The Tribune
ESTABLISHED IN 1881

Ravaging Shivaliks

Enforcement failure costing Punjab its shield

THE devastation unfolding in the Shivalik hills of Punjab's Ropar district shows how environmental crime thrives in the gaps between policy and enforcement. Illegal mining, carried out brazenly with heavy machinery, has reportedly flattened entire hillocks in an ecologically fragile zone that forms the foothills of the Himalayas. The damage strikes at the Shivaliks' core ecological functions — groundwater recharge, soil stability and biodiversity support. The Shivalik range is geologically young and inherently unstable. Unregulated excavation accelerates erosion, increases the risk of landslides and siltation and alters drainage patterns. Once these hills are cut and levelled, restoration is virtually impossible. What is lost is a natural shield that protects downstream plains from floods and water stress.

Authorities argue that mining in the area is backed by environmental clearances and that violations are penalised. But such assurances ring hollow when locals speak of night-time operations and large-scale hill cutting beyond permissible limits. The problem is selective enforcement of rules. When monitoring relies on paperwork rather than continuous field surveillance, illegality becomes routine. This is not an isolated failure. Across India, mining in ecologically sensitive zones routinely tests the limits of environmental law, often exploiting ambiguities in permits or weak local oversight. Supreme Court and National Green Tribunal rulings have repeatedly stressed that economic activity cannot come at the cost of ecological harm. Yet, on the ground, enforcement agencies appear either underpowered or unwilling to act decisively.

Punjab cannot afford to treat the Shivaliks as expendable real estate. Protecting them requires more than fines after the damage is done. It demands strict demarcation of no-go zones, real-time technology-based monitoring, accountability of officials and swift criminal action against repeat violators. Development that destroys natural safeguards is not progress; it is deferred disaster.

Train delays

Railways must give top priority to punctuality

INDIA's railway infrastructure is often showcased as a symbol of progress and modernisation: record budgetary allocations, high-speed trains, near-total electrification and rapid track expansion. However, this grand narrative has a sobering side. According to a parliamentary Public Accounts Committee (PAC) report, train punctuality has slid sharply — from 90 per cent in 2021-22 to 73.62 per cent in 2023-24. The contrast between ambitious goals and everyday passenger experience is hard to ignore. The PAC has also questioned the way punctuality is measured by the Railways. Counting on-time performance only at terminating stations, and allowing a generous 15-minute delay, produces a misleading picture. Global benchmarks, such as Japan's "every second counts" approach, show how India has diluted its standards. A system that masks en route delays breeds complacency.

This decline is especially stark when viewed alongside the scale of investment. The Union Budget's record allocation of around Rs 2.77 lakh crore and the Economic Survey's data on doubled track commissioning after 2014 affirm the government's commitment to railway-led growth. Dedicated freight corridors, the bullet train project and station redevelopment under the Amrit Bharat scheme are raising the bar. But infrastructure alone does not guarantee reliability. Mission Raftaar's modest gains — far short of its speed targets — highlight persistent coordination failures across zonal railways. The PAC's finding that 27 of the 33 delay factors are controllable by the Railways is particularly damning.

The way forward demands a shift from headline-driven modernisation to operational discipline. Integrated, real-time monitoring at originating, intermediate and terminating stations is essential. Technological tools, from advanced signalling to data-driven delay management, must be deployed with due accountability. The challenge for India, which has the world's fourth-largest rail network, is not only to build faster, safer and more comfortable trains but also to run them punctually.

ON THIS DAY...100 YEARS AGO

The Tribune.
LAHORE, SATURDAY, FEBRUARY 6, 1926

Contempt of Courts Bill

IT may be admitted that the Contempt of Courts Bill, as it has emerged from the Select Committee, is a substantial improvement upon the original Bill. The comprehensive definition of contempt, which was one of the most obnoxious features of the Bill, has now been omitted. The power that was sought to be given to the chief courts to protect courts subordinate to them has also been eliminated. In some respects, indeed, the Bill, in its amended form, is even an improvement upon the present law. At present, high courts can sentence a person for contempt to either form of imprisonment, and to practically unlimited fine. The Bill limits the fine to Rs 2,000, and the jail term itself to six months' simple imprisonment. Had these last, indeed, been the only substantive provisions of the Bill, it would have been acclaimed all over the country as a measure of genuine reform. Unfortunately, these salutary features of the Bill are overshadowed by provisions which are a serious menace to the right of the Press to criticise the judicial administration, and which public opinion all over the country has strongly and unequivocally condemned. The most important of these features is that chief courts, which like the subordinate judiciary, can at present only punish contempt committed in the face of the court, are now to have the power to punish alleged contempt committed outside the court just as high courts can. No less objectionable is the power now vested in all high courts not only to punish contempt of themselves but of courts subordinate to them.

The Pawar who couldn't become CM

Nationalist Congress Party finds itself at a crossroads after Ajit's death

TRYSTS AND TURNS
JULIO RIBEIRO

TENS of thousands of mourners gathered to attend Maharashtra Deputy Chief Minister Ajit Pawar's cremation in his home town, Baramati, on January 29. They bid adieu to the man who desperately wanted to become the CM, but couldn't.

I am reminded of Mark Anthony's speech at the funeral of Julius Caesar, immortalised by Shakespeare in his play: "The evil that men do lives after them, the good is oft interred with their bones." Ajit was mired in many controversies during his political career. The most serious among them were the corruption cases filed against him in the Rs 70,000-crore irrigation scam (Ajit had held the water resources portfolio in successive state governments). He was exonerated after he joined ranks with the BJP.

The state's Anti-Corruption Bureau (ACB) let him off the hook. Param Bir Singh, who was then serving as the ACB chief and later became Mumbai's Police Commissioner, had proclaimed that there was no evidence to prosecute Ajit. The general perception among those who were following the cases was that the BJP had given the clean chit to Ajit as soon as he crossed over to its side.

In recent months, Ajit's son, Parth Pawar, was in the news after Amadea Enterprises, a company of which he was the principal owner, procured land that was meant for the Mahars (a Scheduled Caste) and, hence, could not be sequestered even by sale. Parth's company had reportedly purchased the land at a throwaway price. When the media published details of the transaction, Ajit shielded his son and the Devendra Fadnavis government again came to his rescue. The land, of course, had to be restored to the Mahar community.

HIGHS & LOWS: Former Maharashtra CM Sharad Pawar had a seesaw relationship with his nephew. PTI

In another astonishing instance of high-handed behaviour, Ajit was caught on camera reprimanding a woman IPS officer for confronting his supporters who had violated revenue laws. She was ordered to take action against violators by the authorised revenue officer, based on the government's own directives. It was a classic example of a ruling party enacting laws and then expecting the police to close their eyes when those laws were broken!

