people behind bars for years without trial. It makes a mockery of having a system based on the rule of law, and one that – to use the old adage – entrenches the process as the punishment.

It is unclear whether – or when – the Court's larger Bench will opine on the issue. In the meantime, however, there remain contentious UAPA cases, where individuals continue to be imprisoned without trial, and their time spent in custody continues to increase with no resolution in sight. Indeed, one such case is that of Umar Khalid and Sharjeel Imam, the last two individuals among the accused student activists who remain in custody in the "Delhi Riots cases". After the denial of bail by the Supreme Court, the case is once again coming up before the trial court this week; in the meantime, five years in prison have turned into six, and the cost – both to the lives of the imprisoned individuals and to the rule of law – has continued to become steeper.

Ultimately, therefore, this issue is both about individual human lives and about our commitment as a society to human and democratic values. As these cases continue to arise, the courts will once again have an opportunity to reaffirm these values, whether in individual bail cases before trial courts or when it comes to laying down the law before the Court. It is to be hoped that this happens, and that the cycle of endless imprisonment without trial is broken.

As proceedings in the 2020 Delhi Riots cases show, endless imprisonment without trial raises urgent questions about liberty and justice

A shot at life, Mandsaur's model for HPV vaccination

Aditi Garg

Collector and District Magistrate, Mandsaur, Madhya Pradesh

The birth of Savita (name changed) in Mandsaur district, Madhya Pradesh, 14 years ago was a moment of celebration for her family. The Banchhada community she was born into – a denotified tribe in Madhya Pradesh traditionally associated with sex work – welcomes the birth of girls, who are often viewed as future breadwinners. Yet, when a team of human papillomavirus (HPV) vaccinators recently approached Savita's family, they were apprehensive. "Will she be able to work?" they asked candidly, worried about the vaccine's future impact.

Their hesitation was neither unexpected nor isolated. Although cervical cancer is the second most common cancer among Indian women, preventive health-care initiatives often grapple with low levels of awareness and social stigma. Cervical cancer vaccination faces a distinct set of challenges – low cultural sensitivity around sexual health and gender bias, coupled with vaccine hesitancy – making it a pressing public health concern.

In light of this, the Government of India launched a nationwide cervical cancer campaign on February 28, 2026, providing free HPV vaccinations to 1.15 crore girls aged 14-15 years. India bears a quarter of the global cervical cancer burden, reporting over 1.2 lakh new cases and 80,000 deaths annually. Since nearly 95% of cases are caused by high-risk HPV strains, vaccination offers a significant preventive breakthrough.

From data to coverage

To implement the programme effectively and inclusively, the Mandsaur district administration adopted a data-driven, decentralised and adaptive strategy. For exhaustive coverage, the most vulnerable and often overlooked populations were targeted first.

Girls from difficult-to-reach communities – Banchhadas, nomadic tribes, urban slums, and school dropouts – became the starting point. These "missed populations" are at greater risk of falling off the radar of government service delivery.

At the grassroots, the challenge is often not vaccine hesitancy but data invisibility. Leveraging multiple government databases – Rashtriya Bal Swasthya Karyakram (RBSK), SAMAGRA MP (a citizen-centric social security platform by the Government of Madhya Pradesh) and Ladli Laxmi Yojana hyper-localised target lists were created. Fragmented records were transformed into actionable intelligence. Door-to-door surveys and tracking through SAMAGRA IDs ensured that eligible girls did not fall through statistical gaps. School and anganwadi enrolment gaps over the years were meticulously analysed to prepare village-level Master Line Lists. Rapid identification of 'low-coverage/high-resistance' areas enabled coordinated micro-planning. Mapping vulnerable groups geographically also enabled customising communication strategies, tailored to cultural sensitivities.

Reducing barriers through 'nudges'

Behavioural insights played a pivotal role in grassroots' saturation. The district relied on the "Nudge Approach" that helped design an environment where vaccination became the default choice. This helped in effectively breaking down grassroots barriers such as reluctance, inertia, social discomfort. Health-care workers informed families that their daughters were 'due for vaccination', rather than asking them to choose to vaccinate. Families who refused vaccinations received repeated counselling visits by health-care teams. Schools and local bodies arranged transportation to eliminate logistical barriers, simplifying access.

Misinformation hoaxes and myths around vaccine-induced infertility resulted in initial resistance. To counter rumours, the administration launched targeted awareness campaigns involving Gen-Z influencers and youth icons. National-level athletes, young doctors, students, religious leaders and media personalities voluntarily joined the effort to promote vaccination and dispel misconceptions.

Social norms and peer networks served as powerful "behavioural nudges". Local events publicly felicitated vaccinated families and recognised vaccinated girls as peer champions. Gram panchayat and ward-level data sharing sparked both collaboration and competition. Recognition was given to both top performers and the most improved. "Digital nudges" and red-flag reminders for frontline workers enhanced monitoring and accountability.

At the cutting-edge implementation level, resistance often manifests as delay, doubt, and discomfort rather than outright refusal. Vaccinations were conducted exclusively under medical supervision at visible health-care facilities, normalising the practice of adolescent girls' vaccination. Experiences of women affected by cervical cancer were shared to create emotional resonance and encourage informed decision-making. Counselling sessions reduced stigma and replaced distrust with dialogue.

Strategy to impact

The HPV campaign was further integrated with on-going health-care programmes. Routine immunisation days, antenatal care clinics and the Pradhan Mantri Surakshit Matritva Abhiyan sessions were used to promote HPV awareness and conduct vaccination drives. When women accessed one service, they became more receptive to another, creating avenues for 'bundling' of health-care service delivery.

The results were significant. In less than 40 days, Mandsaur achieved 100% of its vaccination target – 493 vaccination sessions were conducted through 12 permanent and 27 temporary vaccination sites across the district. Girls who met the criteria, from 893 villages and 190 urban wards, were mobilised, moving from planning on paper to protecting the population.

The magnitude of India's health-care challenge must be met with the measure of its grassroots' actions. Policy design must bridge the yawning gap between intended outcomes and empirical ground realities. Behavioural and systemic "nudges" in implementation can leverage the human tendency to opt for preset choices. Dovetailing health-care data and grassroots innovations tailored to regional realities can bridge the last mile and deliver the final dose.

By moving from coverage to care, from data to impact, Mandsaur turned a formidable public health challenge into a collective mass movement. The district's inclusive vaccination campaign demonstrated how a simple shot in the arm can truly become a fair shot at life.

This district in Madhya Pradesh has demonstrated effective grassroots strategies for HPV vaccination delivery

LETTERS TO THE EDITOR

Horse-trading allegations

It has become hard to make sense of what is happening in Tamil Nadu politics. The election result has redrawn the political landscape with parties such as the Congress, the CPI(M), the CPI, the VCK, the IUML and MDMK providing the TVK-led government its crutches, and the AIADMK imploding. The so-called ideological like-mindedness has given way to opportunism. What these parties did was not quite ethical. Saying that it was done to prevent the imposition of President's rule was a lame excuse to rationalise their politically expedient move. It is most worrying that newly-elected AIADMK MLAs are tendering their resignations as MLAs and joining the TVK. If it is not TVK-style 'horse trading', what is it? The defections are no great advertisement to 'pure politics' that Chief Minister C. Joseph Vijay professes to represent and uphold. The only plausible explanation for luring AIADMK MLAs is that the TVK does not want to rely on the support of the allies for long. The TVK's countercharges that the DMK is indulging in horse trading does not stand the test of contextualisation, given the respective strengths of the parties in the Assembly. The irony is that at the time of voting, electors were not aware of the possibility of their elected representatives resigning so soon after the election, for no good reason.

G. David Milton,
Maruthancode, Tamil Nadu

Political morality, probity in public life and ethical propriety dictate that the sanctity of democracy needs to be upheld and preserved. Public trust is the core aspect in a democracy. Some fast-emerging events in the State drive one to infer that the very foundation of democracy is under attack.

V. Johan Dhanakumar,
Chennai

Blending experiment

The government's latest submission before the Supreme Court that ethanol blending remains an ongoing experiment raises many questions: if its full impacts are still being studied, why has ethanol-blended fuel become the default option for consumers, and why have concerns over efficiency losses and engine damages been so readily dismissed? Equally concerning is that the promised benefits of ethanol blending have yet to translate into visible savings at the petrol pump, with fuel prices remaining high and consumers left wondering where the gains are.

Himangka Kaushik,
New Delhi

Corrections & Clarifications

In the Editorial, "Yes and no" (July 2), the first sentence should have said "... based on Ministry of Panchayati Raj surveys".

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

Has the expansion to 48 teams affected the quality of the World Cup?

Pradhyum Reddy

is a coach and commentator

Lallianzuala Chhangte

is an Indian National team footballer

PARLEY

In January 2017, when FIFA expanded the World Cup to 48 teams, starting with the 2026 edition, there were mixed feelings. Many welcomed the move, arguing that the flagship event of the planet's most popular sport should have more than just 32 outfits. But there was criticism too, for many felt that the increase would dilute the quality of football. What does evidence from the ongoing World Cup in North America say? **Pradhyum Reddy** and **Lallianzuala Chhangte** discuss this in a conversation moderated by **N. Sudarshan**. Edited excerpts:

How has the World Cup watching experience been so far?

Pradhyum Reddy: Apart from the time difference, it has been really enjoyable. Before the World Cup, there was talk about a lot of the negatives, but it is good to see the crowds. This is what makes the World Cup so interesting, like the stories about the Scottish fans in Boston and the colour that the African sides bring. Teams have caught us by surprise and that gulf with European and South American sides keeps getting smaller. Teams like Cape Verde and the Democratic Republic of Congo have made it really interesting.

Lallianzuala Chhangte: The biggest thing I have noticed is how competitive football has become. Every team is better prepared and there are very few easy games. From a player's point of view, it is really inspiring to see how much nations have progressed. It is really exciting to see more countries get the opportunity to compete on a bigger stage.

Many feared an abundance of one-sided contests. How do you rate the quality?

PR: There have not been many blowout games. It is good to see the so-called smaller countries coming through. There has been a lot of gate-keeping by European countries over the years. If it is called a World Cup, it should be representative of the world and not just five or six countries from South America and the European elite. Nine of the [10] African countries qualified for the second phase. The Asian countries started well, and then the gulf in quality became visible.

But [overall], it has been good, and this is what inspires nations. Even from an Indian perspective, you will get fans who do not normally follow Indian football suddenly getting involved. It is a good gauge of where we are, and the direction in which world football is growing in terms of player quality and styles.

Changes begin: Cape Verde, the third-smallest country to qualify, reached the knockout rounds. REUTERS

LC: The tournament has answered many doubts. Expanding the World Cup has given more nations a chance to dream bigger. I do not think the quality has suffered. In fact, it has been shown that the gap between many countries is getting smaller because football is developing everywhere.

Cape Verde, the third-smallest country to qualify, reached the knockout rounds. Only Mexico, Argentina and France won all three of their group-stage matches. Is this proof of the quality improving?

LC: Absolutely. It proves that football is not just about population or history anymore. With the right planning, right investment and belief, even smaller nations can compete with the best.

PR: One of the disadvantages of the 48-team World Cup is the way eight third-placed sides [from the group stage] go through. It leads to the situation where you are probably not going to have three wins like Argentina, Mexico and France because you can pretty much qualify after two wins.

That said, you cannot just play to get three draws because you have seen teams even with one win not go through. So there is an incentive to [get a win] and that is why you have seen some really good counter-attacking football. Players all over the world are very well prepared physically. So, if they can be defensively organised, the gulf narrows. That is the great leveler we have seen this time.

Asia doubled its slots for the 2026 World Cup, helping Uzbekistan and Jordan make the grade. They lost all their matches, but what effect can World Cup qualification have on a country?

> Expanding the World Cup has given more nations a chance to dream bigger. It has been shown that the gap between many countries is getting smaller because football is developing everywhere
>
> LALLIANZUALA CHHANGTE

PR: We should not look at the results of Uzbekistan and Jordan in a negative light. It is a massive achievement to qualify. Jordan was runner-up at the AFC Asian Cup (2023). Uzbekistan has done well at the U-17, U-20, and U-23 levels in Asia. So, if you can consistently challenge for your continental competitions, the pathway is there for success. Of course, countries that come in for the first time are not going to see success. You need one team to go far, like Morocco last time (semifinalist in 2022). That will inspire other teams to bridge the gap between themselves and the leaders in the region.

LC: When I look back at those matches we played [against Uzbekistan and others], I still feel jealous. But seeing Uzbekistan and Jordan feature in the World Cup also gives us hope. Qualification for the World Cup can transform football. It will inspire young players, attract more sponsors and big brands of the world, and it will improve infrastructure and encourage better youth development. The results did not go Uzbekistan's and Jordan's way, but experience at the highest level is invaluable.

Only two out of nine from the Asian zone made it to the round of 32. But nine of the 10 African nations progressed. What does it say about Asian football? Overall, do you think the sport is improving?

PR: A lot of the African players are playing in the top-five leagues of the world. That is the next stage of development for Asian football. African club football has not really grown as much as player development. But you look at Asia, there is a lot of focus on how the clubs have grown, whether they are successful in the AFC Champions League, etc.

Even among the elite in Asia, like Japan and South Korea, many players are playing in Europe. They have got a striker [Ayase Ueda, Japan] who was the top scorer in the Eredivisie [Netherlands]. Once the rest of Asia can catch up in producing players who go on to play at that level, the gulf will reduce.

LC: Every continent is improving. Africa's performance shows what consistent investment and player development can achieve. Most of the players from Africa are playing abroad. Asia has made progress too, but we still need greater consistency. Countries like Japan and Australia have shown what is possible with long-term planning. I think the gap with Europe and South America is getting smaller and smaller each year.

India is ranked 26th in Asia. When can we realistically expect to be at a World Cup?

PR: The simplest explanation is: you look at all the teams that have qualified, and they have gotten there by doing well consistently in their confederations. We have not qualified for the 2027 AFC Asian Cup. Qualification for the AFC competitions should become the norm. We have to be there at every single AFC U-23 and U-20 event. The [Indian] women just showed that they can do it. They were at the AFC U-17, U-20 and seniors. When our men's teams consistently compete at all age-group tournaments for at least 10 years, you are starting to build a group that could compete in a World Cup.

LC: We have not built an ecosystem consistently over a long period. There have been changes in directions, uncertainties with the league, challenges in youth development, infrastructure and grassroots football. These things do not improve overnight, but at the same time, it is not a reason to lose hope. We should not put a fixed timeline on qualifying because that creates unnecessary pressure. We should focus on improving year after year, and become consistently competitive in Asia first. Then, qualifying for the World Cup will become a realistic goal rather than just a dream.

As a player, how do you cope with the feeling of missing out?

LC: We were once close [to Uzbekistan], in terms of physicality and experience. One reason we are not catching up is that we don't have Indian-origin players playing here, and our players aren't taking the risk to play outside India. As coach Pradhyum mentioned, we need more players who play outside. For me, it might be too late. But the younger generation should go abroad and gain experience for at least four or five years. We need players who go out of their comfort zone, and that will put India in a better place.

To listen to the full interview
Scan the code or go to the link
www.thehindu.com

NOTEBOOK

Bhagyaraj, Bharathiraja and the memories they left behind

Two filmmakers reshaped Tamil cinema with distinctive storytelling, memorable characters and authentic portrayals of human relationships

B. Kolappan

I vividly remember the night I went to watch K. Bhagyaraj's *Thooral Ninnu Pochu*. I sat on the carrier of my cousin's bicycle as he pedalled against the stiff wind blowing from Putheri Lake in Kanniyakumari district. That night, we slept on the veranda of my cousin's neighbour's house and woke up to the scorching morning sun beating down on our faces, with the film still playing in my mind. Its unforgettable songs – especially *Erikkarai Poongatre* – have continued to echo in my ears even after decades.

The day Bhagyaraj died, I was in Thukkachi, a village near Kumbakonam. My Chief of Bureau, Ramya Kannan, alerted me to the news. I was stunned. Barely two weeks earlier, another of my favourite filmmakers, Bharathiraja, had passed away.

Bhagyaraj was an associate of Bharathiraja. Together, they transformed the grammar of Tamil cinema. Writing Bhagyaraj's obituary – and, before that, Bharathiraja's – came naturally to me because I had admired their work for decades. As a director, actor, scriptwriter, and dialogue writer, Bhagyaraj broke almost every convention of commercial filmmaking.

A gifted storyteller with an instinctive understanding of human relationships, he dethroned the larger-than-life hero and replaced him with the ordinary man from the street. He proved that charisma did not depend on a commanding screen presence or exaggerated heroics. Wit, intelligence, vulnerability and self-deprecating humour could be just as compelling. His films showed that an unassuming young man could win a woman's heart through ingenuity rather than machismo.

In *Indru Poi Naalai Vaa*, he and his friends are willing to do almost anything to win the affection of the heroine. Bhagyaraj's character accompanies the heroine's mother to the ration shop in the hope of getting closer to her family and even sketches a donkey because its milk is believed to cure the heroine's younger sister's ailment. Such scenes became believable because of his extraordinary sense of humour and impeccable comic timing.

Bharathiraja, by contrast, dealt with more serious themes, capturing the emotional landscape of rural Tamil Nadu with remarkable sensitivity. His films were marked by dialogues that lingered long after the curtains came down. One such line that resonates with me is Sridevi's poignant declaration to Kamal Haasan in the closing moments of *16 Vayathinile*: "*Indha Mayilu Unakkagave Eppavume Kaathiruppa* (will always be waiting for you)."

In Bhagyaraj's *Suvar Illatha Chithirangal*, the comedy scenes featuring Kallapetti Singaram and Goundamani, spoken in authentic Kongu dialect, testify to his deep understanding of society. It was from that film that I learnt the word *siluvanam*, used to describe a naïve person. Equally unforgettable is the street-side tailor's lament: "*Veppankaikku kood irandu kaaka varuthu; enakku kadankaranthan vaaran* (At least a few crows visit the neem tree for its fruits, but I am visited only by money lenders)."

I watched most of the films of Bharathiraja and Bhagyaraj in touring talkies. Those humble theatres, the crackling projector, the smell of the earth spread on the floor, and the collective excitement of the audience whenever a punch dialogue was delivered made watching a film an unforgettable experience.

During the summer temple festivals in our villages, *naiyandi melam* troupes would often play songs from Bhagyaraj's films. Even today, whenever I come across such performances, I request them to play *Mookuthi Poomele* from *Mouna Geethangal* and *Kadhal Vaibhogame* from *Suvar Illatha Chithirangal*.

I watched *Mouna Geethangal* with a young girl, her father and her brother. By then, I had begun wearing spectacles like the child character in the film and was constantly ridiculed by my classmates. Yet I cherish that film for a very different reason. The girl who watched it with me would, years later, become my wife.

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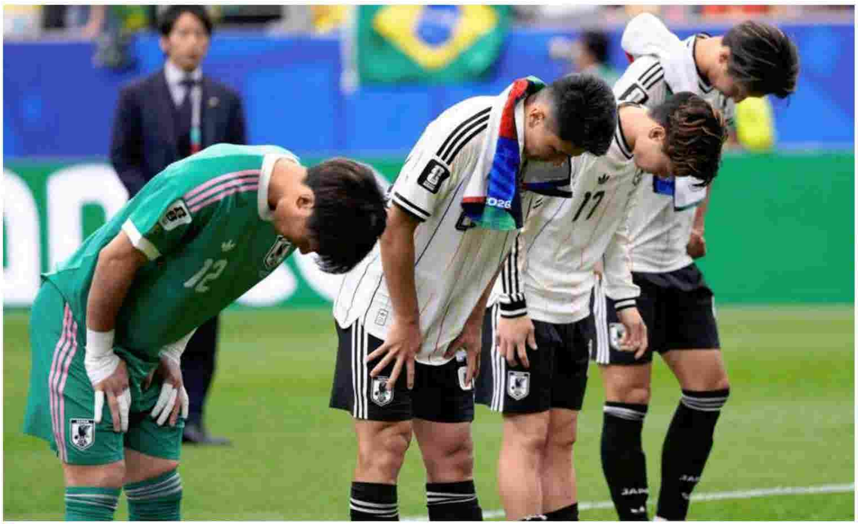
PICTURE OF THE WEEK

Bowing out



Grace in exit: Japan's players bow to their supporters after a 2-1 defeat to Brazil in the FIFA World Cup 2026 Round of 32 match in Houston on June 29. AP

FROM THE ARCHIVES The Hindu.

FIFTY YEARS AGO JULY 3, 1976

Advertisements should carry conviction: Dave

Madras, July 2: Mr. P. K. Dave, Adviser to the Governor, to-day asked the advertising profession to avoid high pressure campaigns where all kinds of tall claims are made for particular brands of consumer articles.

"The public is now getting wiser and perhaps more cynical with this kind of high pressure advertising," he said. For common articles of consumption, manufactured virtually to common standards, he wondered what variations there were in real content. Delivering the presidential address at a symposium on "Credibility in Advertising" organised by the Advertising Club of Madras at Hotel Connemara, he said there was great scope for the profession. State Governments were vying with one another to promote programmes of industrialisation, sell their regions for industrialisation, to sell their industrial estates and so on. Besides, the printed word must teach the masses to tell them of their obligations as well as their duties.

Mr. Dave said advertising men should help carry the message of the 20-point programme to the masses. But he warned them against turning the campaign into "sloganeering".

A HUNDRED YEARS AGO JULY 3, 1926

Sea Scouts in Madras

This branch of scouting has not made much headway in the Presidency till now. But thanks to the efforts of Commander Digby-Beste R. I. M. of the Port Trust, serious attempts at starting a scout troop exclusively for sea scouting have become a success. The troop was organised a couple of months ago and more has been working vigorously and systematically. The idea of sea scouting was put before the Provincial Commissioner who granted permission to start a troop with the condition that precautions against accidents in boating or bathing should be taken. Commander Digby-Beste proceeded about the business properly and himself took a course of training in scout craft in the recent training camp conducted in "Rutland Gate", Nungambakam.

Text&Context

THE HINDU

NEWS IN NUMBERS

Amount to be given by U.S. to Tanzania under five-year health pact

1.3 in $ billion. The U.S. has signed an MoU with Tanzania to invest more than $1.3 billion in its health sector over the next five years. The agreement, signed late on Wednesday, is similar to those struck with countries including Rwanda, Kenya, and Uganda under U.S. President Donald Trump's 'America First Global Health Strategy'. REUTERS

Official death toll in Ebola virus outbreak in DR Congo

438 The official toll in an Ebola outbreak in the Democratic Republic of Congo now exceeds 400, according to official figures released on Thursday. The highly contagious disease has claimed 438 lives, with 1,406 people infected since the outbreak was declared in northeastern Ituri province on May 15, National Institute of Public Health said in its latest report. AFP

Toll in communal clashes in Nigeria's Niger state

48 Communal violence in Nigeria killed at least 48 people on Wednesday, as per a security report. The report, prepared for the United Nations, said "herder militia" raided farmers from Kamuku ethnic group in the town of Tegina in Niger state. The state has already been reeling from violence by jihadists, kidnapping-for-ransom and cattle rustling gangs called bandits. AFP

Amount to be spent by Belgium on NASAMS and skyranger systems

3.1 in € billion. Belgium is planning to buy 10 advanced surface-to-air missile system (NASAMS) launchers from Kongsberg and 20 Skyranger short-range air defence systems from Rheinmetall for a total price of 3.1 billion euros, a Belgian official said on Thursday. The plans could be announced at a NATO summit in Ankara next week, the official said. REUTERS

Fine imposed on *Tagor* tanker by France

1 in € million. The French authorities on Thursday fined the *Tagor* tanker, which they intercepted and impounded at the end of May over its role in shipping Russian oil and gas, €1 million ($1.1 million). The French Ministry of Justice added in a statement that the *Tagor* was now free to leave French waters following the payment of the fine. REUTERS

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Welfare promises and fiscal constraints

The West Bengal government's strategy relies on higher central transfers and a sharp rise in tax collections; if these projections fail to materialise, both its fiscal targets and political commitments could come under pressure

ECONOMIC NOTES

Subhanil Chowdhury

Riding on a historic mandate, the first BJP government of West Bengal presented its Budget on June 22. The BJP's election manifesto promised to provide ₹3000 per month to women, increase the Dearness Allowance for the State government employees to bridge the gap between the salaries at the Centre and State governments along with other commitments. The first Budget of the BJP government has tried to accommodate these pre-poll promises of the party, while simultaneously trying to reduce the fiscal deficit. The question is whether the expenditure and revenue allocations in the Budget will be able to do justice to the promises made by the government.

The government has budgeted a total expenditure of ₹4,28,557 crore in 2026-27 which is ₹82,083 crore more than the Revised Estimate (RE) of 2025-26. This huge expenditure is accompanied by a reduction in both fiscal deficit (from ₹67,774 crore in RE 2025-26 to ₹62,421 crore in Budget Estimate 2026-27) and revenue deficit (from ₹41,164 crore to ₹21,984 crore). How could the government increase its expenditure substantially, while reducing both the fiscal and revenue deficits? The answer lies in the so called "double engine sarkar".

If we look at the revenue receipts of the government, an increase of ₹75,618 crore is projected in 2026-27, as compared with RE 2025-26. This huge increase in revenue receipts is largely explained by a projected increase of ₹49,324 crore in the Centre's grant-in-aid to the State government, mainly via Centrally Sponsored Schemes. This bonanza of around ₹50,000 crore is the revenue impact of the so called 'double engine sarkar'. The government also projects an increase in the State taxes to the tune of ₹18,933 crore, non-tax revenue to increase by ₹4,508 crore and State's share of central taxes to increase by ₹2,853 crore in 2026-27 as compared with RE 2025-26. While the total increase in revenue receipts is to the tune of ₹75,618 crore, the total increase in revenue expenditure is ₹56,438 crore. This shows that the government is more concerned with closing the deficit than passing the benefit of the windfall to the people. This deficit figure is based on receipt projections which can also go awry. In that case, it may be politically difficult for the government to rein in the deficit and stick to its political promises simultaneously.

Bengal Chief Minister Suvendu Adhikari, State Finance Minister Swapan Dasgupta (right) and BJP MLA Anandamay Barman hold the Budget book at the State Legislative Assembly House, in Kolkata. ANI

The expectation of the government regarding an increase in State taxes amounting to ₹18,933 crore seems difficult to attain. This is because according to the Medium Term Fiscal Policy Statement of the government, the Gross State Domestic Product (GSDP) of West Bengal is projected to rise from ₹19,90,896 crore in 2025-26 to ₹21,48,244 crore in 2026-27. This entails a nominal growth rate of only 7.9%. In the year 2025-26, the growth rate of nominal GSDP in Bengal was 9.85%. In other words, the government is projecting a 2 percentage points drop in the nominal GSDP growth of the State but assuming an increase in tax collections of around ₹19,000 crore. Even with 9.85% nominal GSDP growth in the State in 2025-26, the increase in State's tax collection was around ₹13,744 crore as compared with 2024-25. The projected increase in tax collection appears difficult to achieve since the government has not announced any major policy to raise taxes or improve tax compliance. The government may be relying on closing the tax leakage due to corruption. Whatever may be the case, a slowdown in GSDP and a huge increase in tax collection is difficult to materialise simultaneously. Given that it has already committed to a reduction in fiscal and revenue deficits, any shortfall in tax revenue will be met by a cut back on expenditure. This can make the government's political promise to various sections of the people difficult to maintain. On the capital expenditure side, the government is proposing to increase the capital expenditure by around ₹15,000 crore as compared with RE 2025-26. The government has announced a number of infrastructure projects, new colleges and universities in the State. The additional capital expenditure is welcome. However, here too, the government could have spent more if it did not adhere to a policy of cutting back the deficit.

Laxmir Bhandar vs Annapurna Yojana

The Trinamool government's Laxmir Bhandar scheme covered around 2.4 crore women with a monthly transfer of ₹1,500. The BJP had promised to upgrade beneficiaries to the Annapurna Yojana, offering ₹3,000 per month. However, the ₹36,000-crore allocation announced for the scheme would cover only about 1.3 crore women, as announced by the government. The government has not clearly explained the basis for excluding the remaining beneficiaries. It was announced that individuals whose names were removed during the SIR process would not be eligible for benefits under the scheme. In the absence of transparent criteria, crores of women risk losing access to benefits that were promised without such restrictions. However, the number of women who will lose access to the scheme as compared to Laxmi'r Bhandar turns out to be more than a crore. BJP did not announce any targeting of the scheme in their election manifesto.

The government has raised Dearness Allowance by 20%, announced the 7th Pay Commission and promised one lakh new jobs. However, the higher DA will be paid only from October 2026, while DA arrears also remain to be settled. Given these commitments, it is unclear whether the ₹10,000-crore increase in salary and pension allocations will be sufficient.

The government has sought to balance fiscal prudence with its promises of expanded welfare and higher pay for employees. Its strategy relies on higher central transfers and a projected sharp rise in tax collections. If these projections fail to materialise, both its fiscal targets and political commitments could come under pressure. The coming year will test how successfully it can reconcile political promises with fiscal realities.

The author is Professor of Economics, Presidency University, Kolkata.

THE GIST

- The first Budget of the BJP government has tried to accommodate these pre-poll promises of the party, while simultaneously trying to reduce the fiscal deficit.
- The expectation of the government regarding an increase in State taxes amounting to ₹18,933 crore seems difficult to attain.
- On the capital expenditure side, the government is proposing to increase the capital expenditure by around ₹15,000 crore as compared with RE 2025-26

Why is the chargesheet in the Sarla Bhat case a milestone?

The killing of the 27-year-old was among the first targeted attacks on Kashmiri Pandits after the 1989 insurgency; the filing of the chargesheet is seen by her family and the entire community as a step towards justice

Peerzada Ashiq

The story so far:

After a gap of 36 years, the J&K Police's special cell State Investigation Agency (SIA) filed a chargesheet in the killing of Kashmiri Pandit Sarla Bhat, who worked as a nurse at Srinagar's Sher-i-Kashmir Institute of Medical Sciences (SKIMS). The chargesheet named Jammu Kashmir Liberation Front (JKLF) chief Yasin Malik among five accused, only two of whom are alive.

The SIA, which started re-investigation in 2020, decided to initiate proclamation proceedings against the absconding terrorist, Khurshid Ahmad Chalkoo, "the man who pulled the trigger".

He is believed to have exfiltrated to Pakistan Occupied Kashmir (POK). Meanwhile, the SIA chargesheet does not mention any rape.

What is the significance of this case?

The killing of the 27-year-old nurse was among the first cases of targeted killing of Kashmiri Pandits in the valley following the armed insurrection in 1989. According to official listing, the first such killing took place on September 14, 1989 of Pandit Tika Lal Taploo, an advocate and senior BJP leader and then Pandit Neelkanth Ganjoo, a former judge who had sentenced JKLF founder Maqbool Bhat to death in a murder case.

These targeted killings eventually led to mass migration of Kashmiri Pandits outside Kashmir valley. The SIA said Sarla Bhat was abducted from the vicinity of SKIMS on April 18, 1990, subjected to brutal torture and physical assault, and horrendously killed by automatic rifle fire at Omer Colony, Malbagh, Srinagar. The filing of the chargesheet is seen by the family and the entire Pandit community as a step towards justice. The magnitude of the migration, the militant violence triggered, can be gauged from the fact that over 60,452 Pandits registered themselves as migrants by 2014, as the community was displaced to different parts of the country, including Jammu.

Why the delay?

Kashmir witnessed targeted killings of both Muslims, mostly affiliated to the National Conference (NC), and Pandits in the 1990s as hundreds of youths joined militant groups and attacked security forces.

Violence by the JKLF declined after Yasin Malik announced a unilateral ceasefire in 1994. An unwritten understanding with the Union government meant that cases against him were largely not pursued, with a Terrorist and Disruptive Activities Prevention Act (TADA) court in 2009 keeping proceedings in abeyance in key cases, including the Rawalpora killings and the 1989 kidnapping of Mufti Mohammad Sayeed's daughter. Reopening the Sarla Bhat case, the SIA said the investigation had stalled due to the climate of fear and intimidation during the peak years of militancy, which prevented witnesses from coming forward. It described the case as a symbol of one of Kashmir's darkest chapters of terrorism.

What does it mean for Yasin Malik?

The 59-year-old separatist is currently in the Tihar Jail. He faces sentence on two counts of life imprisonment and five 10-year prison sentences in a terror funding case in 2022. However, the National Investigation Agency (NIA) has sought the death penalty in the case. Besides, Malik also faces fresh trials in two other major cases, including the kidnapping and the Indian Air Force attack. His outfit was also banned in 2019 under provisions of Unlawful Activities Prevention Act (UAPA).

The JKLF has distanced itself from the murder of Bhat. According to the banned JKLF, Malik on April 8, 1990, just 10 days before the gruesome murder of Bhat, jumped from a five-storey building in Narwara, Srinagar, to evade his arrest during a BSF raid.

The JKLF claimed that Malik suffered a head injury, which caused his facial paralysis, in the incident.

It claimed that the organisation had launched its own investigations into the killing "but could not carry it forward due to the continued raids by security forces on JKLF leadership". The fact remains that it will be the third major case of terror from the 1990s against Malik and he could face the death penalty if the charges are proven in the court.

Why is it tipped as a landmark development by police?

The police's SIA termed the chargesheet as a landmark development and a defining moment in J&K's fight against terrorism. The 737-page chargesheet was compiled after an "exhaustive investigation, bringing together a formidable body of oral, documentary, forensic, ballistic, medical and electronic evidence accumulated over decades and meticulously analysed".

The SIA says the chargesheet marks a historic milestone in the pursuit of justice for victims of terrorism and stands as one of the most significant breakthroughs in the investigation of legacy terror crimes in Jammu and Kashmir. The chargesheet, the SIA said, sends a powerful and unequivocal message that time can never become a shield for terrorism.

IN THE LIMELIGHT

Karl Urban and Laz Alonso as Billy Butcher and Mother's Milk in a still from *The Boys*, a satire of superhero culture.

All the world is a meme: when satire can no longer keep up with reality

From *The Boys* and *Game of Thrones* to *Karuppu* and politics in Tamil Nadu, a culture shaped by fandom, memes and star worship are reshaping how we consume stories, heroes and even reality itself, turning critiques into celebrations of the very myths they were meant to dismantle

Sudhish Kamath

When real world headlines resemble satire, does satire too reinvent itself as drama to appease fans of stars?

Eric Kripke's *The Boys* – the satire on superhero culture – just ended with "one of the good guys" turning evil for literally half a scene. The comics it was based on always headed that way. In fact, the comics eventually force Billy Butcher to confront the logical conclusion of his own crusade. The ending is a lot darker. Google or ChatGPT it at your own risk.

The Seth Rogen produced show glances in the same direction but barely lingers there. In the final episode, Butcher finally admits what had been obvious all along. He was "never going to stop." He felt self-righteous to the point of genocide and had become the person he was fighting.

Pleasing the fans

Given that Karl Urban's Butcher had become such a fan favourite, with his catchphrases and swagger becoming part of the appeal of the show itself, it is hard not to wonder whether modern stories are finding it increasingly difficult to sit with the idea that a much loved character you probably imitate in your head – maybe borrowing his "Oi"s – was always going to be as bad as they come.

A few years ago, in *Game of Thrones*, George R.R. Martin's take on politics as the domain of dynasts was always heading towards a reckoning for one of its most beloved rulers. But by the time the show reached its final seasons, people had named their children Khaleesi.

It also aired when people felt that feminism didn't need this demonisation or further witch hunting.

The challenge of catering to what fans want – during this flaky moment in our complex polarised times – is really messing with the political themes these stories originally set out to capture.

Martin's *Game of Thrones* was fundamentally a story about bloodline power and inherited entitlement. The trajectory was always headed towards a clash between merit and inheritance, democracy and dictatorship, outsiders and dynasts.

The audience simply fell in love with one of the monarchs.

In the first few seasons based on Martin's books, the specifics mattered. Characters took weeks to get to King's Landing. Political decisions had consequences. Once the books ran out, the show became entirely written for television.

lAnd now, geography didn't matter. Characters popped up from one location to another without having to ride for days as they once did.

It was always going to end this way. The lack of detail made the execution weak.

Tamil cinema offers a comparable example. R.J. Balaji started off making a parody with *Karuppu*. At the audio launch, Suriya himself described it as a spoof that would make people think.

But the marketing team had their own plan. The film was promoted more like a supernatural drama about the power of folk deities. More *Kantara* than parody.

People consumed it as a star-as-God mass entertainer while largely ignoring the satire.

R.J. Balaji himself chose to avoid the words spoof or parody in interviews and even put out a letter asking people to offer water to audience members who got possessed by God during the screening.

Diluted themes, altered meanings

I spoke to a filmmaker known for making parodies about this. He believes the filmmaker is in on the joke and is simply doing what is necessary to make sure the film reaches the larger mass audience.

The flip side is that audiences are increasingly diluting themes, altering meanings and changing the politics of stories. Director R.J. Balaji has spoken about how genre need not be consistent – he intentionally didn't want to continue it as a drama and wanted to make a jolly film. He deconstructed the film backwards from what audiences love. He had originally shot a climax that he himself called "average". It was only after watching the crowd response to *Kantara* that he became convinced that that was the route they had to take – the theatrical revelation of the hero in God's form, highlighting his glory through song, dance and action; the founding pillars of mainstream Indian star cinema. The place where audiences enter into a contract of worship the minute they stand for the national anthem at the altar of cinema.

The recent electoral success of C. Joseph Vijay in Tamil Nadu with a historic vote share suggests that this need for a hero may simply be the mood of the nation.

And that brings us back to *The Boys*.

Its final season was packed with parallels to current events: Homelander as Jesus, the "it's not AI, check the fingers" joke and other moments that felt uncannily timely. It was almost as if one of the writers had travelled through time and returned with the month's headlines before the show even aired.

This really is the challenge facing satire today. Truth is stranger. We now live in a culture where memes set news cycles.

If a digital wing can drop 150 memes and clips that travel further than actual reporting, then the meme is no longer commenting on culture.

The meme has become the culture. And like all cultures, it demands its deities.

The star must remain God.

When fandom starts driving politics, religion, entertainment and even the way we consume news, satire finds itself in a strange place.

Why let truth get in the way of a funny story? The joke is no longer on the outside looking in. The system is the joke.

All the world is a meme.

And we just play or get played.

The author is a film critic, filmmaker and screenwriter, most recently a writer on The Family Man Season 3.

THE DAILY QUIZ

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

On this day, in 1908, Bal Gangadhar Tilak was arrested by the British government on charges of sedition. A quiz on the colonial-era law

Radhika Santhanam

QUESTION 1

This newspaper opposed the Age of Consent Act, passed in 1891 after the death of a child bride Phoolmani, resulting in the first sedition trial under Section 124A of the Indian Penal Code. Name the newspaper.

QUESTION 2

This lawyer successfully defended Tilak in his 1916 sedition case. Once celebrated as an ambassador of Hindu-Muslim unity, he later became a leading proponent of the two-nation theory. Name him.

QUESTION 3

This lawyer, charged under sedition, famously said, "Affection [towards the government] could not be manufactured". Who was he?

QUESTION 4

This person was arrested on October 31, 1984 for allegedly shouting pro-Khalistan slogans near Neelam cinema in Chandigarh. In his case, the Supreme Court famously ruled that merely shouting slogans, without incitement to violence or public disorder, does not amount to sedition. Name him.

QUESTION 5

Which famous leader, who is almost always in the news these days, termed the sedition law "highly objectionable and obnoxious", adding that it should have "no place both for practical and historical reasons"?

Visual question: Name this cartoonist who was charged with sedition a few years ago.

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

1. Who holds the record of having scored the fastest goal in World Cup history? **Ans: Hakan Sukur, Turkey – in 11 seconds vs South Korea in 2002**
2. Who is the oldest player in World Cup history to win a tournament? **Ans: Dino Zoff, Italy – 40 years**
3. What are the official mascots for the 2026 World Cup edition? **Ans: Maple™ the Moose (Canada), Zayu™ the Jaguar (Mexico), and Clutch™ the Bald Eagle (USA)**
4. Which is the only African nation to qualify for the semi-final of a World Cup so far? **Ans: Morocco in 2022**
5. Which spectator phenomenon started in the 1986 World Cup edition for the first time is now popularised by audiences watching other sports too? **Ans: Mexican Wave**
6. Visual: Name this player who scored the first-ever Golden Goal in the Football World Cup history? **Ans: Laurent Blanc of France versus Paraguay in a last 16 match of the 1998 edition**

Early Birds

Tito Shiladitya | Pulkit Sathe | Suchit Narottam | Jose Jogi | Varghese Joseph

Language in conversation

Vaishali R. Venkat

"Genie, you've been off the radar for so long. Where on earth have you been?"

"Oh! Little Moon, I flew back to my roots to let my voice echo through the ballot box."

"You giant Genie! You can't even squeeze your little finger into the box, yet you're bragging about a ballet inside it!"

"Oh! Moon! It's 'ballot,' not ballet. Long ago, people were afraid of whispering their voting choice out loud. So they dropped a secret ball into a box called 'ballotta' in the Venetian dialect of Italian. Over the years, it became the mighty 'ballot,' which means a system of secret voting to pick the leader of your choice."

"Is 'ballot' a noun or a verb, Genie?"

"Both, Moon! In the sentence, 'The villagers dropped their votes into the ballot box,' it's a noun. But in 'The committee decided to ballot its members on Martin's appointment,' it's a verb."

"I get it now. Ugh, I don't like elections a bit. People curse, shout and throw bad words at each other like confetti! It's all noise everywhere."

"My little sunshine! It isn't confetti that decorates the air during a celebration. It's 'mudslinging,' an act of throwing insults or unfair accusations at someone to damage their reputation. It's a noun, Moon. For example: The election campaign was full of 'mudslinging.'"

Little Moon scrunched her face. "Ha Ha! Genie, if enough mud gets splashed on a person, people would probably shut their doors on them forever."

"You naughty little Moon! You crack jokes that once someone's smeared with enough mud, nobody would welcome them anymore; in real life, secretly shutting someone out like that is called 'blackballing.'"

"OMG! Another little ball has bounced into elections now! What do you mean by that, Genie?"

"Ah, little Moon! 'Blackballing' means voting against allowing someone into a group or organisation. Long ago, secret clubs used tiny balls for voting. A white ball welcomed a candidate in, but even a single black ball could reject them completely. That's why secretly shutting someone out is called 'blackballing'. And Moon, it acts both as a noun and a verb. For instance, Blackballing was common in old secret clubs. It's a noun here. When you say, "They are blackballing the new candidate," it's a verb."

"Oh no, Genie! Do grown-ups ever play fair in elections?"

Genie scratched his beard. "Well... some do, Little Moon. But others try very sneaky tricks to win. For instance, sometimes people even redraw the voting maps so that their favourite side gets more seats. That twisty trick is called 'gerrymandering'."

"Gerry... what?" Moon blinked.

"Moon, some election maps get twisted and stretched like chewing gum in a child's hands. 'Gerrymandering' is when people in power change the borders of voting areas so that more people inside them will vote for their favourite party and help them win the election."

"How do we use it in sentence?"

"As a noun: The opposition accuses the ruling party of 'gerrymandering'. As a verb: The leaders try to 'gerrymander' the voting districts."

"Long live messy elections, Genie. At least I don't have to see my class teacher for one whole day!"

Word of the day

Gainsay: take exception to

Synonyms: contradict, deny, dispute

Usage: *It is impossible to gainsay the importance of a good education in today's job market.*

Pronunciation: newsth.live/gainsay

International Phonetic Alphabet: /ˈɡeɪnˌseɪ/

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thehindu businessline.
FRIDAY - JULY 3, 2026

Stand firm

India should not rush into trade deal with the US

The departure last month of United States Trade Representative (USTR) Jamieson Greer from New Delhi without the promised delivery of an interim trade agreement effectively means that a complete reassessment of the India-US Bilateral Trade Agreement (BTA) is under way. New Delhi has reportedly dug its heels on safeguards against future unilateral US tariff actions and securing better market access than competitors such as Bangladesh and Vietnam.

The caution from the Indian side is warranted. Even a cursory assessment of the February 6 joint statement, a precursor to the deal, makes it clear that the framework privileges US trade interests and export access over two-way benefits. India was expected to reduce or eliminate tariffs on most products. The US merely offered to reduce its Liberation Day 'reciprocal' or retaliatory tariffs — which were anyway illegal under the WTO framework for being country-specific — from 25 per cent (50 per cent, initially) to 18 per cent. Even that concession seems irrelevant in the wake of the US Supreme Court's February 20 ruling which invalidates reciprocal tariffs. The very premise underlying the sole concession offered by the US has ceased to hold. Compare this with the commitments expected from New Delhi. India committed to purchase $500 billion worth of goods and services over a period from a mercantilist US, which made no such reciprocal commitment. India is also expected to address long-standing non-tariff barriers (read GM) affecting US farm produce, and alter standards and norms for imports of US medical devices and Information and Communication Technology (ICT) goods, without corresponding commitments from Washington. Clearly, the joint statement is a one-way street, aimed at reducing US' $58 billion (2025) goods trade deficit with India, even as services trade is in balance. US has an overwhelming presence in India's digital markets.

In the face of an adverse Supreme Court ruling, the US has resorted to other means to keep the tariff pot boiling. It has imposed temporary 10 per cent tariffs under Section 122 of the Trade Act, 1974 on imports from all trading partners. This blanket imposition, even on countries that had agreed to major concessions under new trade deals, reveals that the US is not above reneging on agreements. The Section 122 tariffs, in force only for 150 days, are scheduled to expire on July 24. To continue leveraging tariffs in talks, including with India, the US has now launched two investigations under Section 301. For India to undertake long-term commitments to escape possible future Section 301 tariffs is an unacceptable proposition. It will remain vulnerable to unilateral actions, anyway.

The better option is to continue engaging with the US without yielding to pressures. After all, FY26 exports to the US remained resilient, up by 1 per cent to $87.3 billion — despite the tariff tantrums. A hastily signed trade agreement under the present framework may jeopardise long-term interests.

POCKET

RAVIKANTH

"Next year, we would be better off selling water rather than watercoolers!"

Rupee's pain has a global address

THE DOLLAR TRAP. Much of India's global trade is invoiced in dollars, which to an extent is inevitable — but not entirely so

SAUMITRA BHADURI
SHUBHAM ANAND

The rupee was Asia's worst-performing currency last calendar year, depreciating by more than 6 per cent against the dollar (nearly 10 per cent in FY26). This is striking because India was simultaneously the fastest-growing major economy in the world. A currency does not usually weaken when an economy is thriving. When it does, the explanation lies not at home but abroad, in the workings of the global dollar system itself.

And that system has rarely looked more powerful. The dollar enters the second half of 2026 as the world's best-performing major currency, lifted by expectations of Fed rate hikes and record inflows into US assets. Yet beneath this strength lies a deeper, more contradictory shift, one that explains why the rupee's pain has a global address.

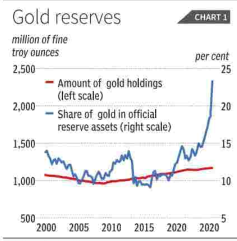
CREDIBILITY GAP

A single number captures the dollar's position today. Its international usage index stands at around 65, against a US share of global GDP of 26 per cent and global trade of 13 per cent. This means the dollar's financial footprint is more than double its economic footprint.

Meanwhile, China's currency usage index barely registers at 3-4, despite accounting for 17 per cent of global GDP and 13 per cent of global trade. The euro area is the only case where the three measures are roughly in balance. In other words, the world does not have a dollar problem. It has a renminbi credibility problem. Capital controls, geopolitical risk, and shallow bond markets make it structurally unsuitable at scale. The dollar's dominance, then, is not a choice but a constraint.

THE HEDGE AND THE TRAP

Yet quietly, in the one place where countries do have discretion, something is shifting. The dollar's share of global foreign exchange reserves has fallen from 57 per cent in 2016 to roughly 40 per cent by end-2025, with gold now accounting for 24 per cent of total reserves. The headline looks dramatic. The reality is more revealing.



Source: Federal Reserve

Chart 1 reveals a striking divergence. Physical gold holdings have barely moved over 25 years, rising less than 12 per cent, yet gold's share of reserves has surged from 10 per cent to 24 per cent since 2022, almost entirely on price.

What does this imply? Central banks are not buying gold; they are holding what they have while letting its share drift higher. The 2022 inflection is not accidental. It marks the year the G7 froze Russia's $300 billion in reserves, weaponising the dollar-based system against a sovereign state. Put another way, central banks are not diversifying because the dollar is weakening. They are hedging against the risk that it could be turned against them.

This is the paradox at present. The dollar's slow loss of share as a store of value is structural; its current strength is cyclical, driven by rate expectations and an AI-fuelled rush into US assets. Both are true at once. If the reserve story is about slow hedging, the transactions story is about immediate, unavoidable exposure. And this is where India's position is most uncomfortable.