Ajit's wife, Sunetra, is under legal scrutiny in the Rs 25,000-crore Maharashtra State Cooperative Bank scam; the Enforcement Directorate (ED) is pursuing the case. These examples should make readers wonder if Ajit was akin to the cat with nine lives. Now that a cruel death in an air crash has taken his life, the grief that the residents of Baramati have expressed seems to have obliterated his alleged misdeeds.

> Ajit Pawar was let off in corruption cases after he joined hands with the BJP.

It is also significant that Nitin Nabin, newly-installed BJP president, attended Ajit's cremation along with Home Minister Amit Shah and state party leaders.

Ajit had dumped his uncle and mentor Sharad Pawar in his quest for the CM's *gaddi*. The latter had done something similar decades ago to occupy the coveted chair in Maharashtra at the age of 37. Sharad parted ways with his own patron and mentor, Yashwantrao Chavan, and ditched then Congress CM Vasantdada Patil to form the government with the help of legislators who had switched over to his side.

The difference in the two cases is that unlike the Sharad-Ajit relationship, there was no "family" involved in Sharad's ties with Chavan. Last month, the uncle and the nephew reunited to contest the Pune and Pimpri-Chinchwad municipal elections. They lost, but the very fact that they got together makes one wonder about their seesaw ties.

Like the Congress, the Nationalist Congress Party (NCP) founded by Sharad Pawar is avowedly secular as well as socialist, and ideologically removed from the BJP. Even Ajit, after joining hands with the BJP, made it amply clear that his NCP faction did not subscribe to the anti-Muslim ideology of the saffron party. Some of the candidates he fielded in the recent Mumbai civic elections were Muslims.

Days after Ajit's death, Sunetra took oath as deputy CM, even as the state government's prescribed three-day mourning period was nearing its end and flags were still flying at half-mast. Many were shocked at the indecent haste.

I have no doubt that CM Devendra Fadnavis, one of Maharashtra's shrewdest politicians, was behind this tactical elevation. Ajit's death had confronted him with the prospect of sustained pressure for political concessions from the other deputy CM, Eknath Shinde, who heads the Shiv Sena faction opposed to the outfit led by ex-CM Uddhav Thackeray.

If Ajit's faction had joined Sharad's NCP, as was rumoured, Sharad would have refused to cast his lot with the BJP lest he lost his secular credentials. Now, if Ajit's loyalists don't return to Sharad's fold, their number (40) in the Assembly would keep the BJP in power in case Shinde's Sena becomes too demanding. Hence the necessity of keeping Ajit's faction in line.

Jumping ship to join the ruling party is a popular game Maharashtra's politicians play. Of course, those who are ideologically committed will not do so, but the truth is that they are rare to find in the state. The lure of office or just profit is sufficient for them. Added to that is the more urgent need of avoiding investigations by probe agencies — the sword of Damocles that the BJP hangs over the heads of those with skeletons in their cupboards.

THOUGHT FOR THE DAY

One man's opportunism is another man's statesmanship. — Milton Friedman

A library that rose from the ashes

PRIYANKA SINGH

SOME places announce their importance; others reveal it slowly, like a story that refuses to hurry. The Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie, belongs to the latter category. Its aura hints at the weight of governance, but deeper lessons unfold quietly, away from lecture halls and parade grounds.

In mid-1984, a devastating fire caused by a short circuit destroyed a block of the academy, including the library. More than one lakh books were lost. The library was the intellectual spine of the academy, serving probationary officers who were to administer districts and ministries across the country. After the blaze, it existed in fragments — spread across three locations, one section opposite the Director's residence.

In March 1986, a young man, Prem Singh, was deputed as the librarian and given the formidable task of rebuilding the library. For him, shifting from Delhi University to LBSNAA was like stepping out of an ocean into a well. Initially, he thought of not staying back. Then an intervention came — not as an order, but as an invitation from then Deputy Director, S Parthasarathy, who asked him to stay for two days as the academy's guest. "If you still wish to leave, no one will stop you," he said gently. The man returned to the library that evening and stood there, listening to the place. Those two days were indeed decisive.

The days that followed were busy, often exhausting. Yet, something was happening silently long after the academy's office hours. One such late evening, then Director, RN Chopra, noticed something unusual. The library door was left open, an anomaly in a place governed by timetables. Curious, he knocked. Inside was the librarian, alone — sleeves rolled up, a dusting cloth in hand. On paper, his role was clear; in practice, the job defied neat definition. There were acquisition plans to be drawn up, correspondence to be revived, catalogues to be reconstructed, systems to be imagined anew. When told that staff shortage and fixed timelines left little choice, the Director remarked, "You are employed as a librarian, not as a cleaner," and left.

The words did not interrupt the rhythm of work. Shelves were wiped clean, corners cleared, surviving books sorted and restored to order. There was a self-imposed urgency to make the library usable and worthy for the probationers. In time, the same Director entrusted Prem Singh with additional responsibilities, a quiet acknowledgment of his devotion to his job.

The library, which I had seen in drafts and architectural sketches, is now housed in a new building. When I think of LBSNAA today, I remember that unlocked library door in the evenings. Inside, knowledge was rebuilt patiently, shelf by shelf, without ceremony. The library rose from the ashes like a phoenix — through hands willing to do unseen work and the patronage of bibliophiles like S Parthasarathy and BN Yugandhar (the latter succeeded Chopra as Director).

Perhaps that is how institutions truly endure — not through grand gestures alone, but also with quiet persistence.

LETTERS TO THE EDITOR

Strategic autonomy in distress

Refer to 'Business as unusual'; the article exposes the increasingly transactional nature of the current India–US relationship, where strategic partnership is being reduced to a bargaining contest over tariffs and oil. The lowering of tariffs from 50% to 18% is being termed a tariff 'truce'. Yet this rate remains far above historical levels of 0–5% and offers Indian exporters only a marginal edge over competitors such as Pakistan and Vietnam. This hardly qualifies as a restoration of normal trade relations. Buying US or Venezuelan crude undermines India's long-cherished principle of strategic autonomy. Reports that India has committed nearly $500 billion to 'Buy American' purchases across energy and technology sectors further highlight the intense pressure being exerted to correct a trade surplus that President Trump repeatedly targets. New Delhi must insist on a relationship grounded in mutual respect, transparency and long-term national interest rather than arm-twisting diplomacy.

VIDYASAGAR KETHIRI, FARIDABAD

US deal an inevitable necessity

Apropos of 'Business as unusual'; India has effectively surrendered to the Trump administration. The deal is an inevitable necessity for us, even after securing a true gentleman's agreement with the European Union. Venezuelan oil will not be as cheap as Russian oil, besides our Russian oil partnership stems from a deep, long cherished relationship. Commerce & Industries Minister Piyush Goel's defence of US agri products entering Indian markets is woefully weak. We will be gradually forced to import surplus US agricultural products, burdening our economy. New Delhi should have adopted a wait-and-watch policy without hurrying into the deal.

JEEVAN VK, PATHANKOT

Acid test for Manipur govt

Apropos of 'Manipur challenge'; the new government's acid test would lie in restoring peace and normalcy in Manipur at the earliest. It should shun unilateralism and its efforts in this direction should be visible by engaging all stakeholders in the peace efforts. Worryingly, the disarmament process is yet to be completed; the rehabilitation of the displaced — an urgent task — has to begin in earnest as well. Posterity and, possibly, the polls would judge Yumnam K Singh's stint in power on this metric, in particular.

SS PAUL, NADIA (WB)

Familial approach needed

Apropos of 'Not just a game': online gaming and its fatal consequences is a complex issue that requires deeper analysis. Focusing on mental health of youngsters alone is not sufficient to address this problem unless it includes mental health concerns of parents and the elderly too. Emotional vulnerabilities cannot be studied and resolved in isolation. A familial approach would be beneficial. It's high time we go to our basics of socialisation, nurturing of relationships and being a part of Nature.

NEHA SAINI, CHANDIGARH

Talk to people around, at home

The Ghaziabad suicides send very disturbing signals regarding mental health of Generation Alpha. Unsatiated curiosities of kids and teenagers in an online world has blurred the boundaries between the real and the reel world. Surprisingly, elders too have fallen in the trap of the unbridled onslaught of AI. Therefore, time and space to sit together, chat, hug, share our joys and sorrows, has shrunk. Not that the entire online world is treacherous, but saner indulgence is definitely the need of the hour. It is high time, our children venture out more towards playing in real playgrounds than virtual ones and talk to living entities rather than deal with strangers. Begin from your own homes.

RAKESH MOHAN SHARMA, PATHANKOT

An enduring legacy

Reading *The Tribune* since my teens, it has been a part of my daily routine when it was priced 15 paise. Reading the newspaper while sipping hot tea in the morning has become an addiction. The thud of the rolled-up paper, hurled by the vendor from his moving bicycle, landing on the balcony is eagerly awaited. I have persisted with *The Tribune* along with a multitude of other loyal readers for its consistency and objectivity, and staying away from sensationalism. As a retiree, people keep asking me, "How do you pass your time?" Time flies by when I am immersed in reading *The Tribune*.

CHANDER GUPTA, BY MAIL

Letters to the Editor, typed in double space, should not exceed the 200-word limit.
These should be cogently written and can be sent by e-mail to: Letters@tribunemail.com

SAFE: American farmers receive massive subsidies every year that insulates them from the volatility of markets. REUTERS

India-US trade deal is too costly for farmers

DEVINDER SHARMA

FOOD & AGRICULTURE SPECIALIST

LIKE the Shakespearean predicament, the bigger dilemma is who to believe and whom not to. US Agriculture Secretary Brooke Rollins thanked President Donald Trump for a promising trade deal with India that "delivers for the American farmers". Meanwhile, Commerce Minister Piyush Goyal, too, applauded PM Narendra Modi for a "historic" deal with America, underscoring that India's sensitive agriculture and dairy sectors have been duly protected.

Whether it is a win-win situation for both democracies or an outcome of bullying and high-handedness, only the details will confirm. But what is in the public domain has already sent jitters down the spine of farm unions across the country. They have enough reasons to be worried.

At a time when domestic agriculture continues to face distress, with farmers realising farm prices 30-40% lower than the minimum support price (MSP) announced, any further opening of India's vast market for cheap and highly subsidised agricultural produce will severely hit farm livelihoods.

American farmers receive massive subsidies every year, estimated at $66,314 per farmer per year (Agricultural Resource Management Survey, 2020), which insulates them from the volatility of the markets. Besides, the US Administration plans to provide $12-billion of per-acre commodity payments to farmers under the Farmers Bridge Assistance Program (FBA) to cover the losses incurred. Trump had referred to it as 'One Big Beautiful Bill'.

While the finer details of the US-India trade deal are still awaited, both the US and India are making loud claims. Brooke Rollins had even announced on social media that the deal would result in the "export of more American farm products into India's massive market, lifting prices and pumping cash into rural America."

This follows the broad contours of the trade deal that were announced by the US President on X, which slashed tariffs from 50% to 18% for Indian goods entering the US and reduced import tariffs to zero for the US exports, in addition to removing the non-tariff barriers.

Meanwhile, Agriculture Minister Shivraj Singh Chouhan has been assuring farmers that the deal has been struck after carefully 'safeguarding' their interests.

Farm leaders threaten protests

Despite the assurances, the India-US trade deal has agitated the farming community. Questioning India's silence that is refraining it from providing any more details, many farm leaders have expressed doubts on farmers' interests having really been protected. The Samyukt Kisan Morcha (SKM) that led the iconic farmers' protest around New Delhi in 2020-21, has warned that reducing import duties to zero will bring a flood of cheaper imports, and it has threatened fresh protests beginning February 12. Farmer leaders say the proposed protests would be on the lines of the 2020-21 protests.

> Opening of India's vast market for cheap and highly subsidised agricultural produce will severely hit farm livelihoods.

What infuriates the farming community is that while Budget 2026 has remained largely silent on measures that are needed to prop up farm incomes, there has not been any farmers' consultation on where to draw the red line in protecting the farm sector which is reeling in crisis.

Further, the Organisation for Economic Cooperation and Development (OECD), the richest trading bloc, has in its latest report, estimated that Indian farmers had suffered a cumulative loss of Rs 111 lakh crore between 2000-01 and 2024-25 and that it would be difficult for farmers to sustain another strong blow. "It will not only be a big blow. It will be like a sledge-hammer striking a hapless farming community," warns Harish Chauhan, president of apple growers in Himachal Pradesh.

The free trade agreements (FTAs) with the European Union and New Zealand have already provided unprecedented market access for apples, as a result of which the apple industry in the hill states fears being systematically wiped out, he has lamented.

Apples, cotton examples of slump

If US apple imports are allowed at zero duty, their apple economy will face ruin, he warns. Already cotton growers, soy producers and onion farmers have been reeling under depressed prices and the zero duty imports will force farmers to abandon these crops in view of any further slump expected in market prices from cheaper imports.

Although Trump talks of $500 billion worth of US exports per year — that includes energy, technology, coal and agriculture — some analysts believe that the exports will probably be around $100 billion a year spread over five years. It does not, however, mean that the entire export basket from the US will comprise agricultural produce, dairy and allied sectors.

In some commodities, like cotton, pulses and onions, reports say a quota access will be provided. Nevertheless, what cannot be ignored is the warning that importing food is like importing unemployment.

Take the case of cotton. The removal of the 11% tariff on cotton import between September and December 2025 had brought an influx of cheaper cotton, as a result of which the domestic prices fell. While the textile industry rejoiced at the low prices, farmers suffered. In three months, imports surged by 3 million bales and prices dropped by Rs 1,000-1,500 per quintal.