Chart 2 shows export invoicing by region. The Americas invoice close to 97 per cent in dollars, Asia-Pacific 74 per cent, and the RoW 79 per cent. The Asia-Pacific number deserves more scrutiny: China is the largest trading partner for most economies here, yet the renminbi barely registers in invoicing. This implies that Asian economies, including India, are paying a dollar tax on trade increasingly conducted with a non-dollar partner. What does this mean for India? Given its trade composition — heavily weighted toward commodity imports, capital goods, and dollar-denominated external debt — its effective dollar invoicing exposure sits closer to the RoW average of 79 per cent than the Asia-Pacific 74 per cent.

> **Reducing gold imports, diversifying exports beyond** IT services, prioritising energy sovereignty and cultivating stable non-debt sources of foreign currency are the urgent steps needed

The RBI built up a record net-short dollar forward book of around $110-115 billion this year, and reserves fell more than $46 billion from their February peak. Those numbers, of course, are not a sign of mismanagement. They are the arithmetic of being locked into a dollar-invoiced trading system when global dollar liquidity tightens.

But what does India's reserve buffer actually represent? Unlike China, Japan, or Korea, whose reserves were built on persistent export surpluses, India's reserves of $682.3 billion represent accumulated confidence of foreign investors and lenders. That confidence is valuable, but also reversible. When the scramble begins, every stress event forces countries to reach for the same currency simultaneously. Diversifying reserves offers no relief when dollars are still needed to pay every bill.

PATH FORWARD

Reserves are larger today and the banking system more resilient than during the Taper Tantrum. But the structural vulnerabilities have deepened.

The RBI's response has been sophisticated, but so far, it remains a crisis playbook, not an external sector strategy. Banks are being encouraged to mobilise foreign currency deposits, public-sector firms nudged to raise foreign loans, and foreign investors offered lighter taxes on government securities. The aim is clear: increase dollar supply and signal that a one-way bet against the rupee is costly.

When the central bank absorbs hedging costs, the burden falls on the public exchequer. The taxpayer effectively provides rupee-depreciation insurance to a narrow set of depositors and borrowers.

That may be defensible in some cases but cannot become routine. Reform, then, is necessary.

First, reduce the structural dollar drain. Edible oils, fertilizers, electronics, and gold are the arteries through which dollars leave India. Households importing gold as savings are voting against domestic financial assets, and that requires deeper, safer financial products in response.

Second, build export-surplus sectors beyond IT services. India as a manufacturing destination has not materialised at scale. FDI has fallen from 3.6 per cent of GDP in 2008 to less than 1 per cent in 2024, with the China+1 shift benefiting East Asia far more than India.

Third, treat energy as a strategic priority, not just a cost line. Oil and gas imports are India's largest dollar outflow. Accelerating the shift to renewables and electrified transport is no longer only a climate goal; it is external-account insurance.

Fourth, cultivate stable, non-debt sources of foreign currency. Tourism is the most underused: unlike portfolio flows, its earnings do not reverse overnight and carry no repayment obligation.

Finally, pursue rupee internationalisation with strategic clarity rather than political symbolism. India's ambiguity on BRICS currency arrangements is understandable. But it should not prevent sensible rupee trade settlement in corridors where India has genuine bargaining power.

Bhaduri is Professor, Madras School of Economics (MSE), Chennai; Anand is a PhD Scholar, MSE, Chennai

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Food sovereignty: Lessons from France and India

For ensuring that future generation of farmers don't leave farming, state support and credit access are crucial

Rohini Rangachari Karnik

France is Europe's largest agricultural producer, accounting for around 18 per cent of the European Union's total agricultural output. Worryingly, half of France's farmers are set to exit farming by 2030.

Similarly, in India, where about 60 per cent of the arable land is used for agriculture, the youth are leaving agriculture for cities.

Both countries face a shared challenge: how do they ensure generational renewal in agriculture and what does this mean for their respective notions of sovereignty?

The issue of generational renewal of agriculture facing France and India is not only one of production or supply. It is also a question of control: who decides what agricultural commodities are grown, how these are grown and on what terms. It is useful to distinguish food security from agricultural sovereignty. Food security is about reliable access to sufficient, safe and affordable food; agricultural sovereignty is about a country's ability to control the inputs, institutions and decisions that shape its agricultural future.

In economic terms, the latter is the ability of a nation to control its core production inputs, pricing exposure and long-term soil capital without structural external dependency. Agriculture sovereignty, more recently known as food sovereignty, rests on six principles — right to food for people, valuing food providers, localising food systems, putting control locally, building knowledge and skills and working with nature. Food sovereignty defends the interests and inclusion of the next generation in agriculture.

Recognising the need for placing food sovereignty at the heart of the political priorities of French agricultural laws, in 2024 France proposed a draft Orientation law on 'agricultural sovereignty and generational renewal in agriculture'. This law explicitly links sovereignty to training, EU co-financing, fosters education across agriculture, encourages environmental practices, and invests in human resources in keeping with Europe's aim to double the share of young and new farmers by 2040.

India had its own expression of the food sovereignty movement during recent farm law protests against three farm laws passed by the Centre in which farmers demanded control over markets, inputs and land. The three laws, primarily marketing reforms, were aimed at deregulating food price control, liberalising the control of food stocks and trade, and giving private enterprise more freedom to contract with farmers directly.

FARMING. For future generations RAO GN

One fear of the farmers was that the minimum support price would get dismantled leaving farmers to bargain directly with a few large corporations. The farmer protests to retain market, input and seed control in India stand in sharp contrast to France's top-down model of generational renewal, where state policy and explicit financial support, plays an important role in driving entry and retention in farming.

FRANCE'S EXPERIENCES

In France the state lowers financial and bureaucratic barriers for young farmers, as many leave agriculture early due to costs and low incomes. In India, generational renewal as a policy is less explicit, left vulnerable to the needs of small and marginal landholders, high debt, small landholdings, and rural-urban migration.

France uses the EU's CAP Strategic Plan, which includes direct payments, eco-schemes and transition support for sustainable farming and generational renewal. India's main tools for agriculture include the Minimum Support Price, input subsidies, PM-KISAN, the Kisan Credit Card scheme, crop insurance, soil-health and irrigation schemes, and market reforms, amongst others. These are major schemes aimed at enhancing productivity, income support and sustainable practices, but with little direct relevance tackling the issue of generational renewal in agriculture.

France's model shows how legislation and finance can institutionalise generational renewal. The path forward lies in a purposeful synthesis: Indian policy could integrate France's institutional tools — youth-support schemes, land-access instruments and targeted credit — while France could adopt India's low-cost agro-ecological community led models that give importance to smallholders and seed sovereignty.

Only by combining state capacity with a sensitivity to movement-driven demands can both countries ensure that the next generation of farmers not only enters agriculture, but does so in terms that are economically viable, ecologically sustainable and politically empowering.

The writer teaches French at the Alliance française de Delhi

◉ LETTERS TO EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

The e-trucks charge

Apropos, 'A roadmap for electric trucks' (July2). India's persistent dependence on imported crude oil remains a strategic and economic liability, with the diesel-intensive freight sector accounting for a significant share of petroleum consumption.

Expediting the adoption of electric trucks is therefore an economic imperative, not merely an environmental objective.

The government must accelerate charging infrastructure, incentivise domestic battery production, and facilitate affordable financing.

A robust transition to electric freight transport will curtail oil imports, strengthen energy security, improve logistics efficiency, and reinforce India's long-term economic resilience.

N Sadhasiva Reddy
Bengaluru

This refers to 'A roadmap for electric trucks' (July 2), which correctly identifies the chicken-and-egg problem holding back truck electrification.

Charging operators will not invest without guaranteed volume, and fleet operators will not commit without reliable charging.

The proposed solution, using long-term power auctions to lock in low tariffs for charging hubs, seems sensible and deserves quick implementation.

Government-anchored demand through public procurement and toll incentives for electric freight carriers could also break the deadlock faster than subsidies alone.

Further delay will only add to the strain on oil imports on the external account.

Swathi Senthilkumar
Coimbatore

Govt's regulatory caution

This is with reference to 'Govt asks Meta to pause WhatsApp user name rollout over fraud risks'. The government's concerns about WhatsApp's proposed username feature are not necessarily unwarranted, given the risk of impersonation and phishing.

At the same time, the feature offers privacy benefits by allowing users to communicate without sharing their phone numbers.

The overall fraud risk will depend on how effectively Meta prevents deceptive usernames and detects abuse. The government's review is a precautionary step.

PV Prakash
Mumbai

El Nino disruption

Apropos 'Super El Nino threat, unseen since 1950 taking shape' (July 2). June passed without any significant rainfall, heightening the anxiety of farmers, particularly those in the plantation sector, who depend on annual crops but lack a corresponding debt repayment mechanism during years of crop failure.

The coffee sector has faced a double blow this year due to inadequate blossom showers and backing showers.

The concerned Ministry should extend timely financial relief to growers by deferring both interest payments and loan repayments on plantation credit.

It should also consider waiving interest, as growers' finances have been severely affected not only by the poor monsoon but also by the disruptions arising from the West Asia crisis.

Rajiv Magal
Halekere Village (Karnataka)

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Japan's key agenda

Reset policies to reduce China's clout in the region

Sridhar Krishnaswami

TRUST QUOTIENT. Japan sees India as a reliable partner

Even before landing in New Delhi, the Prime Minister of Japan, Sanae Takaichi, made it clear that she attached importance to the "strengthening of the strategic relationship between our countries. I wish to deepen cooperation in the field of security and strengthen our capacity to navigate the uncertain international landscape".

In a few words, the Japanese leader captured the essence of today's international system, not because of the implications the US-Iran war had for the world but in a genuine apprehension of the valid lessons not properly understood.

ECONOMIC COOPERATION

Surely the visiting Prime Minister's agenda had a heavy economic component especially for a deeper economic cooperation between the two nations in the realms of energy, technology and defence and from a Tokyo perspective, to look beyond East Asia.

India as an "indispensable partner for Japan" did not mean that China was being given a short shrift or "dumped", but that in reducing the burden of exposure and in keeping the Indo-Pacific open and free, India was a reliable partner.

China is Japan's largest trading partner with a two-way trade of around $325 billion, predominantly of high-tech components, machines and consumer items. Japan consistently runs a deficit of about $40 billion.

India, on the other hand, accounts for less than 2 per cent of Japan's total global trade; the two-way total accounting for about $27.5 billion with Japan's exports at $21.5 billion versus India's at a little over $6 billion. But Tokyo has been one of India's top investors spread over automobiles, electronics, infrastructure, logistics and finance.

Now, with changes in Japan's defence and forward posturing, it is expected that the two countries will quickly widen and deepen the points of interest especially in collaborative high technologies with dual applications.

There are nearly 1,500 Japanese companies in India operating in a very different environment compared to the restrictive eras of the past.

Prime Minister Takaichi correctly pointed out the uncertain landscape of the Indo-Pacific, especially with the US looking to humour, and stabilise relations with, Beijing. But even before this, Tokyo was becoming increasingly apprehensive of Washington's commitment to Asia.

And this has intensified after President Donald Trump's recent visit to China and his putting on hold a $10 billion arms package for Taiwan; making it a bargaining chip with China, and effectively giving it a veto.

CHINA FACTOR

More than the uncertainty of American commitment, Japan's primary concern is that of China, with North Korea and Russia playing their dutiful role of add-ons.

Beijing has been consistently turning the economic heat on Tokyo, putting the squeeze on exports of rare earths or materials of dual use. But if Japan has received a big wake-up call, it is over the US-Iran war and in the closure of the Strait of Hormuz.

While other nations in the Indo-Pacific may be reluctant to admit, it is an open secret that China's aggressive posturing in the South China Sea and laying claim to all of the Spratlys have raised anxiety levels, especially in the event of a potential military showdown and shutting off a pivotal waterway.

Prime Minister Takaichi will understand why India cannot be roped into any grand alliance against China.

And Beijing knows what is making Japan and most of East and South East Asia uncomfortable.

The Takaichi government is on its way to remake Japan's strategic and foreign policies. And guilt trips of Imperial Japan, World War II and Yasukuni Shrine by Beijing are unlikely to make a difference.

The writer is a senior journalist who has reported from Washington DC on North America and United Nations

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thehindu **businessline.**

TWENTY YEARS AGO TODAY.

July 3, 2006

Textile exporters opting for 'speed to market' route

The 'speed to market' concept is gaining currency with Indian textile export firms as they try to leverage cross-country synergies to set up bases closer to target markets of the US and EU to bring down export lead-time. Spreading out the manufacturing base across a number of countries to become 'full-service providers' is also being attempted to win over big global buyers.

WTO members may meet again to rescue Doha round

With the mini-ministerial conference of the World Trade Organisation in Geneva ending in an impasse, key trading nations of the world may make another attempt by July-end to hammer out an agreement for completion of the Doha round of negotiations before December 2006.

Prevention is better than cure for Mumbai drug cos

Memories of the extraordinary downpour witnessed in Mumbai last July, have forced drug companies to board-up its medicine warehouses as the monsoons bring in more rains. A single day's rain and flooding at the Bhiwandi warehouse on the outskirts of Mumbai had rendered about ₹1,000 crore worth of medicine stocks ineffective, last year.

THE WIDER ANGLE.

PARAN BALAKRISHNAN

The changing dynamic in China-India economic ties

While India is cautiously reopening to Chinese investment, China is becoming more restrictive about tech transfers and overseas investment

It's the first significant Chinese auto investment in India since 2017. The colourfully named Horse Powertrain, a joint-venture backed by China's Geely, will invest up to $370 million to manufacture hybrid powertrains in Chennai. After years of near-freeze, Chinese participation in India's auto sector may finally be restarting.

For a very different China-India auto story, turn to the June 8 edition of China's English-language *Global Times*. Days earlier, Tata Motors announced it would use Chinese automaker Chery's platform for its premium Avinya EV, fuelling speculation the partnership could deepen. The state-run *Global Times* quickly shut that down. Chery stressed the agreement was limited to "vehicle-related parts supply, including providing auto components." It denied any plans for direct investment or technology transfer in India.

The two announcements capture the changing dynamic in China-India economic ties. India is cautiously reopening to Chinese investment just as China is becoming more restrictive about technology transfers and overseas investment.

The turning point came in 2020. After the Galwan Valley clash, India effectively slammed the brakes on Chinese investment, requiring government approval for investments from neighbouring countries. Many proposals were delayed indefinitely or abandoned. Four years later, policymakers have concluded that sectors such as EVs, batteries and advanced manufacturing cannot become globally competitive without some access to Chinese technology and capital.

In March, India signalled a more pragmatic approach, allowing Chinese companies to take minority stakes in Indian firms in select sectors. The shift is modest but marks the first meaningful easing of restrictions since 2020.

Unfortunately for Indian companies, this policy change has come just as Beijing has tightened controls over its own companies, helping explain why Chery distanced itself from suggestions of deeper cooperation with Tata.

China's tougher stance is not aimed primarily at India. It reflects Beijing's response to growing US and other Western restrictions on Chinese investment and technology exports. China has introduced tighter controls on technology exports, outbound investment and sensitive industrial know-how, while strengthening supply chain rules to discourage manufacturers from relocating production overseas.

From Beijing's perspective, India occupies an ambiguous position. On one hand, it's not central to China's global economic strategy. "They aren't losing any sleep over it," says Santosh Pai, partner at Dentons Link Legal.

Yet India is now the world's third-largest automobile market and one of the fastest-growing EV markets. Companies like Chery would clearly like a foothold. Even so, Chinese policy is shaped by broader global strategy rather than India alone.

The auto sector isn't unique. Across industries, Chinese and Indian companies are quietly exploring structures that can satisfy both countries' regulators. "There's been more activity in the last six months than in the last six years," says Pai. Whether these proposals clear approval hurdles in New Delhi and Beijing remains uncertain.

> **China has introduced tighter controls on tech exports,** outbound investment and sensitive industrial know-how, while strengthening supply chain rules

OVERPLAYED ITS HAND?

Pai also believes Beijing risks tying its own companies in knots. "China may have overplayed its hand. They've put out legislation after legislation in the last three years to put every global Chinese company into shackles. Will it be overkill? At the end of five years, if none of the Chinese companies is going to be global, then it's backfiring on them."

The solar industry illustrates the same tensions. India has become one of the world's largest solar markets, with companies like Adani building giant projects. But after India imposed higher duties and restrictions on Chinese solar imports, Chinese manufacturers shifted production to Southeast Asia rather than investing in India, allowing them to keep serving India while avoiding trade barriers.

India paid a price. Instead of attracting manufacturing investment, it continued importing large volumes of solar equipment. While the Adanis have since localised much of their production, key materials such as polysilicon, ingots and wafers are still imported. The automotive industry presents an even tougher challenge. Indian manufacturers still source a large share of critical parts from China, reflecting its dominance of EV supply chains. As one industry analyst puts it: "Chinese companies will be fighting with companies that are sourcing almost everything from China."

That dependence should decline as domestic manufacturing expands, but keeping pace with China's rapid technological advances remains difficult. Chinese firms continue to lead in batteries, software and vehicle platforms. BYD's latest Blade Battery, for example, offers a range of over 1,000 kilometres and charging in minutes.

Despite political tensions and regulatory hurdles, many Chinese companies remain eager to enter India, seeing it as one of the biggest long-term growth markets across automobiles, renewable energy, electronics and advanced manufacturing.

The question is whether commercial logic will ultimately outweigh geopolitical caution. The coming months will test whether the two countries are willing to let business opportunities trump political differences.

Inflation risks in the US have come down

Enda Curran
Catarina Saraiva

Federal Reserve Chairman Kevin Warsh said price risks have come down in recent weeks, while repeating his determination to bring inflation back to the US central bank's 2 per cent target.

"Expectations of inflation over the first four weeks of this period have come down, inflation risks have come down," Warsh said Wednesday at the European Central Bank's annual Forum on Central Banking in Sintra, Portugal. He doubled down on a message from his first press conference as Fed chairman last month that the central bank will deliver price stability.

"We're going to deliver price stability in the US, that's what this committee has signed up to do, and our objective is to do that," he said. "Tactics, the strategy and the rest, that's still to come," Warsh said.

Warsh also emphasised the Fed's autonomy in determining the proper policy course — in the face of consistent calls by President Donald Trump for slashing interest rates. "We've been an independent central bank for a very long time. We're going to be an independent central bank at this moment and you're going to see no changes on that," he said in a panel discussion at the ECB conference.

'NEW COURSE'

Warsh repeated that he isn't going to offer "forward guidance" with regard to upcoming interest-rate policy, marking a step-change at the US central bank. Asked specifically whether a rate hike is on the table at this month's meeting, Warsh said the panel moderator was "trying to get me to break this rule" on foreswearing forward guidance. "She's going to fail."

"We're going to chart a new course," Warsh said. "I want us to have a good family fight when we meet in four weeks," he said, referring to the next policy decision.

In his initial press conference last month, Warsh said that Fed policymakers had agreed that forward guidance "was not well-suited to the current policy conjuncture."

KEVIN WARSH. US Fed chief keen on delivering price stability BLOOMBERG

"At my press conference, I said we're not going to give forward guidance because we're meeting in six weeks," Warsh said on a panel alongside other prominent central bank leaders.

"I have an update for you," he added — noting the July 28-29 meeting is now just four weeks away.

TASK FORCES

While Fed officials held interest rates steady last month, they did signal growing support for hikes this year amid inflation running at its fastest since 2023. Updated forecasts for the Fed's benchmark rate showed half of 18 officials projected a rate increase this year, though Warsh declined to offer a forecast himself.

FEDERAL FUNDS RATE

The rate-setting Federal Open Market Committee voted unanimously last month to hold its benchmark federal funds rate target in a range of 3.5 per cent to 3.75 per cent. Investors are now pricing in at least one 25 basis point rate rise by year-end. As for whether the Fed will more permanently refrain from forward guidance, Warsh in June announced the creation of five task forces, one of which will examine communications. The others cover the balance sheet, the Fed's use of data, productivity and jobs, and the central bank's inflation frameworks.

Speaking on the panel, Warsh said that it's likely there'll be news next week on task-force membership.

Participants will include outside experts, and some individuals from outside the US, he said. BLOOMBERG

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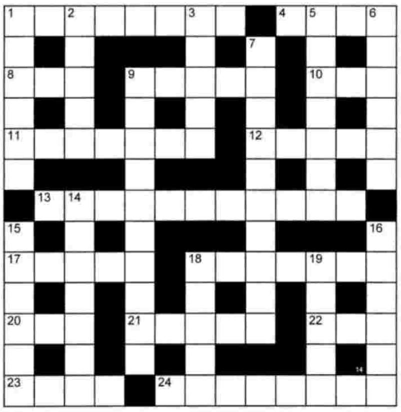

EASY

ACROSS

1. Clear space (8)
4. Particles of sand (4)
8. Subdue one's spirit (3)
9. Dough-paste, spaghetti, etc (5)
10. Large tank (3)
11. Put on show (7)
12. Flashlight (5)
13. Heavy goods conveyor (11)
17. Book jacket (5)
18. Game disc (7)
20. Admit to (3)
21. In cheerful spirits (5)
22. Sack (3)
23. Large plant (4)
24. Registered guest at hotel (8)

DOWN

1. Ten-year period (6)
2. Shows tiredness, boredom (5)
3. Speedy, quick (5)
5. Turn the other way about (7)
6. Irritable (6)
7. Stand with divisions for books etc (10)
9. Words reading backwards and forwards (10)
14. Retaliation (7)
15. To approach and address (6)
16. Terror (6)
18. Swear at (5)
19. Entertainment, supply of food (5)

NOT SO EASY

ACROSS

1. Clear space needed for natural illumination (8)
4. Strength of character needed to deal with icy road (4)
8. Jersey may keep one under (3)
9. From historic times, a Macaroni, say (5)
10. A partly derivative form of taxation (3)
11. Show how plaid's used at end of Hogmanay (7)
12. It forms a link with a hand-light (5)
13. Goods vehicle of sort partner constructs (11)
17. Put something on top of protection insurance gives one (5)
18. Parry one with the front part of a horse (7)
20. Be the possessor of a topless dress (3)
21. Will go round the carousel when somewhat tipsy (5)
22. Lay claim to the purse (3)
23. It may be ash one will put in a shoe (4)
24. How tender is made by one living there (8)

DOWN

1. Sounded rotten, the Sixties? (6)
2. Might start to nod and sway: shows how tired one is (5)
3. How to shy at it in a hurried way (5)
5. Misfortune may make one back the car (7)
6. Irritable at how the City does without one (6)
7. It holds books and music for the Archbishop (10)
9. Modern pall made up like rotor (10)
14. To take vengeance on one, for example, may take nerve (7)
15. Stop and speak to one company in change of cast (6)
16. The ridiculous appearance of sudden fear (6)
18. Of course, nothing is lost by imprecation (5)
19. A list of figures for the board (5)

SOLUTION: BL TWO-WAY CROSSWORD 2684

ACROSS 1. Continent 5. Few 7. Late 8. Startled 10. Inhibits 11. Dawn 13. Gorgon 15. Prayer 18. Bump 19. Harmonic 22. Learning 23. Beau 24. Woe 25. Genuflect

DOWN 1. Calling 2. Notch 3. Entity 4. Tyre 5. Fallacy 6. Widen 9. Abbot 12. Tramp 14. Rummage 16. Recruit 17. Cannon 18. Below 20. Niece 21. Snug

OUR VIEW


ISTOCKPHOTO

The US at 250: it's yet to meet self-evident aims

A quarter of a millennium ago, the US made a tryst with what its founders saw as destiny. Now it must redeem its promises of 4 July 1776. They remain globally resonant till this day

The second line of America's famous Declaration of Independence has been called "the most potent single sentence in American history." Even if we edit the last bit to 'written in English,' it might arguably still be true. The line in question, adopted in Philadelphia by the US Continental Congress on 4 July 1776, runs as follows: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." This exposition of human rights is followed by a derivative social contract that outlines the new republic's democracy: "That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed." These went down in history as the words of Thomas Jefferson, a rights-focused lawyer who wrote the document's first draft. Some credit for editing it, though, must go to Benjamin Franklin, a scientist who dared fly a kite in a thunderstorm to check if lightning was electricity, as legend has it, and is said to have replaced "sacred & undeniable" with "self-evident" to describe those "truths," thus giving them an axiomatic twist, a concept whose origin goes back to the early days of math. This switch is notable because the country's subsequent success was based not just on liberty, America's core ideal, but also on its offspring—science.

While foresight is evident in how the US placed universal values over particular pass-downs, myopia marks its record of living up to its own basic ideals. Scandalously, native Americans were peripheral to its vision, with their rights all but ignored. Worse, scarcely was an eyelid bat over the inhuman slavery of folks wrenched from Africa—a horror that persisted for almost a century after equality was held aloft as an axiom of humankind. Buying the absurdity of a divinely appointed ruler, as argued by Thomas Paine's 1776 classic *Common Sense*, was one thing; taking that revolution to its logical conclusion was another. Even after slavery ended and every adult got the right to vote, the US, for all its economic and tech advances, has been a wobbly upholder of what it deemed self-evident not just among citizens, but everyone. Seen from overseas, Uncle Sam's long trail of armed interventions across the globe form a mixed but sorry picture. Its World War II win was heroic, no doubt, given the Nazi evil it fought, but its own ill-treatment of captives over the decades since has smudged its global reputation. Indeed, exertion of power has gotten the better of its judgement far too often. Perhaps the biggest irony of all has been US backing of Israel's war on Gaza that neutral scrutiny found genocidal.

To be fair, the US has had significant internal opposition to its conduct abroad. This could be attributed to a sense of values that arose from the sovereignty that its people acquired back in 1776. It also raises the question of whether the self-corrective impulses of its free market have a political parallel. After all, the demands of capitalism have long shaped US policy. America's control of the world's most important price, the cost of capital, is a key aspect of its power. The more its actions alienate other people, whose opinions it cared for enough to mention in the very first line of its Declaration, the more likely other nations will try to dethrone the dollar as the world's currency. And it shouldn't take the sight of a $100 bill, which has Franklin's image on it, to view that as self-evident too.

GUEST VIEW

How redesigned logistics helped India through the Hormuz crisis

It took years of strategic work to ensure we were relatively unaffected by a severe supply disruption

VARTIKA SHUKLA
is former chairperson and managing director, Engineers India Ltd.

Energy security, at its core, is a logistics problem. It is not enough to have the right suppliers; you need ships, terminals, pipelines and diplomatic channels to move their products through any open route. The Strait of Hormuz disruption was the most severe test faced in the modern era. Since late February, the Strait—through which 120 ships passed daily before the Gulf conflict broke out—fell to fewer than 10 daily transits. For India, which imports around 90% of its crude oil and draws the bulk of its liquefied petroleum gas (LPG) and liquefied natural gas (LNG) from Gulf countries, the exposure was direct, severe and immediate. What followed tested whether India's logistics architecture strengthened over a decade would hold. India-bound ships eventually did cross the Strait. It held.

The foundation for that outcome was structural, not reactive. Over the preceding decade, India had systematically dismantled its dependence on any single supply corridor. LPG import terminals doubled from 11 to 22, distributing supply risk across the coastline. The crude supplier base widened from 27 countries to 41, spanning the Americas, West Africa, Russia and the Atlantic Basin alongside the Gulf. Domestic refinery capacity was configured for a wide variety of crude oil—so that when familiar Gulf barrels stopped arriving, the system could adapt without shutting down.

The first and most consequential victory was diplomatic. India secured vessel transit exemptions early—a status shared with only five nations globally—through Prime Minister Narendra Modi's direct engagement. Operation Urja Suraksha, providing naval cover in the Gulf of Oman, sent an unambiguous signal to shipping insurers that India-flagged vessels had protected passage. In a crisis when most nations had to scramble for spot cargo and emergency bilateral agreements, India had already negotiated its way to the front. Between March and late June, 30 India-bound ships crossed the Strait and had transited the war zone by mid-June.

The second victory was strategic autonomy in sourcing. While Asian economies that had concentrated their LNG and LPG supply in Gulf producers faced immediate shortfalls and resorted to spot procurement at prices 44% above pre-war levels, India pivoted without panic. Crude was re-routed through alternative Gulf ports; alternative sourcing was activated simultaneously from Algeria, the US, Norway, Canada and Russia. Non-Hormuz crude sourcing rose from roughly 55% to 70% within weeks. India buys hydrocarbons from geopolitically opposed blocs simultaneously—from Washington's allies and from Moscow, from Gulf monarchies and from Atlantic democracies—without political constraints. What some may see as diplomatic ambiguity is actually energy security—and is worth every relationship that went into building it.

The third victory was domestic production. When LPG imports slumped, India chose to step up its domestic production. The LPG Control Order of 8 March directed every refinery to maximize output, and within a week, Indian output had risen from 35,000 to 54,000 tonnes a day, with plants re-configured in innovative ways to do so. A combined inventory buffer of about two months across crude oil, LPG and LNG gave planners time to operationalize alternative sourcing.

The fourth victory was on consumer sensitivity. Unlike other countries, the only restrictions applied were on commercial LPG, diesel and aviation fuel exports—designed to protect households. By any international comparison, Indian consumers experienced only a mild disruption, with the lowest price hikes among major energy importers. This outcome came at a fiscal cost. However, an unwavering political commitment put households first.

India's task now is to extend its structural advantage. The country currently charters nearly all its oil and gas import vessels, leaving freight costs exposed at vulnerable times. An SCI–IOCL–BPCL–ONGC joint venture for 62 owned vessels addresses this issue directly. An Oman-Gujarat deepwater pipeline can route 10–15% of India's gas demand through a chokepoint-free corridor.

In all, the crisis caused by the closure of the Strait of Hormuz validated a decade of infrastructure investment and set out an outline of national tasks for the next decade: vessel ownership, pipeline connectivity, strategic reserves of crude oil, LPG and gas, and a formal ceiling on any single supply region's share of imports. Resilience is never accidental. Neither is the work required to strengthen it.

QUICK READ

Diplomatic efforts, supplier diversification, stepped-up local production and protection of households ensured that the Hormuz crisis didn't impact India as badly as other big importers.

This was strategic foresight at work. What we now need is to cut freight vulnerabilities. An Oman-Gujarat pipeline would help, as may vessel ownership and greater domestic reserves.

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10 YEARS AGO

JUST A THOUGHT

> In the United States today, the Declaration of Independence hangs on schoolroom walls, but foreign policy follows Machiavelli.
>
> HOWARD ZINN

GUEST VIEW

MPLADS: are elected MPs really making good use of it?

KRITI BHARGAVA &
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Every elected Member of Parliament (MP) in India commands ₹5 crore a year under the MP Local Area Development Scheme (MPLADS). Launched in 1993, it allows Indian Parliamentarians to recommend developmental public works, with an emphasis on community assets aimed at meeting locally felt needs. Its guidelines are clear: funds must be spent on public assets, on government land and for government-controlled institutions. The intended beneficiary is the public at large without reference to any particular section of society.

Since 2011-12, the annual entitlement has been fixed at ₹5 crore per MP. Across all 543 sitting members, the scheme's cumulative allocation for the 18th Lok Sabha stands at ₹8,265 crore (as of 27 May, 2026). The MPLADs architecture involves a central nodal agency, state nodal authorities, nodal district authorities, implementing district authorities, implementation agencies and user agencies. Public projects must be recommended by the MP, sanctioned by the implementing district authority within 45 days, and carried out under a detailed list of permissible activities.

According to statistics ministry data, 88,790 public works have been recommended in total so far by Lok Sabha members, worth roughly ₹4,787 crore. Of these, 67,524 have been sanctioned (worth ₹3,547 crore), 21,807 have been completed (worth ₹1,047 crore) and expenditure on completed as well as ongoing works totals about ₹2,192 crore. In other words, recommendations cover only 57.9% of the total allocation. Less than a quarter of recommended works are complete, with ongoing expenditure under a quarter of that figure too.

Sectoral concentration: The government's indicative list spans 112 specific activities across 12 categories. Yet, data shows clustering at the top. Three sectors alone—energy supply and distribution systems; railways, roads, bridges and pathways; and public and community building—account for about 71% of all recommended works. Energy leads with 23,440 recommendations (26.4%), mostly for street lights and public lighting. Roads follow with 21,475 works (24.2%). Community buildings, halls and cultural centres add another 17,921 works (20.2%). This is not inherently problematic: lights on village streets and roads connecting hamlets to markets are legitimate and visible locally demanded goods. But visibility matters as much as need. Street lights and road patches are among the most visible deliverables a legislator can point to. Community halls carry plaques.

Underfunded sectors: Agriculture and farmer welfare, covering crop conservation, training centres and stubble management equipment account for just 37 recommendations. Given how many people in India's workforce still depend on agriculture, this is a telling number. Public health remains marginal too: just 1,322 works (1.5%), worth ₹120 crore. This stands out, especially since the guidelines permit eight health-related activities, including ambulances and prosthetics, among others. The gap reflects a failure of uptake.

Drinking water and sanitation show a similar pattern. Of 10,702 recommended works, the three largest sub-categories are tubewells and borewells, mobile water tankers and hand pumps. These point-of-supply interventions, which deliver water without improving distribution infrastructure, make up 63.5% of the category. Pipeline works lag behind. This points to a preference for quick supply-end fixes over capital-intensive infrastructure with longer-term gains. This raises a familiar question in development practice: are these public works solving a problem or just managing it?

The lens of political parties: National averages per MP offer a baseline: 43 works in the field of energy, 40 in roads, 33 in public and community buildings, 19.7 in drinking water, 12.6 in education and just 2.4 in public health.

Party-wise patterns diverge sharply from this. The Samajwadi Party's 37 MPs averaged 220 energy works each, five times the national rate, against just 5.6 community-building works and 0.6 health works per MP. The Bharatiya Janata Party's 240 MPs track close to the national average on water and education, but run well above average on roads (46.8 versus 39.5) and community buildings (44.8 versus 32.9). The Congress's 100 MPs show a more even spread, with education and health both above average. The Dravida Munnetra Kazhagam's 22 MPs stand out on education, averaging 34.4 works per MP, nearly three times the national rate, with energy works well below average.

A structural question: The gap between ₹8,265 crore allocated and ₹2,192 crore spent, between 88,790 works recommended and 21,807 completed and between 112 permitted activities and a clear concentration in barely five or six are all measurable signs of the same tension. The scheme's design involves third-party evaluations, asset registers, monthly reviews and work-sanction deadlines. It is also subject to right-to-information compliance.

On paper, the MPLADS architecture is thorough. But the data reveals a gap, one that lies in translation, shaped by the political economy of visibility, administrative capacity of district governments and the extent to which MPs and their teams cover what the scheme actually permits. The space between these numbers is an invitation to ask hard questions about how the intent of MPs translates to public goods.

QUICK READ

An analysis of recommendations for public-works spending by Lok Sabha members shows not just underuse of this scheme's funds but also concentration in a few high-visibility areas.

Hard questions arise over the political economy of visibility, administrative capacity of district governments and the extent to which MPs and their teams cover what the scheme permits.

GUEST VIEW

India's demographic dividend is rapidly running down the clock

We have little time left to resolve a poly-crisis of unsatisfactory outcomes on economic growth, education and employment

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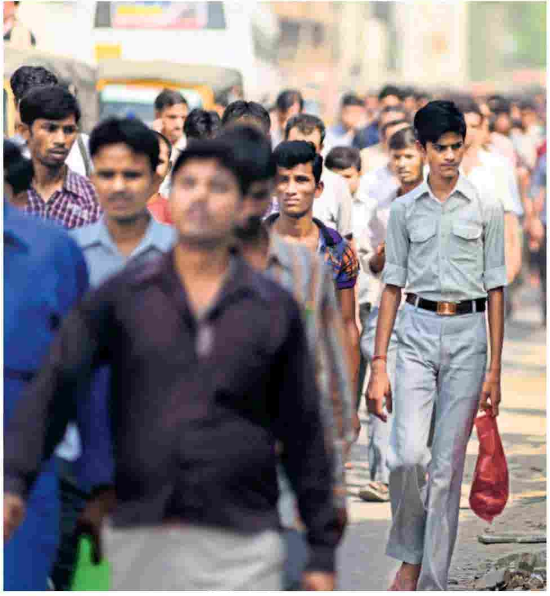

MINT

India faces a serious jobs crisis. Recent National Crime Records Bureau (NCRB) data, including its 2024 report, shows that (i) unemployed persons form a large category among suicide victims; (ii) student suicides have risen; and (iii) a substantial share of suicide victims were Class 10, Class 12 and higher-education students. The most striking NCRB trend is not suicides among farmers but casual-labour workers.

India's poly-crisis: The country faces a structural economic crisis. A complacent belief appears to prevail in the government about India's GDP growth and hence employment-generating potential. This ignores that India must grow 8% per annum consistently for over two decades to realize its demographic dividend and reach 'high income' status. Yet, from 2014 to 2024, the economy grew at only at 6.2% annually (base 2012), compared to 7.8% per annum over 2004–2014. No international agency projects that India will grow at a rate above 6.7% from 2020 to 2030. India needs nothing short of 12 million new non-farm jobs annually, but generates half that number. The growth slowdown had multiple consequences.

First, non-farm job growth fell. Our working-age population share is still increasing. However, among 900 million people of working age, only 330 million were non-farm workers in India's 610 million workforce (2024). The rest were in agriculture and allied activities. Shockingly, 40% of all youth (15-29 years) in the workforce are unpaid family labour . This share fell from 1993-94 to 2017-18, but shot up thereafter. In 2024, about 28 million unemployed educated youth were looking for jobs; and about 100 million educated youth (mostly women) have stopped looking. Another 150 million youth are currently in education or training who will look for work. The Union government had inherited a youth unemployment rate (UR) of 2.2% (2012 data). By 2017-18, this tripled to 6.1%, the highest in 45 years. The youth UR also tripled to 18% over that period.

Second, a structural change was underway over 2004–2014 that involved an unprecedented fall in the absolute number of farm workers with a rising share of the construction and manufacturing sectors' contribution to employment and gross value added (GVA). This reversed between 2015 and 2024. Manufacturing's share of GVA was broadly stable since 1960 or so till 2015; but despite 'Make in India,' the sector's contribution to GVA fell from 17% in 2014 to 13% in the next 5 years. This had not recovered to its 2014 level in late 2025.

Similarly, the manufacturing sector's share of employment, after rising from 10.5% to 12.8% between 2004 and 2012, fell to 11.5% in 2024. Also, an absolute fall in this sector's employment followed till 2021, for the first time in India's post-Independence history.

Third, as non-farm job growth fell, real wages stagnated for all workers: casual, regular wage or self-employed, both rural and urban. Our research shows that casual-worker real wages have stagnated since 2012 (just as for regular wage and self-employed workers), while their indebtedness has grown. In May, the NCRB reported that 63% of all suicide victims came from economically insecure households with annual incomes below ₹1 lakh, with daily wage earners as the largest group. The share of daily-wager suicide cases rose from 12% in 2014 to 23% in 2019 and then to 31% in 2024. This is outpacing the growth of daily-wage earners in India's workforce. Agricultural labourers constituted the majority.

QUICK READ

A structural change that was underway of workers moving off farms to jobs in other sectors went into reverse even as unpaid labour makes employment in India look healthier than it is.

By 2040, India will be ageing dramatically as roughly half the current workforce nears retirement. Informal sector dominance means most of them will have no pension support.

Fourth, another dimension of India's aborted structural change, which had gathered momentum after 2004, is that the share of agriculture in total employment, after falling consistently for the last half century, actually rose from 42% in 2018-19 to 46.1% in 2023-24 . The 'Lewisian transition,' which gathered momentum after 2004, was reversed again. Workers in agriculture rose from 200 million in 2019 to 280 million in mid-2024.

Fifth, to realize India's demographic dividend, millions more must be employed in non-farm sectors. Yet, the country's employment rate, or the share of the working-age and youth population finding work, is falling—the opposite of what is needed to realize the dividend.

The International Labour Organization (ILO) says that over half the global population aged above 15 is employed (56%), much higher than for India. In India, the ILO estimates the overall employment rate fell from 42% in 2004-05 to 35% in 2017-18, before rising again; but it still remains 41% and the rise is mainly due to increased unpaid family labour.

Slower GDP growth and the accompanying jobs crisis are monumental challenges for the world's largest population. However, these twin challenges are compounding an education crisis. Both school and higher education had rapidly increased enrolment by 2015, but this has left the economy with millions of unemployable school-leavers and tertiary graduates. Thus, unsatisfactory outcomes on education, economic growth and employment form the core of the country's poly-crisis.

Finally, another challenge is that India's workforce is rapidly ageing. By 2022-23, it was more or less equally divided between two age groups: below 45 and above. By 2040, India will be ageing, since the half over 45 will near retirement. Most of them, however, will have no pension support.

MINT CURATOR

Pluralism still holds the key to conflict resolution in America

Religious affiliation is dropping in a country founded on freedom

ABBY McCLOSKEY
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The US has long been religiously pluralistic in theory but not in practice. AFP

Growing up as a Christian, I often heard from other churchgoers how fortunate we were to live in a Christian nation such as the US. These days, I am more likely to hear fellow Christians lament that the country has fallen into secularism. But as America turns 250, it is worth remembering that the history of Christianity in the country is complicated. So, too, is its future. Church membership has waxed and waned in the country before. But the decline in a broadly shared Christian worldview is unprecedented. Already, it is putting the pluralistic religious ideals of the country's founders to the test.

The pre-1776 colonial era was a largely unchurched one. Church membership levels hovered around 15–20% due to strict membership requirements and geographic isolation. Yet while church membership was relatively low and a national religion was—in explicit contrast to Europe—banned, Christianity provided a shared moral framework for the new country.

As historian Mark Noll wrote in his book *In the Beginning Was the Word*, the Bible provided a dominant cultural and religious understanding for the vast majority of Europeans who arrived on American soil. Nearly all of the founders expressed some version of Christian faith, and that faith inspired much in America's founding documents. The idea that people are "endowed by their Creator with certain unalienable Rights," for example.

Then came the revivals and Great Awakenings of the 18th and 19th centuries, which alongside new waves of immigration, began driving up church attendance.

But it was not until the 20th century that church membership reached its apex. By 1948, church membership reached a historic high of 76%, according to Gallup. Around half of Americans attended church weekly. A whopping 91% of Americans identified as Christian or Catholic.

On our semiquincentennial, Americans are far more religiously diverse—and far less religious overall. Regular weekly or near-weekly church attendance has dropped to roughly 33% of the adult population, according to Gallup. While Christianity is still adhered to by approximately two-thirds of Americans and remains a large part of the national story, nearly half of Americans say that religion is not very important to them. For the first time, one in four Americans claim no religious affiliation, rising to one in three for those under 30.

This is a huge change in a relatively brief period of time and has helped create new political dynamics. For example, it once was the case that an equal share of Democrats and Republicans would have had similar Christian worldviews; now it is skewed, with Republicans having disproportionate representation among churchgoers and Democrats having a disproportionate share of those with no religious affiliation. This contributes to political polarization and a belief that the other side is immoral and closed-minded.

Most Americans see their fellow citizens as "morally bad," according to Pew, a pollster, and have deep divisions on a number of moral topics. Of course, a widely shared religious framework does not mean everyone gets along. The 19th century saw the North and South go to war over slavery, after all. But now there is not even a common language or sense of higher authority from which to persuade.

Some conservatives are trying through political means to turn back the clock, but this is not the way forward. There has been an increase in movements on the political right to restore a common language of morality, such as by displaying the 10 Commandments in public school classrooms.

But symbols and language do not create spiritual belief; that comes from families, churches and communities. A top-down push risks creating the kind of state religion that has been endemic elsewhere and that the American founders were trying to avoid. And of course, a state powerful enough to mandate religious language is powerful enough to do the opposite. History is also replete with the elevation of secularism over religion in public life.

In some ways, the US is coming full circle and back to the founders' original experiment. It was new for them to establish religious freedom. To celebrate the virtues and morality that enable self-governance. To encourage a proliferation of religious and spiritual life and to protect it from the interference of the government and the public majority.

The challenge of the next 250 years is not how to restore 'a Christian nation' through political means. It will be how to resolve disagreements without a broadly shared set of moral ideals. While the US has long been religiously pluralistic in theory, it has not been in practice. The future beyond its 250th year seems to hold no other choice. ©BLOOMBERG

MY VIEW | PEN DRIVE

India's baby panic misses the disease for a symptom

TULSI JAYAKUMAR

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On a recent trip to Vienna in Austria, I found myself doing an odd calculation. Austria has a population of about nine million. Mumbai, the city I call home, houses more than 21 million people. A single Indian metropolis has more than twice the population of an entire nation that punches well above its weight on every measure of human development. That contrast stayed with me. And it made political hand-wringing over India's declining fertility rate seem puzzling at best.

India's total fertility rate (TFR)—the average number of children a woman is expected to bear in her lifetime—has fallen from nearly 6 in the 1950s to about 1.9, just below the replacement level of 2.1. In demographic terms, this is the threshold at which a population eventually stabilizes without immigration. Several Indian states, particularly in the south, crossed that threshold years ago. The national average has now joined them. This has alarmed a section of India's political class. Some leaders have publicly urged families to produce three or more children and offered welfare benefits based on family size. The underlying argument borrows from the experiences of Japan, South Korea and China—countries where low fertility has produced labour shortages, ballooning dependency ratios and fiscal strains that governments are struggling to manage. This anxiety is not irrational. Ageing populations are difficult to govern. But before India's policymakers reach for the fertility lever, they ought to ask: What exactly is the problem we are trying to solve?

India remains, by global standards, a young country. The median age in India is 29.8, compared with 49.9 in Japan, 46.8 in Germany and just over 40 in China. Nearly two-thirds of Indians are of working age. This offers a demographic dividend in its most favourable form: a swollen productive cohort supporting a relatively modest share of dependents. The countries that converted this dividend into lasting prosperity—South Korea, Singapore and Taiwan—did so by investing heavily in the children they had instead of population-raising measures. Education, healthcare, infrastructure and institutional quality are what transformed demographic mass into economic muscle.

India is still inside that window. But the window will not be open indefinitely and the country is not using it especially well. Female labour-force participation remains stubbornly low. Learning outcomes in government schools are poor. Youth unemployment is both underestimated and under-addressed. Each year, millions of young Indians join a labour market that is not generating enough productive work to absorb them. In this context, calling for more babies seems to mistake a symptom for the disease.

Politicians who invoke Japan and South Korea as cautionary tales are making a subtle but significant error. Those countries became rich before they became old. Their demographic challenge is to sustain an existing standard of living with a shrinking workforce. India's challenge is entirely different: to become prosperous while the workforce is still large and young. The sequence is not interchangeable.

QUICK READ

Alarm among some politicians about India's fertility-rate drop seems overblown. The country's challenge is not to boost its birth rate but to increase the productivity of its workforce.

Financial incentives for larger families are unlikely to work as they can't override the structural forces that raise opportunity costs and suppress fertility in today's urbanized economies.

There is also a question of what fertility incentives actually achieve. South Korea has spent two decades and billions of dollars attempting to coax its citizens into having more children. After hitting a record low of 0.72 in 2023, its TFR edged up to 0.80 in 2025. This may look encouraging, but this is still the lowest of any OECD nation and less than half the replacement level. Also, a post-pandemic marriage boom, not government policy, appears to be the primary driver. Money alone cannot override the structural forces that raise opportunity costs and suppress fertility in modern urbanized economies. India, still midway through its own urbanization, would do well to note that lesson before reaching for the same expensive lever.

Nor is India's demographic future as bleak as alarmists suggest. Its population will continue growing for a few decades before it stabilizes. There is no imminent workforce cliff. Regional variation means the transition will be gradual rather than sudden. Southern states that have fallen below replacement-level fertility continue to grow their economies—proof, if any were needed, that fewer births and greater prosperity are not in conflict but can go hand-in-hand.

Back to Vienna. Austria's people live well not because there are nine million of them, but because of what those people can do. Productivity, institutional trust, infrastructure and education are the mechanisms of prosperity, and they largely operate independently of raw population size. India needs to look at Austria's example and ask whether the country is doing enough to give its 1.4 billion-plus people a remotely comparable shot at flourishing. On most indicators, the answer is 'not yet.'

Indian politicians should resist the temptation to treat fertility as a policy dial. The real work is less photogenic and far more difficult. India does not have a baby shortage but it does have a productivity deficit. Those are very different problems and only one of them is worth panicking about.

These are the author's personal views.

CONTRAPUNTO

We are like eggs at present. And you cannot go on indefinitely being just an ordinary, decent egg. We must be hatched or go bad

– CS LEWIS

Not Playing God

Scientists can make a cell from scratch now. That's a useful tech for solving many global problems

Nature took more than 500mn years to make the first cell, and a few billion to arrive at intelligence thereafter. But we humans have cobbled together both in fewer than 50. Of AI we needn't say more, but news from University of Minnesota, about world's first *totally* synthetic cells, is exciting. It questions the belief that life is more than molecules plus energy. But looks like there's no secret sauce, no supernatural hand.

Sceptics may roll their eyes. It's true that, despite all the hype, AI is not really "intelligent" but only a statistical trick. And yes, the lead scientist on the synthetic cell team has said she's "hesitant to call this 'alive'". But hesitation only shows she doesn't want to oversell her team's achievement, unlike AI bros. The SpudCells they have made fulfil all three conditions to be considered alive – feeding, growing and replicating. What's the catch? The cells can't produce their own ribosomes or components that make proteins.

That's alright. Now that the project is growing into a multi-lab collaboration, more 'accomplished' cells will be made. It's a good thing that the Minnesota team decided not to patent their tech, so that others can develop it too. In May, six Asian countries – China, Japan, S Korea, Singapore, Thailand, Malaysia – had announced their own 10-year joint programme to build synthetic cells, and one of its goals is to achieve "ribosome autonomy". West and East should work together on this, setting aside geopolitics for the greater good.

How do we know artificial life won't prove harmful? When the late Craig Venter announced his intention to make a synthetic cell, in 1999, he was accused of playing Frankenstein. A few years earlier, Roslin Institute's scientists had faced the same charge over cloning Dolly the sheep. While fear of the unknown is natural, we can't turn our back on scientific frontiers. Once we master the tech of designing cells with specific traits, like turning atmospheric carbon dioxide and water vapour into ethanol, global warming and fossil fuels will become history. It's far easier than finding a microbe to do this among the billions made by nature.

Venter's team had created a synthetic cell based on a natural bacterium. Sixteen years later, Minnesota scientists have made a cell from scratch. That's steady progress. With AI, the next decade is likely to be even more fruitful. A new cellular age is starting.

EGGXACTLY

Midday meals in all states should include eggs. Reasons for that are well known

The new Bengal govt, walking on eggshells, hopes to overcome state's new school-meal contractor Iskcon's 'no-eggs' policy by providing 'extra funds' to source '*deem*'. Iskcon, through Akshaya Patra Foundation, has for years provided midday meals in various parts of the country, and doesn't deal with eggs. It has courted controversy over its 'pure' vegetarian meals. In 2019, in Karnataka, there was furore over Akshaya Patra's decision to not add garlic or onion to sambar. But is the question simply one of eggs vs vegetarian-protein options like soya, cottage cheese/paneer and lentils/dal? Not really, it's more layered. There's reasoning, not emotion, behind having eggs on the school menu.

Eggs provide high-quality protein, healthy fats and essential vitamins & minerals. Deep protein-deficiency is a pan-India burden, leading to subpar health. A key problem with plant-based proteins replacing eggs *in midday meals* is simple – consistency in quality and quantity is way harder to ensure. Eggs are tough to adulterate, or dilute, like you can, say, dal. Eggs come naturally portion-controlled, easy to source pan-India, cook and carry. Inconsistency, even in centralised kitchens, is not new. The 2015 CAG performance audit on midday meal scheme criticised Iskcon in certain states for irregularities, including meals that failed prescribed nutritional standards.

Most Indians don't subscribe to rigid norms of what they can, or cannot, eat. Eggs are especially crucial for those children whose households cannot afford protein-rich foods. School meal menus are, thus, prescribed to meet students' calorific needs. Bengal served eggs once or twice a week. Tamil Nadu, by and large, serves eggs daily. But overall inclusion of eggs is shrinking – down from 16 states about a decade ago to about 13, now. School meals are meant to nourish children, and keep them in school, not reflect dietary preferences of contractors or govts. To that end, replacing eggs with anything else, is just bad-egg policy.

The 86th minute

Why do we overthink coincidence? Because we are suckers for drama

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There's loss. And then there's cruel fate. The two are completely different creatures. This duality is playing out in the post-mortem of World Cup exits, which draw no less passion than the wins. That Ivory Coast, DR Congo, and Senegal's hopes of reaching the Round of 16 have been dashed, is one thing. That each of them took a goal in the 86th minute to this end, that's something else, ain't it? That's the universe copy-pasting the exact same dagger, at the exact same tick of the clock, like it's hellbent on making Africa cry.

Statisticians will shrug. Because they deal in the Law of Truly Large Numbers. "The million, million, million...to one chance happens once in a million, million, million...times, no matter how surprised we may be," said the 'father' of statistics, RA Fisher. But most of us are in the Shakespeare camp. We *feel* coincidences. We can't just let them go. It could be carrying an umbrella every day for two months without rain, leaving it home once, and that day brings a downpour. Or it could be calling *your* father after meaning to ring him for weeks, only to hear a stranger answer, and tell you he collapsed moments before the phone rang. Fortune is always onstage. Sometimes playful, sometimes vindictive, forever manipulating entrances and exits.

Romeo reaches the tomb minutes too early. Othello believes the wrong story at the wrong moment. King Lear recognises the truth only after it can no longer save him. That's the difference between loss and cruel fate. Loss straightforwardly says, you weren't good enough. Cruel fate taunts, you were almost there, then the universe showed a finger. Probability theory doesn't account for how human beings experience events as stories. The first African team taking a blow in the 86th minute is a football result, the second an oddity, the third is a cosmic pattern, a hex, a curse.

What if three European giants also get knocked out in the 86th minute? Who eats humble pie then? Ummm, not Shakespeare. He would simply call it Fortune spinning her wheel. Coincidence may be the last acceptable superstition. We no longer blame eclipses on angry gods, but happily meme that Minute 86 is haunted. Football has helped us be medieval villagers again, gawping up at the scoreline, and whispering, "Well...that's a bit odd."

France's Beautiful Game

Mbappé's transformation, coupled with France's emergence as the team to beat in this World Cup, is French coach Didier Deschamps' greatest achievement yet. The quiet manager finally has a team that embraces his ideas, making them seem unstoppable

Javier Dale

Columnist based in Barcelona

When Spanish striker Fernando Morientes left Real Madrid to join Monaco on loan, his new manager made an unexpected request: he wanted him to play as a second striker. Morientes had never occupied that role before, but Didier Deschamps persisted until he convinced him. The gamble paid off. Monaco, powered by emerging talents such as Patrice Evra, Ludovic Giuly, and Emmanuel Adebayor, reached the Champions League final, while Morientes scored 19 goals in Ligue 1 and Europe from an unfamiliar position.

Years later, Deschamps brought Morientes to Olympique de Marseille as a veteran forward, not because he expected him to score goals, but because he wanted the younger players to follow his example. Morientes rarely played, yet he never stopped working. Whenever one of Marseille's youngsters began to lose motivation, Deschamps had the perfect lesson: "Look at Fernando Morientes. Three Champions League titles. Five finals. And he's still the first player to arrive at training every morning."

That is Didier Deschamps, the current France manager. He moved into coaching at just 33, while he still looked and thought more like a footballer than a manager.

Anyone who remembers Deschamps the player will recall that he was never the most gifted footballer in France's 1998 World Cup-winning side. Zidane, Djorkaeff, and Henry captured the headlines, but the midfielder was the essential piece that held everything together. He had performed exactly the same role for Marseille, winners of the 1993 Champions League, and for Juventus, when they lifted Europe's biggest trophy in 1996.

Despite leading France to the 2018 World Cup title, and another final four years later, Deschamps has spent much of the past two years under intense scrutiny. Euro 2024 and the 2025 Nations League ended in disappointment, with Zinedine Zidane repeatedly mentioned as the obvious successor. The criticism was familiar: France had become too defensive and too dependent on Kylian Mbappé producing moments of brilliance.

In many ways, Mbappé himself embodied the same problem. Back in 2020, the Real Madrid forward appeared destined to dominate world football. When he joined Paris Saint-Germain alongside Lionel Messi and Neymar, the expectation was that PSG would become unstoppable. Reality proved very different. Even after Mbappé became the club's undisputed leader, European glory remained elusive. At 27, the player tipped to inherit football from Messi and Cristiano Ronaldo still has neither a Champions League title nor a Ballon d'Or. His hat-trick in the 2022 World Cup final perfectly encapsulated his career: an extraordinary individual performance that still ended in heartbreak.

This World Cup, however, has revealed a different France and a different Mbappé. France have retained their defensive discipline, while combining the best of both worlds: explosiveness in attack and reliability at the back. That defensive reliability was perhaps the team's greatest weakness at the 2022 World Cup, where Les Bleus conceded eight goals, three of them in the final.

Mbappé has arrived at this World Cup not only as a goalscorer, but also as the symbol of a more collective France. He presses, works tirelessly without the ball, and seems to have accepted that his greatness will be defined less by individual statistics than by his contribution to the collective balance Deschamps demands. Even before the tournament began, the French media were already describing a "reconfigured" Mbappé for a national team whose "collective virtues" were being highlighted by *Le Parisien*. The tournament has done nothing but confirm those predictions.

France's defensive system under Deschamps is built on balance, discipline, and collective effort. With Aurélien Tchouaméni protecting central areas, and William Saliba providing composure at the back, Les Bleus stay compact without the ball, recover their shape quickly, and turn defensive reliability into a platform for their explosive attacking talent.

The group stage and the round of 32 have showcased a side capable of combining attacking flair with collective discipline. Michael Olise, Mbappé, and Ousmane Dembélé have formed one of the tournament's most exciting attacking trios, yet all three have also embraced the defensive responsibilities that modern football demands.

Deschamps has also benefitted enormously from Dembélé's remarkable transformation at Paris Saint-Germain, where Luis Enrique has taught him how to understand the game. The forward who once seemed lost to football after leaving FC Barcelona, has learned under the Spaniard that being a great footballer is not about being a *Human Highlight Instagram Reel*, but about becoming a player his teammates can rely on in every phase of the game.

Perhaps Deschamps has even recreated, with Mbappé, the conversation he once had with Morientes in Marseille: "Look, Kylian. That's Ousmane Dembélé. Two Champions League titles. A Ballon d'Or. And he still works as if he were playing his very first professional match."

That is the new France. Deschamps no longer needs to impose rigid defensive discipline simply to compensate for the complacency of his biggest stars. Instead, he has learned to trust his players – because they have finally shown they deserve that trust.

Managing a national team is unlike coaching a club. There is no daily training ground where ideas can be drilled into players. Success depends largely on what footballers absorb at their clubs, and whether they are willing to embrace the manager's vision when they come together.

Deschamps now appears closer than ever to achieving exactly that. The quiet, understated coach is the strategic mind behind Les Bleus' latest assault on the World Cup.

Dale is a sports writer for La Vanguardia, a Spanish newspaper

How To Let Your Parent Have Their Kama

We allow our elders to age, but not to love. When ancient Indian philosophy, Taoist docs, modern science all say intimacy in later life is a vital part of human flourishing, don't cage it in silence instead

Swami Shivdas

A man of 68 came to see me last winter, a little more than a year after he had lost his wife of four decades. He had met someone – a widow of his own age, at a music class his daughter had enrolled him in, precisely so that he would leave the house. They drank tea after class on Tuesdays. That was all. Yet, when he finally spoke of it, his first question was not about love, or loneliness, or even propriety. It was: "What will my children think?"

A few weeks later, a woman in her late fifties asked me, almost in a whisper, whether intimacy was "permitted" after her husband's cardiac surgery. His heart had healed. What had not healed was the guilt – the unspoken verdict of a household in which, after a certain age and a certain scare, desire is expected to retire quietly, like an employee past 60, garlanded once and never invited back.

Neither of these people is unusual, and that is the point. All around us, a widowed or separated parent is quietly, only quietly, considering a companion. In many a marriage, one partner has lost desire, while the other has quietly found compatibility elsewhere. The elderly are negotiating tenderness after separation. Everyone knows – family, friends, the WhatsApp groups. What is missing is the licence to speak.

The silence is enforced – gently, lovingly, with devastating efficiency. Three locks close over the private life of an adult in an Indian family. The family locks first: what will this do to the household, the children's marriages, the property? Society locks second: what will people say? Religion locks third, often without being consulted – we assume our traditions are prudish and censor ourselves on their behalf.

Here is the irony: those traditions were braver than we are. Our civilisation placed kama – desire, including sexual desire – among the four legitimate aims of life, alongside dharm, arth and moksh. Vatsyayan wrote a treatise on it with the seriousness of a grammarian. Our temple walls carry union carved in stone by artisans who did not expect the visitor to faint.

Far to the east, Taoist physicians studied intimacy with the same curiosity they brought to food and breath. Human vitality, they taught, rests on three pillars – what we eat, how we breathe, and how we love. Neglect one, and the other two cannot carry the weight.

What did those physicians know? Strip away the vocabulary and a strikingly modern idea emerges: vitality is an economy, keep a budget. Their famous age-graded prescriptions were never a rationing of intimacy, but counselled changing rhythm with age: as much as keeps body and mind in balance – no more, no less. After intimacy, ask how you feel. Calm, energised, affectionate? The rhythm is right. Depleted, irritable, restless? Adjust. The body gives the verdict, the age calendar is only a hint.

MORNING SUN: A 1952 painting by Edward Hopper

THE GREAT UNSPOKEN
Conversations we need to have

Modern science is arriving at the same door from the other side. Study after study links warm intimacy in later life with better cardiovascular health, better mood, better sleep, even sharper cognition, and links loneliness with outcomes we would treat as a public-health emergency if a virus caused them. When researchers tell us chronic loneliness damages the elderly as much as heavy smoking, they are restating, in the language of journals, what the Taoist masters said in the language of rivers: life-force that is dammed does not stay fresh.

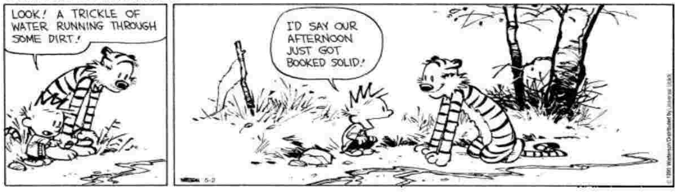
The river is the best image we have for this subject. Only a flowing river stays clean. Desire is a current of life, like appetite and sleep, it must flow in its own hour and then move on. We do not think about food all day. That would be illness, not appetite. Obsession, the mind that circles fantasy all day, is a foully stagnant pool. But so is suppression, desire denied so fiercely that it backs up into bitterness, irritability, a strange deadness that families sense but do not acknowledge. The old teachers called the goal completion, not repression – the act honoured in its own time, and the mind then returning, naturally, to work, to family, to prayer, to life.

Which brings me back to the man at the music class. What stands between him and his Tuesday companion is not scripture, nor his physician, who would cheer. It is a ledger: the unspoken arithmetic by which a new companion has been weighed against the estate, and the unspoken verdict that his chapter is closed. But a family's wealth should serve its elders' lives, not stand guard over their solitude.

And here is what I have noticed when these conversations finally happen, between husband and wife, between grown child and ageing parent, between patient and doctor. What follows is almost never scandal. It is relief.

Remember, the river that flows stays clean, the pool that stagnates turns foul. Our traditions knew it, our sciences confirm it. Somewhere between the two, our families forgot it. The journey from guilt to awareness begins, like every journey out of silence, with one spoken sentence.

Calvin & Hobbes



Sacredspace

Even a sheet of paper has two sides.

Japanese Proverb

Can AI Outshine Human Imagination?

Aditya Mukherjee

Recently, a controversy erupted after Trinidadian author Jamir Nazir's award-winning story, *The Serpent in the Grove*, thrust the literary world into a profound debate: if AI can help produce prize-winning fiction, what becomes of creativity, originality, and human imagination?

On July 1, Nazir won the overall Commonwealth Short Story Prize, a decision that largely dispelled doubts about the story's originality and use of AI. The author himself has consistently denied using generative AI, explaining that because of health constraints, he relied on speech-to-text tech while writing. It cannot be entirely ruled out that bias against non-native writers in English also have contributed to the controversy.

For centuries, literature has been regarded as one of the purest expressions of human consciousness. A writer's imagination is shaped by suffering, longing, loneliness, love, failure and hope. Great literature has traditionally emerged not from mechanical efficiency but from emotional depth.

Nazir's story, set in rural Trinidad and centred on a cocoa farmer and a young woman named Sita, explores silence, endurance and emotional isolation. These are profoundly human themes rooted in lived experience. It is precisely this that has unsettled many writers and critics. As AI-assisted writing becomes increasingly sophisticated, where should the boundary between genuine creativity and technological assistance be drawn?

Photography was once expected to destroy painting, cinema to eclipse theatre and TV to kill books. Yet art survived each disruption by adapting to new realities. Human creativity proved more resilient than the anxieties surrounding new tools.

AI, however advanced, does not dream, suffer or experience life. It can analyse patterns and generate language, but cannot know heartbreak, nostalgia or the weight of memory. Human beings do not merely produce words; they attach meaning to existence.

THE SPEAKING TREE

Shakespeare perhaps captured humanity's uniqueness best in *Hamlet*: "What a piece of work is a man! how noble in reason! how infinite in faculty!" Creativity is not simply the elegant arrangement of words. It also involves moral imagination, emotional ambiguity and the ability to transform personal experience into universal truth.

Literary prizes honour imagination, artistic vision, craftsmanship. Readers also place their trust in the work reflecting a distinctive human sensibility. As AI-assisted tools become more common, greater transparency about their use may help preserve that trust while safeguarding authors' creative integrity.

The deeper challenge may not be technological but civilisational. We live in an age obsessed with speed, productivity and instant output, whereas genuine creativity demands patience, introspection and solitude. AI is merely the latest expression of this deeper cultural impulse. In the end, the debate surrounding Nazir is not merely about one story or literary prize. It raises important questions about authorship, artistic integrity and the evolving relationship between tech and creativity. Tech may transform the tools of writing, but the deepest impulse behind storytelling remains uniquely human.

How Protective is a Username Shield?

WhatsApp move could invite tighter scrutiny

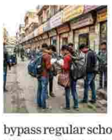
Meta argument that usernames for WhatsApp subscribers enhance privacy is rather weak. Hundreds of millions of Indian users have signed up for existing privacy available on WhatsApp, and there's little merit in offering them extra camouflage. It can only encourage bad actors. Acceptable levels of privacy are built into India's telecom laws, and offering a feature that reduces transparency is bound to go against GoI's comfort level. The official view on cybercrimes like fraud and impersonation will resonate among WhatsApp's subscribers despite assurances by the instant messaging (IM) app about safety features built around digital aliases. WhatsApp offers an alternative to the short messaging service baked into smartphones, and it would be difficult to justify disparate privacy standards.

Facebook and Instagram have similar IM services. But these are nowhere close to WhatsApp's popularity. The acceptance level is structured on the underlying authenticity of WhatsApp's subscriber base. It's easy to create Facebook and Insta accounts using dubious credentials. Usernames on WhatsApp could be a step towards single sign-on across Meta's social media platforms. This generates highly accurate user profiles, which command premium rates in the digital advertising market. WhatsApp does not have an established advertising revenue model and is seeking ways to monetise itself. Meta would gain from being able to track user behaviour across its platforms.

WhatsApp must be more sensitive to law enforcement concerns than, say, Telegram, which allows the level of anonymity WhatsApp is seeking. GoI tends to come down harder on the more opaque platform in threat situations. Telegram was blocked last month to prevent cheating in nationwide exams. WhatsApp's run-ins with GoI have been tamer. These are requests to take down offensive content. Messaging platforms earn their legal immunity through transparency. WhatsApp seems to be moving in the opposite direction with the username feature. It could harden lawmakers' resolve to police communication.

Control Encroaching Coaching Centres

In most Indian homes, post-school hours no longer belong to youngsters. Recreation gives way to coaching centres. For many, this cycle begins in middle school, intensifies through senior school, and extends into the race for competitive recruitment exams. Coaching has evolved from a supplementary aid into a vast parallel education system. Against this backdrop, a draft report by a Union education ministry committee proposes a national law to regulate coaching centres while making tests like JEE, NEET and CUET less 'coachable'. Crucially, it recognises that the industry's explosive growth reflects deeper distortions in our education and admissions system.



The national 2024 model guidelines proposed mandatory registration, infrastructure and safety norms, transparent fee policies, counselling services, and age restrictions. Central Consumer Protection Authority has cracked down on misleading ads, while several states have enacted laws to regulate coaching institutes. Authorities have also acted against dummy schools that allow students to bypass regular schooling altogether. But the industry keeps expanding because regulation has focused on coaching centres, rather than incentives driving students towards them. The next phase of reform must address those structural incentives.

Making entrance tests more conceptual and less amenable to pattern-based preparation is an important start. Equally critical is strengthening school education so that classrooms, not coaching institutes, become primary sites of learning. Eliminating the dummy-school ecosystem is a must. Without addressing these systemic issues, a regulatory framework risks becoming yet another well-intentioned intervention that leaves coaching culture pretty much unchanged.

JUST IN JEST

How the view of an ardent anti-Seleção cop was coloured

Mysterious Case of a Brazil Jersey in B'Desh

As curious tales go, this one is right up there. A Bangladeshi police sub-inspector shared the photo of an arrested drug dealer with the media earlier this week. This being World Cup season, the arrested was wearing an Argentina jersey when the customary police photo was taken. SI Tanzil Ahmed, it was later revealed, used an AI image prompt to — wait for this — replace the suspect's blue-and-white jersey with Brazil's signature yellow one before releasing the image to journalists. Er, but why?

While it's still unclear why he did it, even after Ahmed was issued a show-cause notice by his boss, we'd risk an explanation here. Could it be that the football-loving copper dislikes Brazil *so* much that he made an Argentina-supporting crook be publicly paraded via image manipulation in Brazil colours? It is well-recorded beyond sports that with some folks, the intensity of one's dislike towards an entity — whether a football team or a political party — outweighs one's fondness for another. For SI Ahmed, shaming Brazil by having a suspected drug dealer adorn a 'Canarinho' (Little Canary) did the trick for him. One may think that because he's an Argentina fan, seeing a baddie wear La Albiceleste (White and Sky-Blue) led him to 'swap' jerseys. But here's the cherry on top of this tale of 'anti-fan following': the policeman is apparently a Spain fan.

GLOBESPOTTING In the last year, India has appeared tired and enervated – time to turn the page

Desperately Play Catch-Up

Indrani Bagchi

Caught in the churn: 'Nag Vasuki', c. 1870, Garhwal

The world is getting accustomed to navigating choppy geopolitical waters. We have stepped into a new world. It feels normal to wake up and smell Truth Social. It feels normal for our discourse to no longer extol the virtues of free trade or globalisation, but to include threats of mass annihilation.

We have accepted that we will be overtaken by AI. China was merely a strategic challenge that could be managed by a like-minded group of countries. The US, as a 'free radical', appears to have made space for China at the summit of global power, leaving its friends scrambling for cover. The world's most unnecessary war has taught us that nuclear weapons are cool again, the only proven deterrent against external invasion.

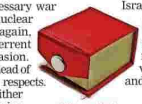
India used to be ahead of the curve in many respects. Not any more. It's either spinning the steering wheel away from comfortable arrangements, or desperately playing catch-up. All the while, its external challenges are metamorphosing before our eyes. Here are 3 core areas:

❶ **Hormuz fees** The world will end up paying some version of Hormuz fees, no matter what Truth Social says. It's a handy piece of geopolitical leverage gifted to Iran by the US. The global oil economy is flowing again, until the next military crisis. India has done well in diversifying its energy sources to 41 countries in the last few months. We're playing catch-up on strategic reserves and battery storage, and that's fine too.

On geopolitics, the Gulf is splintering. That's a whole new challenge for India. New Delhi's emerging geopolitical play appears to be bookended by its relations with the UAE and Israel, with Qatar and Oman close behind. Saudi Arabia will remain a commercial-economic relationship, but not much else. Iran has moved back into centre stage, and New Delhi has had to recalibrate its ties with Tehran. Whether or not the Chabahar project is revived, Iran will become a more important source of oil, as will Iraq.

Can Iran use its Hormuz leverage to constrain India's relations with Israel? India should anticipate that possibility.

Renaming of the US command from Indo-Pacific Command (Indo-Pacom) to Pacom shows a clear strategic intent to dilute its interest in the region. It will be India's responsibility, along with Japan's and Australia's, to keep the Quad going, even with a disinterested US in the room. There is a sound logic to the Quad, notwithstanding Trump.



It's India's responsibility, along with Japan's and Australia's, to keep the Quad going. There's a sound logic to the Quad, notwithstanding Trump

India needs to step out and be counted. It should build the Great Nicobar Island Development Project as soon as possible, and double down on security partnerships in the Indian Ocean. Another Quad foreign ministers' meeting should happen later this year, and India should push for a summit around Republic Day.

❷ **Sovereign AI** For critical functions, India should focus on building sovereign AI models with known and reliable data, weights and sovereign compute. That is no longer negotiable. The US may have opened access to Anthropic's frontier models largely because Chinese models are seen to be as good, and US companies losing trust and market share. The former will be hard to build back in the sectors that matter.

Trouble is, many in India believe that once they have access to Fable or Mythos, it's a happily-ever-after story. It isn't. India has failed to recognise that while AI is a tech, hardware and energy tool, it's foremost a geopolitical tool. The US, by weaponising it at the start, has drawn a line in the sand for tech powers like India.

Yes, there is a case for India becoming the shopfloor for AI deployment and diffusion. But for more sensitive applications, Indian entities will want control over proprietary knowledge. Interestingly, Britain, among others, is also thinking the same way.

This week, Palantir CEO Alex Karp blew the lid off global concerns when he said, 'Are we really going to outsource the battlefield of this country [the US] to the consensus view in Silicon Valley? That is effing insane.' We need to get over the idea that we cannot function without US AI models.

❸ **Pak pain point** Pakistan deserves greater attention by India. You can almost smell a Pakistani campaign in the air. There are debates around track-2 dialogues, social media exhortations of restarting talks with Islamabad, and Pakistan's own campaign on the Indus Waters Treaty. Asim Munir is at the pinnacle of his powers, and has Trump's stamp of approval to prove it.

After the Iran war, Munir feels confident he can get greater leeway. A big ask from the US as reward for his role in the Iran-US MoU could be to pressure India on the Indus Waters Treaty. The campaigns don't come out of nowhere. There is even one floating around asking India to 'end' Op Sindoor. For those with longer memories, these are classic red flags. This time, Pakistan would imagine India to be on the backfoot, given its current difficulties with the US.

In the last year, India has appeared tired and enervated. Yes, there have been problems, many due to our own shortcomings. We should turn the page.

Many in India believe once it has access to Fable or Mythos, it's a happily-ever-after story. It isn't. India has failed to recognise that while AI is a tech, hardware and energy tool, it's foremost a geopolitical tool

The writer is CEO, Ananta Centre

Dear Tech Taxers, Profits Follow IP

Poonam Khaira Sidhu

Microsoft's first public country-by-country reporting (CbCR) tax report, as mandated by an EU directive in 2021, offers striking insights into international taxation. It shows how the economic geography of a global tech company can differ sharply from of its markets.

The directive requires large MNCs to disclose where they report revenue, profits, employees and taxes. Unlike confidential CbCRs exchanged under OECD BEPS Action 13 framework, these disclosures are public. The numbers are striking.

For July 1, 2024-June 30, 2025, Microsoft identifies the US as jurisdiction of its ultimate parent, while the report is published by Microsoft Ireland Operations. It also notes that the figures are not prepared under tax-reporting instructions, meaning public CbCR and tax-authority CbCR are not directly comparable.

▶ **Ireland** dominates the European picture. Microsoft reports around $196 bn of revenue there, alongside $47.08 bn of profit before tax, $5.58 bn of I-T paid on a cash basis, $6.65 bn of current tax accrued, and 6,654 employees.

▶ **Germany** reports about $11.69 bn of revenue, $661 mn of profit before tax, and 3,471 employees.

▶ **France** records $6.67 bn of revenue, $487 mn of profit, and 2,568 employees.

▶ **Luxembourg**, with only 34 employees, reports $198.9 mn of revenue, $283.36 mn of profit before tax, $7.14 mn of tax paid, and $9.25 mn of current tax accrued — an effective tax rate of barely 3%.

This is not a courtroom brief against Ireland. It may legitimately host substantial legal, operational, licensing, procurement, finance, IP and distribution functions. Yet, the report illustrates a broader reality: in the digital economy, markets may be spread across the world, but profits are often booked in a much smaller number of jurisdictions.

For India, this is more than a European curiosity. Despite being one of the world's largest digital markets, global digital profits are still taxed largely where contracts, IP, risks and key entrepreneurial functions are located. Public CbCR exposes the gap between market presence and profit recognition.

India already receives confidential CbCR information under I-T Act 1961, pursuant to OECD BEPS Action 13, which requires large MNCs to report the global allocation of income, taxes and economic activity to tax authorities. The EU model goes further by making key information public, allowing legislators, investors and civil society to assess whether profits broadly align with revenues, employees and taxes.

It's irresistible

That matters, because tax transparency can no longer remain solely a matter between companies and tax authorities. Disconnect between market presence and profit recognition is precisely what the international community is trying to address. Negotiations are underway on a UN Framework Convention on International Tax Cooperation to give market jurisdictions a stronger voice in shaping global tax rules.

Microsoft India's FY25 financials illustrate the issue. Its largest expense was royalty payments of ₹20,294 cr — over 70.6% of operating revenue — paid to group entities. India recorded ₹28,755 cr of revenue, but retained only ₹1,245 cr of profit, about 4.3%, with much of the remainder flowing abroad as royalties to IP-holding entities.

The contrast with Ireland is stark. Compared to its revenue and profit before tax mentioned above, India reports roughly $3.4 bn of revenue, and only about $148 mn of profit. The comparison captures why public CbCR matters: India has the market, Ireland hosts the IP. Profits largely follow the latter.

India's digital tax debate has centred on equalisation levy, significant economic presence, withholding tax, royalty characterisation and permanent establishment. These tools address symptoms. Public CbCR addresses visibility. It prompts the right questions: why are profits concentrated in particular jurisdictions? Who owns or manages the IP? Where are finance and procurement functions located? How much profit remains in market jurisdictions?

Greater transparency benefits both tax authorities and taxpayers. As India competes for data centres, cloud investment, AI infrastructure and high-end tech jobs, it should also demand greater tax transparency. Incentives should reward real economic activity, public procurement should recognise tax transparency, and CbCR should be used as a risk-assessment tool — not a blunt audit trigger.

Microsoft's EU filing is, ultimately, a map of modern capitalism. It shows that in the digital economy, profits are mobile, legal structures matter, and market jurisdictions must work harder to see the full picture.

The writer is former principal DG of I-T (administration), New Delhi

When Does a Country Reform?

Aditya Sinha

A serious account of reform must explain three things:

❶ Why bad policies persist.

❷ Why reform is resisted even when persistence is costly.

❸ What tips a country from one equilibrium to another at a particular moment.

This framework comes from three papers published in the early 1990s. In 'Why Are Stabilisations Delayed?' Alberto Alesina and Allan Drazen show that a country on an unsustainable path can postpone reform. The obstacle is not disagreement over whether action is necessary, but conflict over who should bear its costs.

Each organised group holds out, hoping a rival will concede first. The deadlock ends only when, for one pivotal group, cost of waiting another day exceeds the cost of giving in. This is a war of attrition.

Beneath it lies a subtler trap. In 'Resistance to Reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty', Raquel Fernández and Dani Rodrik showed that a reform a majority would support *after* it's brought in, can be rejected *before* it's implemented if individuals can't know in advance whether they will emerge as winners or losers. Reforms that identify their beneficiaries, and credibly compensate their losers, travel further than those that promise aggregate gains.

What usually dissolves the deadlock is crisis — a policy failure made too expensive to ignore. India has rarely moved without one. So, a country reforms when:

▶ Cost of status quo rises rapidly and falls on someone with the power to act.

▶ A decisive actor expects to be better off after reform than from further delay.

▶ Uncertainty over winners and losers is low enough — or compensation credible enough — that fear of losing no longer blocks change.

▶ Political horizons are long enough to realise gains that reform almost always back-loads.

Remove any one of these conditions and the window opens onto a wall. This is why no single factor is sufficient, crisis least of all. In 'Do Crises Induce Reform?' Allan Drazen and William Easterly tested the hypothesis in more than 150 countries. They found that high inflation and black-market premia are often followed by reform, but large fiscal deficits, current account gaps and negative growth are not.

Crisis is neither necessary nor sufficient. It works only when it raises the visible, fast-moving cost of inaction beyond one group's concession point. Slow crises can persist indefinitely.

Set this framework beside the present. In 2025, GST was compressed to 2 rates, a new I-T Act was introduced, 4 labour codes were revived, and a sweeping deregulation drive gathered pace. None responded to a domestic crisis. They answered external pressure — US tariffs that briefly reached 50%, a war premium on crude, and global search for manufacturing alternatives to China. The world raised the price of Indian inertia, and the logjam broke.

Which sharpens the worry. There is now an interim tariff understanding with the US, crude prices have eased, and the West Asian ceasefire largely holds. The one force that has most reliably driven Indian reform — crisis — is receding on every front.

Drazen and Easterly found that the appetite for reform fades as pressure that produced it subsides. Reforms yet to be attempted are the hardest ones, with losses concentrated in land and labour, and many lying on state and concurrent lists.

If crisis can't be relied upon, the alternative is to manufacture commitment. Finn Kydland and Edward Prescott showed that optimal policy is time-inconsistent. A government free to change its mind tomorrow cannot make a credible promise today. The solution is to tie its own hands.

India's most durable reforms have done exactly that: the 4% inflation target written into the RBI Act in 2016; IBC of the same year, which put liquidation beyond the defaulting promoter's reach; and GST Council under Article 279A, through which states pooled enough sovereignty that none could defect alone. The deepest reform is not a policy but an institution that removes the discretion to reverse it.

And if there's no emergency?

The writer is a public policy professional

THE SPEAKING TREE

Prudent Ignorance

SUMIT PAUL

In his memoir 'Hitch 22', Christopher Hitchens contemplates the notion of blissful ignorance, expressing a sense of envy towards those who are able to live in a state of unawareness. He recognises the allure of a life untouched by the awareness of harsh realities and the complexities of the world. While acknowledging the tranquillity that ignorance can bring, Hitchens also acknowledges the inherent limitations and potential dangers of such a mindset. He perceives blissful ignorance as a gift that some possess, often wishing he could experience the sanctuary it provides, even for a fleeting moment.

Sometimes, it's best not to know, because even when you know, it doesn't matter anyway. Ignorance is bliss. If you come to know that you'll meet a serious accident after a year, you'll constantly live in the penumbra of fear and apprehension, and may even expedite the occurrence of the grim event. The bliss of ignorance is preferred over the agony of knowledge. Ignoramuses can sometimes be the most powerful beings because they can easily disregard things that affect their mental health. The more you know, the bleaker things can get.

English intellectual poet Alexander Pope wrote, 'Heav'n from all creatures hides the book of Fate/ All but the page prescrib'd, their present state.' Knowledge or awareness of the known moment you breathe in is far better than being ignorant of the next unknown moment. But at the same time, it's imperative to understand that ignorance of all things is not desirable. Ignorance of a few things or a selective ignorance will help us sleep sans worries. This is also known as prudent ignorance when you cautiously and consciously remain ignorant of things and phenomena that might upset your apple cart.

ALGO OF BLISSTECH

Putting Legs Up to Work

There's a delightful surge of pleasure that happens the moment you settle your legs up on a table to work. It isn't laziness but a deliberate challenge against the orthodoxy of posture.

The body, reclined and unshackled, finds a rhythm the straight-backed chair never permits. Relaxation becomes the gateway to concentration: the mind, freed from the tyranny of formality, slips into focus with surprising ease.

The elevated legs signal a retreat from performance. No longer is one 'at work'; one is simply *working*. The hum of the laptop, scratch of a pen, quiet shuffle of papers — all seem to flow more naturally when the body is at ease. Ideas arrive unhurried, like guests who know they are welcome.

There is also a paradoxical dignity in this posture. It mocks corporate-approved ergonomics with its endless chairs and lumbar supports, by proving that true comfort is improvised. The table becomes not just a surface for tasks but a pedestal for repose. And in that repose lies clarity: the paradox that relaxation sharpens thought.

Chat Room

250th Birthday (Feels Like 80th)

Apropos 'America's Birthday or Trump's?' by Seema Sirohi (Jul 2), in democracies, especially in the US, national celebrations now occasionally blur with personal political branding. A parade costing over $100 mn appearing like a leader's birthday invites fair scrutiny regardless of country. Democracies function best when public funds for civic occasions remain visibly separate from individual political theatre. Congressional oversight bodies exist precisely for such moments. Genuine patriotism rarely needs elaborate stage management, and history usually remembers restraint more kindly than spectacle.

Prajesh Paramasivan
Neelambur, Tamil Nadu

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Fallen on hard times

AI pressure is mounting on Indian IT

The past few months have been bearish for the Indian stock market in general and for the information-technology (IT) industry in particular. In the first half of 2026, while the benchmark BSE Sensex lost about 10 per cent, the IT index declined over 30 per cent, underperforming the market considerably. The downtrend had started before the crisis in West Asia, which raised geopolitical risks and intensified bearish sentiment. There are several reasons for the slump in the IT sector, which has been a growth driver and employment creator for many years. The Indian IT services industry is facing several issues. Only one of them is the macroeconomic uncertainty stemming from geopolitical tensions, which has led to increased caution over discretionary spending on the part of clients, according to some large IT firms.

The bigger reason for the downturn is the realignment of investor expectations around the IT ecosystem. India's IT sector is built around the provision of cost-effective services — the segment most likely to be heavily impacted by the advent of artificial intelligence (AI) and the associated migration of work to Cloud. Another contributory factor is the increasing popularity of the global capability centre (GCC) model, where multinational corporations (MNCs) opt to develop IT competencies in-house.

The induction of AI has compressed margins across many IT services segments, and AI coding is beginning to replace a large number of coders who worked in India's firms. This has led to structural changes. Arguably, the impact of AI on the workforce has been visible in data since late 2024-25 (FY25). That is when "fresher headcounts" at IT companies started dropping. That trend of reduced hiring continued through FY26 and is expected to continue into FY27 and beyond. Moreover, in a tight global market with high competition between IT service providers, any efficiency gains arising from AI induction is being passed on to clients. As a result, margins are also under pressure. Investors are, therefore, downgrading their estimates of gains in earnings, at least in the near term.

There is justified hype around new AI models, which has cut both the time taken to write codes and also demonstrated the ability to detect bugs with unprecedented speed and precision. This has led to the concern that AI adoption will continue to have deflationary effects for some time, resulting in downgraded earnings expectations and lower valuation multiples for IT companies that are not at the cutting edge of AI. Indian companies are widely seen as playing catchup in this area. The consensus is that growth is likely to remain structurally weak across the services space until AI adoption moves into its next phase, which may be expansionary. Eventually the more nimble among IT services providers should be able to carve out new roles supervising AI.

Most industry insiders agree that AI will eventually offer both productivity gains and market expansion. But the gains will come with a lag and until then, valuations may remain low. Current advisories suggest continuing caution about discretionary spending on the part of clients. In the absence of revenue growth, margins are likely to remain under pressure, and a weaker rupee would provide only partial relief. As such, consensus expectations about the first half of FY27 are muted. Over the medium term, a lot will depend on how the AI world evolves and how Indian companies adapt and innovate.

Improving incentives

Delhi's EV policy needed more efficiency

Delhi's updated electric-vehicle (EV2) policy, effective July 1, is an exercise in good intention marred by impractical policy design. The policy rightly seeks to stay ahead of the curve of winter pollution, which creates a public-health crisis each year, an objective that is also visible in planned restrictions on vehicle movements during peak pollution months. The target is to achieve 30 per cent electrification of the state's total vehicle fleet by 2030 (under EV1, the state achieved 15 per cent EV penetration). To this end, only EV three-wheelers and light commercial vehicles will be registered in the state from January 1, 2027; from April 1, 2028, only electric two-wheelers will be registered. School buses will have to convert at least 10 per cent of their fleet to EVs within two years of the notification and 30 per cent by 2030. To incentivise this conversion, the state is offering 100 per cent waiver on road tax and registration fees — though for passenger cars this will be valid only for vehicles priced up to ₹30 lakh. Two- and three-wheelers and light commercial vehicles will receive purchase subsidies for three years, and there are scrapping incentives for vehicles below Bharat IV emission norms.

The plan is being seen as a blueprint for other states. By offering subsidies, the state government has sought to balance the coercive nature of the policy in enforcing the shift from vehicles running on internal combustion engines (ICEs) to EVs. However, instead of forcing the shift and stopping the registration of ICE vehicles, which could create problems for many, the government should have incentivised EVs to bridge the difference in costs and let consumers decide. In terms of operational issues, it will be important to ensure that citizens, especially two-wheeler owners, are not made to run from pillar to post to access incentives. Further, it will be a challenge to establish the required public charging stations. These are vital for two-wheeler owners since passenger-car owners, who are relatively affluent, can afford private facilities. The policy mandates the installation of 30,000 charging points by March 31, 2030. Considering the city has about 2,000 operational charging stations, this target could be a tough ask. Battery-swapping stations, too, will need exponential expansion from the current 232.

Questions could also arise on the outcomes of this policy. Charging points powered by thermal power defeats the purpose. Demand for charging points will significantly add to grid pressures, especially in the summer, and add to emission. The past few weeks have seen power cuts and load-shedding in Delhi. Things could worsen in the absence of proper planning. Focusing on solar-powered charging points would leaven the impact of higher coal-powered electricity generation. Besides, Delhi sits at the hub of the National Capital Region (NCR), which includes urban centres of Haryana and Uttar Pradesh. Thousands of ICE vehicles from these areas and beyond enter the city every day and account for significant additions to Delhi's transport emission. A policy synchronised with these hubs would have constituted a more realistic approach to curbing emission. Finally, farm fires still play a starring role in winter pollution. Curbing these, too, calls for a coordinated multi-state approach and is an equally critical component of the holistic pollution-mitigation strategy the NCR needs. It includes a well-meant EV policy as one of the many pieces of the puzzle.

Renewing the cooperative promise

UCBs need to combine their cooperative values with contemporary capabilities

ILLUSTRATION: BINAY SINHA

BANKING & BEYOND

SWAMINATHAN J

For many small depositors, salary earners, borrowers, pensioners, housing societies and local enterprises, an urban cooperative bank (UCB) is not just another bank. It is often the first or most practical point of access to formal finance. When such institutions are well-governed, professionally managed, and technologically prepared, their cooperative character becomes a strength that supports financial well-being.

This is the context in which Mission SAKSHAM, the Reserve Bank of India's sector-wide capacity-building initiative for UCBs, recently launched by the Governor, assumes importance. Over the next 24 months, it seeks to deliver nationwide training programmes reaching over 140,000 participants from UCBs through in-person and online modules in more than a dozen Indian languages, in addition to English.

The training modules are customised for different target groups — board members, senior executives, and officers and employees in charge of assurance functions, including risk management, compliance and internal audit, IT systems, and cybersecurity.

"Saksham" means capable or competent. The name captures the direction in which UCBs must move, preserving their cooperative character while becoming better governed, better capitalised, better trained and better equipped for a digital financial ecosystem.

The cooperative promise: UCBs occupy a distinctive place in India's financial architecture. Their share in the overall banking system may be modest, but their significance cannot be measured only by market share. They operate at the intersection of formal finance and local economies, often bridging gaps that larger institutions may not fully address. Their value lies in the segments they serve, the financial relationships they support, and the cooperative character they represent. In the rapidly evolving financial system, the question is how their cooperative promise can be renewed for contemporary banking.

Cooperative identity, banking responsibility: Cooperative orientation, however, by itself is not enough. Even when cooperative in character, a bank remains a custodian of public deposits. A UCB may be small in systemic terms, but for an individual depositor, it may hold a lifetime's savings. Therefore, cooperative character must be matched by sound governance, prudent lending, effective controls, and strong customer protection.

When vulnerabilities weigh in: The strengths of the cooperative banking model, such as member ownership and democratic processes, are intended not only to provide a participative governance model but also to make institutions accountable to members.

In practice, governance can weaken when control repeatedly rests with a few individuals or when boards become involved in day-to-day management rather than oversight. This can affect decisions on credit, staffing, recovery, and internal controls.

Similarly, local anchoring and relationship-based finance help UCBs understand borrowers better but can also lead to excessive familiarity. Lending may be influenced by connections; exposures may arise to persons connected with those in control; and recovery efforts may become soft where borrowers are well-connected locally. Weak controls can also create space for fraud and operational irregularities.

Limited scale and professional capacity present another challenge. Many UCBs may not have the resources to attract specialised talent, invest adequately in technology, strengthen audit and compliance, or build modern risk management systems. This can make it difficult to keep pace with contemporary banking expectations.

Strengthening the foundations: The recent reform approach has, therefore, been to preserve and nurture the sector's strengths while addressing its vulnerabilities. Important legislative changes initiated by the government have strengthened the regulatory framework, while the Reserve Bank's regulatory, supervisory and capacity-building measures have sought to translate that framework into building stronger institutions.

Amendments to the Banking Regulation Act enhanced the Reserve Bank's powers in areas such as management oversight, board standards, audit, capital raising and reconstruction. These changes were necessary because governance weaknesses in a bank ultimately affect depositors, members, and customers and can erode confidence in the cooperative banking system.

The regulatory approach has also become more proportionate. The UCB sector is highly diverse, with many small institutions operating in limited geographies and a smaller number of larger UCBs accounting for a significant share of the sector's business. A one-size-fits-all framework would neither be fair nor effective. The four-tier regulatory framework adopted by the Reserve Bank recognises this heterogeneity and seeks to balance the spirit of mutuality in smaller banks with the growth ambitions and complexity of larger UCBs.

Recent measures have provided calibrated business flexibility, including in areas such as priority sector lending, branch authorisation, housing finance, small-value lending and unsecured lending, while retaining prudential caps and enhanced disclosure requirements. The message is that UCBs should be enabled to serve their natural customer base better, but within a framework that preserves depositor protection, transparency, and financial soundness.

Looking ahead: Modernisation also requires shared capacity. Many smaller UCBs may not individually have the scale to invest in technology, cybersecurity, risk management systems, treasury capacity or specialised training. The Reserve Bank has facilitated the establishment of the umbrella organisation for UCBs, but it is now for the sector to come forward and wholeheartedly support it so that it can achieve its intended role in creating shared capabilities, supporting technology adoption, providing training and promoting standard-setting.

The recent discussion paper on licensing of new UCBs also reflects the Reserve Bank's calibrated approach in that direction. The objective is to examine whether well-governed, well-capitalised and professionally run institutions can be helped to grow further responsibly.

Renewing the promise: The future of UCBs lies in helping the sector grow with adequate safeguards and scrutiny. Well-run UCBs should be enabled to modernise and grow, while weaker institutions must be helped to improve or consolidate in an orderly manner. Boards must focus on oversight, assurance functions must be independent, and technology must be upgraded. India needs grassroots-level institutions that remain close to the people they serve. UCBs, therefore, need to become stronger banks that retain their cooperative orientation while meeting the standards of safe, modern and accountable financial intermediation.

The author is Deputy Governor, Reserve Bank of India. The views are personal

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The great data game

OFF THE GRID

AJAY KUMAR

The Donald Trump administration's decision in January to settle the TikTok dispute, reversing a position backed by both the United States Congress and the Supreme Court, exposed the paradox of data sovereignty in the AI age. Although ByteDance reduced its ownership below the specified threshold and American users' data was moved to Oracle's Cloud infrastructure, it retained control of TikTok's recommendation algorithm that determines what Americans see, how long they engage, and how their behaviour is shaped.

The compromise changed where the data resided, but not who extracted its intelligence. It demonstrated how difficult it becomes to reclaim digital sovereignty once foreign platforms are deeply embedded in a nation's society.

The TikTok episode offers a glimpse into a much larger global contest for data, one whose consequences may prove as significant as any military rivalry of our time. Nations that can harness vast datasets will gain a decisive advantage in developing artificial intelligence (AI) systems that shape economies and societies. But the stakes extend far beyond AI. A foreign intelligence agency with access to population-scale behavioural data can identify social fault lines and behavioural vulnerabilities, making social engineering attacks far more effective.

The global data landscape has two distinct tiers. The first is the US-China duopoly. The second comprises middle powers seeking to strengthen data sovereignty strategies while reducing their dependence on the duopoly. Other countries are only beginning to develop the investments needed for sovereign alternatives.

Over the past decade, China has transformed data into a strategic asset. It recognised data as the fifth factor of production in addition to land, labour, capital and technology, established the National Data Administration and allowed certain categories of data to be recognised as assets on corporate balance sheets. Its cybersecurity and personal information protection laws reinforce sovereign control through data localisation, while the National Intelligence Law provides state access to data. The Digital Silk Road has extended Chinese digital infrastructure across telecommunications, Cloud services and smart cities, which has generated technological dependence that countries now find difficult to reverse.