Moreover, since the non-tariff barriers have to be removed, and India already has a few hundred of these, how will India protect consumers from the US milk imports that are reported to be coming along with non-vegetarian content.

The new trade regime that Trump is forcing down the throat of developing countries — and is even eyeing the EU — violates World Trade Organisation (WTO) norms. What the US failed to achieve ever since the WTO was created in 1995, it is now managing to hammer. With countries bowing to pressure, a new world order is emerging. How long the dictum 'might is right' will prevail, only time will tell.

The Tribune

TWO VIEWS

FARM MATTERS

MAJORITY: Nearly two-thirds of the total workers are employed in the rural economy. ANI

Development cannot bypass the farm sector

RANJIT SINGH GHUMAN

PROFESSOR OF EMINENCE, GNDU, AMRITSAR

VIKSIT BHARAT has become the buzzword in India for quite some time, with the government promising to achieve it by 2047. Underlining the slogan in her ninth Budget speech, Finance Minister Nirmala Sitharaman highlighted the government's *'sankalp'* of focussing on the poor, underprivileged and disadvantaged people.

To deliver on this promise, she said the government was inspired by three 'kartavyas' — accelerate and sustain economic growth; fulfil people's aspirations; and ensure access to basic services for all. This is akin to 'sab ka saath, sab ka vikas' or inclusive, faster and sustainable development.

The pathway to the three-pronged *'sankalp'* goes through the balanced and diversified development of agriculture and rural economy as a large majority of the population lives in villages. Agriculture continues to be their mainstay of employment, income and livelihood. Estimates indicate that by 2050, more than half the population would be still living in villages.

Besides providing direct employment to 46% of the workforce, agriculture provides indirect employment to a sizeable number of workers engaged in industries and activities using agricultural produce as inputs. Similarly, there are a good number of industries and business activities whose output is being used in agricultural operations. The workforce engaged in agriculture and the population dependent thereon provides market for the products of numerous industries and business activities. Agriculture also provides the much-needed food security to the country.

Rural economy lagging behind

The economic position of the huge workforce engaged in agriculture and rural economy would continue to wield a significant influence on the demand for non-farm produce and, in turn, on the income and employment in the non-farm sectors. That is, higher income in the farm sector and rural economy would have a higher multiplier effect on the non-farm income and, thereby, on the overall growth rate of the economy. Evidently, there are strong backward and forward linkages between the farm and non-farm sectors.

Ironically, a very high proportion of the agricultural workforce is either underemployed or in disguised unemployment, and agriculture is pushing them out. However, the system and policymakers have no mechanism to address this challenge. The problem gets worse as the non-farm sector is not capable of generating enough employment for the surplus workforce in agriculture, mainly because of jobless growth.

Consequently, agriculture and rural economy are lagging behind the non-farm sectors in terms of per worker productivity and per capita income. Currently, the share of agriculture in gross domestic product (GDP) is merely 15%, which means that 46% of the agricultural workforce accounts for only 15% of the GDP.

> Higher farm incomes have a strong multiplier effect on non-farm sectors and, thereby, on the overall growth rate of the economy.

The average per capita annual income (PCI) of agricultural households in 2023-24 was Rs 35,940 while the national PCI was Rs 1,84,205. Clearly, there is a huge disparity between the national PCI and the PCI of agricultural households.

Leaving aside the large farmers (8.38 lakh of the 14.65 crore operational landholdings, as per the 2015 Agriculture Census), the PCI of all other farmers is much lower than the national PCI. Significantly, marginal and small farmers (86% of the total) do not have adequate income to even move above the poverty line.

This calls for supplementing of farm income with non-farm income, which is possible only by occupational diversification in rural economy.

Nearly two-thirds of the total workers are employed in the rural economy, but they account for a much lower share in the country's GDP. The disparity in the per worker productivity between urban and rural workers ranged from 3-fold to 3.5-fold during 1970-71 and 2011-12.

In the absence of comparable data for the later period, it is difficult to say whether this gap has increased or decreased, but the disparity is certainly very high. The rural areas, in general, lag behind urban areas in terms of social and infrastructure development. The literacy rate of the rural population is also far below that of the urban population.

Develop non-farm sector

Clearly, boosting agriculture and rural economy is essential for India to become 'Viksit Bharat'. It requires the development of the rural non-farm sector and the consequent generation of employment for the surplus agri-workforce. This is possible by raising the budgetary allocation to agriculture and rural development.

However, the allocation to agriculture since 1990-91 has been oscillating between 2 and 4% and that of rural development from 3 to 6%. Clearly, the allocations to agriculture and rural development are too low in comparison to their share in employment and income.

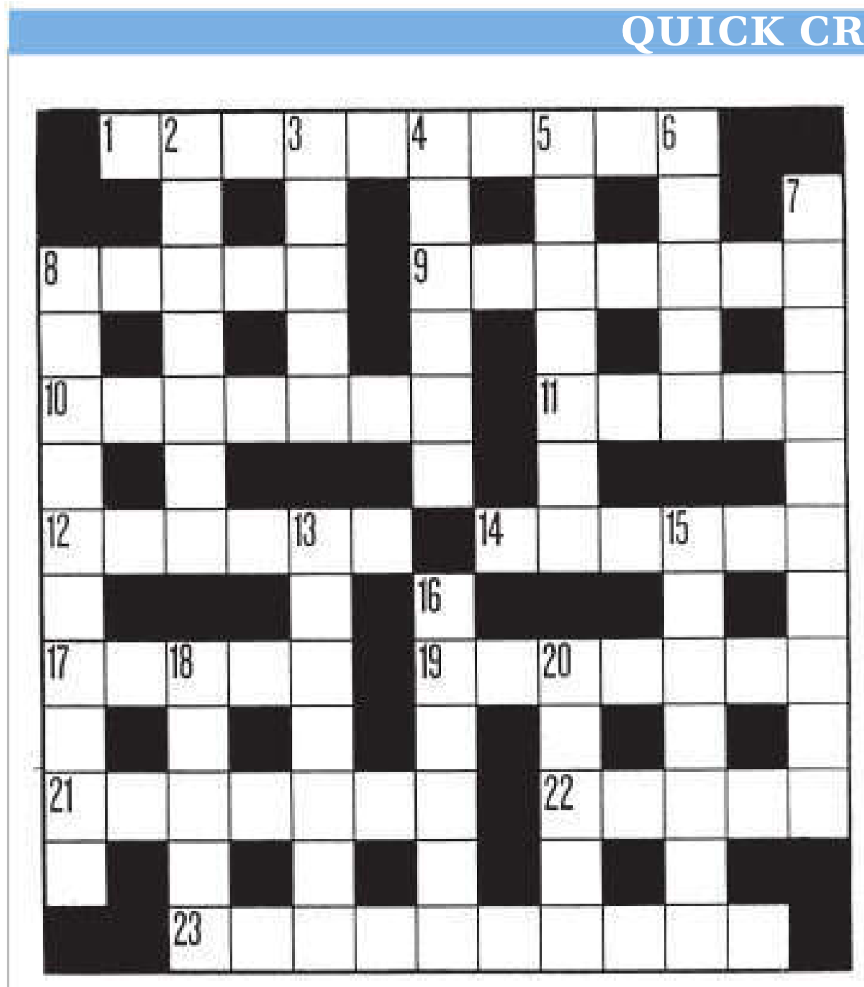
Gross capital formation (GCF) is the other determinant of growth and development. Here, too, the GCF in agriculture is far less than the GCF in the economy. In the last about 20 years, barring a couple of years, the GCF in the economy has ranged from 30% to 37% of the gross value added (GVA) of the economy. However, the GCF in agriculture has been hovering in the range of 2-3% of the economy's GVA. The share of public GCF in agriculture has remained at 0.4% of the economy's GVA.