Unlike China, the US has built its data advantage through market-driven innovation. American firms dominate Cloud computing, operating systems, and social media through which much of the world's digital activity flows. The strategic effect, however, is similar: Control over the infrastructure on which global data reside. The CLOUD Act requires American technology firms to provide data under their control, regardless of where it is physically stored, to American law enforcement agencies. This underscores that data sovereignty depends not simply on where data resides, but on who controls the platforms.

Long-term reliance on foreign digital infrastructure creates economic and national security risks, leading countries to pursue different data sovereignty approaches. Russia has adopted data localisation. The European Union has pursued a rights-based framework , complemented by initiatives to strengthen digital sovereignty. Canada and Australia use national security legislation to ring-fence sensitive government, defence and health data. The common goal is to reduce strategic vulnerability without sacrificing the benefits of an interconnected digital economy.

Four lessons emerge. First, data sovereignty is now geopolitical, not merely regulatory. Second, once foreign digital platforms become deeply embedded, reclaiming sovereignty becomes difficult. Third, data localisation alone is insufficient; control over the algorithms that extract intelligence from data matters just as much. Finally, the contest is accelerating and the time to act is now.

India, arguably the world's largest generator of data, remains deeply integrated with American technology platforms. The Reserve Bank of India's 2018 data localisation directive for payment systems and plans to increase data centre capacity reflect the country's determination to strengthen digital sovereignty while remaining connected to the global digital economy. The DPDP Act, 2023, adopts a calibrated approach, balancing privacy, sovereign oversight and international data flows. India's most original contribution is the Data Empowerment and Protection Architecture/Account Aggregator (Depa) framework. Unlike the conventional platform model, where companies capture most of the economic value generated from user data, Depa enables individuals to securely share their data to access financial or other benefits. Silicon Valley created platforms that monetised data, Europe strengthened rights over data, and China built state-led data ecosystems. India has pioneered a model where individuals control their data.

Beyond the measures already underway, India could adopt a five-pillar strategy for strengthening data sovereignty. It should pursue intelligence sovereignty by building indigenous AI models and compute capabilities, recognising that in the AI era, control over intelligence matters as much as control over data. It should classify strategic datasets under a risk-based framework with differentiated safeguards. The Depa should be expanded beyond finance into sectors like health and education. India should also develop a sovereign digital technology stack spanning Cloud, AI, cybersecurity and semiconductors. Finally, it could take global leadership to forge trusted international partnerships for data flows, AI governance and digital commerce, leveraging its digital public infrastructure stack.

The contest for data has only just begun. Those who merely generate it will fuel someone else's future; those who govern it will shape their own.

The author is Chairman, UPSC, and former Defence Secretary. The views are personal

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Blurred vision document for Viksit Bharat

BOOK REVIEW

V KUMARASWAMY

Monica Sood's *The Economic DNA of Bharat* is not an evaluative study, a strategic blueprint or an action plan. Instead, as the title suggests, it narrates various operational government initiatives. While it briefly outlines the aims of numerous programmes and plans, it lacks detailed rationale for their implementation or how they would achieve their objectives. The book neither evaluates existing programmes nor analyses their potential for delivery. In essence, it reads like a political party's election manifesto, with each programme presented alongside hopes and aspirations.

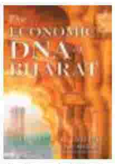
The author's inspiration stems from her father, a polyglot capable of quoting Kautilya and Tagore in the same breath. He was also a peace activist and special envoy for Tibet's liberation, significantly influencing New Zealand governments in the 1970s. His training profoundly shapes the author's belief and hope for a resurgent Bharat by 2047.

The book's clarity occasionally suffers from the author's overreach. Consider this passage: "Sustaining economic momentum requires continued investment in human capital, particularly in finance, technology, and governance. This also calls for the effective integration of artificial intelligence and blockchain into economic operations, alongside stronger institutions such as the RBI, which play a vital role in supporting India's financial system and strengthening investor confidence, including among crypto investors." While this statement appears sweeping, it is difficult to discern the cause-effect relationships, or the overall essence of the various constructs employed, both at a granular and a holistic level. The content list suggests comprehensive coverage, and the following paragraphs are based on the author's reflections and hopes for each area. The prospect of achieving defence autonomy and preparedness by 2047, with continuous upgrades incorporating AI, advanced security, and robotics, appears feasible. However, the assertion that this will compel neighbouring countries to purchase Indian products and seek India's assistance in capacity building seems to contradict realities, given that India itself may be perceived as a primary threat by these nations. While extending defence technologies and innovations into civilian sectors is beneficial, it must not compromise defence and security objectives.

The author's hope of mainstreaming Ayurveda is likely to encounter resistance from entrenched commercial interests. Nevertheless, India has strong prospects of gaining market share in traditional medicines or even low-cost allopathic options. The author's arguments for integrating telemedicine, genomics research, and medical device manufacturing appear both plausible and advantageous. The claimed reach of 500 million people for Ayushman Bharat needs to be viewed in the light of how many people are actually aware of the scheme and can access it.

The author believes that by 2047, India's model of democratic pluralism, digital innovation, and moral leadership will catapult it to the centre of global governance, including a seat on the Security Council and an increased vote share in the International Monetary Fund and World Bank. The listed tools for achieving these include vaccine diplomacy, Yoga, digital evangelism through UPI, and maritime influence via increased trade and remittances. While individually potent, it remains doubtful whether any of these will overcome competition and resistance from entrenched interests.

The chapters on technology and agriculture are notably better organised, with more convincing arguments and sequence. The caution regarding technology being an evolving field, and that any competitive edge should be considered a work-in-progress is well-founded. There is a better balance between capabilities, opportunities, and delivery preparedness concerning technology. The author's argument that accepting the lowest cost, if it results in imports, incurs opportunity costs resonates well: Downstream cascades of multi-sector benefits accrue within the economy that can more than compensate for cost differentials by preferring domestic procurement, which needs to be factored in.



The Economic DNA of Bharat
by Monica Sood
Published by
Simon & Schuster
226 pages ₹499

Agriculture, unexpectedly, has embraced technology most extensively and optimally, whether through mechanised equipment, information, or analytics like AI. The book provides ample illustrations of its prowess, processes and benefits. If this trend continues, India can not only ensure its own food security but also produce a significant exportable surplus. Carbon-positive agri-systems, water sovereignty, and a zero-waste bio-economy hold great promise for sustainable agriculture. Further, utilising Farmer Producer Organisations as a conduit to world markets, while simultaneously delivering higher incomes to farmers, offers advantages at both ends.

Chapter 10 attempts a synthesis of sorts of how things would be by 2047. It packs in too many things and ends up being sketchy. Frequent references to news items and statistics presented in prose within the analysis are distracting and should have been avoided. The book would benefit from improved content and copy editing. These improvements would have better held the reader's attention. Overall, the book will serve those seeking a primer to familiarise themselves with various government plans and programmes.

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

The Hindustan Times
ESTABLISHED IN 1924

{ **OUR TAKE** }

The many SIR controversies

Exclusion from the electoral roll should not, by itself, be grounds to deny welfare support

The Special Intensive Revision (SIR) exercise can't seem to shake off controversies in West Bengal, even after the new government has taken over. The state's move to deny welfare benefits to people whose names were deleted from the rolls has generated significant public debate. The SIR exercise, conducted by the Election Commission of India (ECI), is intended to update electoral rolls by identifying duplicate, deceased, or otherwise ineligible voters. Before and after the polls, the Trinamool Congress and other members of the INDIA bloc of Opposition parties, claimed that the exercise was aimed at fixing the mandate. *HT*'s own data analysis showed that the numbers do not support these allegations, but by extending the outcome of this exercise to determine eligibility for welfare schemes — and by denying a high-profile former editor a new passport on the grounds that his name was dropped from the rolls — Bengal may have opened a new front.

In a bid to reduce fraud and pilferage, the state government has proposed using SIR data to identify beneficiaries who may no longer be eligible for certain welfare schemes. In a functional social democracy, welfare benefits should reach only genuine contenders, and integrating verified databases can strengthen administrative accountability. However, there is a divergence in what electoral registration and welfare delivery databases seek to accomplish. Exclusion from an electoral roll should not automatically imply that a person is not a resident or otherwise ineligible for benefits (a position that the Supreme Court has also reiterated). The "margin of error" that the Court acknowledged as a necessary evil of large-scale electoral revision exercises can become a life-and-death issue for the marginalised. From a constitutional perspective, the linking of welfare schemes — initiated on the principles of equality, social justice, and the right to life under Articles 14 and 21 — with SIR raises questions. Such an approach may disproportionately affect migrants and even elderly residents or those belonging to marginalised communities lacking documentary evidence.

To be sure, welfare benefits should only be available to citizens, but SIR has a limited purpose and cannot, by law, be used to decide who's a citizen and who is not; the state is free to use exclusion from SIR as a basis and follow due procedure under the Citizenship Act to label someone a non-citizen, and deny them benefits, but the key term here is "due procedure".

A wash-out on urban flood prevention

The monsoon arrived late this year, moved across India at a glacial pace, and is expected to be underwhelming in terms of rain (according to the weather office). Mumbai's flooding with the first rains — and if it's Mumbai today, it will be Bengaluru tomorrow and Delhi the day after — may therefore appear to be a paradox. If it isn't, it is because the lack of preparedness in the country's cities and towns, and the changing nature of precipitation (uneven, with heavy showers interspersed with extended dry spells) have made this a monsoon leitmotif. Wednesday's scenes of waterlogging and disrupted road and suburban rail traffic in India's commercial capital were therefore only to be expected.

The root causes, across cities, are always the same: permeable surfaces disappearing under asphalt and concrete, encroached wetlands, outdated drainage infrastructure, and poor maintenance. Year after year, the authorities fail to act to mitigate flooding risks and attendant harm. The Bombay High Court's direction to the Brihanmumbai Municipal Corporation on Wednesday, to ensure open manholes don't put lives at risk during the monsoon, is a fresh illustration of how unprepared India's cities are in dealing with the most basic of things. Open manholes?

Experts routinely point to urban local bodies as the weakest link on implementation of prevention measures — the bodies remain underfunded and very often lack the capacity despite having a wide mandate. Whatever little can be executed, is lost to a lack of institutionalised accountability. Effective early warning systems and accurate hyperlocal forecasts would help, but are often not available. The result: Cities don't get adequate warning, and their creaking infrastructure is quickly overwhelmed by a heavy shower (or two). With weather extremes becoming an annual feature, the need is to pre-empt the risks and ensure civic bodies have the resources and oversight to take necessary measures — in time and at scale.

India must ride the next AI wave, not chase past ones

The next revolution will come from smaller models, specialised models, reasoning systems, neurosymbolic AI, edge AI, agentic workflows, and systems that can verify their own output instead of producing fluent nonsense

Vivek Wadhwa

While India debates — duly impassioned by China's recent AI strides — spending billions on building its own foundation model, a company that has already spent billions on the world's most famous AI laboratory is now looking at using Chinese models.

That company is Microsoft and its CEO, Satya Nadella, has said that the world cannot allow a handful of AI giants to eat the economy. Microsoft has invested billions in OpenAI, helped turn ChatGPT into a household name, and made AI the centre of its future. Yet, he recently told the *Wall Street Journal* that he is considering using technology from DeepSeek, the Chinese AI company that shocked Silicon Valley by showing that powerful models could be built and run far more cheaply than anyone believed. Indeed, China's Z.ai recently revealed capacity that rivals Anthropic's frontier models in terms of cybersecurity implications.

Nadella's intuitiveness should sober up India's AI chest-thumpers.

If Microsoft, with all its money, cloud infrastructure, engineers, enterprise customers, and inside access to OpenAI, is preparing to use cheaper Chinese models, why should India spend billions trying to build a giant model of its own?

Microsoft has seen the future, and it does not look like billion-dollar models with trillion-dollar egos. It looks like cheap, interchangeable intelligence running inside platforms that own the data, security, workflows, compliance, pricing, and customer relationship. The model builders may have the glamour; the platform owners will collect the rent.

Sam Altman and his kin have been insisting that only a few chosen labs can build the models that matter, and that they, therefore, deserve more chips, more data centres, more electricity, more capital, and less interference to steer humanity through the AI future. Nadella is puncturing that myth. He is saying customers must have choice, companies should be able to use many models, including cheaper ones, and AI should not be controlled by a handful of companies doing all the learning for the world.

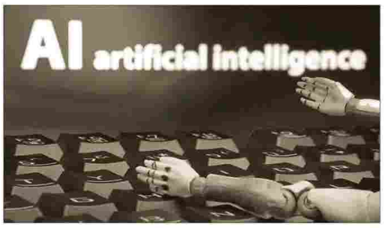
He is right. Large language models (LLMs) are also nearing the top of their exponential S-curve, the pattern every exponential technology follows as it moves from slow early progress to breathtaking acceleration and then to the painful plateau where each incremental gain costs vastly more and delivers much less.

LLMs have had their miracle phase. They stunned the world by writing essays, generating code, summarising documents, passing exams, and speaking like humans, but making them bigger is not making them wiser. They still hallucinate, make basic reasoning errors, invent facts, fail to understand truth, causality, ethics, or consequences, and burn astonishing amounts of hardware, electricity, and capital to produce answers that often sound authoritative but are simply wrong.

This does not mean AI has stopped advancing exponentially. It means this particular S-curve is flattening and the next one is beginning, which is precisely why India must not waste its energy chasing yesterday's news.

The next revolution will come from smaller models, specialised models, reasoning systems, neurosymbolic AI, edge AI, agentic workflows, and systems that can verify their own output instead of producing fluent nonsense. The trillion-dollar opportunities will be in the platforms on which these applications run: Trusted data layers, model-routing systems, AI clouds, workflow engines, security frameworks, compliance tools, and domain-specific applications that make intelligence useful in hospitals, schools, courts, farms, factories, banks, and government offices.

This is where India has natural strengths: Software, systems integration, frugal engineering, digital public infrastructure, and the ability to solve messy real-world problems at national scale. It would be stupid for India to spend billions chasing the fading curve of giant LLMs just as this party is coming to an end.



Without Indian data, Indian AI will be foreign AI wearing Indian clothes. It needs datasets drawn from India, and grounded in Indian realities. REUTERS

None of this means India should depend on foreign AI; that would be dangerous. If Indian hospitals, ministries, courts, universities, and companies pour their data into foreign APIs, India will become a digital colony again. The model may speak Hindi or Tamil, but the value, data, and control will sit elsewhere.

India needs small models that run on phones, hospital machines, school networks, local servers, and edge devices; models cheap enough for government schools and reliable enough for primary health centres.

It also needs a secure national AI cloud and a marketplace that routes each task to the right model: Cheap models for routine work, powerful ones for complex work, Indian models for sensitive contexts, open models where possible, and foreign models only when data and security rules are clear.

All of this must rest on domestic data platforms. Without Indian data, Indian AI will be foreign AI wearing Indian clothes. It needs datasets drawn from India's languages, dialects, hospitals, farms, courts, schools, and government systems, and grounded in Indian realities. It must embed India's values, history, philosophical traditions, scientific achievements, social complexity, and civilisational memory, because AI that does not understand India will eventually distort India.

The obsession with size is Silicon Valley's disease; India's genius has always been doing more with less.

The government should build rails, not monuments. UPI succeeded because it created open infrastructure on which others could innovate. IndiaAI should do the same — provide compute, datasets, benchmarks, evaluation tools, procurement pathways, safety testing, and open interfaces, then let startups, IITs, hospitals, universities, and state governments build.

India's IT giants need to wake up or become toast. AI will surely erode the old labour-arbitrage model and decimate their billing hours. But it also gives them the chance to become the world's AI transformation partners because they know enterprise systems, workflows, and implementation better than almost anyone. If they wake up and move fast, they can help every company rewire itself for the AI age and lead India — and themselves — onto the next S-curve.

Vivek Wadhwa is CEO, Vionix Biosciences. The views expressed are personal

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Don't allow Israel to 'pinkwash' genocide

Chintan Girish Modi

If you are a sceptic when it comes to the efficacy of soft power, watch what Israel is doing. Acutely aware that it is being isolated on the global stage despite its military might, Israel is desperately trying to tidy up its image.

Interestingly, the movement to secure the rights of LGBTQ people is being instrumentalised to cover up its mass killing of Palestinians.

Israel is actively positioning itself as the only LGBTQ-friendly country in West Asia. It hosts delegations of LGBTQ activists from around the world, and this happened again at the recent Tel Aviv Pride. With its credibility on the decline, Israel is banking on activists to boost its status.

Literature festivals in India are no longer ecstatic about partnering with the Embassy of Israel, either because of ideological solidarity with Palestine or because they fear being cancelled by writers who support the Palestinian Campaign for the Academic and Cultural Boycott of Israel.

With the shrinking space for Israel to have its official voice heard in India's cultural sector, it needs new allies. India's LGBTQ community presents itself as easy prey to pounce upon.

Indian activists must refuse to be co-opted as ambassadors for Brand Israel, a marketing campaign to promote the country as a tourist destination and safe haven for LGBTQ travellers.

While it is true that homosexuality is legal in Israel, the government subsidises gender-affirming care for transgender people, and that LGBTQ Israelis can serve in the Israel Defence Forces, let us not pretend that homophobia is absent. In Israel, marriage is regulated by Jewish religious law, which does not give its blessing to same-sex unions.

Couples wanting legal recognition are required to get married overseas. It is not uncommon to get married in Canada, Europe and the US. Other couples stay back in Israel but have their wedding officiated in the American state of Utah via video-teleconference. Such weddings are legally recognised in Israel.

Interestingly, the movement to secure the rights of LGBTQ people is being instrumentalised to cover up its mass killing of Palestinians. AFP

Another option is to go to Cyprus, which is close to Israel, but Cyprus recognises civil unions and not same-sex marriages. Due to the influence of the church on Cypriot law, marriage is a sacrament and possible only between one man and one woman. While civil unions do not guarantee respectability, they do assure couples of legal protections and property rights.

It is equally important to understand how Israel exploits LGBTQ people. In 2020, Sa'ed Atshan, a queer Christian, who grew up in Palestine and now lives in the US, lifted the veil of silence with his book *Queer Palestine and the Empire of Critique*. During my interview with him, he spoke about Israel's "homonationalism", which involves recruiting queer Palestinians as collaborators and informers to deceive and harm fellow Palestinians.

The existence of homophobia in Palestinian society is an issue that needs to be addressed honestly, but it should not never be used as a justification to dehumanise and kill Palestinians.

A country that is genuinely committed to the well-being of LGBTQ people would never threaten to "out" some of the most vulnerable people in the world to their family. This is a cowardly move.

When LGBTQ rights activists choose to visit Israel during Pride events, it is worrying because they participate in erasing the violence that is perpetrated on Palestinian minds and bodies. Palestinian lives are not expendable.

We cannot afford to overlook the fact that the International Criminal Court has issued arrest warrants for Prime Minister Benjamin Netanyahu and former defence minister Yoav Gallant, accused of war crimes and crimes against humanity.

Indian activists who argue that LGBTQ people, who are already marginalised, should not be burdened with the moral responsibility to speak up for Palestinians too, ought to recall American poet-activist Audre Lorde. In her Black History Month talk at Harvard University in 1982, Lorde said, "There is no such thing as a single-issue struggle because we do not live single-issue lives."

Since Israel actively mutes criticism of its policies by Palestinian and pro-Palestinian voices, labelling such criticism as anti-Semitic, it is worth mentioning that there is a worldwide movement called No Pride in Genocide, and that queer Jewish intellectuals and activists such as Judith Butler, Sarah Schulman and Benjamin Moser have also exposed Israel's pinkwashing.

Israel might be progressive in some respects but United Nations Special Rapporteur Francesca Albanese's reports clearly note that Israel's actions in Gaza constitute genocide.

One is reminded of Lady Macbeth, one of William Shakespeare's most haunting creations, saying, "All the perfumes of Arabia will not sweeten this little hand." The same goes for Israel and Netanyahu.

Chintan Girish Modi is a writer and literary critic with a background in peacebuilding. The views expressed are personal

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{ **NARENDRA MODI** } PRIME MINISTER, INDIA

The economics of India and Japan are complementary... there is similarity in our thinking and approach... Above all, the foundation of our relations rests on unbreakable mutual trust

The data questions the Meta-CRED deal raises

Tarun Kumar

Meta's $900-million investment in Indian fintech platform, CRED, comes with an important assurance: Meta will not gain access to CRED users' financial data merely because it has acquired a minority (20%) stake. That clarification seeks to address immediate privacy concerns and reflect the basic safeguards embedded in India's Digital Personal Data Protection (DPDP) Act, 2023. Yet the episode raises a larger public policy question. If the law can regulate the transfer of personal data, is it equally equipped to govern the concentration of economic power built around financial data, digital ecosystems and artificial intelligence?

India's digital payments architecture has rightly been celebrated as a public policy success. Through the Unified Payments Interface (UPI), the country built interoperable payment infrastructure that prevented platform dominance from translating into payments dominance. WhatsApp Pay's limited success despite its massive user base illustrates that open public infrastructure can preserve competition.

Financial data occupies a unique position in the digital economy because it captures not what people say or search, but how they earn, spend, borrow and repay. Hence, our financial transaction records reveal spending patterns, borrowing behaviour, repayment discipline and consumption preferences. Aggregated over millions of users, they become a strategic economic asset capable of informing credit decisions, product design, fraud detection and increasingly, AI models.

The DPDP Act, read with the Digital Personal Data Protection Rules, 2025, establishes an important framework governing consent, purpose limitation, processing and the responsibilities of data fiduciaries. These safeguards are indispensable. However, the law is fundamentally designed to regulate the lifecycle of personal data. It is not intended to address broader questions of market concentration, ecosystem power or the accumulation of behavioural intelligence that arises from lawfully processed data. Those concerns lie at the intersection of privacy, competition, and digital governance.

This distinction matters. A platform may comply fully with the DPDP framework. Users may provide valid consent. No unlawful sharing of personal information may occur. Yet firms can still derive significant competitive advantages from behavioural intelligence generated through lawfully processed data. Economic power today increasingly stems not merely from possessing personal data, but from analysing it, generating inferences, training algorithms and integrating insights across products and services.

Meta's history of regulatory misadventures show why this broader conversation deserves attention. From the 2018 Cambridge Analytica scandal and the European Union's record GDPR fine in 2023 to the Competition Commission of India's ₹213.14 crore penalty in 2024 over WhatsApp's privacy policy and data-sharing practices, the company has repeatedly faced scrutiny over privacy and competition. These precedents do not imply any impropriety in the CRED investment. They do, however, reinforce the need for governance frameworks that anticipate systemic risks rather than respond only after violations occur.

This is where India's regulatory debate must evolve. Privacy law alone cannot resolve questions of digital sovereignty. Nor can it adequately address the convergence of data, competition and algorithmic power. As fintech platforms expand into lending, insurance, wealth management and AI-enabled financial services, governance challenges will increasingly arise from the inferences and market power generated around data rather than from unlawful data transfers themselves.

The next phase of reform should therefore focus on institutional coordination rather than legislative expansion alone. The Data Protection Board, the Competition Commission of India, the Reserve Bank of India and sectoral regulators should develop a coherent framework for overseeing financial data ecosystems. Greater transparency in algorithmic decision-making, meaningful data portability, independent audits of high-risk AI systems and closer scrutiny of strategic investments in data-rich sectors would complement, rather than mimicking the DPDP framework.

India's digital public infrastructure has become a global benchmark because it balanced innovation with openness. The same philosophy must now guide financial data governance. The Meta-CRED transaction is not evidence that India's privacy law has failed. It is evidence that privacy is only one part of a much larger governance challenge. As financial data increasingly becomes a source of economic and strategic power, the real policy challenge is not just who possesses personal data but also who controls the financial intelligence built upon it. India's next chapter in digital governance will be defined by how well it answers that question.

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"Nothing in this world can be hidden or suppressed. All such attempts are like holding an umbrella to conceal the sun

R K Narayan

INDIAN EXPRESS IS NOT AN INDUSTRY. IT IS A MISSION.

— **Ramnath Goenka**

TRUMP'S SC DEFEAT ON BIRTHRIGHT CITIZENSHIP, TARIFFS BEAR ON INDIANS

THE US Supreme Court's landmark verdict striking down President Donald Trump's Executive Order ending automatic birthright citizenship was as remarkable as its quashing, in February, of his tariff regime that roiled the global economy for close to a year. By doing so, a majority of the justices voted against whimsicality in governance. Trump had sought to snatch away a 150-year-old constitutional protection of citizenship by birth, arguing that the children of undocumented immigrants and temporary visitors were outside the ambit of the 14th Amendment. Interestingly, a couple of conservative judges—Chief Justice John Roberts and Justice Brett Kavanaugh—went with the majority in the split verdict. Justice Kavanaugh, however, suggested that Trump could yet pull off the move if he chose the route of a constitutional amendment. But that would require approval by two-thirds of both Houses of Congress and ratification by three-fourths of the US states, which is next to impossible in the fractured American polity.

Trump was so invested in ending birthright citizenship that he took a front-row seat in the Supreme Court for a day in April during oral arguments challenging his diktat. Following the adverse verdict, he is said to have turned to Plan B: denying visas to pregnant women. Back-of-the-envelope calculations by researchers put the number of babies born to foreign visitors at 20,000-26,000 a year. Contrast that with the 3.6 million babies born in the US in 2025, and the noise over 'birth tourism' appears needless. Busting birth tourism rackets is a legitimate focus of governance; what is not is a blanket ban on birthright citizenship.

The judgement brought back the debate on who is an American and, hopefully, restored policy certainty in human mobility. The Indian diaspora heaved a sigh of relief, as lakhs of them live, study and work in the US on various visas. A large number has also been waiting for employment-based green cards because of country-wise caps on permanent residency.

The Supreme Court's earlier decision on tariffs was also consequential for India. While Trump raged about not returning the estimated $166 billion his administration collected at the border, $22 billion in repayments were processed in May. Not surprisingly, India is wary of being bullied into an uneven trade deal.

BE WARY OF A SEISMIC DOUBLET IN HIMALAYA

THE twin earthquakes that struck Venezuela on June 24—which have so far claimed almost 2,300 lives, with thousands of others still unaccounted for amid the rubble—have led to unfounded concerns about violent seismic events becoming globally more common. The worries are based on a series of seismic events taking place over the past few months from Afghanistan to the Pacific Rim. Although seismologists have debunked the dot-joining efforts, the Venezuelan catastrophe has yielded more serious worries about twin earthquakes—doublets, which involve two strong quakes of similar intensities striking the same region in quick succession, compounding death and destruction. In the South American nation, the two tremors were separated by a mere 39 seconds.

Doublets are rare, but five of them have been recorded over the last seven decades—in New Zealand's Taranaki region in March 1960; in California in November 1987, when two quakes occurred in a farming region about half a day apart; in Pakistan in February 1997, when two strong quakes struck Balochistan just 19 seconds apart; in Iran in August 2012, when the East Azerbaijan province was rocked twice within minutes; and in Turkey and Syria in February 2023, when quakes of magnitudes 7.8 and 7.5 struck nine hours apart. Seismologists say doublets defy Bath's law, which follows Swedish seismologist Markus Båth's 1965 observation that the largest aftershock is typically about 1.2 magnitudes smaller than the main one.

India needs to be wary about doublets as seismologists consider the Himalayan range one of the world's most seismically volatile regions. The boundary where the Indian tectonic plate grinds against the Eurasian plate creates immense stress in the Earth's crust. This pressure props up the Himalayas and causes numerous faultlines, where a rupture in one fault can quickly trigger another in a connected fault, contributing to a devastating doublet in this fragile ecosystem.

The possible impact of such a doublet cannot be ignored, considering that over 40 percent of India's population lives in the Upper Indo-Gangetic Plain—the food bowl of the country—and the Northeast region, both vulnerable to severe seismic events. To begin, we need to understand the operating procedures that would kick in if such a tragedy strikes. As Venezuela is reminding us, the first steps following a doublet are the most critical ones.

QUICK TAKE

CRÈCHE CONCERNS

THE alleged abuse of toddlers at an information technology company's crèche in Bengaluru presents a deeply troubling picture. The details put out by local child protection officials point to the assigned caregivers' lack of training at a minimum, and lack of empathy at worst. That this happened on the campus of a large multinational in one of the most organised industrial sectors compounds the worries. The training required for looking after children aged below six broadens the questions about how such caregivers were chosen and their work audited, especially when complaints of abuse had reportedly been aired. As the recently-promulgated labour codes regarding social security and working conditions reiterate, daycare centres are extremely crucial for parents—especially women—to be able to join the workforce. We owe them extra-special attention.

Given that the Tenth Schedule is unable to stop large-scale floor crossings, it is time for a new law. Democracy must be protected while preserving party discipline and space for dissent

NEED NEW GUARDS AGAINST WEAPONS OF MASS DEFECTION

MANISH TEWARI

MP, lawyer, former Union I&B minister and author of *A World Adrift*

SOURAV ROY

BETWEEN March 1967 and February 1968, around 438 legislators changed their party allegiances, a figure that dwarfed the nearly 542 cases recorded across the interregnum between 1952 and 1967. It was after this spectacle of government-making by legislative mercenaryism that the Lok Sabha, on December 8, 1967, passed a unanimous resolution calling for a high-level committee to examine the problem of floor-crossing in all its dimensions.

The committee recommended that a defector be debarred from ministerial office, speakership, or any remunerative public post for a period of one year, or until re-elected. It was not until the 52nd Amendment (1985) that Parliament finally incorporated an anti-defection law into the Constitution's Tenth Schedule.

However, after that, individual defections metastasised into wholesale engineered splits. The one-third threshold for splits under paragraph 3 became a licence for mass desertion, a technique by which a legislative group could hive off, topple a government and install itself in power without any consequence.

Subsequently, the 91st Amendment (2003) deleted paragraph 3. However, it left paragraph 4 untouched, under which a member is not disqualified in case of merger of his political party and ratification of the merger by two-thirds of the legislature party. Effectively, the threshold was raised from one-third to two-thirds, moving the legitimised defection from a wholesale purchase to a mega-mall legislator shopping spree.

The disqualification attaches at the moment the act of defection (defined in paragraph 2), that is, voluntarily giving up membership of a political party or defiance of the whip. The Tenth Schedule provides, though five exceptions, specific defences that a member may raise to repel the charge: prior permission; condonation; merger of the original political party under paragraph 4; right to function as a separate group where a merger has occurred but one has not accepted it; and provisions relating to presiding officers under paragraph 5.

The framers of our Constitution designed a legislature of representatives who would articulate the predilections and priorities of their territorial constituencies. The Tenth Schedule has effectually converted these representatives into virtual hostages of a whip-driven tyranny. Lawmaking, far from being a consultative, transparent process, has degenerated into a bureaucratic function in which the individual member's vote is merely a pre-programmed unit. One problem, then, is a party absolutism that has hollowed out constituency imperatives, common sense and conscience of the legislature.

The other problem is that anti-defection law operates upon a grotesque misreading of law. Entire blocs of legislators are being carted across the aisle under the protective umbrella of the merger provision.

Paragraph 4 has become a weapon of mass defection. It protects a defector from disqualification where his "original political party merges with another political party" and some members of that original party either have become members of the post-merger entity, or have not accepted the merger and function as a separate group. For the purposes of this defence, the merger of original political party "shall be deemed to have taken place if, and only if, not less than two-thirds of the members of the legislature party concerned have agreed to such merger".

Certain legal principles must be considered while interpreting paragraph 4. First, it is settled law that under the Tenth Schedule, the Speaker does not possess independent power to decide that a split or merger has taken place in a proceeding divorced from a disqualification reference. He cannot *suo motu* convene a proceeding to certify a merger and thereby grant a blanket amnesty to defectors. Claim of a merger is a defence to a charge of defection that is open for respondents to plead; and only in that context, the Speaker adjudicates whether twin conditions of paragraph 4 are satisfied, separately and cumulatively.

Second, a resolution by two-thirds of a legislature party cannot be treated to constitute a merger of parties. It is only as a rule of evidence within a disqualification defence that paragraph 4(2) creates a deeming fiction. Neither does it enact a formula for the merger of political parties, nor does it vest the legislature party with the power to effect a merger.

Third, the Supreme Court, in *Subhash Desai* (2023), stated that the Tenth Schedule would become unworkable if the term 'political party' is read as 'legislature party'. A clear demarcation is made between the two for a merger under paragraph 4. To conflate the terms would be contrary to the plain language of the Tenth Schedule.

What follows is that a defence of merger is available only where a merger has in fact occurred, and that approval by two-thirds of the legislature party is a condition subsequent for that defence to succeed. Neither the *factum* of merger nor a resolution passed by two-thirds of the legislature party, absent a merger, can *ipso facto* save a defector from disqualification.

In 2010, 2021, and again in 2025, I introduced private member Bills in the Lok Sabha seeking to amend the Tenth Schedule. The 2025 bill proposes that a defector would cease to be a member of the House immediately and automatically. The scope of defection is proposed to be confined to voluntarily giving up the membership of the political party to which the legislator belongs, or defying a whip (only in respect of four matters: motions of confidence and no-confidence, adjournment motions, financial business and money Bills). The member so ceasing could, within 15 days, prefer a restoration petition before the presiding officer to justify the impugned act that is proposed to be mandatorily disposed of within 60 days.

In light of the grotesque emasculation of democracy on display, the time has come for Parliament to pass a single-line anti-defection law that any member who voluntarily gives up membership of a political party to which he belongs, or who defies the whip (in matters listed above) should forthwith cease to be a member of the House. The member may prefer a restoration petition before an independent tribunal (for Parliament, a tribunal headed by a sitting judge of the Supreme Court; for a state legislature, one headed by a sitting judge of the state high court) justifying the impugned act, and that tribunal must dispose of the matter within 90 days.

This would restore the primary bond between the legislator and the electorate while preserving the minimum party discipline and maintaining an ample space for honest dissent.

(Views are personal)

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Full article on newindianexpress.com

THE WEIGHT OF DEVOTEES' TRUST

G R GOPINATH

Founder, Air Deccan; former Captain, Indian Army

LIKE crores of Hindus, I grew up listening to stories during Harikatha performances from the *Ramayana* and revering Lord Ram as the embodiment of righteousness, duty and moral courage. In later years, I read the great poet Kuvempu's iteration of the epic.

For many Indians, Ram transcends theology—he is part of our cultural inheritance, much as Christmas is observed across the world even by many who have never opened a *Bible*.

It is precisely because of that enduring reverence that recent reports of alleged financial irregularities involving donations to the Ayodhya Ram temple have prompted an uncomfortable question. As the scandal is growing, what is both a paradox and a cause for concern is that charges are being levelled by saffron associates of the BJP and the heads of various Hindu orders.

Is the Ayodhya temple merely another place of worship, or does it occupy a unique place in India's contemporary public life? This is not a question about faith. Faith belongs to the realm of personal conscience. Nor is it a question about the legal dispute over Ayodhya, which has been settled through constitutional processes. The question is one of accountability.

Unlike most ancient temples that evolved gradually through centuries of patronage, pilgrimage and local devotion, the Ayodhya temple emerged from one of the most consequential political movements in independent India. Its journey from a disputed site to a grand national shrine was shaped not only by religious beliefs but also by political mobilisation, public campaigns, court proceedings, governmental action and intense national debate. Whether one applauds or criticises that journey, its political character is impossible to ignore. And it is precisely that character which imposes a special responsibility.

When political leaders and public institutions become closely identified with a religious project, they assume obligations extending beyond ordinary administration. Every rupee donated by a devotee represents trust. Every administrative decision acquires public significance. Every allegation of wrongdoing raises questions not only about the individuals involved, but also about the systems to safeguard public faith. This explains why reports of financial impropriety at Ayodhya attract attention far beyond the sums involved.

For decades, lakhs of people contributed to the Ayodhya movement not merely with money but with emotion, sacrifice and conviction. Some donated modest sums collected in villages; others travelled long distances to participate in pilgrimages and public gatherings. The temple, therefore, carries an accumulated moral investment that extends far beyond its account books. When questions arise about the handling of donations, what is placed at risk is not only financial credibility but also a reservoir of public trust built over generations.

AFP

> Distinction must always be maintained between the sacred and those entrusted with administering the sacred. Lord Ram requires no defence from mere mortals. But institutions created in his name require honest stewardship. Perfection in managing institutions may be impossible, but vigilance isn't

The issue is not the amount; it's accountability. Financial irregularities occur in governments, corporations, charities and religious institutions. Temples are no more immune to human frailty than any other organisation. History teaches us that wherever money, influence and prestige accumulate, temptation follows. The real test lies elsewhere.

Are the mechanisms of oversight strong enough to detect wrongdoing promptly? Are investigations conducted transparently? Are those responsible held accountable? Can devotees be assured that their offerings are protected?

During my years in the Indian Army, I learned that institutions are judged not by the absence of misconduct but by the quality and speed of their response to it. Perfection is impossible; vigilance is not.

The Ayodhya temple, therefore, deserves standards of governance at least as rigorous as those expected of any major public trust in the country. Independent audits, transparent accounting, clear lines of responsibility and swift investigation of allegations should not be viewed as acts of suspicion. They are expressions of respect for the faith of crores.

Some may regard such scrutiny as an attack on the temple itself. I see it differently. A distinction must always be maintained between the sacred and those entrusted with administering the sacred. Lord Ram requires no defence from mortals. Institutions created in his name require honest stewardship.

Democracy functions best when citizens can ask questions without being branded disloyal and when institutions can answer those questions without feeling threatened. Accountability does not diminish faith. Properly understood, it protects it.

Amid the magnificence of a grand temple, the vast resources that have gone into its construction and the immense public emotion that sustains it, one cannot help recalling Rabindranath Tagore's celebrated lines: "Open thine eyes and see thy god is not before thee. He is there where the tiller is tilling the hard ground."

The reminder is not a rejection of worship but a call to humility. The worth of any religious institution lies not merely in the splendour of its structures but in the values it embodies and the integrity with which it serves those who repose their faith in it.

Ultimately, the measure of the Ayodhya temple's success will not lie in the grandeur of its architecture, the height of its spires or the size of the crowds and their offerings it attracts. It will lie in whether the principles invoked throughout its creation—truth, duty, rectitude, transparency and integrity—are reflected in its daily administration.

That would be the most fitting tribute to Lord Ram. *(Views are personal)*

MAILBAG

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Keepers' composure

Ref: *Goalies hold their forts* (Jul 1). Outcomes in a penalty shootout is often decided as much by the mind as by technical ability. Mental strength is just as important as skill. Resilience, composure and determination shape every decision in those defining moments. The keeper, standing between victory and defeat, deserves as much recognition as the shooter.

Muhammed Rishan K K, Kozhikode

Tattered trust

Ref: *When violence is embedded in the geography* (Jul 2). Treating Manipur's crisis as a binary between communities has clearly failed. The abduction and killing of hostages shows how deep trust deficit runs. Sustained, geography-sensitive dialogue, not one-time peace gestures, offers the only realistic path towards lasting normalcy.

S P Suganya Devi, Coimbatore

Elders' voice

Ref: *Reverse ageism* (Jul 2). Voice for the voiceless is the guiding principle of governance. Old age is a stage of life, unlike other stages where familial ownership of responsibility shifts dramatically. To care for those who cannot defend themselves emotionally or physically is the foundation of our culture.

Sachidananda Satpathy, Sambalpur

Celebrating ageing

If one clings to outdated ideas without renewing oneself in tune with the times, society relegates that elderly person to the status of a mere 'scarecrow'—or, as Yeats described it, "a tattered coat upon a stick". Old age must be celebrated as, in the words of Tennyson, the spirit of "to strive, to seek, to find and not to yield".

Varadarajan A, Mayiladuthurai

Citizenship rights

Ref: *Onus to prove citizenship* (Jul 1). In a country that strictly forbids dual citizenship, holding a valid Indian passport is, by default, the highest *prima facie* evidence of being an Indian. Furthermore, if the lower bureaucracy arbitrarily disenfranchise voters based on unsubstantiated suspicion, it weaponises State machinery against its own people.

Vajid K, Wayanad

Juvenile justice

Ref: *Torture at B'luru day care* (Jul 2). The horrendous torture chills my conscience. Such inhuman caregivers have no place near any child and must face the strictest action under the juvenile justice law.

Vaithianathan Subramanian, Madurai

THE NEW INDIAN EXPRESS
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Tough stance on social media features, need of the hour

DIFFERENCES between government agencies and social media giants are not new in India. The latest flash point is related to the move by messaging app WhatsApp to change the user name feature. According to the new feature planned by WhatsApp users can interact with others without sharing the individual's phone number. Now, various government agencies feel that this feature can endanger the safety and privacy of users and the agencies feel that this feature can endanger the safety and privacy of users.

Concerned over potential of spam and impersonation, the Centre has sent a notice to Meta- parent entity of WhatsApp - asking it to halt rolling out of this new username feature. "It is felt that the feature may materially increase the incidence of online fraud, phishing, digital arrest scams and impersonation attacks, by enabling bad actors to solicit and message victims," the Ministry of Electronics and Information Technology (MeitY) said in the notice sent to WhatsApp.

Meanwhile WhatsApp in a statement said that its new feature is built on safeguards and the messaging company has taken steps to protect against impersonation by holding highest-profile names — think public figures, government entities, celebrities, verified Meta accounts — which can only be claimed by their legitimate owners. While the differences between the government and Meta continues, it again exposes the possible ill-effects of social media platforms.

Notably, WhatsApp counts India as its largest user base with more than 850 million using the app. It has become a part of life for many individuals and organisations. Various business operations are being conducted through this messaging app. In this context, identity has to be the biggest criterion for data security purposes. And this data has to be integrated with the individual's contact number. This SIM-binding rule of Telecommunication Department sits at the heart of data security.

Through this feature, an individual's action can be traced by security agencies in case of any 'untoward' incident. Any change in this rule allowing a person to keep 'user name' without integration with the phone number can lead to cyber-security issues. Impersonation to hacking to promoting terrorist activities; all can be possible without the fear of being tracked by security agencies.

India has already seen the menace of social media messaging apps recently when the NEET question paper leak was actively orchestrated in the Telegram channel. Fearing repetition of the same incident, the government has to halt operations of Telegram in India for a few days during the NEET re-examination period. Now, if the new feature rule of WhatsApp is allowed without security checks, then India can face many more cybersecurity incidents in the near-term.

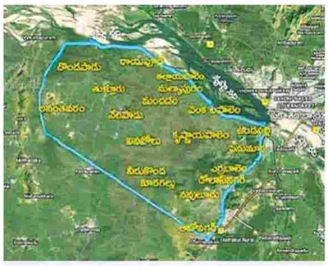
Ironically, India doesn't have a popular messaging app of its own despite being the largest number of users in this segment. All the home-grown messaging apps are not able to gain popularity. In this context, India should promote home-grown messaging platforms for safety and security of its citizens.

Not long ago, several cyber-arrests kind of fraudulent activities were reported across the country with crores of money getting extorted by cyber frauds. Similarly, phishing activity is on a rise in financial transaction space. Against this backdrop, any messaging platform has to provide full-proof security to its user base.

Moreover, all the new features of any social media platform have to be in compliance with digital protection rules of India. WhatsApp has been integral to many people's lives and millions of organisations' business operations. The importance of its security can't be overstated. Therefore, India has to keep a keen eye on all new features of social media platform and take a strict stance on compliance whenever required.

The politics of uncertainty must end in Amaravati

LINGAMANENI RAMESH



The people delivered a clear verdict in the 2024 Assembly elections. YSRCP was reduced to just eleven seats. Yet, instead of accepting the mandate and moving forward, sections of its leadership continue to revive controversies surrounding Amaravati. The latest narrative, popularly referred to as the "Mavigan" issue, appears to be another attempt to create confusion among farmers, investors and the public, with the sole objective of delaying the capital's progress.

IN a democracy, the Opposition has a vital responsibility. It must question the government where necessary, while also supporting initiatives that serve the larger public interest. Unfortunately, the YSR Congress Party (YSRCP) has chosen a different path. After facing a decisive electoral rejection, it continues to target Amaravati, the capital city that represents the aspirations of Andhra Pradesh. At a time when Amaravati is witnessing renewed momentum, attempts are once again being made to create uncertainty and stall its progress.

The YSRCP's changing stand on Amaravati reflects a striking case of political inconsistency. Following the bifurcation of Andhra Pradesh in 2014, when Amaravati was selected as the state's capital, Y S Jagan Mohan Reddy, then Leader of the Opposition, extended unequivocal support to the decision in the Assembly. He even argued that at least 30,000 acres should be assembled for the capital's development.

However, after assuming office in 2019, the same leadership reversed its position. Ignoring its earlier commitment and the aspirations of millions of people, the government introduced the controversial proposal of three capitals under the banner of administrative decentralisation. The result was not decentralisation but prolonged uncertainty that weakened investor confidence and delayed the state's development. The biggest victims were the thousands of farmers who voluntarily pooled their fertile lands to build the capital.

Instead of honouring their sacrifice, the previous government subjected them to years of uncertainty. Peaceful protests were met with police action, and even women farmers faced arrests. A project that symbolised the rebuilding of Andhra Pradesh became a victim of political experimentation.

The people delivered a clear verdict in the 2024 Assembly elections. YSRCP was reduced to just eleven seats. Yet, instead of accepting the mandate and moving forward, sections of its leadership continue to revive controversies surrounding Amaravati. The latest narrative, popularly referred to as the "Mavigan" issue, appears to be another attempt to create confusion among farmers, investors and the public, with the sole objective of delaying the capital's progress.

The NDA coalition government in Andhra Pradesh, comprising the Jana Sena Party, the Telugu Desam Party and the Bharatiya Janata Party, has therefore adopted a long-term approach to ensure that such uncertainty never returns. Learning from the mistakes of the past, the coalition has worked to provide Amaravati with stronger legal and institutional protection. The objective is simple: to ensure that no future government can arbitrarily alter the capital's status or derail its development.

This framework has been achieved through sustained coordination between the state and the Union Government. The continuous efforts of Chief Minister N. Chandrababu Naidu and Deputy Chief Minister and Jana Sena President Pawan Kalyan have played a key role in securing long-term policy stability for Amaravati. Such certainty is essential for infrastructure development, investor confidence and sustained economic growth. Legal and policy stability are critical prerequisites for attracting both domestic and international investment.

Financial institutions are naturally more willing to support projects backed by continuity and credibility. The renewed engagement of institutions such as the World Bank and the Asian Development Bank reflects growing confidence in Amaravati's future and in Andhra Pradesh's development trajectory.

Amaravati is not merely an administrative capital. It is envisioned as a global knowledge and economic hub that will drive employment, innovation and investment for decades.

World-class educational institutions, technology parks, healthcare facilities and modern infrastructure will together transform it into a major growth centre for southern India. Equally important is the coalition government's commitment to the farmers who made Amaravati possible.

Their rights, rehabilitation and promised benefits remain central to the rebuilding process. The government is working to ensure timely allocation of returnable plots, completion of infrastructure and fulfilment of every commitment made to land contributors.

For Andhra Pradesh's Members of Parliament, this strengthened legal framework also provides greater confidence while securing support from the Union Government for infrastructure, rail connectivity, national highways and other strategic investments. Amaravati now has the opportunity to evolve beyond a state capital and emerge as one of India's most significant economic engines.

Today, the uncertainty that overshadowed Amaravati is gradually giving way to optimism. With the Union and State Governments working together, Andhra Pradesh has once again embarked on the path of reconstruction and development. The democratic will of the people has reaffirmed that progress cannot be held hostage to political expediency.

At this crucial moment, I appeal to the people of Andhra Pradesh, particularly the residents of the capital region, to remain vigilant against campaigns that seek to obstruct this historic project through misinformation and manufactured controversies. The lessons of the past five years are clear. Policy instability carries enormous economic and social costs, while consistency and vision create lasting prosperity.

Amaravati represents far more than government buildings. It symbolises the aspirations, resilience and self-respect of Andhra Pradesh. Protecting that vision is a collective responsibility. By rising above partisan politics and remaining committed to long-term development, we can ensure that Amaravati becomes the thriving capital envisioned by its people and a powerful driver of India's growth story.

(The writer is Member of Parliament (Rajya Sabha), Jana Sena Party)

THE CROSS-CULTURAL CLASSROOM

NEP's quiet bid to reshape Indian schooling

MALLADI SREE NAGESH

INDIA'S National Education Policy (NEP) 2020 has placed cross-cultural education at the heart of school reform, weaving together multilingualism, indigenous knowledge, and global citizenship. The aim is to turn traditional classrooms into inclusive spaces that celebrate India's diverse heritage while preparing students to thrive in an interconnected world.

At its core, multicultural education is a reform that respects diverse traditions and builds a constructive teaching-and-learning process through rigorous inputs and positive insights. Social and cross-cultural interaction in schools gives students the chance to learn and practise empathy, critical thinking, and communication. It fosters collaborative learning and breaks down the barriers of cultural disconnect.

Without it, the classroom risks becoming a place where a student's home identity is cut off from their academic life, leaving them without a sense of belonging. When schools fail to reflect local socio-cultural practices, parents and community members may also feel excluded, weakening their involvement and trust in the education system. A culture of cross-cultural education, by contrast, improves student participation, eases stress, and strengthens academic performance.

India is known for its unity in diversity. It is a land of many ethnicities living together in harmony and peace, with rich cultures, traditions, values, and beliefs. This shared social and emotional fabric, rooted in moral empowerment, motivates people to become productive citizens who pursue both their personal goals and the nation's broader aspirations.

The issue matters not only from an Indian standpoint but also as a global concern. Inclusion is the only path to the integrated and inclusive development of every section of society, and equal opportunity for all students is a central goal of multicultural education. The Indian Constitution makes a clear provision for this: Article 14 and Article 21-A (the Right to Education) guarantee equal opportunity and promote the inclusive growth of society. Chapter 22 of the NEP 2020 reinforces this by promoting Indian languages, arts, and culture, particularly through points 22.1, 22.4, 22.10, and 22.11. A key part of this effort is closing the academic achievement gap between mainstream students and those from diverse backgrounds.

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This calls for a special focus on integrating cross-cultural education from childhood. Diverse interaction promotes deeper learning and cognitive flexibility, nurtures the skills needed for modern workplaces, and encourages open-mindedness and respect for diversity, while helping young people tackle complex challenges. To achieve this, schools and universities should adopt culturally relevant pedagogy, drawing on local context and examples to make their approach more inclusive. They can also connect digitally to share traditions and collaborate on projects that deepen understanding of different cultures and their value.

The NEP further urges schools to bring in local culture and values, and to ensure that parents and community members take part in school functions and cultural events. This makes schools more diverse and helps create an inclusive environment that boosts student self-esteem, improves academic engagement, and dismantles social prejudice. It empowers marginalised voices while equipping every learner with the cross-cultural skills demanded by an increasingly interconnected world.

Around the globe, educational institutions are recognising the importance of international learning programmes, student exchange initiatives, and cross-border collaborations as ways to foster intercultural understanding and prepare students for meaningful careers.

Cross-cultural collaboration in education does come with challenges. Language barriers, cultural misunderstandings, and logistical issues can hamper communication and limit the benefits of such programmes. In India, the main obstacles include vast linguistic diversity that complicates uniform curriculum delivery, deeply ingrained socio-cultural prejudice, rigid and exam-oriented teaching, and a severe shortage of teacher training in inclusive practices, which is the backbone of cross-cultural education at both school and higher levels.

These barriers can be overcome. Language and communication gaps can be addressed through specially designed programmes, projects, and digital methods that make learning more accessible. It is equally important to identify valuable practices from different cultures and bring them into students' daily lives, supported by peer-led assignments that reduce conflict and misunderstanding.

Virtual learning solutions can help students gain cross-cultural knowledge, broaden their worldview, and enrich their academic performance. Many such programmes already allow students to engage with international peers, offering rich interaction, learning, and much of the spontaneity of face-to-face contact. Here, institutions have a vital role to play: they must facilitate cross-cultural programmes and provide language training, cultural orientation sessions, and libraries stocked with adequate learning resources to ensure a constructive and positive experience.

The curriculum, too, will be central to this reform. Educational content must move beyond dominant narratives to include regional histories, literature, and the cultural contributions of marginalised and tribal communities. Above all, the curriculum should be multilingual, experiential, and deeply rooted in local contexts. It must celebrate the nation's diversity while cultivating global understanding, bridging India's immense internal diversity with an interconnected world.

(The writer is an Education Analyst, views are personal not related to his organisation)

LETTERS

Our toddlers deserve better

WHAT a devilish act! God gifted tender-hearts children between 2 and 3 years age were made to sit in washing machine (water sprayed into their mouths with toilet jet spray) and locked in bathrooms ... by five female caregivers ... as punishment in a day-care-centre (in the HAL campus of Capgemini) in Bengaluru. This was to stop the toddlers from crying. Cases against them have been filed and care taker centre has been temporarily closed. This is not a permanent solution. How about other day-care-centres? It is very common for working couples to leave children in day-care-centres. Usually care givers are illiterates from poor families with rough and tough nature. Ideally, every care-giver must be well trained . They should know that children may cry because of injury-pain and stomachache etc. Hence, it should be made compulsory for every child-care centre to have an attached doctor too in case of exigencies.

P V P Madhu Nivriti, Secunderabad

Rainwater harvesting, a must

YOUR recent report on Hyderabad's tanker crisis, with deliveries stretching two to three days even after monsoon onset, exposes how fragile the city's water security is. Nearly 12,000 apartment complexes depend on Water Board tankers, and supply has dropped from 600 tankers daily in peak summer to just 300, even as demand stays flat. Groundwater hasn't recovered because May-June rainfall was inadequate, and borewells that limped along till May have now dried up completely. The Water Board cannot keep treating tankers as a permanent stop-gap while ignoring recharge infrastructure. Narrow roads limiting tanker trips in several localities only worsen the delay. Hyderabad needs urgent rainwater harvesting enforcement and a transparent booking system, so residents at least know when a tanker will actually arrive.

Nausheen Zannat, Hyderabad

Places of worship attract heisters

APROPOS the editorial 'Resolve donation issue with prudence, not rhetoric'. Places of worship, especially cash-rich ones are favorite hunting ground of heisters, cutting across faiths. Swindling of donations from the coffers of Ram Temple is one such. The faithful, whose sentiments are hurt, must consider this with considerable spirituality, than emotion. God and deities aren't pleased neither with huge concrete structures for 'dwelling places', nor big money, precious metals and stones for offertories.

However, a crime is crime, irrespective of place of commission. Delinking temples from governmental control, as envisaged by VHP, confers no immunity to temples from heist. Misappropriation from cash-rich Churches, free of governmental control is rampant. Eventually, the issue calls for, other than action by law, in terms of investigation and punishing the guilty, conscientiousness and honesty of those in-charge.

Dr George Jacob, Kochi

Temple theft case distressing

IT is but only after a long lasting battle, the Ram Janmabhoomi case was won and subsequently successful in building up a temple for Lord Rama. All this matter is in public domain. In such a situation, it is just atrocious even to think of siphoning of funds meant for the deity. It seems that the allegedly involved in the scam have no moral scruples left at all and devoid of compunction about what the people of the entire nation think of them for their treacherous act of theft.

Seshagiri Row Karry, Hyderabad

Eliminate hurdles in SIR process

THIS refers to your report on residents facing difficulties during the Special Intensive Revision (SIR) exercise because voter lists and enumeration forms were available only in Telugu and English. In a country like India that takes pride in being multilingual, such barriers should not exist. Yet, when it comes to essential public services, accessibility is overlooked. Government documents and forms meant for the public should be available in all languages, especially in a cosmopolitan city like Hyderabad. Every citizen should be allowed to participate in a democracy without unnecessary hurdles. Language should unite people, not exclude.

Vrindha Dayal, Hyderabad

thehansreader@gmail.com

BENGALURU ONLINE

Centre orders probe into repeated Namma Metro failures

BENGALURU: The Commissioner of Metro Railway Safety (CMRS) has directed the Bangalore Metro Rail Corporation Limited (BMRCL) to conduct a comprehensive investigation into the repeated disruptions in Namma Metro services and submit a detailed report on the corrective and preventive measures taken to address the recurring technical failures.

The directive comes in response to a formal complaint submitted by Bengaluru South MP Tejasvi Surya, who had documented nearly 20 service disruptions in Namma Metro over the past three years and sought an independent inquiry into the recurring operational failures.

Following a major technical malfunction on the Purple Line on June 23, Tejasvi Surya wrote to the Commissioner of Metro Railway Safety on June 25, urging a detailed investigation into the incident as well as the pattern of repeated service disruptions affecting commuters.

Responding to the complaint, Chief Commissioner of Railway Safety Janak Kumar Garg instructed the Managing Director of BMRCL to investigate not only the June 23 incident but also all major operational disruptions reported over the last three years. The Commissioner has also ordered an audit of the metro's operational and maintenance systems to assess their efficiency and identify systemic shortcomings. Sharing the official communication on social media platform X, Tejasvi Surya tagged BMRCL and Karnataka's Minister for Bengaluru Development, Krishna Byre Gowda, expressing dissatisfaction with the functioning of the metro administration and calling for urgent corrective action.

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

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> The state-run OMCs are still recovering cumulative under-recoveries of around Rs2.18 lakh crore. These companies also continue to hold fuel inventories purchased when international crude oil prices were much higher, making an immediate reduction in retail prices impractical
>
> - Hardeep Singh Puri, Union Petroleum Minister

BIZ BRIEFS

LiveRamp's Hyd office inaugurated

LiveRamp, a data collaboration company has announced the launch of its Hyderabad office as part of its long-term investment and growth strategy in India. The company plans to create over 100 jobs in the next 12 months on top of the over 250 employees already hired. SashiBinani, MD, said: "AI is fundamentally transforming the way brands connect with consumers, and India is at the forefront of this."

Maxivision's CSR activity

A newly opened centre of Maxivision Super Speciality Eye Hospital in Ongole, handed over traffic barricades to the local Traffic Police, as part of its CSR engagement. Dr. AAV Ramalinga Reddy, Sr. Cataract Surgeon, Dr. Ramalinga Reddy Maxivision Super Speciality Eye Hospitals, said: "Road safety requires the ongoing commitment of every road user and community member. We are pleased to hand over these barricades to the Ongole Traffic Police."

IIT-B in pact with SBI Life

SBI Life Insurance, a private life insurer, has signed a Memorandum of Understanding (MoU) with the Indian Institute of Technology Bombay to establish 'Bharat's AI & Cyber Innovation Hub for Insurance', a joint research and innovation centre dedicated to building deep-technology defences for the insurance sector. Abhijit Gulanikar, President, SBI Life, said: 'The next era of value creation in financial services will be led by organisations that don't just consume technology, but actively build it."

Deals from Sennheiser

Sennheiser, an audio innovation, has announced exciting offers on its premium audio products as part of Amazon Prime Day's 10th Edition. Customers can enjoy discounts of up to 40 per cent on select products. Shoppers can also avail No Cost EMI options, along with additional discounts on select bank cards, making it an ideal opportunity to experience Sennheiser's renowned audio performance at exceptional value.

Indriya expands product portfolio

Indriya, Aditya Birla Jewellery, has unveiled a new line-up of natural diamonds featuring the highest sparkle— with only 1 in 5 natural diamonds making the cut, thus setting a new retail industry milestone. The brands has also unveiled SparkleScope, an in-store technology that enables customers to evaluate a diamond's sparkle. The launch is supported by a new campaign, 'Sparkle Like No Other' featuring Aditi Rao Hydari.

Easing oil prices, value buying bolster equities

The rebound in IT shares supported the rally, but profit booking in the banking and select heavyweight stocks affected the gains

MUMBAI

STOCK market benchmark indices Sensex and Nifty ended nearly one per cent higher on Thursday amid softening crude oil prices, following positive developments on the geopolitical front and buying in blue-chip IT stocks.

The 30-share BSE Sensex jumped 579.48 points, or 0.75 per cent, to end at 77,502.12. During the day, it surged 656.29 points, or 0.85 per cent, to 77,578.93.

The 50-share NSE Nifty rallied 169.85 points, or 0.71 per cent, to settle at 24,175.70.From the Sensex pack, Infosys jumped 5.64 per cent, followed by Tech Mahindra (4.32 per cent), Tata Consultancy Services (4.28 per cent) and HCL Tech (4.12 per cent). Bajaj Finserv, Adani Ports, Titan and ICICI Bank were also among the major gainers.Larsen & Toubro, Maruti Suzuki India, Axis Bank and Reliance Industries were among the laggards.Brent crude, the global oil benchmark, dropped 1.45 per cent to $70.53 per barrel.

India and Japan on Thursday unveiled a raft of landmark initiatives, including an economic partnership framework and defence pact to co-develop military hardware, following summit talks between Prime Minister Narendra Modi and his Japanese counterpart Sanae Takaichi. The major outcomes from the meeting included a declaration on economic security, a joint statement for cooperation in the field of artificial intelligence and a document to bolster engagement in the energy supply chain.

"Indian equities extended their winning streak despite pressure in global markets, where technology stocks dragged overseas indices lower. Easing energy prices and fresh India-Japan agreements in strategic areas such as AI, defence technology and energy security helped sustain domestic market optimism," Ponmudi R, CEO of Enrich Money, an online trading and wealth tech firm, said.

According to Ajit Mishra, SVP-Research, Religare Broking Ltd, the rebound in IT shares supported the rally, but profit booking in the banking and select heavyweight stocks affected the gains."The rebound in the IT pack further strengthened sentiment after the sector witnessed sharp selling in recent sessions. However, profit booking in the banking pack and select heavyweight stocks from other sectors capped the pace of the rally," Mishra said.The global tech sell-off intensified as chip stocks slumped across Asia, with Korean stocks tumbling 8 per cent as AI jitters triggered a sharp correction, reviving concerns that the blistering rally in artificial intelligence shares this year may have gone too far, too fast, he added.Meanwhile, passenger vehicle sales in the country are estimated to have grown nearly 25 per cent in June to about 4 lakh units, led by Maruti Suzuki, Tata Motors PV and Mahindra & Mahindra. Among auto stocks, TVS Motor jumped 3.78 per cent, Tata Motors climbed 2 per cent, Ashok Leyland advanced 1.51 per cent and M&M went up by 1.39 per cent on the BSE.

FPI selling spree continues, pull out ₹49,340 cr in June

NEW DELHI: Foreign investors extended their selling spree in June, withdrawing Rs 49,340 crore (USD 5.16 billion) from Indian equities, triggered by a combination of early-month global risk aversion, a preference for developed markets, soaring US bond yields, and stretched valuations in the domestic market. With the latest outflows, total withdrawals by Foreign Portfolio Investors (FPIs) from Indian equities have surged to Rs 2.7 lakh crore so far in 2026, surpassing the Rs 1.66 lakh crore pulled out during the entire calendar year 2025, according to data from the Central Depository Services (India) Ltd.

According to the data, FPIs remained net sellers in every month of 2026 except February.

They withdrew Rs 35,962 crore in January before turning net buyers in February, investing Rs 22,615 crore, marking the highest monthly inflow in 17 months.The trend, however, reversed sharply in March, when foreign investors pulled out a record Rs 1.17 lakh crore.

S&P backs RBI forex swap scheme to boost overseas fund raising

NEW DELHI: The concessional swap facility provided by the RBI would lower funding costs for many government-owned financial institutions that are now likely to increase their external borrowings, S&P Global Ratings said on Thursday.

To shore up foreign capital inflow, last month, the Reserve Bank had announced opening of a concessional forex swap facility to encourage PSUs to raise external commercial borrowings (ECBs) until September 30. Under this, RBI will offer a concessional 1.5 per cent per annum premium on fixed US dollarIndian rupee swaps for 3-5 years for the ECBs raised by public sector companies.

S&P said the swap agreement eliminates currency risk at a much lower cost than the market. S&P said the new concessional swap agreement offered by the Reserve Bank of India eliminates currency risk at a much lower cost than the market. This should benefit funding costs for many government-owned financial institutions that are now likely to increase their external borrowings. In a report titled 'Indian Government-owned financial institutions: The RBI swap effect will increase offshore activity', S&P said government linkages provide financial flexibility, access to cheaper funding, and a mechanism for asset quality support for these entities.

S&P Global Ratings analyst Geeta Chugh said incentivising overseas borrowings by government-owned financial institutions draws in foreign exchange to bolster reserves and support the rupee. "... channeling this international capital through institutional lenders creates a powerful credit multiplier effect across the Indian economy," said Chugh. Financial services is one of four strategic sectors in India. As such, government-related entities (GREs) in the sector are more likely to benefit from government support.

Economic momentum stays firm on strong GDP, GST and manufacturing

Higher industrial output, record auto sales and resilient exports reinforce India's position as the fastest-growing major economy

NEW DELHI

THE latest economic indicators released by the Union government continue to underline the resilience of the Indian economy despite global uncertainties.

Strong GDP growth, expanding manufacturing and services activity, record vehicle sales, healthy GST collections and resilient exports indicate that domestic demand and investment remain robust.

India's economy grew by 7.7 per cent in FY 2025-26, reaffirming its position as the world's fastest-growing major economy.

Growth gathered further momentum in the final quarter, with real GDP accelerating to 7.8 per cent in Q4 FY26, up from 7 per cent in the corresponding quarter of the previous year, driven by strong performance in manufacturing, services, consumption and investment.

The HSBC India Manufacturing PMI stood at 54.2 in June 2026, remaining above the 50-point mark for the 37th consecutive month, indicating sustained expansion in manufacturing activity.

The survey highlights continued growth in output, new orders, employment and purchasing activity, reflecting resilient domestic demand and positive business confidence despite global uncertainties.

The HSBC India Services PMI Business Activity Index rose from 58.8 in April to 59.8 in May 2026, recording the strongest expansion since November 2025.

India's Index of Industrial Production (IIP) accelerated from 4.9 per cent in April to a five-month high of 5.1 per cent in May 2026.

The growth was led by a 5.5 per cent expansion in manufacturing and 9.9 per cent growth in electricity and gas supply. On the demand side, capital goods output grew by 12.9 per cent, reflecting sustained investment momentum and strengthening industrial capacity. The government's capex push has continued strongly into FY 2026–27. In April–May 2026, capital expenditure stood at Rs 2.51 lakh crore, compared to Rs 2.21 lakh crore in April–May 2025. That is an increase of around Rs 29,650 crore in just the first two months.

In June 2026, Gross GST collection rose 13.9 per cent to around Rs 1.95 lakh crore in June this year, compared to Rs 1.71 lakh crore in the same month last year.

Net direct tax collections jumped 14.64 per cent to Rs 5.21 lakh crore in the current fiscal till June 17, aided by healthy growth in both corporate and non-corporate tax receipts.

RS Brothers' annual Aashadam sale goes live

HANS BUSINESS
HYDERABAD

RS Brothers,a Hyderabad-based retail chain has launchedits annual shopping event Aashadam Challenge KG Sale offering upto 70 per cent discounts and several other offers.The shopping extravaganza is live across the Telugu states and Maharashtra.

The event will offer discounts and special offers across categories in women's wear, men's wear and kids' wear. According to the retail chain: "Fashion lovers and families across the region can now experience a unique shopping experience where premium sarees and apparel are measured and sold by weight in KGs. This special seasonal event brings an unparalleled opportunity for shoppers to upgrade and refresh their wardrobes with thousands of varieties and styles to choose from, ensuring there is something perfect for every taste and occasion with massive savings."

The management, said:"We are immensely grateful for the decades of trust and loyalty our customers have placed in the RS Brothers family, and to honor that deep connection, this year's Aashadam Challenge KG Sale is curated to deliver our biggest savings yet, blending an expansive variety of lakhs of fresh designs with unbeatable price cuts that celebrate our shoppers."

'Private credit market poised for further growth despite RBI rule changes'

NEW DELHI: India's private credit market has doubled in size in the past five years to about USD 25 billion in Assets Under Management (AUM) as of 2025 end, and will further expand amid strong financing demand, Moody's Ratings said on Thursday. However, the new RBI norms which allow banks to finance acquisitions will increase competition in a segment historically dominated by alternative capital.

"While the new rules may benefit borrowers by lowering costs for financing and increasing its availability, they could compress yields and reduce deal flows for private credit providers for acquisition financing," Moody's said.

South India Shopping Mall launches kilo sale

HANS BUSINESS
HYDERABAD

SOUTH India Shopping Mall has launched its 15th Blockbuster Aashadam No. 1 Kilo Sale across both the Telugu states of Telangana and Andhra Pradesh, as well as Karnataka. Announcing the launch, the management stated, "We are deeply grateful to our customers for fifteen years of incredible trust, and we are thrilled to celebrate this milestone by bringing you our biggest designs and grandest savings yet.Bringing an unparalleled shopping experience with an extraordinary discount of upto 66% off on an entirely fresh, newly arrived stock of garments.Showrooms are fully stocked with lakhs of stunning designs and thousands of premium clothing varieties across three dedicated categories to cater to every family member, style, and occasion." The management further added: "True to its vibrant theme, 'E Aashadamlo Shopping Kilolalo! SanthoshamTannulalo,' which beautifully promises that you will shop in kilos and take home happiness in tons, this mega-sale is specially curated to be the ultimate shopping paradise. As South India's trusted fashion destination and pioneer of the kilo sale concept, the brand is pulling out all the stops for its fifteenth anniversary."

Airlines shun ATF price cap as global oil prices cool

NEW DELHI

THE Rs 10,000-crore jet fuel price stabilisation programme has failed to take off, with no airline signing up for the scheme as a decline in international oil prices eroded its appeal, sources said. The Union Cabinet last month approved a one-time Rs 10,000-crore scheme to compensate state-owned fuel retailers for selling aviation turbine fuel (ATF) to airlines at capped prices for upto three years, aiming to shield carriers from surging fuel costs triggered by the West Asia crisis.

The scheme was voluntary, and airlines were to sign agreements with oil marketing companies to avail of the capped price of about Rs 115 per litre. However, no airline has signed up for the scheme so far, sources said. This could possibly be because international oil prices started to fall around mid-June, making the capped price unattractive.

On July 1, aviation turbine fuel (ATF) prices in fact dropped to Rs 110 per litre from Rs 115 rate that was announced on June 9. Under the voluntary scheme, participating airlines were to pay a fixed free-on-board (FOB) benchmark price of Rs 86.32 per litre, plus airport charges, oil company margins and applicable taxes, resulting in an effective selling price of Rs 115 per litre in Delhi, Rs 114.5 in Mumbai and Rs 139 in Chennai. Airlines that do not opt for the scheme are to pay market-linked prices. Sources said market-linked ATF prices were around Rs 142 per litre when the scheme was announced on June 3. However, prices have since softened following an interim peace deal between the US and Iran, easing concerns over potential supply disruptions through the Strait of Hormuz, a key global oil shipping route.

China's security regime raises red flags for foreign investors

NEW DELHI: China's President Xi Jinping has repeatedly emphasised at high-level meetings with world leaders and corporate heads that his country is keen to attract foreign investments, even though recent events have brought into question the safety and viability of those potential investments, according to an article in The Diplomat. It highlights that world's top business leaders that Jinping has addressed at meetings in recent months include Elon Musk of Tesla and SpaceX, Jensen Huang of Nvidia, Tim Cook of Apple, Larry Fink of BlackRock and Kelly Ortberg of Boeing. Jinping is reported to have told them that China "will only open its door wider" and that "China-U.S. economic and trade ties are mutually beneficial and win-win in nature." However, the article also points out that China has, over the past few years, issued new laws and decrees that impact the degree to which Chinese citizens are obligated to act as informants to the government.

Effectively, these laws require ordinary people to act as eyes and ears of state security, reporting suspicious and seditious behaviour, as well as anything they suspect could adversely impact the national security of China. It is inevitable that these laws would dampen the enthusiasm of foreign companies to invest in China. Any company would be reluctant to put their treasure and trust into a country that has turned its citizens – including the employees of their very own foreign-invested enterprises – into intelligence assets, under penalty of law, the article states.

Air India cuts fuel surcharges for North America, Europe flights

NEW DELHI: Air India has cut fuel surcharges for flights to North America, Australia, Europe, and the UK as oil prices eased in recent weeks, according to sources.

The airline announced fuel surcharges on April 7 amid a surge in oil and jet fuel prices due to the West Asia conflict. The higher costs and airspace curbs had pushed up operational expenses for the airline. Fuel surcharge for North America and Australia flights have been cut to $200 from $280 per ticket and that for Europe and the UK services have been reduced to $125 from $205, the sources said on Thursday.

US job growth cools as June hiring falls below expectations

WASHINGTON

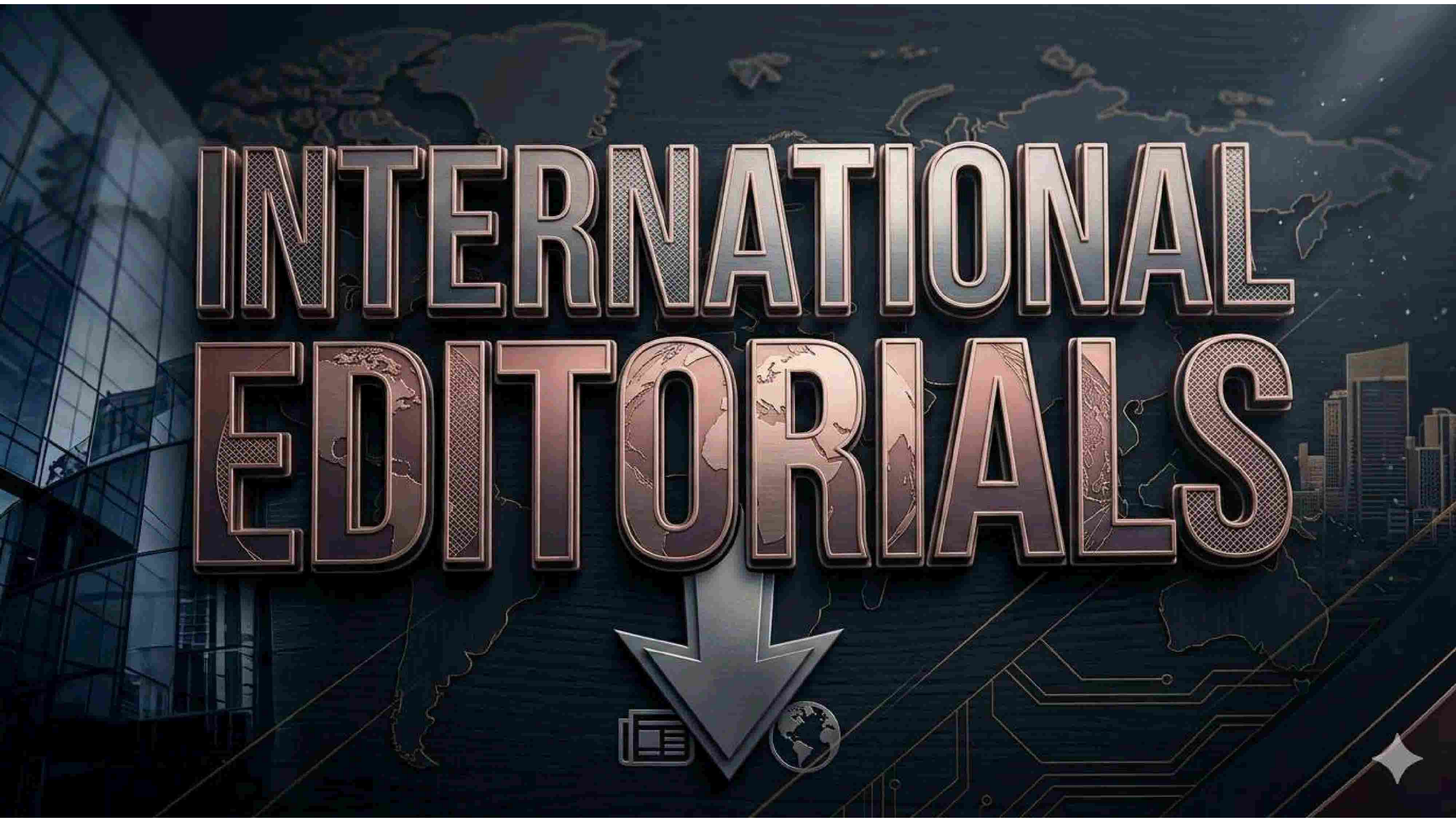
US employers pulled back on hiring last month and added only 57,000 jobs, less than half the previous month's total and a sign companies still have a cautious economic outlook.

The Labour Department said Thursday that the unemployment rate declined to a low 4.2 per cent from 4.3 per cent in May, though the decline mostly occurred because many people out of work gave up looking and were no longer counted as unemployed.

The figures suggest businesses remain wary of the economy's health, with inflation at a three-year high and consumer confidence near post-pandemic lows. The solid job gains that were initially reported in April and May were also revised lower. Hiring in May was marked down to 1,29,000 from 1,72,000, while April's job gains are now 1,48,000, down from an initial estimate of 1,79,000.

Restaurants, bars, and hotels cut 61,000 jobs, a sharp disappointment for those who expected the World Cup tournament that is taking place in multiple US cities would lead to at least temporary job gains. Retailers also shed 7,500 jobs.

Many businesses may be wary of hiring as they navigate the implementation of artificial intelligence, but last month professional and business services, a category that includes architecture, engineering, and software developers — occupations expected to be vulnerable to AI — added 36,000 jobs. Healthcare, the economy's most consistent job creator, added nearly 47,000 positions. The economy is growing modestly despite ongoing challenges. It expanded at a 2.1 per cent annual pace in the first three months of the year, though some forecasts expect it will slow in the April-June quarter. But a job market that can continue to generate at least some jobs should enable many consumers, particularly upper-income ones, to remain resilient and spend more. Ongoing job gains, however, suggest that the Federal Reserve's key interest rate, at about 3.6 per cent, may not be high enough to restrain the economy and cool inflation. Fed chair Kevin Warsh in Portugal Wednesday reiterated that he would push inflation back to the Fed's 2 per cent target, though he wouldn't comment on whether the Fed would raise rates at its next meeting, in July.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The Dem drift

Who would have thought that we would look back nostalgically to the days when the anti-Israel "Squad" in the US Congress numbered only four lawmakers?

Yet, after the recent primaries in Pennsylvania, New York, and now Colorado, a squad of "only" four is beginning to look like the good old days.

On Tuesday, voters in Denver – a deep blue city – ousted 15-term mainstream Democrat Diana DeGette in favor of 29-year-old Melat Kiros, yet another Zohran Mamdani-style democratic socialist.

Kiros, whose family came to Colorado from Ethiopia when she was a baby, was fired from her law firm in 2023 after publishing a letter arguing that student calls for the elimination of Israel should not be viewed as antisemitism, and that Oct. 7 should be seen in context, because over history, the occupied have resisted with violence.

She also refused in a televised interview to say the deadly firebombing attack in Boulder that led to the death of 82-year-old Karen Diamond was an antisemitic attack.

"I don't know what was in the heart of the perpetrator," she said.

Never mind that the attacker, Mohamed Sabry Soliman, who is serving a life sentence, yelled, "Free Palestine!" as he hurled homemade bombs at a group gathered in support of the hostages in Gaza. Or that he reportedly told investigators he was driven by a "desire to kill all Zionist people."

Kiros's victory follows victories by two other Democratic Socialists of America candidates in New York congressional primaries, both strongly anti-Israel, as well as another in Philadelphia's congressional primary, and one in the Democratic primary for mayor of Washington, DC. In these deep-blue locales, winning the primary is often tantamount to winning the election.

Some Democratic stalwarts may dismiss these victories as outliers confined to a handful of overwhelmingly liberal districts. Others may argue that democratic socialism is simply another political fad, destined to fade, much as many believed the Tea Party eventually did.

But that misses the point. The Bernie Sanders-Mamdani wing of the Democratic Party may not yet be able to win nationally, but it is steadily gaining influence.

Every primary victory sends a message to Democratic officeholders about where the party's activist base is moving. Politicians pay close attention to who wins elections. As the DSA and its allies accumulate wins, other Democrats will inevitably ask themselves whether long-held, pro-Israel positions makes them vulnerable.

The success of these candidates is not only – or even primarily – an Israel problem. It is a Democratic Party problem. For too long, the party establishment underestimated these insurgent primary campaigns, believing that endorsements from senior politicians, superior fundraising, and traditional media drives is sufficient.

That strategy failed against a young, motivated movement that organizes well at grassroots level and is willing to challenge incumbents once thought untouchable.

Some have compared the DSA to the Tea Party which in 2009 challenged the Republican establishment. The comparison is not exact, but it is instructive.

Like the Tea Party, the Mamdani-style Left is trying to redefine what it means to belong to one of America's two major parties rather than create a third party. It thrives in low-turnout primaries, where highly motivated, ideological activists wield disproportionate influence.

And like the Tea Party, it employs ideological purity tests. For the Tea Party, the defining issues were taxes and the size of government. For today's Democratic Left, Israel has become an increasingly important litmus test.

Many Republicans initially dismissed the Tea Party as a passing fringe phenomenon. They soon discovered that movements that are able to consistently win primaries have a way of reshaping parties from the inside.

Democrats should not make the same mistake.

Whether the DSA ultimately succeeds in taking over the Democratic Party is almost beside the point. It is already changing the party's priorities, changing how Democratic politicians approach Israel, and changing the tenor of the debate on Israel.

Those who care about preserving the bipartisan foundation of US-Israel ties cannot assume this trend will die out. Political movements that keep winning primaries are rarely defeated by wishful thinking. They are defeated at the ballot box only when they are taken seriously, actively organized against, and challenged vigorously.

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US PRESIDENT Donald Trump speaks to reporters next to Senate Majority Leader John Thune, Sen. Rick Scott, Sen. Mike Lee, and Senate Majority Whip John Barrasso on the day of a Senate Steering Committee Lunch on Capitol Hill in Washington, earlier this month. (Evelyn Hockstein/Reuters)

Should Jews switch to the GOP?

WASHINGTON WATCH

• By DOUGLAS BLOOMFIELD

In the wake of alarming victories by virulently anti-Israel, pro-Palestinian candidates in New York's Democratic primaries and elsewhere, I've been hearing from friends, relatives, and readers that a hostile wave is sweeping over the Democratic Party and it's time for Jews to go Republican.

Polls show Republicans today are more pro-Israel than Democrats. Anger toward Israel from the Left has been jolting. Candidates used to compete to out-Israel each other and win approval from AIPAC, the American Israel Public Affairs Committee. No longer. Today, many can't run away fast enough.

The shift may force many American Jews to choose between their own domestic interests and security in an era in which even outright neo-Nazis and white supremacists have been welcomed into the GOP – and their own support for an increasingly unpopular Jewish state and its even more unpopular prime minister.

The wall-to-wall bipartisan support for Israel that I had devoted much of my career to helping build is ancient history. Israel and AIPAC, once admired, have become pariahs in many political campaigns this year, particularly but not exclusively on the Left – in part a reaction to the destruction of Gaza, in part a culmination of long-standing rightward shift by the government in Jerusalem and groups like AIPAC.

Billions in grant aid to Israel passed Congress on autopilot just a few years ago; today, even long-time friends are calling for restrictions, even cutoffs, on economic and military assistance going to Israel.

"In Washington, defending Israel has fallen out of favor among many congressional Democrats," observed the *New York Times*. That includes many Jewish lawmakers and Jewish voters.

They were turned off by Prime Minister Benjamin Netanyahu's decision to dump the Democrats and join the GOP two decades ago. That was exacerbated by his increasingly autocratic leadership and an anti-democratic government dominated by religious and nationalist extremists.

An estimated third of Jews already vote Republican, particularly the Orthodox and politically conservative, a number that has been somewhat consistent for years.

Before there is a Jewish exodus to the GOP, it should be noted that Republican attitudes toward Israel appear to be shifting as well – and not favorably.

Young Republicans are increasingly turning against Israel, though not necessarily for the same reasons as their counterparts on the Left. Israel's devastation of Gaza repels many. Still, they also blame Israel for US President Donald Trump breaking his American First pledge to end foreign wars – not start new ones, especially ones that hit them in their wallets. Some are blaming Israel for pushing him into war with Iran.

The loudest voice is Vice President JD Vance, an America Firster and leading isolationist in a party he wants to make him the next president. He opposed the war with Iran and warned Netanyahu that Trump is the only world leader "sympathetic" to Israel. The implication seemed to be that if Vance were president, there would be one fewer.

Recent surveys by the Pew Research Center, Quinnipiac University, and the University of Maryland indicate that about half of Republicans under 50 hold negative views of Israel, double the number for their seniors.

ANTISEMITISM KNOWS no political boundaries. While on the Left more seems directed at Israel with some spillover to the American Jewish community, the targets on the Right tend to be Jews.

The single most important reason Jews have felt safe and welcome in America and able to thrive is arguably the Constitution's First Amendment, and particularly the wall of separation between religion and state. Republicans led by Trump and religious extremists are working hard to remove it.

Trump's Religious Liberty Commission has called for the Department of Justice to promote an "originalist understanding" of the Establishment Clause – namely, tear down that wall. The department has reportedly asked other federal agencies to report "anti-Christian bias" in their ranks.

The GOP under Trump is on a crusade to include religious displays and Bible reading in public schools, permit non-profit religious institutions to make political endorsements, provide taxpayer funding for private schools, and more. Trump has embraced the concept of declaring this country a Christian nation.

A Young Republicans chapter in Tennessee has been sending mailers declaring "No wars for Jews" and "Stop the Great Replacement." That's the antisemitic white supremacist theory that "Jewish elites are engineering the ethnic and cultural replacement of white populations with non-white immigrants that will lead to a 'white genocide,'" Reuters reported.

It's not a fringe view. It is echoed in some form by Trump, Vance, the late Charlie Kirk, Tucker Carlson, Steve Bannon, Laura Ingraham, Stephen Miller, Megyn Kelly, Candace Owens, and right-wing media outlets like Fox News, Newsmax, and One America News Network.

Trump's winning issue in 2024 was his pledge to round up unwanted immigrants ("they're eating the pets") and deport them. "They're poisoning the blood of our country."

The Jewish community, remembering how so many found refuge from virulent antisemitism in Europe, remains a strong supporter of liberal immigration policies and fearful of immigration scapegoating.

Support for Israel may be waning in both parties and seeping in from the fringes, most visibly from the Left. The hard truth is that many Jews are alienated by this extremist Israeli government.

It was seen in the recent New York races where many progressive Jews voted for candidates openly hostile to Israel, starting with Zohran Mamdani, the mayor of the city with the largest Jewish population outside Israel. He has even threatened to arrest Netanyahu on a World Court war crimes warrant.

Repeated surveys of Jewish priorities show Israel has not been a determinative voting issue for many years, most likely because of the positive bipartisan consensus. This is a time of sad and dramatic change for Israel, however. Support for the Jewish state and AIPAC endorsements have become liabilities for many candidates, even pitting Jewish candidates against each other.

Most Jews want Israel to survive and succeed, but the numbers who make support for Israel a priority in their political lives are shrinking, and that trend will continue unless there are fundamental changes in the way it relates to its own citizens, to its neighbors, and to the Diaspora.

Meanwhile, American Jewish voters have many other reasons to stay the course with the Democrats. They are not single-issue voters, and both parties offer incentives.

Republicans want limited government, less regulation, more business-friendly policies, restricted immigration, school choice, lower taxes, gun rights, and strong national defense and law enforcement.

A survey by the Jewish Electorate Institute showed Jews see Republicans as more pro-Israel than Democrats but "excessively conservative" on issues they care about like health care, abortion rights, voting rights, protecting domestic safety nets like Social Security and Medicare, education, climate change, civil liberties, gender rights, church-state separation, religious tolerance, and protecting against aggressive trends in white supremacy and Christian nationalism.

There appears little reason to expect any dramatic changes in Jewish voting patterns, and that is something that should worry Israeli leaders. Israel can't afford to be irrelevant or ignored.

The writer is a Washington-based journalist, consultant, lobbyist, and former legislative director at the American Israel Public Affairs Committee.

Iran has zero chance of honoring the MoU

• By MIKE EVANS

There are people in Washington who still believe the Iranian regime can be persuaded to change through diplomacy. They believe another agreement, another memorandum, or another round of negotiations will somehow convince the ayatollahs to abandon their nuclear ambitions and stop financing terrorism. To believe this is delusion.

We have watched this regime for nearly five decades. It has repeatedly shown that it views negotiations as a strategic tool, not a moral commitment. Agreements buy time. Sanctions relief provides resources. Every concession allows Tehran to strengthen its military, rebuild its economy, and continue pursuing the very objectives it promised to abandon.

Billions for terror

The Biden administration released billions of dollars in frozen Iranian assets, believing that engagement would encourage moderation. Instead, the regime accelerated its nuclear program and expanded the terrorist network surrounding Israel.

Hamas, Hezbollah, the Houthis, Palestinian Islamic Jihad, and other Iranian-backed militias became stronger while ordinary Iranians continued to suffer under an oppressive government. The money did not produce peace. It financed instability throughout the Middle East.

That is why I believe Iran has virtually no intention of honoring this Memorandum of Understanding. Its leadership has never abandoned its commitment to destroy Israel or drive American influence from the region. Those objectives remain central to the regime's ideology, regardless of what its diplomats say across a negotiating table.

I believe US President Donald Trump understands this reality. Negotiating from a position of strength is not the same as believing your adversary. It demonstrates that every peaceful option has been exhausted before stronger measures become necessary.

Negotiating without illusions

I do not believe Trump is under any illusion about who he is dealing with. Every president has the responsibility to explore diplomatic options before asking young Americans to fight another war. A military conflict with Iran could last for years, cost hundreds of billions of dollars, and send thousands of American families into mourning. Any serious commander in chief must weigh those consequences carefully.

But exhausting diplomacy should never be confused with expecting the Iranian regime to keep its word.

For that reason, I believe Trump's strategy ultimately centers on economic pressure rather than military occupation. Iran survives because it continues to generate enormous oil revenues that finance its military and its terrorist proxies. As long as that revenue continues to flow, the regime can rebuild whatever sanctions or military strikes destroy. That means targeting the economic lifeline that keeps the regime in power.

Kharg Island remains the economic heart of Iran's oil exports. Disrupt that lifeline, and the regime loses the resources it depends upon to fund Hamas, Hezbollah, the Houthis, and the Islamic Revolutionary Guard Corps. Bankrupt the regime, and you dramatically reduce its ability to threaten both Israel and the free world.

Peace through strength

Israel has repeatedly demonstrated that it is fully capable of defending itself against existential threats. If diplomacy eventually reaches its limit, as I believe it will, the United States can continue supporting Israel while allowing the Jewish state to do what it has always done: defend its people against those committed to their destruction.

Peace is always preferable to war, but peace built upon empty promises is only an illusion. The Iranian regime has spent decades revealing exactly who it is. Wisdom requires us to judge the Iranian regime by what it has done, not by what its negotiators promise.

The writer has written 120 books and is a #1 New York Times *bestselling author and Nobel Peace Prize nominee. He is the founder of the Friends of Zion Museum in Jerusalem, the Ten Boom Museum in Holland, and Churches United with Israel, the largest Christian Zionist network in America, with more than 30 million followers.*

The underground enabled this 1,000-day war

It may determine how it ends

• By JOEL ROSKIN


IDF SOLDIERS enter a tunnel in Rafah last year where Hamas held the body of IDF officer Hadar Goldin. (Nir Elias/Reuters)


A TUNNEL is seen underneath the European Hospital in Khan Yunis, last year. (Sharon Aronowicz/AFP via Getty Images)

One thousand days after Hamas launched its murderous October 7 attack, one strategic lesson has become increasingly clear: The underground has shaped this war from its opening day and may ultimately determine how – and when – it ends.

Hamas's massive underground infrastructure transformed the campaign in Gaza. It functioned as an integrated military system that enabled command and control, logistics, weapons development, production and storage, protected movement, and continued guerrilla-oriented military operations despite Israel's overwhelming superiority in the air and on the ground.

Only after nearly three years of intensive fighting has the scale of the underground challenge become fully apparent. The painstaking work required to expose and dismantle underground infrastructure has demonstrated that military success on the surface does not necessarily translate into control below ground.

Yet while it appears that Israel has focused much of its attention on Gaza's tunnel network, recent news suggest that Hezbollah's underground infrastructure deserves equal – if not greater – attention.

This June, IDF operations revealed major underground complexes beneath locations, including Majdal Zoun above the Mediterranean coast, and the Beaufort and Ali al-Taher north of the Litani River bend, several kilometers from Metula. These supported the ballistic and drone capacities of Hezbollah and served for offensive force buildup and as a defensive stronghold.

These discoveries provide new insight into Hezbollah's long-term military preparations and reveal an underground system that dwarfs and extends well beyond the cross-border attack tunnels destroyed during Operation Northern Shield in early 2019.

Taken together, these findings suggest that Hezbollah developed multiple categories of underground infrastructure serving mega-strategic to micro-tactical goals.

Along a south-north transect extending from the border, neatly nestled in mountainous, village, and urban terrain, this network included cross-border operational tunnels, on-border micro-tactical attack tunnels, logistical corridors, command centers, force-buildup facilities, protected deep-movement routes, smuggling tunnels connecting to Syria, missile and drone infrastructure, and deeply buried defensive complexes designed to withstand sustained attack.

Rather than isolated engineering projects, they formed an integrated military architecture stretching across central and southern Lebanon.

This underground network helps explain Hezbollah's confidence in preparing for both a rapid offensive into northern Israel and a prolonged war of attrition. The subterranean dimension was not secondary to its military doctrine – it was central to it. These facilities suggest that the organization invested for decades in creating durable underground infrastructure capable of supporting military operations sustainable to aerial bombardment.

Despite warning from experienced military geologists and engineers outside the defense establishment, as well as 40 years of tunnel development in the Gaza Strip, many Israeli intelligence officials, military commanders, and academic security analysts remained ignorant of the underground network's scale and strategic significance both in the Gaza Strip and Lebanon.

Only as the war progressed did they slowly come to recognize the underground's critical strategic importance. This recognition – something that should have been a fundamental strategic asset before the war – has come at a terribly high cost.

The implications extend well beyond Israel. Modern terrorist armies increasingly exploit the underground as a strategic domain alongside land, sea, air, and cyberspace.

Western militaries constrained by liberal to progressive democratic societies must therefore invest far more heavily in underground-oriented intelligence, detection technologies, engineering capabilities, and specially equipped combat units if they hope to convey deterrence and defeat such adversaries and also conventional militaries.

Much remains unknown to the public and possibly to the military about Hezbollah's remaining underground infrastructure. Many additional underground complexes surely remain between the two regions recently exposed, as well as deeper inside Lebanon.

But one conclusion is already difficult to dispute: The underground has shaped the course and many key stages of the wars in Gaza, Lebanon, and even the conflict with Iran, far more than most observers appreciated, both before this conflict began and throughout its duration.

The underground may still impact upcoming stages of this multifront and multidimension war. To address the wide array of underground and aboveground threats that when coupled become force multipliers, defense establishments must open their doors to a broader range of thinkers and hands-on field experts.

The writer is a geomorphologist and military geoscientist, and a faculty member of the Department of Environment, Planning and Sustainability at Bar-Ilan University.

Why I went to Geneva

• By COCHAV ELKAYAM-LEVY

Last week, as the world marked the International Day for the Elimination of Sexual Violence in Conflict, governments, United Nations bodies, and international human rights institutions gathered in Geneva to reaffirm their commitment to survivors.

I was there, at the invitation of UN Watch, to deliver a speech to the Human Rights Council and bring forward the findings of the Civil Commission's historical archive and landmark report, "Silenced No More," documenting the sexual atrocities committed by Hamas and other Palestinian terrorist organizations during the October 7 attacks and the ongoing abuse endured by hostages in captivity.

Before I traveled to Geneva, many have asked me why.

Why bring the voices of Israeli victims to institutions that have too often struggled to acknowledge their suffering? Why enter rooms where some may have already decided what they are willing, or unwilling, to hear?

My answer is simple.

I went because truth matters. It matters most especially where it is contested. Because victims of sexual violence deserve to be heard wherever human rights are discussed. Because the measure of our commitment to human dignity is not how we respond to suffering that fits comfortably within existing narratives, but how we respond when it challenges them.

For more than two years, the Civil Commission has worked to document the suffering of those who endured unimaginable brutality. This painstaking effort was never solely about accountability. It was about preserving the historical record in the face of denial, distortion, and doubt, and ensuring that victims' voices would not be lost to silence or inaction.

As former Supreme Court of Israel chief justice Aharon Barak remarked after reviewing the report, this may become one of the most important historical documents assembled on these crimes.

As no single tribunal or judicial proceeding, he noted, could fully capture the scope and human reality of what occurred, this comprehensive account bears unique significance. Its value extends beyond the present moment. History requires witnesses, and when victims can no longer speak for themselves, documentation itself becomes an act of justice.

We undertook this work because many of the victims whose stories appear in our report were silenced forever, and others continue to live with profound trauma. Some remain haunted by experiences of captivity and abuse.

Their suffering imposes a responsibility on all of us.

When victims cannot testify, we must carry their stories. Everywhere.

Geneva reminded me that it is more than a city. It is a symbol. It is one of the places where the world has pledged to defend human dignity, protect the vulnerable, and uphold universal rights.