Besides, the share of agriculture in the total GCF of the economy has also been very low (7-8%) during the last about 25 years as compared to the 1970s and 1980s, when it was more than 14%. Significantly, the share of the public sector's GCF in agriculture was quite high in the 1970s and 1980s, but thereafter, it has been around 4-7%.

Mahatma Gandhi's observation that "India lives in villages" is still relevant. In 1946, Jawaharlal Nehru had said, "Everything else can wait, but not agriculture."

It is, thus, clear that along with non-farm development, the development of agriculture and rural economy is essential for India to become a developed economy. The government should give high priority to agri sector, both in terms of budgetary alloca-

QUICK CROSSWORD



ACROSS
1 Extempore (3,3,4)
8 Untamed (5)
9 Highest singing voice (7)
10 Novice (7)
11 Over (5)
12 Tediously familiar (3,3)
14 One after the other (2,4)
17 Not natural and easy (5)
19 Search unsystematically (7)
21 Concisely (2,1,4)
22 Constant outflow (5)
23 Honestly speaking (2,3,5)

DOWN
2 Presumptuous (7)
3 Claw (5)
4 Make certain (6)
5 Indefinitely many (7)
6 Criminal deception (5)
7 Middle way between extremes (6,4)
8 Conform to another's action (6,4)
13 Wilful act of disrespect (7)
15 Oblivious (7)
16 Be unwilling to give (6)
18 Insect's final developed state (5)
20 Gnatlike fly (5)

Yesterday's Solution

Across: 1 Recipe, 4 Stable, 9 Glamour, 10 At all, 11 Match, 12 Species, 13 Cutting edge, 18 Plastic, 20 Lever, 22 Quite, 23 Novelty, 24 Enmity, 25 Indeed.

Down: 1 Regime, 2 Craft, 3 Prophet, 5 Trace, 6 Bearing, 7 Enlist, 8 Pros and cons, 14 Uranium, 15 Enliven, 16 Opaque, 17 Frayed, 19 Theft, 21 Value.

SU DO KU

	1				4		3	
6		8				4		5
	3	9	5	7		8	1	
8				5		3		
		1	2		8	7		
		5		6				4
	7	3		4	5	9	2	
9		6				1		3
	8		1				6	

V. EASY

YESTERDAY'S SOLUTION

2	7	1	8	6	9	4	3	5
4	6	5	2	1	3	7	8	9
9	3	8	7	4	5	1	2	6
8	4	7	3	2	6	9	5	1
3	9	2	1	5	4	8	6	7
1	5	6	9	8	7	3	4	2
6	8	9	4	7	2	5	1	3
7	2	4	5	3	1	6	9	8
5	1	3	6	9	8	2	7	4

CALENDAR

FEBRUARY 6, 2026, FRIDAY

- Shaka Samvat 1947
- Marghshirsh Shaka 17
- Marghshirsh Parvishte 24
- Hijari 1447
- Krishna Paksha Tithi 5, up to 1:19 am
- Dhriti Yoga up to 11:37 pm
- Hast Nakshatra up to 12:24 am
- Moon in Virgo sign

FORECAST

SUNSET: FRIDAY 18:03 HRS
SUNRISE: SATURDAY 07:10 HRS

CITY	MAX	MIN
Chandigarh	23	07
New Delhi	23	09
Amritsar	21	05
Bathinda	22	05
Jalandhar	21	05
Ludhiana	22	08
Bhiwani	22	06
Hisar	22	07
Sirsa	22	07
Dharamsala	20	05
Manali	13	00
Shimla	16	06
Srinagar	10	01
Jammu	24	07
Kargil	03	−10
Leh	02	−12
Dehradun	25	10
Mussoorie	18	05

TEMPERATURE IN °C

Indian Commerce Minister clarifies India-US trade agreement

When US President Donald Trump announced that a trade understanding had been reached between India and the United States, and that the total tariffs imposed on India would be reduced from 50 percent to 18 percent, along with the condition that India would not buy oil from Russia, it sparked an uproar both inside and outside the Indian Parliament. Opposition parties questioned why a joint statement on the agreement had not been released and why Trump was speaking alone, and why India had not yet clarified its position. The opposition even alleged that India had compromised its agricultural interests by entering into a trade agreement with the US. However, Union Commerce Minister Piyush Goyal, on behalf of the Indian government, issued a clear statement regarding the trade deal, addressing all the questions. Emphasizing that national and commercial interests were paramount, Piyush Goyal stated that a deal had been reached, but representatives from India and the US were currently finalizing the details. A joint statement would be issued accordingly. He also clarified that there had been no compromise on the interests of the agriculture and dairy sectors. The interests of our farmers are paramount. The Trump administration is working on formalizing the trade agreement in writing. Piyush Goyal also said that the formalities are in the final stages, and the final statement will be released very soon after the completion of the final agreement and technical procedures. This trade agreement will bring many benefits to our country, including increased exports, technology transfer, expansion of global supply chains, creation of millions of jobs, and new investments in labor-intensive sectors. In addition to agriculture and dairy, the fisheries sector has also been kept open. This will provide incentives in the fisheries sector and create new employment opportunities for the poor, farmers, and youth. Regarding the opposition, he said that they should not diminish the importance of this deal with their negative thinking. According to the agreement, while the US will increase its purchases from India in sectors ranging from textiles to pharmaceuticals, India will buy petroleum, defense equipment, electronics and telecommunications products, and aircraft from the US. This will lead to increased trade between India and the US. Even if it doesn't reach the declared level of $500 billion, it will gradually increase. This will reduce the depreciation of the rupee against the dollar. The question arises: why is Trump the one providing all the information, especially regarding India's oil purchases? Goyal responded that since Trump imposed the sanctions, it is only natural that he would also provide the clarification regarding their removal. Meanwhile, information has come from Russia that it has not received any message from India regarding stopping oil purchases. The Russian government spokesperson said that Russia will maintain its relations with India. This is also a correct approach.Trade experts say that along with trade deals with Europe and America, India should also maintain its trade relations with Russia because Russia has stood by India in every difficult time. Statistics show that until 2025, India was buying 2 million barrels of crude oil per day from Russia. In December, this decreased to 1.21 million barrels per day. Now in January, it is 1.1 million barrels per day. Earlier, India was the second largest buyer of oil from Russia, but this position has now declined. The clear statement from the Commerce Minister on the trade deal dispels the confusion and presents a bright picture of Indian foreign trade to the public.