As I said there, if those principles are truly universal, then they must apply to all victims. If women's rights are universal, then Israeli and Jewish women are not an exception to that universality, and we will be there to ensure that their voices are heard.

OVER THE past two years, too often, I have watched individuals speak the language of human rights while denying empathy to Israeli victims, or invoke the language of peace while tolerating calls for Israel's destruction.

That is neither a vision of peace nor a commitment to human rights. Peace cannot be built on the denial of other people's right to exist, and human rights cannot remain universal if they are used to silence and exclude victims.

Such contradictions do not advance peace. They deepen hatred and undermine the values they claim to uphold.

True peace requires something far more difficult: it requires compassion. It demands a deep respect for the dignity and rights of all people. It represents the courage to imagine coexistence rather than elimination. Above all, it must be built on a foundation of care for one another, hope for future generations, and a shared, genuine commitment to our common humanity.

Compassion is not weakness. It is the foundation of human rights. It is the ability to recognize suffering without hesitation, to extend empathy without conditions, and to defend victims regardless of politics, nationality, religion, or identity.

In this sense, the aftermath of October 7 exposed profound failures within the international human rights system. Institutions and mechanisms created to give voice to victims too often hesitated, remained silent, or failed to respond with the moral clarity the moment demanded. Some actively abused the global system from within. Those failures continue to reverberate across our region and beyond.

Yet the answer to failure cannot be despair. Across the world, countless victims continue to suffer from violence and persecution. Their stories still need witnesses, and their rights still require defenders.

That is why we will continue to speak these truths, even where they are inconvenient. We will continue to insist on the dignity of every victim. And we will continue to choose compassion, even in the face of those who seek our destruction.

I believe that compassion is not only a moral principle but also an act of resistance against hatred itself. It offers an alternative to cycles of violence and creates the possibility of a more hopeful future.

This is where repair begins.

I believe change is coming. We are creating it.

The writer is a 2024 Israel Prize laureate, an expert in human rights and international law, and the founder and chair of the Civil Commission on October 7th Crimes by Hamas against Women and Children.

After October 7, she represented the Israeli women's rights movement at the United Nations and is the recipient of the Peres Center for Peace and Innovation's Medal of Distinction.

Break the individual, break the collective

• By CATHERINE PEREZ-SHAKDAM

Every empire eventually learns the same lesson.

Taking territory is one thing. Taking possession of a people is another.

History remembers battles because they change maps. It remembers cities because they fall. Yet the real struggle has always taken place somewhere less visible: in the space where trust is built, identities take shape, and communities decide whether they still believe in one another.

Occupation does not begin at a border. It begins inside the human mind.

That is why sexual violence has remained such an effective weapon across centuries. It reaches far beyond the individual. It strikes at the relationships that allow societies to function.

For years, I found myself asking why this form of violence appeared so consistently wherever ideological extremism or totalitarian ambition took root. Bosnia. Rwanda. The Yazidi genocide. Sudan. The atrocities committed on October 7.

Different places. Different actors. The pattern barely changed.

Eventually, I realized I had been asking the wrong question.

The real question is not why individuals are attacked; it is why entire communities are.

During the years I spent moving within circles connected to the Islamic Republic of Iran, I came to understand that power was rarely discussed in the way liberal democracies understand it. We count military hardware, economic strength, strategic alliances, and territorial gains.

Those conversations often began somewhere else entirely. They centered on people. On fear. On dependence. On the ways societies could be reshaped long before an army ever crossed a border.

Violence was judged less by the number of bodies it left behind than by the psychological consequences it produced.

A missile can destroy a building.

Fear can empty an entire neighborhood.

Trauma can linger for generations.

That distinction matters.

Military thinkers have long understood that victory depends on more than defeating an opposing army. Carl von Clausewitz argued that war is ultimately about breaking the enemy's will. Modern revolutionary movements have pushed that logic further. Rather than confronting military power head-on, they work to erode the social foundations that make organized resistance possible.

A frightened society is easier to control.

A fractured one is easier still.

Psychology helps explain why.

Trauma changes the way people think. Survivors often carry a lasting sense of danger even after the immediate threat has passed. Many develop hypervigilance. Others withdraw into silence. Shame replaces confidence. Suspicion replaces trust. Families begin protecting themselves by saying less, not more. Communities stop speaking openly because fear becomes woven into ordinary life.

Over time, people adapt to living under pressure.

That adaptation comes at a cost.

Trauma alters judgement. It changes who we trust, what risks we are prepared to take, and whether we still believe resistance is possible. Psychologists have described this in different ways, from learned helplessness to moral injury, but the outcome is remarkably consistent. People begin to limit themselves before anyone else has to.

The effects rarely stop with the victim.

SOCIOLOGISTS HAVE long argued that societies are held together by invisible ties: families, friendships, neighborhoods, shared rituals, mutual obligations, and collective memory. These are not abstract ideas; they are the infrastructure of everyday life. They determine whether people cooperate, whether they come to one another's aid, and whether they believe they belong to something larger than themselves.

Sexual violence attacks those bonds all at once.

Its consequences ripple outward. Parents struggle to protect their children from a trauma they cannot explain. Marriages collapse under the weight of shame imposed by someone else's crime. Communities become divided between compassion and stigma. Children inherit silences that shape their lives without ever understanding their origin.

The violence does not end when the assault ends.

It settles into the life of the community.

That is why I have come to see sexual violence not simply as an atrocity but as a means of dismantling the social architecture on which free societies depend.

What struck me most during my years observing the ideological culture surrounding the Islamic Republic was the patience with which power was understood. Immediate victories mattered far less than lasting influence. Conversations returned repeatedly to the same question: How do you weaken a society until it begins to weaken itself?

No one needed to outline every method.

The logic surfaced often enough.

Break confidence.

Create uncertainty.

Turn neighbor against neighbor.

Convince people that speaking carries greater risks than remaining silent.

Once that takes hold, repression no longer depends entirely on force. People begin policing themselves.

History offers countless examples.

Colonial administrations understood that lasting control required more than soldiers. Divide communities. Reward collaboration. Punish dissent selectively. Make resistance appear futile and isolation inevitable. The objective was never simply obedience. It was fragmentation. A divided society is easier to govern than a united one.

Revolutionary movements have repeatedly adopted the same approach: the language changes, the ideology changes. The mechanics remain strikingly familiar.

Sexual violence amplifies those mechanics in ways few other weapons can.

Its effects are deeply personal.

Its consequences are collective.

Its memory outlives the conflict itself.

A bridge can be rebuilt. A school can reopen. Roads can be repaired. Trust does not return on a construction schedule. No peace agreement can erase the silence that settles over a family or restore the confidence stolen from an entire community.

Perhaps that is why these crimes continue to appear wherever domination becomes the objective. Those who seek to control societies understand something many democracies still struggle to grasp.

Human beings are social before they are political.

Break the individual, and you weaken the family.

Weaken enough families, and communities begin to come apart.

Once communities begin to unravel, the nation itself becomes easier to intimidate, manipulate, and ultimately control.

For that reason, sexual violence cannot be treated solely as a humanitarian concern. It belongs in discussions about national security, conflict strategy, and societal resilience. It is designed to achieve what military force alone often cannot: the slow corrosion of a people's confidence in themselves and in one another.

If we continue to see these crimes only through the suffering of individual victims, however profound that suffering is, we will miss the wider objective.

The assault is directed at a person.

The intended target is the society to which that person belongs.

That is what gives this violence its political power.

And that is why confronting it requires more than justice after the fact. It requires recognizing the strategy before the damage becomes irreversible.

The writer is the chief policy adviser of Stop The Hate UK.

The start of Lebanon’s fight to reclaim its future

• By ZINA RAKHAMILOVA

Since October 8, 2023, Israel’s northern border has existed in a state of perpetual chaos and uncertainty. Hezbollah dragged Lebanon into two wars that neither the Lebanese government nor its people wanted, using the country as a pawn to advance the Islamic Republic of Iran’s regional agenda.

Now, with the 14-point agreement announced this weekend between Lebanon and Israel, the Lebanese government has sent a powerful message to both the international community and the regime in Tehran: no foreign state or armed group has the authority to make decisions on Lebanon’s behalf.

That declaration carries enormous historical significance because, for decades, Lebanon has lived with a contradiction. While it called itself a sovereign nation, some of its most consequential decisions were never truly made in Beirut. Instead, they were made by an armed organization that claimed to defend Lebanon while answering to a foreign regime whose interests often had little to do with the well-being of the Lebanese people.

As a result, Lebanese families endured years of economic collapse, political paralysis, political assassinations, and repeated cycles of conflict while watching their country’s future become increasingly tied to the ambitions of the Islamic Republic of Iran.

Hezbollah maintained that influence by convincing segments of Lebanese society, and even parts of the international community, that it existed to protect Lebanon. In reality, its military campaigns repeatedly served Tehran’s regional objectives far more than Lebanon’s national interests.

That was evident when Hezbollah opened a front against Israel on October 8, 2023, and again on March 2, 2026, drawing Lebanon into conflicts that had nothing to do with the interests of the Lebanese state. Communities on both sides of the border paid the price.

During my visits to northern Israel throughout the war, once vibrant towns had become ghost towns, with schools closed, businesses shuttered, and the sounds of rockets, artillery fire, and airstrikes becoming part of everyday life.

Across the border, Lebanese Shi’ite villages that Hezbollah used to launch attacks against Israel became battlefields themselves, leaving Lebanese civilians to bear the consequences of decisions they never made.

Against that backdrop, the normalization framework represents far more than another diplomatic agreement. For the first time in a generation, the Lebanese government has explicitly declared that decisions concerning war and peace belong exclusively to the Lebanese state. It has rejected the idea that any foreign government or non-state actor has the authority to use force on Lebanon’s behalf without its consent.

Although those words may appear procedural, they amount to a direct rejection of the very premise upon which Hezbollah has justified its existence for more than four decades. This is Lebanon declaring that its future will no longer be dictated from Tehran.

US SECRETARY of State Marco Rubio looks on as State Department Counselor Daniel Holler, Israel’s Ambassador to the US Yechiel Leiter, and Lebanon’s Ambassador to the US Nada Hamadeh sign a framework agreement between Israel and Lebanon, at the State Department in Washington, last month. (Ken Cedeno/Reuters)

TURNING THAT declaration into reality will not be easy. Iran has spent decades cultivating Hezbollah into one of the world’s most powerful non-state armed organizations, allowing it to evolve from a militia into a dominant political and military force capable of shaping Lebanon’s domestic affairs while operating outside the authority of the state.

The result was that Lebanon’s elected government often lacked the ability to make the most fundamental decision any sovereign nation possesses: whether or not to go to war. Previous international efforts to disarm Hezbollah achieved little, and even United Nations peacekeeping forces failed to prevent the group’s military entrenchment throughout southern Lebanon.

An entire generation grew accustomed to living in a country where sovereignty existed on paper but was repeatedly undermined in practice.

Restoring Lebanon to its former promise as the “Paris of the Middle East” will require far more than a normalization agreement, and reclaiming genuine sovereignty will almost certainly be a difficult and deeply contested process.

Hezbollah is unlikely to surrender the power it has accumulated over four decades without resistance, and no one should underestimate the challenges that lie ahead.

Yet that is precisely why this moment should not be underestimated. More important than the framework itself is what it represents. For the first time in decades, the Lebanese government has publicly declared that no foreign power, no proxy organization, and no militia has the authority to determine Lebanon’s future.

Whether that vision ultimately becomes reality remains to be seen. But if this agreement marks the beginning of Lebanon reclaiming the authority to govern itself, it will be remembered not simply as a normalization agreement with Israel, but as the moment a nation began the long process of taking its country back.

The writer is a co-founder and CEO of Social Lite Creative, a digital marketing firm that specializes in geopolitics.

Peace cannot be built on trust alone

ENCOUNTERING PEACE

• By GERSHON BASKIN

Many Israelis who still believe that compromise with the Palestinians is necessary no longer trust them. They are not extremists. Many understand that ruling over another people forever is dangerous for Israel morally, politically, and internationally. They know the occupation is not sustainable. But they are afraid.

They ask serious questions: What if the Palestinians do not really want peace? What if Oslo failed because the Palestinians were never sincere? What if every Israeli withdrawal brings rockets, terror, and more demands?

These fears cannot be dismissed. They are rooted in suicide bombings, the Second Intifada, Hamas rule in Gaza, rockets from areas Israel left, and the trauma of October 7. Any serious peace proposal that ignores them will fail before it begins.

But fear cannot be the basis for national strategy. If Israel’s answer to mistrust is permanent control, walls, military raids, settlement expansion, and the denial of any political horizon, Israel is not making itself safer. It is deepening the conditions that guarantee future violence.

THE QUESTION is not whether Israelis should blindly trust Palestinians. They should not. The question is whether Israel can design a process that does not depend on blind trust. The answer is yes.

The great mistake is to think peace agreements are based on trust. Serious agreements are based on verified obligations, benchmarks, phased implementation, monitoring, consequences for violations, and mechanisms that gradually build trust through performance.

Trust is not the starting point. Trust is the result.

Oslo failed for many reasons. It is too easy, and politically convenient, to say it failed only because the Palestinians were insincere. There were Palestinian violations, incitement, terrorism, corruption, double messages, and failure to build transparent, democratic institutions.

There were also Israeli violations: settlement expansion, land confiscations, restrictions on movement, delays in redeployments, failure to release agreed prisoners, closures, and the constant creation of facts on the ground that convinced Palestinians Israel was not heading toward ending the occupation.

During the Oslo years, both sides violated agreements, found excuses, and became convinced the other was acting in bad faith.

A new peace process must learn from those failures.

First, the endgame must be clear from the beginning. Oslo postponed the most important questions: Palestinian sovereignty, borders, Jerusalem, settlements, refugees, and security. That ambiguity allowed each side to imagine a different final outcome.

A NEW process must state where it is going: two states, Israel and Palestine, living side by side; Palestinian sovereignty in Gaza, the West Bank, and east Jerusalem, with agreed land swaps; robust security arrangements; no armed militias outside the authority of the Palestinian state; a negotiated solution for refugees; Jerusalem as the capital of both peoples; and regional recognition and normalization for Israel.

Second, implementation must be phased and benchmarked. No side should be asked to take irreversible risks based only on promises. Each stage must include obligations by both sides, a timetable, measurable benchmarks, and a pause before moving forward. If obligations are fulfilled, the process advances. If not, it pauses. It should not collapse because of one violation, but it cannot advance while violations are ignored.

Third, there must be trusted third-party monitors and verifiers. Israelis will not trust Palestinian reports. Palestinians will not trust Israeli reports. The United States alone may not be enough. A credible mechanism should include the United States, key Arab states, Europe, and possibly international security professionals accepted by both sides. Their role would be to verify implementation, publish findings, resolve disputes, identify violations, and recommend corrective steps.

Fourth, security must be real, not rhetorical. Israelis need to know that a Palestinian state will not become another armed front. That means demilitarization of heavy weapons, a unified Palestinian security command, no independent armed groups, strong border arrangements, intelligence cooperation, and regional guarantees.

But Palestinians also need security: protection from settler violence, an end to arbitrary military incursions, freedom of movement, economic access, and the dignity of living under their own government rather than under occupation.

Security cannot mean security for one side and insecurity for the other. That is not peace. It is control.

Fifth, both sides must be held accountable. If Palestinian institutions tolerate violence or incitement, there must be consequences. If Israel expands settlements or fails to implement redeployments, there must also be consequences. A peace agreement in which only one side is monitored will not survive. Accountability must be mutual.

Sixth, peace cannot be built only by separation. Walls and fences may reduce immediate risks, and sometimes they may be necessary. But they do not create peace. Peace is built by interaction, cooperation, and the slow human recognition that the other people is not going away and is not destined to be an eternal enemy.

Seventh, education must be part of the agreement, not an afterthought. Israeli children must learn that Palestinians are a people with history, identity, suffering, rights, and legitimate national aspirations.

Palestinian children must learn that Jews and Israelis also have history, trauma, identity, rights, and a legitimate need for security and self-determination. Hebrew and Arabic should become languages of understanding.

NONE OF this is naïve. Naïveté is believing the conflict can be managed forever. Naïveté is believing force alone will make millions of Palestinians accept life without freedom. Naïveté is believing Israelis can have security while Palestinians live in despair. Naïveté is also believing Palestinians can achieve freedom by denying Israeli fears or Jewish historical attachment to this land.

A serious peace process must begin with honesty: Israelis do not trust Palestinians, and Palestinians do not trust Israelis. That reality is not a reason to avoid negotiations. It is the reason negotiations must be designed intelligently.

Peace does not require love. It does not require forgetting. It requires interests, obligations, verification, accountability, courage, and leadership.

Israelis who fear Palestinian intentions should not be asked to close their eyes and jump. They should be offered a process in which every step is tested, verified, and reversible until trust is earned.

Palestinians who fear Israeli domination should be offered the same: a process in which occupation ends, sovereignty is real, and Israeli obligations are monitored no less than Palestinian ones.

The alternative is not safety. The alternative is more war, more bereavement, more international isolation, more extremism, and more generations taught that the other side understands only force.

We do not need a naïve peace. We need an intelligent peace – one that begins with mistrust, builds mechanisms to overcome it, and proves through action that both peoples can be safer, freer, and more secure together than they will ever be apart.

The writer is the Middle East director of the International Communities Organization and the co-head of the Alliance for Two States.

My cousin gave the world the word ‘genocide’

Don’t let anyone profit from it

• By JOSEPH LEMKIN

My family’s name was never meant to become a marketing asset. Yet that is what it has become, and the only people who can stop it are reading this with the power to act and, so far, the patience to wait.

Raphael Lemkin was my cousin. He was a Polish Jewish lawyer who watched the Nazis murder dozens of our relatives and, instead of surrendering to despair, sat down and invented a word for the crime he could not otherwise name. He called it genocide. He spent the rest of his short life, often alone and often broke, persuading the world to turn that word into law.

The 1948 Genocide Convention exists because one man refused to let the slaughter of his people pass without a name. He died in 1959 with almost nothing to his own name except the one he had given to history.

That name now appears on the letterhead of an organization my family never authorized: the Lemkin Institute for Genocide Prevention. We did not consent. We were not asked. And for years we have watched it raise money, build a public profile, and borrow the moral authority of a man it never knew, using a name that belongs to his family and to his victims.

I am a lawyer. I do not make accusations lightly, and I am not asking anyone to take my word for what the law requires. I am asking the Commonwealth of Pennsylvania to enforce its own.

This week, together with the European Jewish Association, my family sent 100 letters to the officials who can act. We wrote to Governor Josh Shapiro. We wrote to Attorney-General Dave Sunday, whose Charitable Trusts and Organizations Section has plain authority to investigate a charity that solicits donations under a name it has no right to use.

We wrote to the leaders of the General Assembly, to Pennsylvania’s congressional delegation, to the Justice Department’s task force on antisemitism, and to the IRS division that oversees tax-exempt organizations. Every letter was verified. Every recipient was named. We did the work so that no one could claim the case was too complicated to understand.

It is not complicated. Pennsylvania law protects donors from charities that mislead them. It protects names from commercial exploitation. A complaint is already pending before the Department of State (Case 26-98-001879). A statement signed by 112 scholars is on file.

The Institute itself has publicly conceded that it may have to change its name. When the accused all but admits the problem, the only thing standing between a wrong and its remedy is the will to act.

And yet the file sits.

GOVERNOR, ATTORNEY-GENERAL, members of the legislature: I write to you as a relative of the man whose name is being used, and as part of a legal community that still believes the law should mean what it says. Please do not let this drift for another year.

Every month of delay is a month in which donors are deceived, and a family is told, in effect, that its grief matters less than someone else’s convenience. That is how wrongs like this win. Not in a single dramatic ruling, but in the quiet accumulation of years in which no one with authority is willing to say “enough.”

I want to be honest about why this cuts so deeply, because it is more than a registration dispute. My cousin defined genocide so the world would defend the persecuted, above all the Jewish people he saw murdered. To watch his name attached to rhetoric that my community experiences as fuel for the oldest hatred is not an irony. It is a wound.

It tells every Jewish family that a name earned in our ashes can be seized and turned against us, and that the institutions meant to protect us will look the other way. I do not believe Pennsylvania wants to send that message. I do not believe its leaders, who have spoken so clearly against antisemitism, would tolerate it if they truly grasped what is being done.

Let me be precise about what we are and are not asking: no one wants the state to police opinions. This is the narrowest of requests. Enforce the laws already on the books about who may raise money under whose name.

Apply to this organization the same standard you would apply to anyone who put a stranger’s name on a charity and started collecting checks. That is all. That is enough.

Raphael Lemkin gave his life to a single conviction: that naming a crime is the first step to stopping it. He would have recognized exactly what is happening here. A wrong is being committed in plain sight; it has a name, and the people with the power to end it are still deciding whether it is worth their time.

It is worth their time. Governor Shapiro, Attorney-General Sunday, and every official who received our hundred letters: you do not need more evidence. You need to act. Open the investigation. Apply the law. Do not allow this to continue for years more while a family pleads and an institution profits.

My family is not asking for vengeance, and we are not asking for a favor. We are asking for our name back and for the simple assurance that in Pennsylvania the law still protects the people it was written to protect.

My cousin built that protection for the whole world out of the worst thing that ever happened to ours. The least his adopted country can do is use it.

The writer is a cousin of Raphael Lemkin and president of the Jewish Bar Association.

OPINION

EDITORIAL

Prospects for HK are looking up, 29 years after the handover

Hong Kong has marked the 29th anniversary of its return to the motherland amid opportunities and challenges. The path over the past three decades has been complex, shaped by global economic crises, geopolitical shifts, internal challenges and an evolving relationship with the mainland. Despite turmoil and setbacks, Hong Kong has charted a unique journey of resilience, adaptation and reinvention with the strong support of Beijing and under "one country, two systems".

The early post-handover years tested our institutional strengths. The Asian financial crisis, the outbreak of severe acute respiratory syndrome (Sars) and later the global financial crisis exposed vulnerabilities. Yet the city showed a strong capacity to recover each time, as reflected after the Covid-19 pandemic and 2019 social unrest.

This year's anniversary carried additional symbolic weight as it coincided with official commemorations of the 105th anniversary of the Communist Party of China's founding, which was marked by events both in Beijing and Hong Kong for the first time. The parallel observances underscore the constitutional context within which Hong Kong continues to prosper as a special administrative region of China under one country, two systems. Reviewing the party's achievements at an event in Beijing, President Xi Jinping expressed support for Hong Kong and Macau better integrating with and serving the country, adding that promoting the two cities' long-term prosperity and stability was essential for national rejuvenation. Resolving the Taiwan issue and realising reunification was a historic mission and an unshakeable commitment for the party, he said.

The onus is on Chief Executive John Lee Ka-chiu to make the most of the remaining year in his current term. The three focuses, he said, were to push ahead with the city's five-year plan in alignment with the national development blueprint, fast-track the Northern Metropolis development, and further improve people's livelihoods. "Faced with a competitive external environment and rapid technology changes, it is imperative that we drive reform and innovation from a longer-term perspective, coupled with more systematic planning," he said.

The five-year plan consultations and the next policy address are timely opportunities to set a clear and forward-looking agenda. The consensus built can reinforce the city's distinct edges pivotal to its role as a super value-adder and superconnector between the country and the world while accelerating diversification into innovation, technology and other high-quality development areas. With the right strategies and Beijing's continuous support, Hong Kong's success story will see a brighter chapter on its 30th anniversary and beyond.

Scandals hold back football's progress

The Fifa World Cup is providing football fans with excitement and entertainment. Enthusiasm in Hong Kong for the competition has, however, been marred by yet another match-fixing and illegal gambling scandal involving members of the local football community. Some of the suspected illicit bets placed involved World Cup matches, but the allegations go much further.

The Independent Commission Against Corruption (ICAC) and the police made 19 arrests last week, smashing an unlawful betting syndicate. Two prominent coaches, six first division footballers and a former player were among those apprehended.

At least five clubs are involved, and the ICAC says it found irregularities at four first division matches plus an under-22 game. It is alleged more than HK$6 million in illicit bets were placed over three years. The legal process must now take its course and the full facts be established, but the crackdown, once again, shines a spotlight on a problem that has plagued the city's football scene for years.

Two players and a betting agent were jailed for up to 17 months in May in another serious match-fixing case. The ICAC reviewed the Football Association of Hong Kong, China's code of ethics and guidelines in light of that case.

Now, there is another investigation to contend with. Magistrate Peter Yu Chun-cheung said such behaviour erodes public confidence in Hong Kong football, damages its reputation and holds back development. He is right about that.

The Football Association has reiterated its "zero tolerance" policy towards such conduct and is working with the ICAC to identify suspicious activity at matches.

Progress appears to have been made in keeping the top-flight Premier League clean. However, problems continue to arise with lower-level games.

Hong Kong football saw some positives last season with rising attendance and standards, but it still has a long way to go. Sadly, every scandal makes it more difficult to attract the sponsors and fans that it needs. Corruption must be stamped out if the local game is to move forward.

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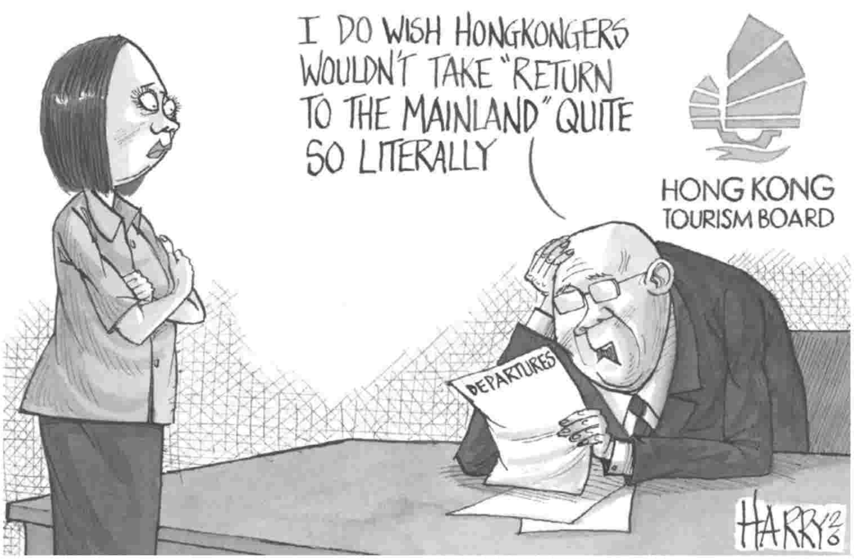

Curb the cash grabs

Michael Han says while Beijing is cracking down on tax evasion, provincial governments are scrambling for money in ways that can be destructive

The National Audit Office has accused Bank of China of dodging taxes. In its annual report, the audit office revealed that the state-owned commercial bank had used two of its subsidiaries to repackage 11 private equity funds as public investment vehicles, exploiting a regulatory tax exemption to evade 2.37 billion yuan (HK$2.73 billion) in taxes.

This is not an isolated case. It sits at the top of a much wider pattern. Look to the other end of the state enterprise hierarchy and you find Heilongjiang Agriculture Co, commonly known as Beidahuang. This sprawling agribusiness conglomerate, controlled by the Ministry of Finance, recently disclosed a retroactive bill for back taxes and late fees of more than 1.4 billion yuan. That one blow is larger than the company's entire profit last year.

And at the far edge of the system, market regulators in Biyang, a low-income county in Henan province, pulled off what independent domestic media called a coordinated roadside inspection. They stopped 21 freight trucks between July last year and January this year, holding them for fine revenue and auctioning off some of the goods they were carrying.

Three cases, one cause. The Chinese state seems to be running short of money, with a structural revenue shortfall apparently deep enough to force an unprecedented tightening of the fiscal net. The pressure surfaces in two very different forms: a methodical recapture of wealth at the centre and an improvised scramble for cash at the frontier.

The tightening at the top appears to be part of a broader project of building state capacity over the long run. The roll-out of Phase IV of the Golden Tax System, an advanced tax administration platform, reflects a decade-long effort by the central government to strengthen the state and to curb failures of institutional compliance.

However, the sudden public exposure of enforcement actions worth billions of yuan against powerful state institutions suggests that immediate fiscal necessity is now accelerating these regulatory ambitions.

This fiscal squeeze is directly linked to a fundamental shift in the domestic growth model. Beijing has pivoted away from the high-leverage property boom to embrace a more disciplined economic framework, but this transition has left regional balance sheets severely exposed.

Land sales have historically been an important part of local government revenue, but those proceeds have shrivelled in recent years. While the central government's strategic promotion of advanced manufacturing offers a sustainable tax base over the long term, these newer industries cannot replicate the immediate, massive upfront liquidity that land auctions once provided to regional treasuries.

For large enterprises, this new fiscal reality bites at once. A single compliance notice under the current regime can wipe out a full year of profit, a clear signal that dressing up tax arrangements to look correct on paper no longer buys any protection.

At the county level, where the sophisticated digital net of Golden Tax IV yields little immediate cash, an entirely different financial logic takes over. National penalty and confiscation income reached 452.3 billion yuan in 2024, an increase of 14.9 per cent from the previous year.

In some highly indebted provinces, media investigations and budget disclosures have shown penalty revenue growing at double-digit rates. When a municipality can no longer balance its ledger through economic growth, passing commercial vehicles can effectively become a substitute tax base.

The Biyang truck incident serves as a blueprint of this defensive enforcement. Twenty-one delivery trucks from 10 provinces and municipalities were systematically intercepted by local inspectors. Even vehicles carrying valid veterinary and inspection certificates were reportedly detained and some cargo auctioned off at distressed prices.

The true cost of this fiscal divergence is structural rather than purely financial. Arbitrary regional enforcement directly undermines the broader, explicit goal of constructing a unified national market. By treating interprovincial commerce as a target for extraction, cash-strapped counties raise logistics costs and erode administrative predictability, dampening the very private sector confidence required to drive a consumption-led recovery. When middle-class balance sheets face persistent pressure, any further erosion of market predictability deepens consumer caution.

Addressing this imbalance will require decoupling enforcement from local survival. Some policy researchers in Beijing have begun advocating a centralised revenue model, under which all penalty and confiscation income would flow directly to the central treasury and be redistributed via structured transfer payments. Such a mechanism would remove the immediate incentive for predatory regional policing.

The harder question is what comes next. In the long run, the real test is whether China can build a local tax system that stands on its own, rather than leaning on land sales or tolls at the roadside.

Economist Adam Smith saw the danger more than two centuries ago. In *The Wealth of Nations*, he warned that taxes pushed too high could choke enterprise and drive away capital, destroying the very funds that might otherwise put a great many people to work.

Beijing's rigorous collection is plainly meant to secure the state's revenues, but it will take a matching restraint on local enforcement to keep the wider economy from being bled dry. Between the duty to collect and the temptation to fine, the resilience of China's economic model turns on a single question: whether the state can hold both to the same discipline.

Michael Han is assistant president and Shanghai general manager at Yuepu Technology Group

China's ethnic unity law is not a tool of repression

Wang Jiang says the nation's extraterritorial clause reaches only acts that endanger national security, unlike the US' excessive Global Magnitsky Act

China's Law on Promoting Ethnic Unity and Progress takes effect this month. It stands alongside the 1984 Law on Regional Ethnic Autonomy as a foundational, comprehensive statute on ethnic affairs, placing the task of forging a strong sense of community squarely within the legal framework.

Yet voices abroad have rushed to brand it an act of "transnational repression" and "long-arm jurisdiction", training their fire on Article 63.

Such claims borrow from the vocabulary of law but cannot survive its scrutiny. Begin with what Article 63 actually says. It provides that organisations and individuals outside China who act to undermine China's ethnic unity and progress, or create ethnic division, are to be pursued in accordance with the law. The operative verbs describe conduct that inflicts harm; they do not go so far as to include policing of opinion.

The article creates no new offence and sets no penalty. It is a referral provision, channelling liability back to existing laws, chiefly the criminal code. Its preamble frames it around unity, shared destiny and national rejuvenation, rather than coercion.

Nor did Article 63 materialise out of nowhere. Rather, it sits within a legal architecture China has been assembling for decades. Article 4 of China's constitution, which forbids acts that undermine the unity of ethnic groups or instigate division, is the wellspring of Article 63's authority.

Article 8 of China's Criminal Law has long applied to foreigners committing offences abroad against the Chinese state or its citizens, while Article 103 defines the crimes of secession and incitement to secession and their penalties. The Law on Regional Ethnic Autonomy protects ethnic minority rights.

From the constitution to the criminal code to specialised legislation, China possesses a legal system for safeguarding national unity, and Article 63 is part of it.

In international law, the protective principle allows a state to assert jurisdiction over conduct abroad that directly threatens its security and core legal interests. China's extraterritorial clause reaches only specific acts that endanger national sovereignty, security and territorial integrity.

In drafting the law, China's legislators examined the ethnic affairs legislation and practices of 46 countries. This is hardly the work of an outlier state inventing new forms of repression – especially when set beside the United States' Global Magnitsky Human Rights Accountability Act, whose extraterritorial sanctions reach well past the protective principle in a textbook case of long-arm jurisdictional overreach.

Reserving the label "transnational repression" for China alone is plainly a double standard. China's position is consistent: it supports jurisdiction founded on a legitimate legal basis and opposes long-arm jurisdiction that exceeds the bounds of international law.

The gravest confusion lies between two distinct ideas, prescriptive jurisdiction and enforcement jurisdiction. The first is a state's power to make laws governing conduct beyond its borders. The second is the power to arrest, try and punish. International law constrains the second far more tightly than the first. No state may carry out arrests or searches on another's territory. A state may declare its intent to regulate certain conduct abroad, but to hold a person outside its borders to account it must still proceed through channels international law recognises: extradition, judicial assistance or the person's voluntary entry. Article 63 is a legal assertion of jurisdiction, not a warrant for enforcement abroad.

Guiding conduct and preserving order by defining acts and their consequences is what the law does. The question is whether the protected interest is legitimate and due process attends it. On both, the statute answers in the affirmative.

Article 9 commits the state to governing ethnic affairs according to the law and protecting the lawful rights of all groups. Article 6 affirms the strengthening of commonalities while respecting and accommodating differences. Article 8 reaffirms the autonomy of ethnic regions. Nor was this law rushed: drafting began in November 2023, the text was published for public comment twice, drawing nearly 50,000 submissions, and more than 380 institutions were consulted.

Article 10 provides that affairs of ethnic unity are not to be interfered with by foreign forces, that China firmly opposes the use of ethnicity, religion or human rights as a pretext to smear, contain or infiltrate the country – language written against a long record of precisely such interference.

To cast China's defence of its territorial integrity as repression presupposes that its governance of ethnic affairs is itself repression. That is a political premise, not a legal one.

Wang Jiang is the deputy director and professor of the Institute of China's Borderland Studies at Zhejiang Normal University

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OPINION

Renewal is the key

Marco Vicenzino says in an age of disruption, power rests with whoever adapts effectively

Power has historically been measured by indicators such as territory, population, industrial production, military capability and economic scale. Those foundations remain indispensable. But each technological revolution has changed the nature of geopolitical competition.

The Industrial Revolution rewarded manufacturing capacity. The 20th century rewarded industrial scale, military mobilisation and ideological reach. Globalisation rewarded efficiency, integration and financial connectivity. The emerging age of artificial intelligence (AI) rewards adaptive capacity.

AI compresses strategic time. Technological breakthroughs spread over years rather than decades. Supply chains reorganise more rapidly. Capital reallocates faster. Military innovation cycles shorten. Governments have less time to recognise failure, and even less time to correct it.

The decisive advantage belongs not to those that possess the greatest resources, but to those that learn, innovate and adapt more effectively than their competitors. This is how the strategic competition between the United States and China should be understood.

As the US reaches its 250th anniversary, many frame the future as one defined by American decline and Chinese ascent. Across Asia, that assumption shapes defence and economic policy decisions.

However, great powers don't necessarily lose their position because of a stronger rival. They weaken due to domestic institutions struggling to adapt as international ambitions keep expanding. Strategic overextension begins not overseas, but at home when national capacity lags behind national ambition.

The question is, therefore, no longer which country appears stronger but who is likely to prove more resilient. Military capability remains indispensable, as does technological leadership, industrial production and economic output. Yet each depends upon deeper foundations: educational excellence, scientific research, energy security, infrastructure, institutional effectiveness and the capacity to translate national resources into strategic advantage.

Today's competition extends beyond military spending or deployments. It encompasses semiconductors, AI, advanced manufacturing, critical minerals, scientific research, education, fiscal sustainability and the ability to mobilise resources over decades rather than election cycles.

The contest between Washington and Beijing is not merely one between two states. It is a competition between two models of national organisation.

Historically, the US distinguished itself not because it avoided crises, but because its constitutional order enabled renewal. It endured civil war, economic depression, conflict, financial crises and political division. While progress has often been incomplete, its institutions have shown capacity for correction without systemic collapse.

That doesn't indicate perfection, but it does represent a strategic asset for the key question confronting the US and China: how to renew power as technological and geopolitical change accelerates.

For the US, this presents an opportunity and a challenge. America's greatest strategic advantage has rested upon an ecosystem capable of generating renewal: world-class universities, scientific research, entrepreneurial culture, deep capital markets, technological innovation and an enduring ability to attract talented people from around the world. Maintaining that ecosystem matters more than any defence posture or diplomatic initiative.

Fiscal sustainability, educational excellence, infrastructure, technological leadership, energy security and institutional effectiveness are more than domestic policy priorities. They are strategic assets.

> Governments and investors are asking which systems are most likely to remain adaptive in the era of disruption

China faces a different, equally consequential, strategic test. Its remarkable rise has shown how a centralised system can mobilise capital, coordinate industrial policy, develop infrastructure and compress decades of economic progress into a single generation.

The next phase of competition, however, may reward a different capability. As technological disruption accelerates and demographic pressures intensify, success will depend not only upon executing long-term plans, but upon adapting those plans when circumstances change faster than institutions were designed to anticipate.

Neither Washington nor Beijing can assume past performance guarantees future advantage. The international system is entering an era in which AI, demographic change, energy transition, technological competition and geopolitical rivalry are unfolding simultaneously and testing every political system.

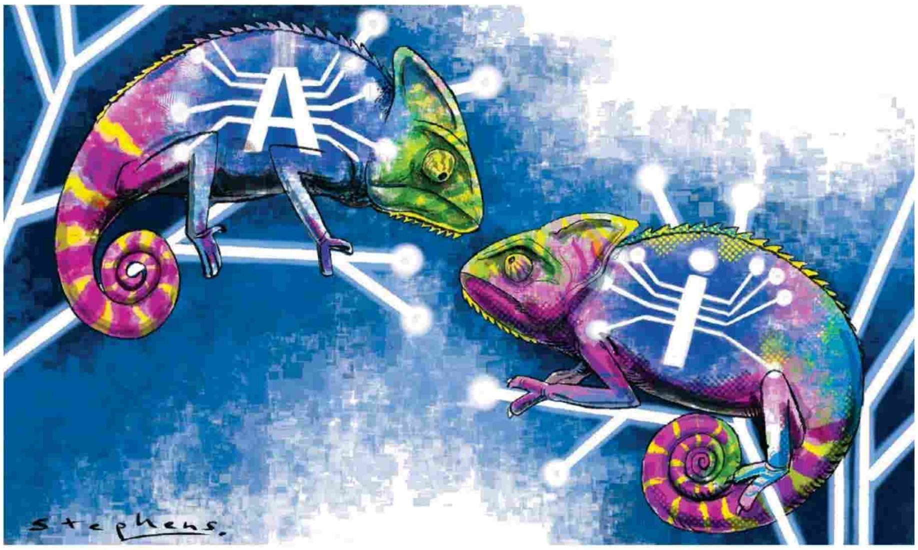
For Asia, this distinction carries consequences. Governments recognise that the future is unlikely to be defined by a simple choice between American primacy and Chinese dominance. Their strategies reflect a more sophisticated reality. They seek economic engagement with China while strengthening security partnerships with the US, diversifying supply chains and preserving strategic flexibility.

Investment decisions, semiconductor ecosystems, energy security and advanced manufacturing increasingly depend not only upon market size or production costs, but upon judgments about long-term resilience. Governments and investors are asking which systems are most likely to remain adaptive in the era of disruption.

Military superiority, economic scale and technological leadership still matter. Yet none is self-sustaining. Each depends upon institutions capable of generating innovation, attracting talent, allocating capital effectively and renewing public confidence. Power continuously depreciates unless societies regenerate the foundations that created it.

This century's defining geopolitical competition may ultimately be remembered less as a contest over which nation accumulated the greatest power than over which political system proved the most capable of continually renewing it.

Marco Vicenzino specialises in geopolitical risk and international business development



Central Asia states are no longer the chess pieces of empires

Lijia Zhang says the five nations are using hegemonic rivalries to advance their own interests

When people speak of the Great Game, they usually mean the 19th century rivalry between the British and Russian empires for influence over Central Asia. It conjures up images of spies crossing deserts, mountain fortresses and imperial intrigue – an era brought to life in Peter Hopkirk's books, which first awakened my fascination with the region.

A century and a half after the Great Game, another contest is unfolding across the same region. To the north is Russia, the region's traditional political and security partner. To the east is China, its largest trading partner and an investor. Turkey, the European Union and the United States are also seeking a greater presence.

Yet this new great game is being played by different rules. Central Asian republics are no longer prizes to be won. They have become players in their own right.

In his book, *Great Game On: The Contest for Central Asia and Global Supremacy*, former Australian ambassador to China Geoff Raby argued that China has first and foremost been a Eurasian power. What's changed, he said in response to my emailed questions, is that "the old division of labour in which Russia provided the region's security and China its economic support through trade and investment has ended". Russia's invasion of Ukraine had weakened Moscow's authority and its capacity to act as security guarantor. Meanwhile, China's influence is expanding.

The war did not create these trends, he said, but accelerated them. That changing balance was on display at last year's China-Central Asia summit in Astana. Bringing together President Xi Jinping and the leaders of all five Central Asian republics, it reflected both China's growing confidence and the region's strategic importance. The meeting also showed Beijing's determination to directly engage Central Asia beyond Russian-led institutions. While Western commentary portrayed this engagement as another step in China's expanding influence, the reality is more nuanced.

Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan are not simply choosing between Beijing and Moscow. They are pursuing a careful balancing strategy – strengthening ties with China while encouraging greater engagement with Russia, Turkey, the European Union and the US. Their aim is to benefit from all while becoming dependent on no one.

For nearly two centuries, Russia dominated the region. Even after the Soviet Union's collapse, millions of Central Asians continued to work in Russia. Russian remained the common language of government and business. When I first visited Uzbekistan in 1992, it was a newly independent nation.

> Beijing has also begun building its own regional architecture, including the China-Central Asia summit mechanism

More than three decades later, Uzbekistan has become more self-confident, with Uzbek firmly re-established as the country's principal language. Yet while the region has been rediscovering its own identity, its external relationships have also been undergoing a transformation.

China's presence has become increasingly visible in Central Asia. The region became one of the first testing grounds for the Belt and Road Initiative. Over the past decade, railways, pipelines, highways and logistics hubs have linked the region more closely to western China than ever before.

Chinese companies are investing in renewable energy, mining and manufacturing, while Chinese electric vehicles are common on city streets. Trade between China and the five Central Asian states has expanded dramatically, topping US$100 billion for the first time in 2025. Beijing has also begun building its own regional architecture, including the China-Central Asia summit mechanism and a permanent secretariat in Xian, Shaanxi province.

Yet Beijing's influence is primarily economic. Unlike the Soviet Union, China has shown little interest in exporting a political model. Instead, it offers infrastructure, investment and markets. That approach appeals to governments whose overriding priority is economic development.

It is tempting to see all this as a straightforward contest in which China replaces Russia as the region's dominant power. That would be too simplistic. Russia remains an important security partner with deep historical and cultural connections.

Kazakhstan has pursued a "multi-vector" foreign policy for decades. Uzbekistan has become outward-looking under President Shavkat Mirziyoyev. Central Asian governments are diversifying their partnerships. They are no longer merely caught between great powers. Instead, they are using competition among those powers to advance their interests.

Perhaps that is the biggest difference between the old Great Game and the new one. The 19th century version was played over Central Asia. The 21st century version is increasingly played with it.

For China, however, Central Asia is more than another geopolitical theatre. It is the ancient gateway through which Buddhism entered China, the heartland of the Silk Road and the bridge linking East Asia with Europe and the Middle East. Beijing's interest in the region is shaped not only by strategic calculations but also by a historical memory. As China becomes more influential across Eurasia, it is reviving links that predate the modern nation-state.

Having wandered beneath those blue-tiled domes in Samarkand and watched merchants bargain in ancient markets of Bukhara, I find it impossible to see Central Asia merely as a chessboard on which great powers compete. These are living civilisations. Perhaps that is the greatest lesson of the new great game: beyond the rivalry of empires lies a region whose history, culture and people will ultimately shape its future.

Lijia Zhang is a rocket-factory worker turned social commentator, and the author of a novel, *Lotus*

LETTERS

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1 Matheson Street, Causeway Bay, Hong Kong.

Advertising rules should apply to all healthcare providers

Advertisements for dental treatments at clinics in Shenzhen or other parts of the mainland have become commonplace on buses and at MTR stations and other high-traffic areas. Similar promotions can also be found in broadcast and digital media.

In a recent episode of a televised singing contest, for example, multiple contestants were depicted visiting a Shenzhen-based clinic for dental treatments.

As a specialist in respiratory medicine, I am mindful that Hong Kong healthcare professionals, including medical and dental practitioners, are tightly governed by codes of professional conduct – courtesy of the Medical Council and Dental Council of Hong Kong, respectively – which restrict so-called practice promotion, referring to publicity of a practitioner's professional services. These restrictions are designed to reduce the risk that members of the public may be unduly influenced by media portrayals of healthcare outcomes, or led to assume that particular treatments and technologies are necessarily suitable for their own individual circumstances.

Against this background, it could be seen as a matter of legitimate public concern that healthcare providers and firms registered outside Hong Kong are able to promote their services directly to city residents under different regulatory frameworks and advertising standards. Such advertising may encourage medical tourism for healthcare services that are subject to different systems of regulation, professional oversight and complaint mechanisms compared with those that apply locally.

It would be in the public interest for the Office of the Communications Authority and the government to review regulatory arrangements for health-related advertising, with a view to ensuring that robust safeguards apply, regardless of where the healthcare provider is registered.

In addition, dedicating more resources to promoting health literacy citywide would help Hong Kong people make well-informed decisions about their own health and better assess the claims made in media portrayals and advertisements.

Dr Christopher Chan, Sha Tin

How Bangladeshi football passion can build bridges

Some of the most remarkable scenes of the 2026 Fifa World Cup are unfolding not in football's traditional powerhouses, but in Bangladesh – a nation of over 170 million people that has never qualified for the tournament, yet is passionate about it.

Across the country, streets are draped in giant flags and watch parties draw thousands. Football debates dominate tea stalls, campuses and social media.

The roots of this passion stretch back decades. Brazil won hearts first through Pele's artistry and joyful style of play. Then came Diego Maradona and Argentina's triumph in 1986. His brilliance and underdog narrative resonated deeply with a young postcolonial nation. Later generations inherited these loyalties through Lionel Messi, Neymar, and the rivalry between the two South American giants.

Yet Bangladesh's football obsession extends beyond South America. European football commands enormous followings as well. France attracts fans through legends like Zinedine Zidane and Kylian Mbappe, Germany is admired for its discipline and success, while Portugal's popularity has soared thanks to Cristiano Ronaldo.

This phenomenon is also a remarkable example of soft power. Argentina's decision to reopen its embassy in Dhaka after Bangladesh's viral celebrations during the 2022 World Cup demonstrated how football can strengthen real diplomatic ties. Brazil and other football nations would benefit from recognising Bangladesh not merely as a fan base, but as a vibrant market and cultural partner.

Yasir Silmy, Chittagong, Bangladesh

Alberta lacks the attributes to function as independent nation

For Alberta's referendum on independence to take place, there are many hurdles to cross. The recent partial court victory permitting Elections Alberta to begin verifying the petition by Alberta separatists cleared only one such hurdle.

The larger question is whether Alberta possesses the attributes necessary to function as a nation, which shifts the issue from legal feasibility to the realities of geography, economy, culture and global recognition.

Situated in the Canadian interior, Alberta is known for its ferociously cold winters, with temperatures sometimes dropping below minus 40 degrees Celsius. Is it really a place for settling down? Are investors interested in it? Do locals truly want to stay there from womb to tomb?

I once worked part-time in a small town in British Columbia called Hazelton. Few young people wanted to stay there; moving to a big city was their dream. By the same token, youth in Alberta might also dream of escaping the province's atrocious weather by moving to big cities like Vancouver or Toronto.

Unlike coastal or major gateway provinces such as British Columbia and Ontario, Alberta is hemmed in.

Even if the constitutional hurdles could be overcome, Alberta lacks vital attributes of a viable sovereign nation. Its harsh climate, geography and fragile transit networks curtail prosperity.

Ho Kam Tong, Yuen Long

What the Founders Didn't Trust

UNRULY REPUBLIC
By Barton Swaim

Ponder a wonderful passage in Paul Johnson's "A History of the American People" (1997). Noting the "dismal succession of nonentities" to take the job of British prime minister from 1763 to 1782, Johnson observes that "this might not have mattered quite so much if the men they faced across the Atlantic had been of ordinary stature, of average competence and character."

As it was, "the generation that emerged to lead the colonies into independence was one of the most remarkable group of men in history—sensible, broad-minded, courageous, usually well educated, gifted in a variety of ways, mature, and long-sighted, sometimes lit by flashes of genius." Johnson calls the American Founders "the Enlightenment made flesh, but an Enlightenment shorn of its vitiating French intellectual weaknesses of dogmatism, anticlericalism, moral chaos, and an excessive trust in logic."

Such a collection of statesmen might have been expected to create a government rooted in the doctrine that man naturally seeks the good. The French, under the spell of Jean-Jacques Rousseau, built their revolution on his theory that man comes into the world pure and only encounters moral defilement from "society." The triumph of the American Founders lies in their having done the opposite.

The doctrine of original sin—and its implication that humans tend toward rank self-interest and degeneracy—animated every part of the constitutional structure the Founders erected. Arguments about the depth of their religious convictions miss the point. Even the skeptics and deists among them, of whom there were few, happily adopted Christianity's moral outlook.

Spend the rest of this semiquincentennial year reading the Federalist Papers and mark how often the authors—Alexander Hamilton, John Jay and James Madison—base their contentions on the reality that fallen man can be counted on to conflate his own narrow interests with justice and the common good. The essays refer often to man's ingenuity and capacity for innovation and commerce—they didn't think him so stupid as to require coercion. But Hamilton, Jay and Madison aimed chiefly to convince the public that the proposed Constitution, by balancing powers against each other, mitigated man's propensity for mischief, violence and corruption.

Madison famously observes in No. 51 that government's existence itself testifies to the morally defective state of its subjects. "If men were angels, no government would be necessary," he writes. "If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself."

Or Hamilton, in No. 15: "Why has government been instituted at all? Because the passions of men will not conform to the dictates of reason and justice without constraint."

Roughly the past 125 years of American government have departed from the Founders' self-understanding. Woodrow Wilson and his Progressive heirs created an assemblage of government agencies whose technocratic managers bore no accountability to elected leaders. The expansion of social-welfare programs, begun by the New Deal and supercharged by the Great Society, hypothesized that recipients would use the dole as a chance to get ahead rather than a way to avoid productivity. American leaders in this period negotiated agreements with hostile foreign powers—Russia, North Korea, Iran—in the belief that generous treatment by the U.S. would coax those powers into better behavior. Socialism, rose-tinted as ever, beckons again today.

Madison, Hamilton, et al. would wonder at our credulous view of human nature.

America's Founders, to a man as I suspect, would have viewed 20th- and 21st-century politics as a long series of gambles that human nature might suddenly repair itself. Some number of influencers on the American right, variously called postliberals or national conservatives, want to use industrial and social-welfare policy, formerly instruments of the left, for allegedly conservative ends. They place more faith in human nature than the Founders did.

A note of hope: The Supreme Court this week signaled its sympathy with the Founders' distrust of human nature by overturning *Humphrey's Executor v. U.S.*, the 1935 decision that endorsed the creation of all those independent, expert-led federal agencies.

The postreligious belief in humanity's essential goodness, together with the loss of any understanding of sin—quaint word!—was supposed to lead to a gentler, less judgmental world. It has done the opposite. Reject the doctrine of man's depravity if you like; the world's abundance of depravity still demands explanation. The revolutionaries in France explained it by making clergy, nobles and monarchy the sources of everybody's woes. The Marxists blamed the bourgeoisie and capitalists. Their descendants today, similarly bereft of any conception of fallenness, pin the world's ills on people who hold the wrong political views.

When the authors of the Federalist Papers spoke of the "passions of men," or of men consistently failing to behave like angels, they acknowledged themselves, too, as passion-prone and defective. The old understanding of man as inherently flawed had a humbling and leveling effect, just as the rejection of it has encouraged political actors across the West to treat their opponents as subhuman spreaders of evil. To recover a saner, less embittered politics may be as simple, and as difficult, as recovering the Founding Fathers' anthropology.

'Heritage Americans': An Un-American Idea

By Karl Rove

It hangs where I see it every day I'm home. The years have taken their toll. The paper has turned brown, the words have faded. It's one of the last remnants of my childhood, a gift from my taciturn Norwegian father.

He sometimes read the Declaration aloud on Independence Day. I was especially taken by the sentence that begins "We hold these truths to be self-evident." Those truths still hold and should still stir every American.

The historian Gordon Wood put it well. The Revolution that the Declaration announced "radically and thoroughly transformed" American society. It "destroyed aristocracy," made "the interests and prosperity of ordinary people . . . the goal of society and government," and released "powerful popular entrepreneurial and commercial energies."

America wasn't built by the rich and powerful but in large part by discards, rejects, losers and throwaways who made their way here. "Give me your tired, your poor, / Your huddled masses yearning to breathe free, / The wretched refuse of your teeming shore" Emma Lazarus wrote in her 1883 sonnet, later inscribed on the Statue of Liberty's pedestal.

Inspired by the Declaration, people have come over the centuries hoping life could be better. Abide by its principles and the Constitution written to secure them, the promise went, and you and America can flourish.

We have. What began as pioneers huddled on a narrow coastal strip, an ocean away from the civilization they knew and facing an immense, unknown land is now a mighty nation that spans a continent.

America has become the most prosperous, compassionate, innovative, open society the world has known. Despite our challenges, doubts and divisions, America still demonstrates every day what a free people can achieve—for their families and the nation—if we strive to make the Declaration's words real.

Who wants to leave home for the nations that reject outright the principles of our founding documents? Instead, many still want to come here.

I was once in Abuja, Nigeria, and a cabdriver asked where I was from. Like all Lone Star chauvinists, I said Texas. He replied, "Ah, America. I want the American Dream." I asked what he meant. "Dream big, work hard and rise." He sounded like Abraham Lincoln, who according to the historian Gabor Boritt believed in the "right to rise."

Creating America wasn't easy, and the fulfillment of our founding documents still demands much. But we make a grave mistake if we think this nation is only for what some call "heritage Americans," whose forebears—specifically Anglo and Scots-Irish Protestants—fought in the Revolution or Civil War.

This notion that there is a select subset of "real" Americans is being pushed by, among others, Vice President JD Vance. He says that "America is not just an idea" but "a particular place, with a particular people." Our country is more than an idea, but it began as one. Our people are particular, yet it makes no difference whether your forebear wintered at Valley Forge or fought at Gettysburg. What matters is living up to the Declaration's promises.

Today our nation is more than an idea, but 250 years ago an idea was all it was.

It is ironic that Mr. Vance, a Catholic convert, would advocate "heritage Americans." In the past, such movements routinely declared Catholics unacceptable members of our national family. One of the largest such groups was the American Protective Association, an anti-immigrant organization in the Gilded Age. It claimed 2.5 million adherents at its height. Its members swore an oath denouncing the pope and "the diabolical work of the Roman Catholic Church." The APA was particularly strong in Mr. Vance's home state of Ohio.

This notion of "heritage Americans" is at odds with the Declaration. America's birth didn't include a new aristocracy based on inherited valor.

Consider some Americans without Revolution or Civil War forebears: Elon Musk, Google CEO Sundar Pichai, Nvidia co-founder Jensen Huang, Arnold Schwarzenegger, Charlize Theron, Hakeem Olajuwon, former Pepsi CEO Indra Nooyi, Albert Einstein, Nikola Tesla, Salma Hayek, Henry Kissinger, Oracle's Safra Catz, Bob Hope, Irving Berlin, Interactive Brokers' founder Thomas Peterffy, Yo-Yo Ma, Alex Trebek and at least 40 winners of the Nobel Prize for Medicine.

One in seven American residents is an immigrant. For the other six, this Saturday should be a day for special gratitude. Through no action of our own, we were born here, and—alongside all who made their difficult way to America—enjoy the blessings of what happened in Philadelphia in the summer of 1776. Happy Fourth, to every American.

Mr. Rove was senior adviser and deputy chief of staff for President George W. Bush and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

Me, Myself and AI

By Liya Palagashvili

Most debates over artificial intelligence begin with the same question: Which jobs will AI destroy? But the first labor-market shock may not be mass job loss. It may be worker migration from traditional firms.

AI is making it easier for one worker to do tasks that once required a small team. In industries where AI can handle research, drafting, coding, editing and analysis, the result isn't necessarily unemployment. It may be independence.

New Census Bureau business-formation data suggest as much. The bureau tracks business applications and flags those likely to hire employees. The remaining applications are the best measure of one-person business formation.

Since early 2024, solo business applications have risen nearly 27% in professional services, information, education, finance and insurance—sectors the that have among the highest AI-adoption rates. In construction and wholesale trade, where AI is less likely to enable independent work, solo business applications have been essentially flat.

AI makes it easier for entrepreneurs to set up solo shops.

An event-study confirms the timing. In 2022 and 2023, solo applications moved similarly in sectors with both high and low AI exposure. The divergence emerged after 2024 and then took off.

Business applications with payroll intent fell by 6.4% in AI-exposed sectors, while applications unlikely to hire employees rose by 26.8%. People are starting businesses, but not businesses designed to employ workers.

Federal labor-market data tell a similar story. Among occupations most exposed to AI, solo self-employment rose about 20% from 2022 to 2025. In the least AI-exposed occupations, it barely moved. For management analysts, a useful proxy for consulting work, overall employment grew 12% from 2022 to early 2026, while solo self-employment within the occupation grew more than twice as fast.

None of this proves that AI is the main driver of the shift. The evidence is preliminary, and AI may still be squeezing entry-level hiring. But it's becoming cheaper to operate as a one-person business, and workers are responding.

That's unsurprising. A consultant who once relied on junior analysts, editors and designers can now perform many of those functions with AI tools. A researcher can prepare work for publication with far fewer institutional resources.

The firm isn't disappearing, but for some knowledge work, the advantages of being inside one are. Labor-market institutions have yet to adjust. Unemployment insurance assumes one employer, a clean separation, and a search for another job. Health insurance remains heavily tied to employment, and many retirement plans, leave benefits, and tax advantages are organized around the employer.

The most immediate question isn't whether AI will eventually replace workers. It is whether AI is already making workers less dependent on the firm while policy remains anchored to it.

Ms. Palagashvili is a senior research fellow and director of the Labor Policy Project at George Mason University's Mercatus Center.

BOOKSHELF | By Roger Lowenstein

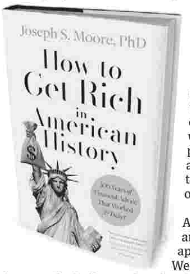
Active Investments

How to Get Rich in American History

By Joseph S. Moore
Harper Business, 352 pages, $32

Joseph S. Moore's "How to Get Rich in American History" differs from other financial-advice books. Mr. Moore questions the popular notion that stocks generally rise. He has mixed feelings about the wealth-building potential of real estate, even though that is how he made his money. He shrugs at asset diversification and urges readers to take risks and go into debt.

The poorer you are, Mr. Moore argues, the less you have to lose, and almost anyone who started without capital had to borrow to get started. A young Benjamin Franklin, he points out, went deeply into debt to start his printing business. The author's flippant assertion that "going broke is better than ever" has a serious historical point: Modern bankruptcy is accessible and preferable to old-fashioned debtors' prison.



Mr. Moore advises that inherited wealth is overrated and unlikely to last. Among his worthiest financial prescriptions is to marry well. He says that the "sorting mechanisms" of dating apps undervalue what matters in a potential partner: work ethic, the ability to weather hard times and the character of one's family.

"How to Get Rich in American History" counsels an active rather than passive approach to making money. Wealth, Mr. Moore observes, is generally built, not found. Taking in boarders or starting a business, he says, are better strategies than buying a stock and hoping it will grow. "The portal to the American dream," Mr. Moore writes, "is not opened via a stock trading app."

The book suffers from the flaws common to its genre. Mr. Moore, who surveys various financial anecdotes from American history, can be glib and superficial. He spends little more than a page on the cattle-raising craze that lured Harvard men (including Theodore Roosevelt) to the American West in the late 19th century. He writes that Stephen Girard "spent twenty-five years as the richest man in the nation." Yet he doesn't tell us how Girard (1750-1831), a French-born banker, made his money or even when he lived.

The author's authoritative tone is undermined by the odor of hasty research. "In 1863," Mr. Moore writes, "Congress birthed the first stable U.S. currency, the greenback." Actually, legal-tender greenbacks were hatched in 1862; legislation the following year gave rise to a second currency, national bank notes. He blunders on Warren Buffett, stating that his company, Berkshire Hathaway, hasn't made a garment "in over fifty years," but the company only closed its textile operations 41 years ago. The author claims that Mr. Buffett "actively mentored" the executives under Berkshire Hathaway's umbrella. Mr. Buffett is in fact one of the least-intrusive corporate stewards on the planet.

Mr. Moore writes that the housing market is, "relative to other industries, a terrible way to make money." But then he allows that "real estate is a wonderful way to build modest wealth." He explains this glaring inconsistency, sort of, by differentiating between active and passive real-estate investment. He is a fan of buying properties and improving them—not trading mortgage securities or waiting for housing values to go up. "The real money," he writes, "is active."

His bias toward hands-on labor is welcome but indiscriminate. Allocating capital is not "doing nothing," as he implies, and not everyone can start a business. He claims that compound interest (the fruit, say, of a bond portfolio) is overrated because savers cannot live on their capital if they intend for it to grow. This is true, but it is also true for a tangible business. A merchant can reinvest profits or spend them—not both.

Financial lessons from the nation's history as the U.S. reaches 250 years: take risks, don't be afraid of debt, take in boarders if things get tight.

The book's dust jacket is scarce with Mr. Moore's résumé. It notes that he has a doctorate and vaguely describes him as "an author, historian, and investor." Mr. Moore does share some of his back story. He was raised in the American South without money and revered his grandmother. The women in his family worked. He tried numerous get-rich-quick schemes and failed, went into debt, married successfully and took a big risk on rental properties after the 2008-09 financial crisis. Perhaps that is all it takes.

Financial-advice books inevitably attach warning labels to protect the authors should their suggestions blow up. Thus Mr. Moore: "Nothing ever *always* works." The book often tries to have it both ways. He warns against expert predictions but counsels that we put faith in the "best gurus." One moment he's advising readers to cut their losses, the next he's arguing they should stay in the market.

Despite its shortcomings, "How to Get Rich in American History" makes original contributions. Mr. Moore tells readers to concentrate their assets and only diversify for safety after they become wealthy. Don't obsess over taxes, he advises, but invest on the merits and pay what you owe. He makes a strong argument that women's domestic work has historically been undervalued. For a get-rich tome, the book has an affecting human emphasis. The author says he regrets paying so much attention to CNBC's Jim Cramer while his daughter was learning to walk.

Mr. Moore rejects the pessimism of the anticapitalist left. While allowing that data suggest a slowdown in upward mobility, he insists that plenty of opportunity remains for the taking. While the U.S. has greater inequality, median incomes in America are far above those in Europe.

In his research Mr. Moore read scads of 18th- and 19th-century farmers' guides and homemaking manuals. "How to Get Rich in American History" retains the moralist tone of these earlier eras. The author seems to place the highest premium on the words of Adam Smith. "Great fortunes," the Scottish philosopher wrote in "The Wealth of Nations" (1776), are the "consequence of a long life of industry, frugality and attention."

Mr. Lowenstein's books include "Ways and Means: Lincoln and His Cabinet and the Financing of the Civil War" and "Buffett: The Making of an American Capitalist."

REVIEW & OUTLOOK

The Trump Family and ‘Honest Graft’

Americans tell pollsters they don’t think they are getting ahead financially. But President Trump and his family are having no trouble, judging from his 2025 financial disclosure report released Tuesday. The Trump clan is cashing in on the Presidency in big and sketchy ways.

They are profiting off the Presidency in ways that demean the office.

The 927-page report shows Mr. Trump made some $1.4 billion last year from crypto alone. Yowzers. This includes $635 million in royalties from the memecoin that Mr. Trump launched days before his inauguration. Trump Organization business affiliates make money from what are akin to transaction fees when the memecoin is traded.

Another $593 million came from token and equity sales by World Liberty Financial, whose co-founders include the President, his sons and special envoy Steve Witkoff. Mr. Witkoff’s son, Zach, is its CEO. A business entity affiliated with Mr. Trump and his family members owns a major chunk of World Liberty.

We have detailed some of World Liberty’s dubious deals with foreign actors that may have been trying to buy influence with the Administration. This includes DWF Labs, a crypto firm based in the United Arab Emirates, and the Pakistan government. Abu Dhabi used World Liberty’s stablecoin to invest in the Binance crypto platform.

Binance pleaded guilty in 2023 to violating U.S. anti-money laundering laws and Iran sanctions. Its co-founder Changpeng Zhao, who pleaded guilty to violating the Bank Secrecy Act, was pardoned by Mr. Trump in October. The Journal reported in May that since the plea deals billions of dollars were routed through Binance and financed Iran’s regime.

Then there’s the Trump family’s financial alchemy involving government support for critical minerals. The Administration has provided billions of dollars in financing to an array of critical mineral developers to shore up U.S. supply chains so China can’t weaponize its dominance. The government investment has caused an industry gold rush.

The Trumps are seeing their opportunities and taking them, in the tradition of what Tammany Hall’s George Washington Plunkitt called “honest graft.” (For Princeton history majors, Tammany Hall was a 19th century Democratic political machine.) The President’s disclosure report shows capital gains in the range of $100,000 to $1 million from critical mineral developer MP Materials, whose share price surged last summer after the company announced the Pentagon was taking a 15% stake.

Donald Trump Jr.’s venture capital firm, 1789 Capital, invested in Vulcan Elements three months before the company received a $620 million government loan. Investment bank Cantor Fitzgerald, which is headed by Commerce Secretary Howard Lutnick’s sons, has been a financial adviser or underwriter for many startups that have received government support.

The Trump Administration has also offered up to $1.6 billion in financing for a project to develop a tungsten mine in Kazakhstan. There’s no question the U.S. needs to diversify its tungsten supply, which is critical to weapons systems. But a firm partly owned by Mr. Trump’s sons Eric and Donald Jr. invested in a company backing the project shortly before the Administration announced a minerals deal with Kazakhstan last November that paved the way for the project. Kazakhstan President Kassym-Jomart Tokayev posted a photo of himself at a White House deal-signing ceremony.

The Administration has proposed establishing price floors for critical minerals to ensure China can’t flood the market and financially undercut alternative suppliers, as it has in the past. This might make sense, but a government guaranteed price paired with financial support make these projects potentially very lucrative for investors like the Trump family.

* * *

Assuming all of this is legal, it’s still an unseemly display of using the Presidency for family profit. It’s hard to believe the Trump boys would be able to do the same deals if Dad wasn’t in the Oval Office. The main difference between Hunter Biden’s foreign dealings and the Trump projects is that the Trumps are brazenly open about theirs.

But there will be political costs—for Republicans. If Democrats take back the House or Senate this November, they will have a field day probing the Trump family deals. Charges of GOP corruption will resound through 2028. This will feed the left’s class warfare and facile narrative that billionaire “oligarchs” are getting rich off government.

Foreigners may come to think they can buy American goodwill or favors if they cut the Trumps in on the action. Americans, and especially his supporters, deserve better from this or any President.

The Socialist Wave Reaches the Heartland

Colorado’s primary results Tuesday show that socialist insurgents are seizing the Democratic Party’s mantle, and not merely in coastal cities. Consider Melat Kiros, the 29-year-old socialist who defeated Denver’s 15-term incumbent, Rep. Diana DeGette.

Colorado’s primary is another step in the left’s Democratic takeover.

Ms. DeGette is a progressive, a backer of abortion rights and gun control who has cosponsored Medicare for All legislation. Yet she lost, according to the latest returns, 42% to 51%. The press calls Colorado’s results more evidence that Democrats are in a mood to oust “establishment” candidates. That’s true, but these challengers aren’t simply outsiders new to politics. They’re on the far left.

“We already have socialism, right? It’s in the roads that we drive on. It’s in our fire stations,” Ms. Kiros told 9News last week. She wants that same model “to be in our healthcare, to be in our access to nutritional food.” That includes free pre-K and college. She thinks socialist dreams can be paid for by taxing “centi-millionaires.” Don’t forget rent control.

Oh, and 9/11 was inevitable. “We destabilized a lot of the Middle East,” Ms. Kiros said. “That forced people to believe that another act of violence was the only response.” She wants a U.S. arms embargo on Israel, including defenses that shield civilians from rockets: “Our selling of arms to Israel, defensive or offensive, gives them the cover to continue the genocide that’s taking place in Palestine, and now the ethnic cleansing that’s taking place in Lebanon.”

In the gubernatorial race, Sen. Michael Bennet, thought to be a shoo-in, lost 44% to 56% to the harder-edged state Attorney General Phil Weiser, who brags about the 66 times he sued the Trump Administration. Incumbent Sen. John Hickenlooper barely won his primary, 55% to 45%.

Democrats nominated state Rep. Manny Rutinel in the Eighth District, a competitive House seat won in 2024 by GOP Rep. Gabe Evans. Mr. Rutinel is a former animal and climate activist who promises he’ll “stop ICE from terrorizing our communities.” As recently as last year he supported a ban on fracking for oil and gas.

As these candidates win, the establishment Democrats are falling into line. Rep. Ro Khanna, who fancies himself presidential material, has congratulated Ms. Kiros and claimed credit for having “spotted” her as a “generational talent.” If more leftist insurgents, including Michigan Senate candidate Abdul El-Sayed, win their coming Democratic primaries, they’ll be welcomed into the fold as well.

The institutional weakness of the two major political parties left them both vulnerable, and a decade ago Donald Trump commandeered the GOP. Traditional Democrats are now facing a hostile takeover from the socialist left, and so far few are willing to put up a fight.

Britain’s Disappointing Defense Plan

The world is more dangerous than it’s been in decades, but the Brits must not be worried. Soon to be former Prime Minister Keir Starmer unveiled his defense spending plan Tuesday after months of delay, and it doesn’t provide nearly enough funding to meet its alliance commitments.

Britain vowed last year to spend 5% of GDP on national security by 2035, including 3.5% on the military, under the new NATO standard. But British defense spending under the Starmer plan will rise merely to 2.7% of GDP by the end of the decade, up from 2.6% next year.

Mr. Starmer said Britain will spend nearly £80 billion ($106 billion) annually on defense by 2029. But in the 2024-2025 fiscal year the U.K. spent about £242 billion on health care and £387 billion on benefits, pensions and social services—8% and 13% of GDP respectively, according to the Institute for Fiscal Studies.

The U.K. will have to scale back these benefits if it wants to adequately fund its military without inviting a raid on its debt by the bond vigilantes. But the Labour Party answers first to its left wing. “Slash funding to our public services in favor of defense, and we would be fundamentally weaker as a nation, more fractured as a society, less able to defend ourselves when our enemies prey on social division,” Mr. Starmer said Tuesday.

The problem is that this isn’t the 1990s anymore. Beyond the wars in Ukraine and the Middle East, the threats have already arrived on British soil and seas. Russian spy ships and submarines have been prowling the underwater cables that enable everything from financial transactions to emergency response in the U.K. Assassinations, sabotage, vandalism and arson sponsored or promoted by Russia and other bad actors are on the rise in Britain and throughout Europe.

Yet Mr. Starmer’s defense spending “falls well short of what is required” for British security and military readiness, his own Defense Minister John Healey warned this month as he and others resigned in protest of an earlier version of this plan. They don’t want their names on a policy that leaves their country vulnerable. Yet even these honorable departures failed to get Labour to reconsider.

Mr. Starmer’s plan defers tough choices until after 2029, when Britain will have to hold new general elections. Pray the world avoids a security crisis before then.

LETTERS TO THE EDITOR

American Free Trade Begins With Credibility

Treasury Secretary Scott Bessent in his op-ed “Hamilton Inspires Trump’s Economic Statecraft” (June 24) extols the virtues of “strong alliances,” “productive economic relationships” and being “a nation that welcomes fair competition, rewards investment, and believes in open commerce.” But it isn’t beyond dispute that these befit the U.S. in 2026.

Mr. Bessent argues that “America’s openness must be reciprocated by its trading partners,” because foreign subsidies, discriminatory services taxes and other policies hurt global trade. Mr. Bessent says that the government will use its “many tools to remedy practices that distort trade and undermine reciprocity . . . judiciously but decisively.”

Judiciously? Pretextually is more like it. U.S. Trade Representative Jamieson Greer recently proposed 10% to 12.5% tariffs on 60 trade partners, putatively due to their failures to curb forced labor. Say what you will about the European Union, but few readers will believe its labor laws are too lax. If Mr. Bessent and the administration are genuinely committed to open commerce and fair trade, they ought to start by looking in the mirror.

Shantanu R. Kamat
Silver Spring, Md.

Mr. Bessent relies on a strategy of autarky and self-sufficiency, which Adam Smith proved led to stagnation during the Age of Mercantilism. Smith’s ideas were alluded to in the Federalist Papers and were instrumental in the adoption of Art. I, Sec. 9 of the U.S. Constitution, which allowed free trade among the states—where the economy had faltered under the Articles of Confederation, as states could tax the interstate transfer of goods. With U.S. debt at $39 trillion, the Treasury secretary needs to focus on his fiduciary responsibility.

David Breuhan
Vice President, Schwartz & Co.
Bloomfield Hills, Mich.

More Housing Construction Won’t Be Enough

Your editorial “Trump’s Housing Blow-Up” (June 25) is right that the 21st Century ROAD to Housing Act is flawed. Although Congress’s bill may ease some of the regulatory hurdles blocking new homes from hitting the market, the truth is that even lower interest rates won’t fix America’s housing crisis. Supply is locked in as the result of years of ultralow interest rates, and a tax regime that disincentivizes the millions of homeowners from selling.

To increase supply meaningfully, Washington should focus on tax-policy changes and private-market solutions that motivate high-equity homeowners and mom-and-pop landlords to sell. Increasing the primary residence capital gains exclusion for the first time in 30 years would be a good place to start. Providing incentives and protections for seller financing, rent-to-own or exchanges of homes currently owned by mom-and-pop landlords would be a win not only for millions of aging Americans, but the countless young aspiring home buyers who are stuck between high interest rates and forever renting.

Lawmakers should be applauded for their bipartisan efforts in passing this bill. They had good intent, but even the best federal efforts to “cut red tape” won’t solve the country’s housing woes.

We can’t simply build our way out of this. There are millions of homes in this country held by people who don’t really want to own anymore. It’s time to fix that.

Ari Rubin
CEO, Flock Homes
Menlo Park, Calif.

In Defense of Hawaii’s Corporate Redefinition

In “Hawaii Tries to Redefine ‘Corporation’ ” (Review & Outlook, June 29), the Journal terms the Center for American Progress’s legal theory “dazzling.” It must be, because it has blinded editors to the fact that, when Hawaii’s new bipartisan law disempowers corporations from spending in its politics, this is ordinary state corporation law, working as it has for two centuries.

Corporations aren’t people. States create corporations and grant them powers. The Supreme Court has uniformly upheld states’ authority to modify corporations’ powers. There’s plenty of reason to. Dark and corporate money from both left and right has been drowning our politics for 16 years.

When the *Citizens United* decision looked at the nonprofit named in the case, it silently assumed that Virginia’s grant of “the same powers as an individual” to its corporations included power to spend in politics. But it didn’t hold that a state must grant political spending power to corporations. In fact, the court has never held that any state must grant any power to any corporation.

Hawaii’s law is viewpoint neutral and applies to unions just as it applies to chambers of commerce. The only court to weigh in on the theory, the Montana Supreme Court, held that it “speaks only to powers, not rights.” Plaintiffs challenging the Hawaii law are bringing a *Citizens United* knife to a corporate-powers gunfight.

Tom Moore
Senior Fellow
Center for American Progress
Washington

Tocqueville at the World Cup

Regarding Peggy Noonan’s “The Tartan Army Takes America” (Declarations, June 27): I am reminded of a 26-year-old Alexis de Tocqueville visiting our shores. Although he found the newly minted country’s citizens widely prone to litigation for all sorts of torts and such, his positive opinion of the experiment in democracy no doubt helped shape future French Republics as he returned to his official duties and assisted in the Second Republic’s constitution.

As someone who has traveled and lived extensively in other countries, I find it amazing to see one’s country through the eyes of a non-native and, as de Tocqueville later found out, to bring back the best of the places one visits. Perhaps we will soon see more of what makes America great in other places, now that the soccer fans are soon to return to their home bases.

Stephen Filreis
Rochester, N.Y.

Ms. Noonan reminds us all that it’s not only “God Bless America” but that it’s also “God Blessed America.”

Jeff Daniel
Holliswood, N.Y.

One True Church or 72,000?

Alex Hibbs is correct that “the old Protestant mainline, once the spiritual backbone of America, is in desperate need of salvation” (“The Reconquest of Mainline Protestantism,” Houses of Worship, June 26). But the “Redeemed Zoomer” Richard Ackerman and his “Operation Reconquista” are looking for salvation in the wrong place by seeking to reclaim mainline Protestant institutions and congregations.

The World Christian Database says there are currently 53,000 Christian denominations, and it predicts that there will be 72,000 by 2075. That isn’t what Jesus intended. Jesus prayed “that all may be one” and said that he would build his church on the rock of Peter. That would be the Catholic Church. Protestantism is an exhausted project and its continued existence is a scandal. It is time for all Christians to come back to the mother church.

Bishop Thomas John Paprocki
Diocese of Springfield, Ill.

Pepper ... And Salt

THE WALL STREET JOURNAL

“It’s really nice, but when do you think you’ll get back to the sink?”

Abraham Lincoln Remade the Fourth of July

By Allen C. Guelzo

'How long ago is it—80-odd years?" Abraham Lincoln asked the crowd that had marched to the White House to celebrate the twin Union victories in the Civil War, at Gettysburg and Vicksburg. When he stood on the portico of the executive mansion to ask that question on July 7, 1863, it had actually been 87 years "since on the Fourth of July for the first time in the history of the world a nation by its representatives, assembled and declared as a self-evident truth that 'all men are created equal.' " Now, he wondered, wasn't there something almost providential to be seen in how "a gigantic Rebellion . . . which is an effort to overthrow the principle that all men were created equal," had met with two stunning defeats on that anniversary?

He elevated the holiday's significance, turning it into a day to celebrate America's national creed.

Lincoln wasn't alone in viewing the Union victories as "singularly Providential" for their timing. Americans had been celebrating the Fourth as "that glorious and ever memorable day," as the Pennsylvania Evening Post put it in 1777, since their first opportunity to do so. From the 1790s onward, parades, speeches and public readings of the Declaration of Independence on the Fourth became a kind of political ritual all across America. In 1845 Lincoln's hometown of Springfield, Ill., celebrated the Fourth with a procession formed at the First Presbyterian Church, complete with standard-bearers, culminating in a reading of the Declaration of Independence, the firing of a 28-gun salute and an oration.

That oration was scheduled to be delivered at the statehouse by none other than Abraham Lincoln Esq. (Nothing of it has survived.) It wasn't the first time Lincoln had a significant role on the Fourth. In 1839 Lincoln served as a Fourth of July parade marshal in Springfield "in honor of Freedom's natal day," as one newspaper put it. In 1856 he devoted a July Fourth speech to "that Declaration made to the world, by our Fore Fathers, 'That all men are born free and equal.' " When his eldest son, Robert Todd Lincoln, was invited to read the Declaration at a Fourth of July celebration, Lincoln advised him "to read that immortal document every chance he has, and the bigger the crowd, the louder he must holler."


Lincoln delivers the Gettysburg Address, Nov. 19, 1863.

CHICAGO: SHERWOOD LITHOGRAPH CO./LIBRARY OF CONGRESS

By that time, the Fourth was acquiring a more complicated force for Lincoln, and not all of it was positive. He had long believed that slavery was a prime example of "injustice and bad policy" and had long hoped that Americans would "re-adopt the Declaration of Independence, and with it, the practices, and policy, which harmonize with it," so that slavery would be "in course of ultimate extinction."

But in 1854 Congress instead enacted new legislation that opened the door to the legalization of slavery in the western territories and, with it, the possibility that the states formed from those territories would eventually gain majority representation in Congress. Appalled, Lincoln wondered whether Americans had forgotten what had been accomplished on the Fourth of July in 1776.

"When we were the political slaves of King George, and wanted to be free, we called the maxim that 'all men are created equal' a self-evident truth," Lincoln wrote in 1855. No longer. Although the Fourth of July "has not quite dwindled away," he wrote, now it is good for nothing more than "burning fire-crackers!" As he said in 1857, what was the point of celebrating the Fourth if the Declaration was now treated as "mere rubbish—old wadding left to rot on the battlefield"?

But then, in quick order, came Lincoln's election to the presidency in November 1860, the secession of the slave states to form the Southern Confederacy, and the attack on the U.S. garrison in Fort Sumter. When Lincoln called Congress into special session in 1861 to deal with the emergency, the date he selected for its assembling was July 4. And no wonder, since the Confederacy represented a direct repudiation of everything the Fourth of July once stood for. The war, he said at the special session, "presents to the whole family of man, the question, whether a constitutional republic, or a democracy—a government of the people, by the same people—can, or cannot, maintain its territorial integrity, against its own domestic foes."

No wonder Lincoln was so jubilant in 1863 when news of the Union triumph at Gettysburg (on July 3) and the surrender of the Confederate citadel of Vicksburg (on July 4) clustered around the Fourth. The rebellion that denied "all men are created equal" had now "turned tail and run," as Lincoln said during his July 7 speech. But the ultimate vindication of the Fourth of July would come four months later, at the dedication of the national cemetery at Gettysburg for the Union dead of the battle. No longer did he speak in the offhand style of "80-odd years." Lincoln smoothed it out to the eloquent and almost biblical words we know so well today: "Four score and seven years ago, our fathers brought forth on this continent, a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal."

From the moment of the Gettysburg Address, Lincoln made it clear that Americans trace their origin not to a race, a heritage or a religion, but to the creed enunciated on the Fourth of July—that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. The close of the Civil War was, in large measure, Lincoln's victory. But it was also the victory of the Fourth of July, and that victory is with us still.

Mr. Guelzo is a professor of humanities at the University of Florida's Hamilton School and a senior fellow at the American Enterprise Institute.

Democrats Need to Show Our Love for America

By Tom Suozzi

I love America. Unfortunately, as we celebrate our nation's 250th birthday, too many Americans associate those three words only with Republicans. Democrats need to change that.

Many in my party are unhappy with the nation's current trajectory. Under President Trump, we've fallen short on income inequality. We've seen masked agents go head-to-head with U.S. citizens. Our elections and voting rights have been attacked, while misinformation proliferates online amid bigotry, extremism and political violence.

Despite all this, we should remain fiercely proud of the American system. It has enabled the quest for "a more perfect union," making possible the abolition of slavery, the rights of women and black Americans to vote, the protection of civil rights, the confrontation of religious, ethnic and racial bigotry and so much more.

Patriotism doesn't ask us to whitewash the country's shortcomings. It requires us to confront them honestly while recognizing that our Constitution, our democratic institutions and generations of courageous citizens have given us the ability to correct our mistakes.

Democrats have long believed that America is great not because it is perfect, but because it has the capacity to become better. We must reclaim the language of patriotism, because our history teaches us the most American thing any of us can do is help our great nation live up to the ideals charted by our Founders 250 years ago: liberty, equality, democracy and the rule of law.

Our authoritarian adversaries suppress dissent and erase uncomfortable truths. America has repeatedly expanded liberty, broadened opportunity, and moved closer to fulfilling the promise that all people are created equal.

That's why generations of Democrats have stood proudly at the helm of some of the most consequential struggles to shape American life. Democrats supported the rise of organized labor. Democrats gave us the 40-hour workweek and worker protections. Democrats created Social Security and Medicare. Democrats championed civil rights. Democrats pushed for major environmental protections. And it is Democrats who must now lead us patriotically into the future.

We must rebuild the American middle class. But we can't do this by abandoning capitalism. Only by improving capitalism can we reward hard work and expand opportunity for every American who seeks it.

Capitalism has helped make America the most innovative and prosperous nation in the world. It has lifted living standards, created opportunity and helped build the strongest middle class in history. It has powered breakthroughs from the lightbulb to the microchip and fueled the ingenuity that defines our nation.

Ceding patriotism to the GOP does a disservice to our party, and more important, to our nation.

But capitalism works only when it is shaped by fair rules, open competition and a basic sense of responsibility. The answer to inequality isn't to tear capitalism down, but to make it work better for the men and women who go to work every day and want to live the American Dream of homeownership, educated children, affordable health insurance and a safe retirement.

Patriotism means recognizing that America has been a force for good. The American Revolution wasn't only a victory for the 13 colonies. It fueled struggles for independence, democracy and self-determination from Europe to Latin America. Across centuries, America's example and leadership have also shaped Japan, South Korea, Southeast Asia, Australia, Canada, and many other places.

Two and a half centuries later, America is still a beacon. We should take pride in the generations of Americans who fought tyranny, defeated Nazism and fascism, defended democracy, welcomed millions and answered the call to help nations facing war, disaster and oppression. Our country has made mistakes abroad, but few nations have done more to advance human freedom and democratic values.

None of this means Democrats must agree with every policy or action of every administration. Patriotism doesn't demand blind loyalty. It demands faith that our country is worth improving and confidence that our ideals are worth defending.

That same spirit should guide our agenda at home. Making America more affordable for working families, lowering the cost of healthcare and child care, protecting our seniors and strengthening public schools are all part of the same American project.

So are investing in infrastructure, science and clean energy; supporting workers and small businesses; securing our borders while honoring our immigrant heritage; defending voting rights and equal justice; and upholding individual liberty and the rule of law.

Together, these goals reflect a simple patriotic belief: America works best when communities are safe, opportunity is broad and every citizen has a voice in the nation's future.

We should reject both the politics of resentment on the right and ideological purity on the left. Americans are looking for practical solutions, not endless culture wars or litmus tests.

The choice Democrats face is clear. We can allow patriotism to become a partisan label, or we can reclaim a tradition that rightly belongs to every American.

Mr. Suozzi, a Democrat, represents New York's Third Congressional District.

The AI Race Pushes India Toward the West

EAST IS EAST
By Sadanand Dhume

The artificial-intelligence race between the U.S. and China could have an unintended consequence: effectively ending India's foreign-policy doctrine of strategic autonomy. Officially, India may resist aligning itself with the U.S. But like most middle powers, it has little room to maneuver.

The emergence of India, the world's most populous nation, as a de facto American tech ally affects the balance of power in Asia and beyond. This relationship could widen the gap between American AI companies and their Chinese rivals. It could also boost U.S. competitiveness in other parts of the Global South, a catchall term for underdeveloped nations in Asia, Africa and Latin America.

It won't be easy for India to accept that its near-term technological future is tied to the United States. President Trump's unpredictability has amplified longstanding Indian fears about America's reliability. Many Indian nationalists dream of India's emerging as a third technological pole to rival the U.S. and China.

This is unrealistic. India's clearest path to technological modernization requires deepening cooperation with the U.S. and its allies. But to keep this cooperation on track, Washington will need to convince India that it, unlike China, seeks a mutually beneficial partnership, not a form of digital vassalage.

For India, catching up isn't in the cards. Adam Segal, an expert on emerging technologies at the Council on Foreign Relations, points out in a phone interview that AI may soon reach the stage of "recursive self-improvement," in which the technology upgrades itself. If this happens, "the gap between the U.S. and China and middle powers will get even larger."

Mr. Segal says that if self-recursiveness happens, which many experts regard as likely, India will need to adapt either American or Chinese AI rather than develop a frontier model of its own to compete with the likes of ChatGPT, Claude or China's Qwen or DeepSeek.

New Delhi has already indicated its preference for the West. Since February, India has been a member of Pax Silica, a U.S.-led initiative that seeks to secure AI supply chains. (The name suggests an alternative to Pax Sinica, a term for a Chinese-dominated order.) Of Pax Silica's 24 signatories—25 if you include Taiwan, which is a participant but not a signatory—the vast majority are traditional U.S. allies. Eight belong to the North Atlantic Treaty Organization. Only two (India and the United Arab Emirates) belong to the 11-member Brics grouping led by China and Russia, of which India is a founding member.

Membership in rival groups embodies India's decadeslong quest to chart an independent path in foreign policy. Over the years, the nomenclature has changed—from nonalignment to strategic autonomy to multialignment—but the substance has remained the same. India abjures formal alliances, which it sees as constraints on its independence.

India is apparently comfortable with being part of U.S.-led groupings such as Pax Silica and the Quad (the U.S., India, Japan and Australia) while also belonging to Brics and the Shanghai Cooperation Organization, a security group led by China and Russia.

New Delhi has aspirations to remain neutral, but that isn't a serious option given the Chinese threat.

Indian elites romanticize the idea of India as an independent tech power. They point to India's homegrown nuclear-weapons program, which successfully tested its first weapon in 1974, and to a low-budget space program that in 2023 made India the first country to land a craft near the Moon's south pole. This confidence has been reinforced by the global success of Indian software services companies and the prominence of Indian-born CEOs leading U.S. tech firms such as Google, Microsoft and IBM.

Indian proponents of tech sovereignty point to the country's strengths. By some accounts, India accounts for about a fifth of the world's chip design engineers. Prominent companies such as Nvidia, Qualcomm and AMD have design centers in India. Add to this growing critical mineral-processing capacity, vast AI training data generated by India's large population, and the potential role of Indian IT companies in diffusing AI to less technologically advanced economies. India also boasts advanced digital infrastructure, including a biometric ID system, digital payment interface and secure storage platform.

But these achievements don't suggest that India is remotely in the running when it comes to frontier AI models. A paper published this year by the Foundation for American Innovation points out that this is essentially a two-horse race between the U.S. (which is in the lead) and China.

Most foreign investment in India's tech industries—including about $67 billion committed by Microsoft, Google and Amazon, among other things to build data centers and enhance cloud capacity—comes from American and Western-aligned companies. Geopolitics also pushes New Delhi away from Beijing: China actively claims Indian territory and tries to slow Indian progress by holding up exports of equipment and discouraging Chinese engineers working for Taiwanese firms from passing on know-how to Indians. China is also the chief patron and arms supplier of Pakistan.

"India may have a trust deficit with the U.S.," Sameer Lalwani of the Carnegie Endowment for International Peace says in a phone interview. "But with China, there's zero trust."

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Opinion

The New York Times

I’m Gay, Not Queer. It Matters.

Matthew Vines
The executive director of the Reformation Project and the author of “God and the Gay Christian: The Biblical Case in Support of Same-Sex Relationships.”

MATTHEW LEIFHEIT

IT’S been 11 years since same-sex marriage was legalized nationwide, and for most of that time, its place in American life has seemed settled. That sense of security is starting to erode. Support for same-sex marriage has dropped by 18 percentage points among Republicans since 2022, and conservative activists and lawmakers are mounting an increasingly aggressive campaign to overturn Obergefell v. Hodges, the Supreme Court case that established marriage equality as a right.

I do not take these efforts lightly. The right that some conservative Christian activists are seeking to undo is the reason I was able to marry my husband four years ago at a Baptist church in Texas — albeit one that had broken away from the traditionalist Southern Baptist Convention.

Since then, the broad support that made marriage equality possible has grown more vulnerable. This is in part because a key message behind it — that being gay is not a choice — is being undermined by those who argue that same-sex orientation is better thought of as a part of a wider rebellion against social norms.

This worldview is best expressed in one word: “queer,” which is often used interchangeably with “gay” these days. The two words don’t mean the same thing. And in that difference lies a danger for our hard-fought equality.

I came out as gay in 2010 after being raised in an evangelical church in Wichita, Kan., where homosexuality was considered a sinful choice. Two things helped me change my mind. First was a painstaking study of Scripture. All six of the Bible’s references to same-sex relations are negative, but the lustful and exploitative same-sex practices those passages describe differ fundamentally from same-sex marriages today that are based on lifelong love and commitment.

The other thing that shaped my view was the public argument for gay rights at the time. The message from leading marriage equality advocates was simple and clear: Being gay is neither chosen nor changeable, and gay people deserve the same legal protections and chance at happiness as everyone else.

The faithful relationships highlighted by the campaign for marriage equality helped me see that same-sex love could be just as profound and enduring as heterosexual love. They were in keeping with a core biblical idea about marriage: that it is a covenant designed to reflect God’s self-giving love for humanity through the sacrificial love of spouses for each other.

This is, I admit, a far from radical vision of gay relationships. Which brings me to “queer.”

A catchall term hurts acceptance of same-sex orientation as an innate trait.

The shift toward “queer” has been remarkable and has coincided with a broader shift toward polarization in our society over the past 15 years. In 2009, a majority of gay men and lesbians reported negative feelings about “queer,” with only about one in five gay men viewing it positively. As a result, gay rights leaders and allies largely avoided it. But in 2025, 48 percent of L.G.B.T.Q. people said they thought of themselves as “queer,” including nearly 60 percent of those under 30.

Progressive activists, organizations and major media outlets now routinely use “queer people” as an umbrella label for everyone who isn’t heterosexual, often paired with “trans” to encompass the broader L.G.B.T.Q. population.

What’s in a word? It’s more than just a shift in linguistic fashion. “Queer” carries an adversarial charge that “gay” does not, and that charge has a specific intellectual lineage.

In 1990, an activist group called Queer Nation published a manifesto exhorting gay people to call themselves “queer.” Its rationale was that “gay” was “a much brighter word” and that “queer” better conveyed the anger and disgust they felt at how society treated gay people: as marginal others whose deaths barely mattered.

That sentiment had an understandable resonance at the height of the AIDS epidemic, but the us-versus-them posture it represented has outlived that crisis.

This oppositional framing of “queer” achieved its most enduring influence through the rise of queer theory. In that academic context, “queer” did not simply mean “gay or bisexual.” It meant “anti-normative” in a sweeping sense.

As the queer theorist David Halperin wrote, “Queer is by definition whatever is at odds with the normal, the legitimate, the dominant.” By that standard, same-sex relationships could be queer, but so could open marriages, prostitution and public sex, even when heterosexual.

To be fair, “queer” has certain advantages. It is more economical than “L.G.B.T.Q.I.A.+,” and its openness can feel freeing to those ill at ease with the binary nature of “gay” and “lesbian.” I have friends who are transgender, or married to someone who is, who find “queer” a more comfortable fit for that reason.

But the capaciousness that makes “queer” appealing to some also makes the term remarkably easy for anybody — regardless of orientation — to adopt as a kind of radical chic identity label. Because the word “queer” can describe any departure from social norms, it becomes an open door through which almost anyone can walk. Polyamorous? Queer. Vaguely uncomfortable with gender expectations? Possibly queer, too.

That elasticity has helped fuel a sharp rise in young people identifying as something other than straight, even if they are unlikely to ever pursue a same-sex relationship. Some of this increase represents people who were previously closeted but are now free to be honest about their sexual orientation, which is a welcome development.

But the broader trend of casting the queer net ever wider has muddled a once-clear public message about who gay people are. Being gay begins to look less like an inborn trait and more like a chosen ideology or aesthetic.

Subsuming the fixed reality of gayness under the much more malleable banner of queerness undermines a core premise behind gay rights: that sexual orientation isn’t chosen. And polling suggests that premise is, indeed, being weakened; the share of Americans who believe people are born gay has declined over the past decade.

In a time of backlash, this is not a confusion that gay people can afford, especially those of us who live in red states and religious communities. In my work with the Reformation Project, which advocates the acceptance of same-sex relationships in the church, I have watched conservative Christians grow noticeably more guarded in recent years.

Even those who had, however reluctantly, made their peace with same-sex marriage being legal have become increasingly alarmed by their sense that the L.G.B.T.Q. movement lacks clear limiting principles. And while the sharp recent drop among Republicans in support for marriage equality is only part of a larger ramping up of culture-war populism, losing the clarity and moderation of the message that once appealed to a majority of them cannot have helped.

As a 19-year-old, I found freedom by coming to understand that there is nothing inherently radical or subversive about being gay. Watching committed same-sex couples be welcomed into the institution of marriage transformed my sense of self-worth, allowing me to envision for the first time a dignified future as an openly gay person.

It showed me that something never before possible for gay people now was for me: I could fall in love and build a life with someone without being confined to the closet or shunted to the margins of society.