-Abhishek Vij

The crisis of toxic soil in Punjab

A recent report from the Indian government's Ministry of Chemicals and Fertilizers has presented another threat to Punjab. The crisis is that while Punjab is the country's largest agricultural producer and food grain supplier, it now has to fight to save its soil from becoming toxic. The report indicates that 23 districts of Punjab are among the 100 districts in the country where the consumption of chemical fertilizers is highest, a consequence of the so-called Green Revolution.It's worth remembering that Punjab was the pioneer of the first Green Revolution. The experiment involved using chemical fertilizers to maximize crop productivity in Punjab. However, the excessive use of chemical fertilizers in every crop led to serious environmental and health problems, and the soil in Punjab became so toxic that its devastating impact on the health of the Malwa region of Punjab is well-known.This latest report further reinforces these concerns. The report states that Sangrur district has the highest consumption of chemical fertilizers in the entire country. Among these 100 districts, the first and the last districts are also from Punjab. The last district is Barnala, the second is Ludhiana, the fourth is Patiala, and the seventh is Bathinda. Agricultural scientists have warned that if this indiscriminate use of chemical fertilizers is not curbed, the soil in Punjab will become extremely toxic and lose its productivity within the next ten years.Recognizing this danger, the PM PRANAM scheme was launched, and extensive campaigns were conducted to encourage the adoption of organic farming instead of chemical fertilizers. Farmers across the country are being encouraged to adopt nano-urea, organic fertilizers, and natural farming methods. Now, alarmed by this report, the agriculture department has instructed the district magistrates to ensure that farmers only adopt new farming practices according to the standards set by Punjab Agricultural University and that they do not blindly pursue increased productivity. It is also true that in recent years, Punjabi farmers had moved away from using organic fertilizers, cow dung manure, compost, and green manure in the name of convenience.

The power of sound, breath, and sacred speech

Parneet Sachdev
Chairman of Real Estate Regulatory Authority and a leading author

The Inner Realm

In a pathbreaking experiment, (Kox et al., 2014, Proceedings of the National Academy of Sciences (PNAS)), healthy volunteers were trained in intensive breathing techniques. The participants were then subjected to an intravenous administration of lipopolysaccharide (LPS), a bacterial endotoxin that reliably triggers flu-like symptoms and systemic inflammation in humans. ***The people trained in breathing techniques demonstrated a dramatically reduced inflammatory response compared with the untrained control group. They did not develop the flu as against others who did.***

SIMILAR BREATHING TRADITIONS ACROSS CULTURES

Breathing is intimately linked with mental functions. In the millenary eastern tradition, the act of breathing is an essential aspect of most meditative practices, and it is considered a crucial factor for reaching the meditative state of consciousness, or "Samadhi" (Patanjali, Yoga Sutras). The breath is also called *"Prana,"* which means both "breath" and "energy" (i.e., the conscious field that permeates the whole universe). "Prana-Yama" (literally, "the stop/control," but also "the rising/expansion of breath") is a set of breathing techniques that aims at directly and consciously regulating one or more parameters of respiration (e.g., frequency, deepness, inspiration/expiration ratio). ***Pranayama is primarily related to yoga practice, but it is also part of several meditative practices (Jerath et al., 2006).***

Across civilizations that never met, a striking convergence emerges: ***sound and breath were treated not as passive biological functions, but as instruments for transforming consciousness.*** Long before neuroscience could map neural oscillations or physiology could measure respiratory coherence, spiritual traditions intuited that vibration carried through voice and breath has the power to alter attention, emotion, and the experience of self.

The ***Chandogya Upanishad*** presents vibration and energy as a metaphysical foundation of reality, declaring Om to be the essence of all speech and existence (Chandogya Upanishad 2.23.3), although this also has to be understood symbolically and not literally. The Gospel of John situates creation itself in the Word, ***Logos;*** suggesting a symbolic representation of the infinite creative power ***(John 1:1)***. In Islamic mysticism, divine creative power is condensed into the command ***"Kun" i.e*** "Be" through which existence unfolds.

In the ***Rig Veda***, speech is portrayed as sacred force, capable of both illumination and destruction. Across Hindu mantra, Buddhist chanting, Gregorian psalmody, Sufi ***zikr***, Taoist incantation, and Indigenous song traditions, the same civilizational intuition persists: ***sound and speech are not merely expressive as language. They contain the power to alter consciousness, power to heal.***

MODERN SCIENCE AND SOUND

Modern science suggests that sound is an energy, a vibration propagating through matter. When sound enters the ear, it is converted into electrical signals that synchronize neural activity across cortical and subcortical regions. The brain itself operates rhythmically; cognition, memory, and emotional regulation depend on oscillatory neural patterns (Buzsáki, 2006).

External rhythm, through chant, music, or mantra can entrain these internal oscillations, subtly reshaping perception and mental state.

This is why sacred sound traditions across cultures converge on repetition. Repetition stabilizes attention, quiets intrusive thought, and produces measurable shifts in autonomic nervous system activity. Studies on mantra chanting and rhythmic prayer demonstrate reductions in stress markers, improved heart rate variability, and increased parasympathetic activation associated with calm and emotional regulation (Bernardi et al., 2001; Porges, 2011). Functional neuroimaging studies of prolonged chanting of ***Om/ Waheguru*** etc show decreased activation in limbic regions linked to fear and arousal, alongside increased coherence in attentional networks (Kalyani et al., 2011).

> Sound and speech are not merely expressive as language. They contain the power to alter consciousness, power to heal.

BREATHING TRADIONS AND SCIENCE

Yet sound rarely acts alone. In many traditions, sound is inseparable from ***breath.*** Civilizations independently discovered that ***breath alters consciousness***. In Indian ***pranayama***, breath is cultivated to influence ***prana***, the animating life force described in yogic physiology. Tibetan ***Tummo*** breathing combined visualization and respiratory discipline to generate heat and resilience under extreme cold. Sufi mystics developed rhythmic breathing integrated with divine remembrance, allowing breath itself to become prayer. Warrior traditions, from Japanese martial arts to Greco-Roman combat disciplines, trained breath control to stabilize fear, sharpen attention, and enhance endurance.

Modern respiratory neuroscience now clarifies that rhythmic breathing directly influences vagal tone and heart rate variability, key markers of emotional regulation and stress resilience (Porges, 2011). Slow, controlled breathing modulates activity in the limbic system, including the amygdala, reducing anxiety and improving attentional control.

By consciously regulating breath, individuals gain indirect influence over systems that govern fear, arousal, and emotional reactivity. What spiritual traditions called ***disciplining the life force***, science increasingly recognizes as ***regulating autonomic and cortical dynamics.***

Sound and breath thus operate as intertwined technologies of consciousness.

Studies on rhythmic vocalization and chanting demonstrate shifts in subjective state, attention, and emotional processing, alongside measurable changes in neural coherence (Neher, 1961; Maxfield, 1990). Beyond individual neurobiology, sacred sound and breath historically functioned as ***social instruments.***

HEALING THROUGH CHANTS

Anthropological research on Indigenous healing and ritual traditions—from ***Shipibo medicine songs*** in the Amazon to ***Diné ceremonial chants*** in North America—shows that collective chanting synchronizes breathing, movement, and emotional tone among participants. This synchrony fosters bonding, trust, and shared identity, reinforcing communal resilience (McNeill, 1995). Experimental studies in social neuroscience confirm that synchronized movement and vocalization increase pain thresholds and social bonding, likely mediated by endogenous opioid release (Tarr, Launay & Dunbar, 2014).

The Buddha's teaching on Right Speech links verbal discipline to mental purification (Majjhima Nikaya 41). The Bhagavad Gita describes disciplined speech as truthful, beneficial, non-harmful, and self-controlled (Bhagavad Gita 17:15). The **Qur'an** emphasizes accountability for every spoken word (Qur'an 50:18). Across cultures, speech is treated as an ethical force because it shapes thought, relationships, and inner narrative.

Contemporary psychology affirms this insight. Repeated verbal framing influences cognitive schemas, emotional interpretation, and memory encoding, gradually shaping personality and worldview (Beck, 2011). Internal dialogue, like external speech, becomes a form of silent mantra, either reinforcing fear or cultivating clarity. Sacred speech traditions recognized early that ***what we repeatedly say, we eventually become.***

Rumi's words echo this sensibility:

"The universe is not outside of you. Look inside yourself; everything that you want, you already are."

Yet this power carries ethical risk. The same mechanisms that allow chant to heal can be used to manipulate. Propaganda, cult indoctrination, and extremist rhetoric exploit rhythm, repetition, and emotional priming to shape belief and suppress critical thought. Sacred traditions often recognized this danger, embedding speech discipline within moral frameworks. Sound can liberate, but it can also bind.

In contemporary life, constant notifications, algorithmic outrage, and performative speech overstimulate the nervous system while eroding coherence. We inhale rapidly, speak reactively, and rarely pause long enough to feel the rhythm of our own breath. The result is a culture of cognitive turbulence.

What, then, can a modern reader practice, without adopting religious identity or appropriating sacred ritual?

A grounded, universal exercise lies in coordinated breath and vocal resonance.

Set aside ten minutes in a quiet space. Sit upright with a relaxed posture. Begin by inhaling slowly through the nose and exhaling gently through the mouth, allowing the breath to lengthen naturally. Research on slow breathing demonstrates that extended exhalation increases vagal tone and promotes autonomic balance (Porges, 2011).

Then introduce a simple sound on each exhale—such as *'Om' or Waheguru or Ram (from Divine scriptures-not man-made)* letting the vibration resonate in the chest and throat. Maintain a steady gentle rhythm.

As you continue, observe your internal dialogue. Notice how the cadence of breath and sound influences the tempo of thought. Over time, this practice cultivates awareness that the voice and breath are not merely biological functions, but instruments for shaping inner experience.

Long before laboratories could measure neural rhythms or heart rate variability, humanity discovered that sacred sound and conscious breathing could reorder awareness. Modern science has not dismantled this insight; it has begun to illuminate its mechanisms. The ancient science of vibration now stands as an early chapter in the ongoing study of consciousness.

THOUGHT OF THE DAY

> ***The journey of a thousand miles begins with a single step..***
> -Lao Tzu

The growth of urban vertical farming in India

India is witnessing a quiet revolution in agriculture as urban vertical farming gains momentum in metropolitan cities. Vertical farming involves cultivating crops in stacked layers using controlled-environment agriculture (CEA) technology, which optimizes plant growth while minimizing land and water usage. With rapid urbanization, shrinking arable land, and growing demand for fresh produce, vertical farming offers a sustainable and efficient solution to food security challenges. Startups and corporations are increasingly investing in vertical farms across cities such as Bengaluru, Mumbai, and Delhi, producing vegetables, herbs, and leafy greens for urban consumers.Urban vertical farming addresses multiple challenges faced by conventional agriculture. India loses a significant portion of agricultural produce to inefficiencies in storage, transportation, and pest management. Vertical farms reduce these losses by enabling year-round cultivation in controlled environments, free from unpredictable weather conditions. The technique also conserves water through hydroponics or aeroponics, using up to 90% less water compared to traditional soil-based farming. Additionally, vertical farms require significantly less land, making them suitable for densely populated urban areas where space is limited.

Technological innovations are central to the success of vertical farms. Automated climate control, LED lighting, nutrient monitoring, and IoT-based systems allow farmers to optimize crop yields and reduce labor costs. By controlling temperature, humidity, and light, vertical farms can produce crops with consistent quality and higher nutrient content. Smart farming technologies also enable data-driven decisions, predicting growth cycles and adjusting inputs to maximize efficiency. The integration of renewable energy sources, such as solar panels, further reduces the environmental impact of these farms, aligning with India's sustainability goals.

Economic considerations play a key role in the growth of vertical farming. Although initial setup costs are high, long-term benefits include reduced transportation costs, minimal pesticide use, and higher crop yields. Consumers are increasingly willing to pay a premium for fresh, locally grown, chemical-free produce. The sector is also generating employment opportunities in technology, logistics, and farm management. Government initiatives like the National Agriculture Market (e-NAM) and support for agri-tech startups further encourage investment in urban farming solutions.

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Enabling innovation without dependency: India's approach to AI compute access

Sushil Pal
Joint Secretary, Ministry of Electronics & Information Technology

Artificial intelligence has the potential to be one of the most transformative forces of our time driving economic growth, improving public services, and accelerating solutions to complex global challenges. From enabling early disease detection and precision agriculture to strengthening disaster preparedness, climate modelling, and welfare delivery at scale, AI is already reshaping how societies function. As with earlier technological revolutions, however, it is also redefining competitive advantage, often shaped by access to critical resources.

Today, these differences are increasingly geographic, with uneven access to compute, data, and infrastructure influencing who can innovate at scale. India's response has been clear and constructive. Through the IndiaAI Mission, India is working to democratise access to AI capabilities by treating compute, data, and models as digital public enablers rather than concentrated assets. By building open and scalable digital infrastructure, India aims to ensure that AI advances inclusion, supports sovereign innovation, and delivers shared progress.