The gay rights movement changed the world — and changed my life — by showing that being gay is not a rebellion against ordinary life. It is simply one way of living it, every bit as dignified and human as being straight. As support for gay rights begins to wane, we urgently need to regain the clarity of that simple, transformational message.

America Deserves to Know What’s in Jack Smith’s Report

Jameel Jaffer
The executive director of the Knight First Amendment Institute at Columbia University.

DAMON WINTER/THE NEW YORK TIMES

THREE years ago, the Justice Department indicted Donald Trump under the Espionage Act for concealing and refusing to return classified documents after his departure from the White House. Mr. Trump hasn’t had to face trial, and he hasn’t had to fully account to the public for his actions, either.

The Justice Department abandoned the case against Mr. Trump after he won the 2024 election, citing a longstanding departmental policy against prosecuting sitting presidents. Since Mr. Trump returned to the White House, the Justice Department has worked hand in glove with his current lawyers to suppress the department’s report about its investigation of his actions.

Judge Aileen Cannon of the U.S. District Court for the Southern District of Florida, a Trump appointee who presided over Mr. Trump’s case, issued an order prohibiting the Justice Department from disseminating the report — and effectively prohibiting Jack Smith, the special counsel who wrote it, from speaking about it publicly or even testifying about it to Congress.

Judge Cannon’s order should be vacated and Mr. Smith’s report released. There is a respectable argument for sparing a sitting president the burden of defending himself from criminal charges, but if presidents are to be immune from prosecution while in office, it’s all the more important that Congress and the public have access to the information that would empower them to hold the president accountable in other ways.

The Justice Department began its investigation of Mr. Trump in early 2022 after the National Archives and Records Administration discovered that some of the records he had taken from the White House were classified. Later that year, when Mr. Trump declared himself a candidate for the presidency, Attorney General Merrick Garland appointed Mr. Smith as a special counsel to take over the investigation — a move meant to ensure the investigation’s political independence.

Mr. Smith eventually sought an indictment in the Southern District of Florida, and in June 2023 a grand jury returned one. Mr. Trump was accused of taking documents to Mar-a-Lago, lying about whether he had them, showing them to people not authorized to see them and refusing to return them even after having been served with a subpoena.

The indictment also charged Mr. Trump’s valet, Waltine Nauta, with helping him conceal the documents. Just over a month later, a superseding indictment added charges against Mr. Trump, Mr. Nauta and Carlos De Oliveira, Mr. Trump’s property manager at Mar-a-Lago.

If a jury had convicted them on these charges, Mr. Trump’s associates would probably have been sentenced to substantial prison terms, and Mr. Trump might have spent the rest of his life behind bars.

The Justice Department policy that spared Mr. Trump this possible fate — the policy against prosecuting sitting presidents — originates in a legal opinion that the department’s Office of Legal Counsel wrote in 1973 and reaffirmed in 2000. It stems mainly from the concern that requiring a president to answer criminal charges would compromise his or her ability to discharge the duties of the office.

The department’s lawyers reasoned that it would be “incongruous” to allow a jury of 12 citizens to interfere so profoundly with a president’s ability to govern. They concluded that if a president’s mandate was to be terminated, it should be through impeachment.

It is no surprise, given this policy, that Mr. Smith abandoned the prosecution once Mr. Trump won election to return to the White House. But the suppression of Mr. Smith’s report is highly irregular and disturbing.

After the Justice Department abandoned the case against Mr. Trump in 2024, Mr. Smith completed his report and submitted it to the attorney general, as departmental regulations required. Mr. Trump and his co-defendants asked Judge Cannon to issue an order prohibiting the Justice Department from disseminating the report, contending that its release would compromise Mr. Nauta’s and Mr. De Oliveira’s rights to a fair trial.

In January 2025, Judge Cannon issued the order, even though Justice Department regulations authorized the attorney general to release the report, even though Mr. Smith had created a version of the report that minimized the identification of witnesses and co-conspirators and redacted other sensitive information, and even though Mr. Smith himself had made clear that the report should not be released to the public while the charges against Mr. Nauta and Mr. De Oliveira remained pending.

In February 2025, the Justice Department dropped the charges against Mr. Nauta and Mr. De Oliveira, making the concerns about their fair-trial rights moot. But just a few months ago, Judge Cannon reaffirmed her order, this time contending Mr. Smith had been appointed unconstitutionally and that therefore his report should be suppressed forever.

A judge’s order of secrecy creates an incoherent situation.

The current Justice Department, controlled by lawyers who have shown repeatedly that they are more loyal to Mr. Trump than to the rule of law, has made plain that it will not release the report even if Judge Cannon lifts her order; in one brief, department lawyers wrote that the report “belongs in the dustbin of history.” (Todd Blanche, the acting attorney general whom Mr. Trump has nominated to lead the Justice Department, was Mr. Trump’s lead counsel in the classified documents case.)

But Judge Cannon’s order does more than just constrain the Justice Department; it has also blocked civil liberties and news organizations from securing the report under the Freedom of Information Act.

The Knight Institute, which I direct, requested the report under the act last year; the Justice Department pointed to Judge Cannon’s order to justify rejecting our request. A federal judge in New York dismissed a similar request made by The New York Times on the grounds that Judge Cannon’s injunction could be challenged before Judge Cannon or not at all.

As it happens, Judge Cannon may have inadvertently provided a way to force the report’s disclosure. Before barring the Justice Department from releasing the report, she insisted on reviewing the report herself. That brought the report within the scope of the First Amendment, which gives the public a presumptive right of access to most judicial hearings and related documents.

Judge Cannon rejected a petition filed by the Knight Institute asserting a First Amendment right of access to Mr. Smith’s report, but we have appealed her ruling. The U.S. Court of Appeals for the 11th Circuit has said it will hear oral argument in the fall.

Mr. Smith investigated Mr. Trump for conduct that appears to have entailed an astonishing betrayal of the public’s trust as well as the nation’s security. Legislators and ordinary citizens should have the opportunity to read the report for themselves.

It is incoherent to immunize the president from prosecution on the theory that he can be held accountable through the political process — and then to deny Congress and the public information that would help them do so.

COLUMNIST | **MICHELLE GOLDBERG**

‘Moderate’ and ‘Electable’ Are Not Synonyms

BILL CLARK/CQ-ROLL CALL INC., VIA GETTY IMAGES

THE THREE-WAY Democratic Senate primary in Michigan is a remarkably precise microcosm of the divides within the Democratic Party. Representing the Bernie Sanders wing is Abdul El-Sayed, a proponent of Medicare for all who supports abolishing ICE and cutting off weapons to Israel. The candidate of the Democratic establishment is the passionately pro-Israel congresswoman Haley Stevens, backed by the Senate minority leader, Chuck Schumer. Between them is the liberal state lawmaker Mallory McMorrow, endorsed by progressive senators including Elizabeth Warren and Chris Murphy.

Most recent polls show El-Sayed ahead, reflecting a Democratic electorate that's increasingly furious with party leaders and open to left-wing insurgents. His lead has panicked some centrist Democrats. According to The Wall Street Journal, Michigan's retiring Democratic senator, Gary Peters, is telling people that McMorrow, running a distant third in recent polls, should consider leaving the race so that Democrats can coalesce around an alternative to El-Sayed before the election in August. “The chatter is growing louder that you should drop out,” a CNN host told McMorrow last week.

Behind that chatter is the assumption that Stevens represents the Democratic Party's best hope of holding a crucial Senate seat. But while the case for her candidacy rests on electability, it's far from clear how electable she really is. Mainstream Democrats like Schumer have a theory about the kind of candidates who can win in purple states, but that theory might be outdated.

Conventional wisdom holds that moderates outperform progressives in competitive elections. Though there's a robust academic debate about whether this is really true, it's easy enough to find anecdotal evidence. The most progressive candidates generally come from deep-blue districts, while candidates who flip Republican-held seats — like Marie Gluesenkamp Perez in Washington State and Tom Suozzi in New York — tend to be more centrist. In a May New York Times/Siena poll, Democrats and Democratic-leaning independents wanted to see their party move left on economics but become more moderate on crime and immigration.

So all things being equal, an air of moderation is most likely an advantage in purple states. But in Michigan, all things are not equal. Stevens is not a particularly adept politician. Many of her views are out of step with both Democratic and independent voters in ways that could hurt turnout. She's a creature of the Democratic establishment at a moment when that establishment has never been more reviled.

In 2022, Stevens defeated Representative Andy Levin, a Jewish liberal Zionist targeted by AIPAC for his support for a Palestinian state. AIPAC spent heavily in the race, and when Stevens won, the group crowed, “Being pro-Israel is both good policy and good politics!” In office, Stevens has been a consistent champion of the Jewish state. “Israel comes to me in my dreams!” she shouted in a viral 2023 speech.

Haley Stevens is seen as the status quo, and voters may want change.

Whatever your views on policy, however, it's increasingly hard to argue that being pro-Israel is good politics. A February Gallup poll found that, for the first time since at least 2001, more Americans — including more political independents — sympathize with the Palestinians over the Israelis.

In Michigan's Senate primary, AIPAC is once again spending lavishly on Stevens's behalf, but its support could become a liability, particularly in a state with the country's highest share of Arab Americans. It's not hard to imagine that some of the voters who declined to back Kamala Harris in 2024 because of the war in Gaza might also refuse to vote for Stevens.

A poll done in June for Common Defense, a progressive veterans group that has endorsed El-Sayed, tested each of the three Democratic primary candidates against the presumptive Republican nominee, Mike Rogers. It found each of them narrowly ahead, but Stevens's margin — 43 percent to Rogers's 42 percent — was the thinnest, a result of weak support among the most left-leaning voters.

Obviously, polls by interest groups need to be taken with several grains of salt. But Adam Carlson, whose firm Zenith Research conducted the survey — and who had been a vocal supporter of McMorrow on social media — insists that he doesn't shape his research to fit his clients' narratives. (If clients don't like his results, he says, they can refuse to release them.)

His poll for Common Defense showed El-Sayed faring best against Rogers, with 45 percent of the vote. It was a finding in keeping with what he's witnessed in focus groups nationwide. “I have never seen this level of anger, frustration, discontent and anti-elite, anti-billionaire populist sentiment,” he said.

Stevens is on the wrong side of this sentiment in several ways. Unlike El-Sayed and McMorrow, she accepts money from corporate PACs, including those in the finance and insurance industries. While both of her opponents have released ambitious plans to regulate artificial intelligence, Stevens offers optimistic bromides about the technology. “We know that we've got to compete against China, and the way we are going to win the future is from a place called Michigan,” she said during a debate in May.

It makes perfect sense for people who agree with Stevens about salient issues to vote for her. What makes less sense is the conviction that she's uniquely well positioned to win in November. Michigan currently has six Democrats in the House. As the writer Matt Yglesias, usually a strong advocate of centrism, pointed out, in 2024 Stevens had the worst wins-above-replacement rating — a measure that uses partisan dynamics to compare candidates' expected margin of victory with their actual performance — of any of them.

“I think moderation and policy positioning are incredibly important, but they're not *all* that matters in politics, and Stevens is literally a worse performer than Rashida Tlaib,” the left-wing congresswoman from Detroit, he wrote last year.

It's perfectly understandable for mainstream Democrats watching this race to be anxious. *I'm* anxious. But when the electorate is this unhappy, it's not necessarily safe to stick with the status quo.

LETTERS

Dark and Light: Words for the Fourth

TO THE EDITOR:

I was deeply moved by “What Is the ‘Spirit of Liberty’ Today?,” by Bret Stephens (column, July 1).

I am, by good fortune, a third-generation American who remembers well that my grandparents salvaged little and gained much when they escaped growing tyranny in 1920s Eastern Europe.

There were dark days then, as there are dark times now. Democracy was under threat then, as it is, shockingly, now. Mr. Stephens's words gave me much needed reason to believe that we the people are, still, the masters of our own destiny.

DAVID RODMAN
BOULDER, COLO.

TO THE EDITOR:

Reading this beautifully written column has made me feel depressed. The president and his sycophants represent everything that goes against what Bret Stephens has so eloquently expressed about our nation as we prepare to celebrate this special anniversary on July 4.

ROBERT D. DIAMANT
STATEN ISLAND

TO THE EDITOR:

Bret Stephens has written one of the most concise and sorely needed essays for these times. It eloquently summarizes the ideals, values and ambitions that have inspired all Americans, native born and immigrant, that have been at the heart of my love for this country, the home of my birth but not of my ancestors.

Now in my mid-70s, I have learned that tolerance and respect for all people who make up our country are the best practices for contributing to the worthy goals Mr. Stephens has enumerated.

JON E. SIITERI
SACRAMENTO

TO THE EDITOR:

Re “Reflections on an Imperfect America at 250” (letters, June 30):

I remember when America, sailing ships and nations from around the world stood tall together.

I was 8 and my little brother 6 when our parents took us to see the tall ships arrive in New York in July 1976, as part of Operation Sail to celebrate America's 200th birthday.

I'll never forget sitting by the Hudson River with our toes in the water as we watched schooners and square-rigged ships from around the world sail out of the history books (and my bedroom filled with Horatio Hornblower novels) and into New York to honor the bicentennial.

This July, I choose to remember the summer of 1976, the tall ships and the feeling of international friendship and even joy we felt in that bygone era.

I still love this imperfect country.

SEAN CARPENTER
FORT COLLINS, COLO.

Teach Kids (and Parents) How to Eat Better

TO THE EDITOR:

Re “The Deck Is Stacked Against Healthy Eating,” by Jessica Grose (Opinion, June 19):

It is good to see that the risks associated with consuming an abundance of ultraprocessed food are being put front and center. It is one of the rare topics in the field of nutrition that have achieved near-universal consensus.

Multiple approaches have been introduced to encourage a shift from ultraprocessed to minimally processed food, although their success to date has been minimal.

One option that has failed to gain traction but that has the potential to yield long-term benefits is instituting mandatory food and nutrition education, at age-appropriate levels, from grades K through 12.

We know that the current environment makes it difficult to make healthy choices. Why not create a generation that can at a minimum distinguish ultraprocessed from minimally processed food?

ALICE H. LICHTENSTEIN
BOSTON

The writer is a professor of nutrition science and policy at Tufts University.

TO THE EDITOR:

Jessica Grose's essay about ultraprocessed foods and the way they are marketed as tobacco was, and still is, hits all the important points.

As a pediatrician for more than 40 years, I have always believed that the only way we can shift eating choices away from addictive sugar and salt is by focusing on prenatal care.

Teaching parents that their own eating habits may, in the long term, harm their babies and helping them learn how to make healthier choices has to be a major part of this work.

BARBARA GOLD
PHILADELPHIA

The Times welcomes letters from readers. Letters must include the writer's name, address and telephone number. Those selected may be edited, and shortened to fit allotted space. Email: letters@nytimes.com

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COLUMNIST | **NICHOLAS KRISTOF**

U.S.A.I.D. Cuts Killed People. That's the Truth.

ELON MUSK IS newly minted as humanity's first trillionaire, but the world's richest man seems grumpy. And he definitely is not a fan of mine.

“Kristof is lying through his teeth,” he announced on social media this week.

I got on his nerves for pushing back at his claims that his demolition of the United States Agency for International Development last year did not cost lives. The fracas began after Representative Ro Khanna, a California Democrat, said that Musk had “possibly sentenced to death” a large number of children, and Musk retorted that it was “time to sue this liar.”

“There is not even a single dead child!” Musk protested on social media. I noted that I had met many families of children who had died — and that's when he concluded that I was lying.

Musk's assertion that not a single child died is absurd, yet he doubled down: “They cannot cite a single name of someone who died out of the ‘millions’ they falsely claim have died. Not a single name!”

On X, I began to give Musk some names. Let me elaborate:

Jibia was a 10-year-old girl, ranking third out of 58 students in her fourth-grade class in Rwamwanja, Uganda. Aid cuts meant that the local clinic ran out of $2 bed nets to protect from mosquitoes, as well as anti-malaria medicines. Jibia died of malaria last July, her mother told me outside the family home.

Medical records confirmed that, and health workers told me that she would have been fine without the aid cuts: Replacing her tattered bed net with a new one could have prevented malaria, and in any case, drugs would have helped her to recover promptly.

Yamah Freeman hemorrhaged while pregnant with her third child in her village in Liberia. The United States had provided ambulances to the local hospital, but the aid cuts under Musk and President Trump meant that the ambulances had no fuel.

The strongest young men in the village placed her on their shoulders and raced down the path toward town, shouting encouragement to her as they ran, but she bled to death along the way. Her parents and sister told me about this, and I visited her grave.

Achol Deng, 8, had been infected with H.I.V. at birth in South Sudan but had been kept alive by American-provided medicines costing just 12 cents a day. The dismantling of U.S.A.I.D. and the resulting chaos meant that she lost her caseworker and access to medicines, and soon died of an opportunistic infection, health workers told me.

I could keep going. A Boston University researcher estimated that the aid cuts have cost more than 750,000 lives worldwide. A study published in The Lancet, the British medical journal, forecast that at present rates, the aid defunding will cost 9.4 million lives by 2030.

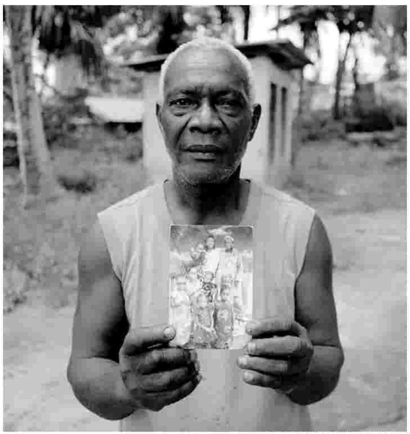
These figures may not be accurate; we just don't have solid mortality data, and the aid cuts have also reduced data collection. What I can say after visiting numerous impoverished villages is that aid cuts are unquestionably costing the lives of many children.

Some prominent conservatives leaped to the defense of Musk, saying in effect: *Why is it our job to save the lives of children in South Sudan? Why don't rich liberals write checks? Why don't other countries do more?*

Those are fair questions. But if any of us came across an ambulance that had run out of gas with a hemorrhaging woman inside, surely we would happily hand over a $10 bill to save her life.

Until Trump's second term, American aid cost just 23 cents for every $100 of gross national income and saved a life approximately once every 10 seconds. Seems like a bargain to me. Certainly it appears wiser than spending billions of dollars on a war with Iran.

Musk asked for victims' names. Here are some.



SAIDU BAH FOR THE NEW YORK TIMES

Yamah Freeman, at center of top row in a photo held by her father, Moriba Freeman, bled to death while being carried on men's shoulders to a hospital.

I say “wiser” because all this is not just about compassion but also about self-interest. Aid money serves national security and protects us from diseases. I've noted that the current Ebola outbreak in Africa may have gotten out of control precisely because we cut aid spending in the region.

Yes, other countries should do more, impoverished countries should be less corrupt, and our own aid can be allocated more wisely. But note that some countries in Europe are significantly more generous than America, spending up to 10 times as much on aid as a share of national income as we do.

Should liberals donate more to humanitarian causes? Sure. But compassion isn't a liberal impulse — it's a human one. It was evangelicals and Republicans who in 2003 started the single best aid program ever, the President's Emergency Plan for AIDS Relief, or PEPFAR; it has saved more than 26 million lives so far. Some of the most heroic aid workers I've met in dangerous locations have been Christian missionaries, from nuns to doctors; they would dispute the idea that empathy is woke.

It's reasonable to ask how much we should spend or how we should reform the system. But why would anyone begrudge $2 bed nets or $4 malaria vaccines to save children's lives?

So let me offer a challenge to Musk: Come with me on a reporting trip to South Sudan or Somalia or Mozambique. Meet starving children whose lives can be easily saved. Hold them. Look into their eyes. Talk to their terrified moms.

You'll understand that these kids are just like ours, except that they didn't do as well in the lottery of birth — and that just because we can't save every child's life doesn't mean we should save none of them.

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Supreme Court checks Trump, but empowers presidency

Despite losses on tariffs and birthright citizenship, the executive is stronger now

There is much to be relieved about in the US Supreme Court term that ended this week. Chief Justice John Roberts marshalled a shifting coalition of justices to block President Donald Trump's most outrageous power grabs. These included his abuse of emergency tariff powers, blatant rewriting of citizenship requirements and shocking effort to fire US Federal Reserve governor Lisa Cook.

America's top court has made clear that Trump cannot single-handedly rewrite laws or the Constitution to fit his pro-tariff and anti-immigrant agenda. It has also shored up the independence of the world's most important central bank. But the votes were worryingly close — 5-4 on Cook and on the constitutional basis of birthright citizenship, and 6-3 on tariffs — and the three liberals are the only consistent votes against overweening presidential power.

The six Republican appointees continue to push the US right's decades-long project to reshape the government by hobbling the administrative state and concentrating power in the executive. Their willingness to jettison generations of case law and to undo key parts of the New Deal and the Civil Rights movement is less conservative than reactionary.

Although the court protected Cook, it allowed Trump to fire Federal Trade Commission Rebecca Slaughter without cause. That landmark decision overturns a 90-year-old precedent and kneecaps Congressional laws protecting the independence of federal watchdogs. The result will be more politicised and less predictable regulation.

This term also saw decisions giving Trump broad discretion to change immigration policy and expel settled asylum seekers, and cleared the way for political parties to co-ordinate spending with their candidates. The majority took another giant whack out of the seminal 1965 Voting Rights Act with a ruling that makes it much harder for minority voters to challenge legislative maps. Combined with earlier rulings that greenlight political gerrymandering, these rulings open the door to all manner of monkeying with the American electoral process.

Global experience with would-be autocratic leaders shows that free and fair elections and courts willing to check presidential power are critical to protecting a democratic future. In Brazil and South Africa, among others, high courts have held leaders accountable for misdeeds done on their watch. Strongmen elsewhere understand this. China's Xi Jinping and his proxies have denounced the "false western ideal" of an independent judiciary.

The Roberts court's record so far is mixed. The 2024 decision that granted Trump immunity from prosecution for official acts in his first term has empowered the president to take even more extreme positions now that he is back in office.

> The six Republican appointees continue to push the US right's decades-long project to reshape the government

This term's decisions suggest that constitutional guardrails continue to hedge Trump in. But they are fragile and being undermined by the rightwing campaign to shift power to the presidency at the expense of Congress and independent regulators.

Justice Sonia Sotomayor's dissent in the Slaughter case is chilling. Observing that the independent agency structure has been accepted since the early 1930s, she writes "the Court discards that democratic regime in favour of one that distorts the structure of Government to fit the majority's theory of unitary, total executive control. The result is a President who emerges with far greater power than ever before."

As the nation prepares to celebrate the 250th anniversary of throwing off the yoke of monarchy, it is a shame that the Supreme Court majority seems bent on recreating one.

Opinion Asia

What ice cream pricing tells us about Japan

Maria Hergueta

Leo Lewis

Jumbo, Papico, Hapifull and Parm. To a child on a hot summer's day, four delicious deities in Japan's vast pantheon of frozen treats; to the country's antitrust regulator, four horsemen of the a-popsicle-ypse.

The two contrasting viewpoints matter greatly at an unsettled time. A fair trade investigation into price-fixing cartels has been launched and things have turned decidedly dark in Japan's $4bn ice cream industry. The reasons reverberate far beyond the freezer cabinet.

Last month, the Bank of Japan managed to restore a policy interest rate of 1 per cent for the first time in 31 years: a major milestone on the path of monetary "normalisation". The immediate practical impact of getting to 1 per cent may be modest, but the psycho-symbolic effect is considerable. It's easy to underestimate how deeply deflation shaped almost two full generations of leaders, followers, innovators and consumers, and how brutal the wrench of correction.

> Deflation set an illusion that companies are on the side of consumers, and the unravelling is painful

The BoJ's policy rate has put a sharper focus on just how much disruption is going on as Japan absorbs the prospect of permanently rising prices. It comes, too, with questions about the national relationship with capitalism that have evaded serious interrogation in Japan for years.

Which is where fear, loathing and ice cream come in. In 2024, Akagi Dairies splashed out on TV adverts in which a phalanx of senior executives and factory staff bowed deeply to customers, apologising for an impending price increase (a swingeing 5p) on their popular Garigari ice lollies. They had done the same when they raised prices in 2016 but this time, Akagi said in a press release, "we are expressing a deeper sense of apology".

So far, so self-flagellatory. The food industry in the past few years has been a shopfront for the vulnerabilities of a country whose currency is weak and whose labour-starved economy depends on imports of energy, food and other commodities. It has been plausible for Japanese companies to raise prices with a tone of powerless regret, helpful in their efforts to appear on the side of consumers.

But a price-fixing probe, launched by the Japan Fair Trade Commission last month and targeting six of Japan's biggest ice cream makers with office raids, casts a less wholesome complexion on all this. The raided companies, which include Akagi, Morinaga, Meiji and Lotte, are suspected of collusion on the timing and size of ice cream price increases dating back over a number of years. Implicit in the local reporting of the commission's probe has been the idea that the alleged cartel conspired to raise prices beyond a notional inflation rate suggested by prevailing economic conditions. They got greedy, in other words, or perhaps became so on behalf of shareholders.

The outcome of the investigation, months away, may matter less than the fact it's happening at all: companies are under greater pressure to be more profitable, while still working through the mindset-warping distortions of the deflationary era.

If the JFTC's suspicions are correct, nobody will condone price-fixing. Still, three elements of the probe jump out. The first is the statement of weakness inherent in any one of those ice cream companies entering a cartel. Timidity was a disease caused by deflation, and its symptoms appear to persist. To engage in price-fixing means you know your product is not good enough to hold market share through a unilateral price rise — this same risk aversion underpinned the deflationary period, was ingrained in corporate dogma and may yet take years to unlearn.

Second, there is the cognitive dissonance felt by executives who spent the past 25 years being told it was crucial for Japan to return to inflation while being conditioned to practise a form of capitalism that coddled consumers and preserved jobs. Now inflation is back, price-hikers and profit-seekers are the bogeymen. Deflation created a multi-decade illusion that companies are naturally on the side of consumers, and the unravelling is painful.

The third is the implied challenge for the government as the ructions of exiting deflation become more severe. If ice cream makers — as avatars of all consumer-facing businesses — are now instinctively looking to raise prices faster than input inflation, consumers and the authorities may fume even as investors applaud.

Under deflation, the government got used to companies picking up the tab for a stable cost of living. Stagnant prices were, in effect, a tax cut for consumers funded from corporate profits. Strip that away and it becomes clear why the government is now planning to cut VAT on food: Japan is entering the inflationary era much faster than it has mentally prepared for.

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Letters

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The right lesson to draw from New York's AI power squeeze

John Gapper's visit to the Northport power plant makes for vivid reporting ("New York's rethink on green power carries lessons for the UK", Opinion, June 23), but the policy lesson he draws is the wrong one.

New York isn't in trouble with data centre electricity needs because its green targets are too ambitious but because the Trump administration has systematically sabotaged them. Most notably, the White House has killed 8GW of scheduled wind power off the coast of New York State — several times the state's data centre queue.

New York's clean energy targets deserve defending on their own terms. According to Lazard, utility-scale solar and onshore wind are already the cheapest forms of new-build electricity generation on an unsubsidised basis. Offshore wind costs more upfront but, like its onshore equivalents, its fuel is free and carries no commodity price risk. After the Strait of Hormuz crisis, locking in new gas capacity looks less like pragmatism and more like a compounding liability.

On speed, the fast fix is no longer gas. Utility-scale solar and onshore wind take six to 12 months to build, while offshore wind requires 24 months. Build time for a combined-cycle gas plant is 30 to 48 months, and that is after the wait-list for turbines, which now stretches into the early 2030s.

The more important question, which Gapper almost asks, is who pays. Not only should data centres cover grid upgrade costs, as National Grid New York's Sally Librera points out; they should be required to bring enough clean power to meet their own needs and benefit local residents too. The alternative, locking in new gas, means costly and polluting stranded assets and bills that keep rising with the gas price. That is the lesson for the UK: put the right rules in place before the data centre queue forms, so that their enormous appetite for electricity finances a massive build-out of renewables and drives down electricity bills for everyone.

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Bill McKibben
Schumann Distinguished Scholar and Founder of Third Act, Ripton, VT, US

British defence contractors need clear demand signals

The debate over the UK's Defence Investment Plan has understandably focused on how much funding can be secured from the Treasury (The FT View, July 1). Yet for much of the UK's defence industrial capacity, particularly small and medium-sized enterprises, the greater cost may prove to be delay rather than reduced spending.

In my experience working with tier 2 and tier 3 contractors, companies can adjust to smaller than expected orders if they receive clear and timely decisions. They can scale production, manage investment and offer certainty to their suppliers. What they cannot easily manage is prolonged uncertainty over whether contracts will materialise at all, or in what quantity. For those seeking to expand manufacturing capacity, recruit skilled workers or invest in supply chains, delayed procurement risks becoming more damaging than lower procurement.

Lost time cannot be recovered in the way funding can be over the course of a decade. So if the government wishes to strengthen Britain's defence industrial base, providing clear demand signals may be just as important as the headline spending figures.

Ben Ballard
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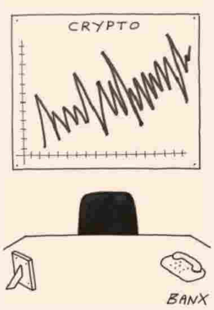

Remember, the euro was the UK's biggest opt-out

It may be that the gap between Messrs Wolf and Sandbu is wider than your letter writer suggests ("Brexit — 10 years on", Letters, June 19).

Martin Wolf (Opinion, June 8) rightly stresses the extent to which our previous hard won opt-outs are unlikely to be secured in a rejoining negotiation. He fails, however, to flag the most important opt-out of all — namely membership of the euro.

New EU entrants are required to sign up to join the euro when, broadly, they have met the convergence criteria. But, surely, making such a commitment is likely to be a deal-breaker for much of the UK electorate for rather longer than the 10 years Martin Sandbu (Opinion, June 15) appears to have in mind? Or perhaps Rejoiners think that UK voters concerned about or opposed to euro membership could be placated through the ploy of not meeting the convergence criteria (as apparently others have done)?

Peter Beales
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'One in, one out' devolution

Re Andy Burnham's plan to devolve power from Westminister if he becomes prime minister ("Radical localism alone won't fix the UK economy", The FT View, June 30), I am a supporter in principle of localising decision-making.

In practice, however, it tends to mean local decision-making and its associated costs "as well as", rather than "instead of", central government decision-making and its costs.

The result is more bureaucracy, not less. To make this work a one in, one out rule should apply. One local bureaucrat in, one central government bureaucrat out. One pound spent locally, one pound less spent centrally.

Jonathan King
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OPINION ON FT.COM
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OUTLOOK
ROME

Through saints and symbolism, the Pope sends his message

by Amy Kazmin

As the United States celebrates the 250th anniversary of its declaration of independence, one of its most famous sons will be elsewhere.

Pope Leo XIV, the Chicago-born Catholic spiritual leader, declined an invitation from the White House — hand-delivered by vice-president JD Vance — to visit the land of his birth for the milestone July 4 celebrations.

Instead, Leo will spend the day on Italy's Mediterranean island of Lampedusa, the landing point for many migrants and refugees from Africa and the Middle East struggling to reach Europe in search of a better life.

Once again, the Vatican has chosen to communicate its views through symbolic language, much of it drawn from European history and the Catholic saints.

"The fourth of July is a signal saying 'we in the Vatican know what you are trying to do in America, we don't like it, and we think it's dangerous'," says Massimo Faggioli, a professor of theology at Philadelphia's Villanova University, the Pope's alma mater.

Contemporary popes have often used gestures to telegraph their beliefs on pressing political issues. Leo's predecessor, Pope Francis, once carried 12 Syrian refugees from a camp on the Greek island of Lesbos to Italy aboard his papal plane. He also kissed the feet of South Sudan's warring leaders in a plea for peace.

Pope Leo, a multilingual man of words, is less prone to theatrics but he has continued the non-verbal Holy See tradition in his still-simmering ideological clash with US President Donald Trump.

Take US secretary of state Marco Rubio's fence-mending visit to the Vatican in May, shortly after Trump criticised Leo on social media for being "weak on crime" and "terrible for foreign policy".

Within the church, parallels were drawn to a historic episode in 1077, when Emperor Henry IV — who had challenged the pope's spiritual authority — travelled to the Italian town of Canossa, where he is said to have knelt for three days in the snow, waiting for Pope Gregory VII to emerge from a castle and pardon him.

Rubio's trip to Rome was considered a "come to Canossa" moment for a White House seen as having profoundly transgressed.

The Vatican extended full diplomatic courtesy to Rubio, who is a practising Catholic, even allowing his motorcade to approach St Peter's on the normally pedestrianised Via della Conciliazione, or the path of conciliation.

But while Rubio's meeting with Leo was headline news around the world, L'Osservatore Romano, the official Vatican newspaper, carried no report of the encounter on its front page.

"There was nothing to say," said Francesco Sisci, director of the Appia Institute, a Rome think-tank with ties to the church. "One of the rules of diplomacy is you only say nice things."

Last month, Trump attempted a diplomatic outreach to US Catholic bishops, declaring that "the love of Jesus Christ has stood at the centre of our identity". In his message he invoked the Vatican's historic alliance with Washington in the battle against "the godless forces of Soviet communism", suggesting they join his fight against "a new set of menacing ideologies seeking once again to cast God out of society".

But Faggioli says the Holy See is affronted by the White House's efforts to put a Christian veneer on Maga nationalism: "Being a Christian cannot be bent into some kind of nationalistic mythmaking thing like what is happening in the US right now."

Just a few days later, Leo visited the Italian town of Sant'Angelo Lodigiano, the birthplace, in 1850, of Francesca Cabrini, who travelled to the US as a missionary and died a naturalised US citizen in Chicago in 1917.

Cabrini initially served impoverished Italian immigrants, who flocked to the US in the late 19th century, later travelling the globe building schools, hospitals and orphanages for the poor. Canonised in 1946, she is the first American saint, revered today as the patron saint of migrants.

Leo exalted Cabrini — urging people to study her life and writings to better understand what it means to serve God. The message was not hard to decipher.

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Opinion

By attacking immigrants, South Africa is destroying itself

Dele
Olojede

On Tuesday, thousands of Black South Africans marched in the streets demanding that fellow Black Africans, whom they have deemed "illegal", must immediately leave the country. So far, the worst fears of widespread anti-immigrant violence seem to have been avoided. President Cyril Ramaphosa, roused at last from the craven inertia of his government, appeared to have brokered a late-night deal with some of the nativist leaders who have hitherto been violent in word and deed. Since 2022, dozens of migrants have been killed and at least 25,000 have been forced to flee the country in recent weeks, with many more awaiting repatriation.

The deadline for all of these "illegal" Africans to go back where they came from was the culmination of years of periodic convulsions, in which many immigrants have been killed by xenophobic mobs.

According to official statistics, foreigners in South Africa number between 2.4 and 3.1 million — roughly 4-5 per cent of the population. Yet they have become the scapegoat for the country's myriad ailments, some structural hangovers from the apartheid era, but mostly a result of the catastrophic failings of the African National Congress, which has been in charge of the country since 1994.

In the first 15 years after that historic advent of democracy, South Africa was led by capable and even inspiring leaders. Despite notable failings, particularly in public education, most indications were pointing ever upwards.

And then the ANC decided to commit political suicide in 2009 by handing leadership of the party of Nelson Mandela to Jacob Zuma — leading to an era of "state capture" and institutionalised corruption. Municipalities have failed one by one. Potable water, electricity and mass transit collapsed. The ANC has become more focused on renaming cities than running them. Unemployment rocketed to a third of the workforce, including half of all young adults. A prolonged economic stagnation has sapped citizens' confidence. The moral and intellectual collapse of the ANC has thrown the country into a sinkhole, from which it has yet to emerge.

For the bottom half of South Africa, for whom the bright promise of democracy has turned out to be a cruel joke, it is not that hard to lash out at the ready scapegoats — the immigrants living among them. These Africans, some 90 per cent of them from the neighbouring countries of Zimbabwe, Mozambique, Malawi, Zambia, Eswatini and Lesotho, must surely be to blame. They must have taken jobs, and freeloaded on public facilities. With the approach of local elections, and with the once-dominant ANC now haemorrhaging votes, many politicians have jumped on the anti-immigrant bandwagon. Never mind that these "foreigners" are indistinguishable from citizens, since South Africa has more Sothos than Lesotho, more Tswanas than Botswana.

> Across the continent, many are looking on in horror. The xenophobia strikes them as a betrayal

Across the continent, many are looking on in horror as their governments hastily arrange evacuation flights in order to protect their citizens from harm. It strikes them as a betrayal.

On April 27 1994, I stood just a few feet from Mandela to watch him cast his first vote ever. It was one of the greatest days of my life. Nigerians like me, born soon after independence in 1960, grew up believing our greatest mountain to scale was the entire continent's freedom from colonial rule. When Rhodesia became Zimbabwe in 1980, we all knew the final domino to fall would be South Africa. Even Nigeria's then military government was militantly progressive on the question of ending apartheid. Citizens funded the liberation movements by voluntarily donating a portion of their pay cheques. My contribution, interning in 1980 at the Department of Information in Lagos, was 5 per cent. We felt like the proud vanguard of African freedom.

Nowadays I spend much of my time in Stellenbosch. But even here, in the splendid isolation of the Cape Winelands, I have for the past few months fielded calls from panicked relatives and friends concerned for my safety. Many imagine the rampaging hordes have already descended on my verdant valley, armed with pangas. I have assured them, repeatedly but unsuccessfully, that I am safe. The other day, a Nigerian friend called. "What are you still doing in that place," he asked in evident astonishment. "All of us are looking at them with sadness and shock, because they have just told the rest of us that we are not brothers."

For those of us who believe that an increasingly integrated Africa is our path to survival in a dysfunctional and hostile world, we have a lot of repair work to do.

The writer hosts the annual Africa In the World ideas festival and is a winner of the Pulitzer Prize for international reporting.

This is how we can make AI safe for everyone

Sam
Altman

Two weeks ago, I joined heads of state from the world's leading democracies and AI industry peers at the G7 in France.

We discussed the need for a global framework for advanced AI models: safety testing and standards, and a way for people around the world to access the benefits that would come from this technology.

Today this conversation seems even more important. The world is not going to get to enjoy the benefits of AI if we do not take action to address the very real safety threats in front of us. Determining safety standards is a prerequisite to broad distribution. Figuring this out has become an imperative for the mission of all companies attempting to build artificial general intelligence.

I would like to propose a simple framework: a US-led international forum that establishes accepted standards, provides expert and impartial analysis of capabilities and risks, and makes the technology available to nations and companies that participate and follow the rules. This forum might include government representatives, independent technical experts and others. It could also serve as a governance mechanism over the labs, and guard against the commercial pressures that can lead to unsafe racing.

Countries — and the people and businesses within them — deserve access to this technology. And the entire world should want to ensure standards are followed to keep us all safe; anyone misusing AI could do a great deal of damage.

> If global safety standards are not established, restrictions will be the only way forward

I can envision an effective framework in which countries become members by adhering to rules agreed upon by the international forum, and companies within those countries undergo regular certification to ensure smooth, dependable access to advanced systems.

International co-operation like this seems a reasonable way to avoid power becoming too concentrated, and ensure that the benefits of AI are democratised.

Already, systems that in recent memory would have been called science fiction are being deployed at enterprises and governments around the world. Evidence of AI's economic value, importance to national security and acceleration of scientific discovery is becoming clear. In another year or two, we expect to have built systems with astonishing power, capable of delivering tremendous value to the world. AI will reshape the material conditions of human life on a scale that no technology has accomplished since the harnessing of electricity, and perhaps beyond even that.

Everyone on Earth should benefit from this technology and determine for themselves how to best use it, not only in terms of the economic outcomes right for their societies but with more personal liberty and control over their future than ever before by making use of the technology directly in creative new ways. But if global safety standards are not established, AI restrictions, possibly via actions taken by individual countries, will be the only way forward.

There are precedents we can draw on here. Aviation safety, global financial standards and efforts to manage atomic energy via the International Atomic Energy Agency are all examples. Even during times of immense international turmoil this co-operation has been possible; the IAEA for instance came into being in the early days of the cold war.

Democratic institutions must not cede their responsibilities to AI labs. The labs develop the technology, but citizens and their elected representatives must make the rules. The most important decisions about how this technology is used should be made through democratic processes, not by a small number of companies in San Francisco.

We have before us a technology of immense and still-unfolding wonder: the power to heal people, to discover cures and to deliver abundance on a scale the world has never known before. We need a way for the world to build trust in the technology so that we can all get to share these benefits.

The writer is co-founder and CEO of OpenAI

Will Warsh tame the Fed's balance sheet?


Carl Godfrey

FINANCE
Robert
Armstrong

Kevin Warsh is the dog who caught the car. Since he resigned from his role as Fed governor in 2011, he has devoted a lot of time and energy to criticising his former employer. Now, after years as an outsider far from power, he has been handed the keys. No wonder markets are struggling to decide what kind of Federal Reserve chair he will be: it is one thing to bark at others' mistakes, another to carry the burden of leadership.

Two questions have attracted attention. Will Warsh bend to the will of Donald Trump, who appointed him and yearns for low rates? And will Warsh's desire for a quieter, more oracular Fed open the door to dangerous market volatility?

Neither is cause for much worry. Trump tried to bully the last Fed chair, Jay Powell, and failed spectacularly. Given that, Warsh would be a fool to risk his reputation in the eyes of history to win the friendship of a lame-duck president. And it is unclear, to put it mildly, how much Fed "forward guidance" matters. Policy shouts; the accompanying verbiage whispers, and is often ignored.

What will be more consequential, especially for financial markets, is Warsh's view of the Fed's $7tn balance sheet. His doubts about sustained "quantitative easing" – central bank purchases of government bonds to smooth markets and support demand — were part of the reason he left the Fed 15 years ago. He still loathes the balance sheet, mainly because he believes it encourages fiscal deficits. Last year he said that "policymakers . . . found it considerably easier appropriating money knowing that the government's financing costs would be subsidised by the central bank . . . It's no longer obvious whether monetary policy is downstream or upstream from fiscal policy." He sees a danger that "the central bank becomes the ultimate arbiter of fiscal policy".

This argument has a certain logic: a large Fed balance sheet holds down interest rates; low interest rates encourage borrowing; the US borrows too much; so the balance sheet needs to get smaller to curb fiscal excess. But scepticism is in order.

The idea that members of Congress looked at QE and said: "Yippee, let's borrow!" is absurd. How many members of the appropriations committees could explain, even in outline, how the Fed balance sheet works? My guess would be roughly zero. Warsh doesn't need to think this happened, though. It would be enough that QE brought the interest rate on Treasuries down, making it easier for elected officials to borrow. There is not, however, much evidence that outside moments of acute market crisis (when Warsh agrees asset buying is a good idea) QE has brought down interest rates dramatically — less than half a percentage point, perhaps. Not enough to get a senator excited.

But one doesn't even need to believe that QE has left a big imprint on rates to be sympathetic. Part of the point is that it smooths market functioning, by pushing liquidity (cash) into the financial system. But market volatility sends a signal to policymakers and everyone else that something has gone wrong — for example, that government debt issuance has become excessive. QE, and the accompanying flood of liquidity, turns off the fiscal alarm system.

Even this charitable interpretation of Warsh's view is contentious. It is not obvious that there is a strong relationship between US market crises and fiscal excess, or that US politicians respond to market crises by pushing for austerity. But even if we reject the QE-fiscal connection, we should agree with Warsh on the broader point: that the central bank has taken on too much risk that belongs in private hands. This suppresses day-to-day volatility and encourages recklessness, storing up rather than removing risk. A smaller balance sheet is, in this more modest sense, the right goal.

> The big worry is that he is an ideologue rather than a pragmatist. He might go too far, too fast

The big worry is that Warsh's commitment to the unlikely fiscal story marks him as a small-government ideologue, rather than a pragmatist who simply aims for a financial system fit to support employment and price stability. He might go too far, too fast.

The flip side of the balance sheet is that banks have big piles of reserves — cash held at the Fed and earning interest there. These reserves keep payments among banks and their counterparties moving smoothly, because the cost of liquidity is low. But as the Fed balance sheet shrinks and reserves become scarcer, banks will pay more for liquidity, pressuring their profitability. They may pull back on the liquidity they provide to other market participants — private equity and private credit funds, for example. At the same time, new buyers will have to be found to hold all the government bonds. Ideally, these will be stable long-term holders, from sovereigns to insurance companies. But it could be leveraged hedge funds, or stablecoin managers. The ways all this could go wrong are easy to imagine.

What is the right way to reduce the balance sheet's importance? Go slowly. Just capping it might be hard enough at first. And as the reserve buffers shrink, do not relieve stress on banks by loosening their liquidity or capital requirements. Banks need more margin for error in a scarce reserve regime, not less.

What are Warsh's deep commitments? Is he an ideologue? As he takes on the Fed's balance sheet, it won't take us long to find out.

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Burnham should beware uncanny echoes of the 1930s on defence

POLITICS
Philip
Stephens

"The Guilty Men." Such was the description bestowed on Britain's political leaders by three journalists, writing under the pseudonym "Cato", when Adolf Hitler's armies marched across Europe in 1940. The indictment was that ministers had failed to re-arm after the Nazis took power. The polemic was a bestseller. The reputations of the culprits were indelibly stained.

Andy Burnham, readying himself to replace Sir Keir Starmer, has signalled that he wants to be a domestic policy leader, spending time at a new prime ministerial outpost in Manchester rather than at security conferences in Munich and suchlike. But he cannot escape a disordered world. If today's politicians have learnt anything from the Covid pandemic, Vladimir Putin's invasion of Ukraine or Donald Trump's war against Iran, it is that prosperity and stability at home are inextricable from events abroad.

The 2020s are not the 1930s and, for all his aggression, Putin is not Hitler. The parallels are no less uncomfortable for that. Now, as then, Europe's democracies are trapped in economic stagnation and weighed down by debt. The old elites are besieged by populists. America is again sitting it out as a revanchist tyrant seeks to overturn Europe's territorial settlement.

Stanley Baldwin, the Conservative leader who dominated the coalition National government before assuming the premiership in 1935, looms large in Cato's account. Arraigned at the time by figures such as Winston Churchill for the feeble response to Hitler's military build-up, Baldwin had his excuses. The priority, he protested, had been to haul the economy out of depression. The Treasury's devotion to fiscal rules barred an increase in the national debt to allow more money for the military. Crucially, the voters were in no mood to sacrifice butter for guns.

If this sounds familiar, it's because it is not much different from Starmer's reasoning. He would have liked to have done more, but economic and political realities intervened. The long-delayed defence investment plan, published this week, did include a small financial top-up to the draft that prompted the resignation of his former defence secretary John Healey last month. By Healey's account, however, it still does not match up to the risks in a world marked by Putin's war, the myriad conflicts in the Middle East, an assertive China and a unilateralist America.

> Voters need to know why sacrifices are needed: because the cost of inaction is potentially much higher

Britain, like fellow members of Nato, is committed to increasing core defence spending to 3.5 per cent of national output by 2035. On his last big international outing at next week's Nato summit in Ankara, Starmer will say it is on track to meet the target. His Nato colleagues can be forgiven for deep scepticism.

In spite of a £15bn rise in spending compared to previous plans, the DIP trajectory scarcely offers anything resembling a credible path to the target. The overall defence budget is set to rise only slightly from 2.6 per cent of output in 2026-27 to 2.7 per cent in 2029-30. Everyone is then asked to take a huge leap of faith and assume almost unprecedented increases during the early 2030s. By then, of course, there will have been a general election.

These figures carry uncanny echoes. When Hitler took power in 1933, Britain's defence spending stood at 2.9 per cent of output. In the face of much faster German rearmament it crept up only to 3.2 per cent by 1935/36. The momentum only really picked up after a vastly expanded Wehrmacht had marched into the demilitarised Rhineland in 1936.

If Burnham is unconvinced by historical comparisons, he need only glance at the government's own strategic defence review. The military has been hollowed out by the decades-long post-cold war squeeze. The army is too small to deploy an effective force and the navy struggles to maintain in service even a much-diminished fleet. The Ukraine war has exposed big gaps in capabilities ranging from air defence to missiles, drones and integrated weapons systems.

Assuming he takes office later this month, Burnham will face the same constraints as Starmer and, indeed, as Baldwin. The voters need to know why sacrifices are needed. The answer is that the costs of inaction are potentially many times higher.

Baldwin's unforgivable mistake was to abandon deterrence — in effect, inviting Hitler to conclude that Britain lacked resolve. The prewar appeasement associated with Neville Chamberlain was an almost inevitable consequence. Nowhere are Britain's latest plans being examined more closely than in Moscow. Burnham might ask what Putin will make of them.

The writer is an FT contributing editor