This approach is underpinned by a comprehensive, end-to-end vision. At the World Economic Forum in Davos, Hon'ble Union Minister Shri Ashwini Vaishnaw spoke about India's five-layer AI framework, recognising that meaningful AI deployment requires coordinated progress across the energy layer, compute and infrastructure, chips and hardware, models, and applications. Anchoring AI development in reliable energy systems and domestic compute capacity ensures resilience, while investments in chips, models, and applications enable innovation that is scalable, secure, and aligned with national priorities. Together, these layers form the foundation of India's AI ecosystem, linking policy ambition with operational readiness.

> Today, these differences are increasingly geographic, with uneven access to compute, data, and infrastructure influencing who can innovate at scale.

What distinguishes India's approach is its architecture of access. India has created a common compute platform where 38,000 GPUs are accessible through a unified portal at an affordable rate of INR 65 per hour compared to the global cost of $2.5 to $3 per hour. The government, under the IndiaAI Mission, now offers 100% subsidies for foundational model training and 40% subsidies for inference workloads, ensuring that cost does not become a barrier to innovation. This transforms compute from a commodity into an enabler, allowing domestic startups like Sarvam AI, Soket AI, and Gnani AI to build indigenous large language models without the capital intensity that typically favors Big Tech.

Building indigenous large and small language models (LLMs and SLMs) is central to India's broader objective of algorithmic sovereignty. India's sovereign AI model expected to be unveiled at the India AI Impact Summit (16–20 February 2026) is being trained on Indian datasets and hosted on domestic infrastructure. By grounding these models in India's linguistic and cultural diversity, the effort also seeks to reduce bias and ensure AI systems are more representative, and inclusive in nature. This approach ensures that data residency, model behaviour, and governance frameworks remain aligned with national priorities, citizen rights, and India's constitutional values. It reflects a comprehensive strategy for technological self-reliance and strategic autonomy along with the capacity to collaborate globally while retaining control over critical digital systems.

The India AI Impact Summit will shift the global AI conversation from abstract safety debates to measurable impact. Its seven thematic pillars; democratizing AI resources, enabling inclusive development, harnessing AI for planetary resilience, ensuring trustworthy systems, developing contextual multilingual AI, empowering Global South voices, and bridging the AI divide, directly address the dependencies that have historically constrained developing nations.India's approach offers a replicable case study for the Global South. For regions facing constraints ranging from infrastructure gaps to large informal economies it demonstrates how openness and innovation can be balanced with sovereignty. Rather than prescribing a single model, India's experience illustrates how nations can build AI ecosystems that are aligned with local realities while remaining globally interoperable.India's sovereign AI models, being developed as open-source resources, are designed for adaptation across diverse contexts. Countries can draw lessons from this approach adapting model architectures, governance frameworks, and capacity-building strategies to suit their own linguistic, cultural, and developmental priorities. The emphasis is on ecosystem-building, where shared standards, open tools, and collaborative learning accelerate impact without creating new dependencies.

As AI becomes increasingly central to economic competitiveness and national resilience, the question is no longer whether developing nations should invest in AI capabilities, but how they do so responsibly and sustainably.

India's space ambitions

India's space program has evolved from modest beginnings to global recognition, marked by ambitious missions and scientific breakthroughs. The Indian Space Research Organisation (ISRO), established in 1969, has successfully undertaken projects ranging from satellite launches to interplanetary exploration. Landmark missions such as Chandrayaan-1, Mangalyaan (Mars Orbiter Mission), and Chandrayaan-2 have placed India on the international space map, demonstrating technological expertise, cost-effectiveness, and scientific innovation. The next frontier for India is human spaceflight through the Gaganyaan mission, which aims to send Indian astronauts into low Earth orbit, showcasing India's growing capabilities in manned space exploration.

ISRO's approach has combined ingenuity with budget-conscious strategies. The Mars Orbiter Mission (Mangalyaan), launched in 2013, became the first interplanetary mission by an Asian country and one of the most cost-efficient globally, costing just over $74 million. Chandrayaan-1 discovered water molecules on the Moon, while Chandrayaan-2's orbiter continues to relay scientific data despite the lander's crash. These missions highlight India's focus on both scientific discovery and strategic technological advancement, including satellite development for communication, weather monitoring, agriculture, navigation, and defense.

The Gaganyaan program represents a significant leap forward. Scheduled for launch in the near future, it will carry a crew of Indian astronauts to space for a week-long mission. The program involves extensive preparation, including astronaut selection and training in Russia, development of crew modules, life support systems, and advanced safety protocols. Gaganyaan is expected to boost research in space medicine, human physiology in microgravity, and long-duration spaceflight. It also strengthens India's position in the global space arena, opening avenues for international collaboration and potential commercial partnerships.

Beyond scientific achievements, India's space program has significant socio-economic implications. Satellite-based technologies enable disaster management, agricultural planning, telecommunication, and internet connectivity in remote regions. Programs like NavIC, India's indigenous navigation system, provide critical infrastructure for transportation, defense, and civilian use. ISRO's satellite launches for foreign countries have generated revenue and enhanced India's reputation as a reliable, cost-effective launch service provider. Space research also drives technological spin-offs, stimulating innovation in electronics, robotics, materials science, and renewable energy.

Challenges for India's space ambitions remain substantial. Human spaceflight requires rigorous safety standards, advanced life support systems, and reliable launch vehicles. Funding constraints, dependence on imported technology for critical components, and the need to attract and retain highly skilled talent are ongoing concerns. Climate and atmospheric conditions, satellite congestion, and space debris management also pose operational challenges.

Mental health challenges among Indian university students

Mental health issues among university students in India have become increasingly prominent in recent years. Academic pressure, social expectations, career uncertainty, and personal challenges create a high-stress environment that affects students' psychological well-being. Surveys indicate that nearly 40% of college students in India experience symptoms of anxiety, depression, or stress, yet access to mental health support remains limited. Cultural stigma, lack of awareness, and insufficient counseling facilities exacerbate the problem, often leaving students to cope with their struggles silently.

The causes of mental health challenges are multifaceted. Academic stress is a primary factor, as students strive to meet high expectations from family and institutions. Competitive exams, heavy coursework, and pressure to secure lucrative employment contribute to anxiety and burnout. Social pressures, including adapting to new environments, maintaining relationships, and navigating social media, also impact mental health. In addition, financial stress can significantly affect students from lower-income backgrounds who balance studies with part-time work or debt. Universities across India are beginning to recognize the importance of mental health support. Counseling centers, helplines, and peer support groups are gradually becoming more common. For example, institutions like Jawaharlal Nehru University, Delhi University, and Tata Institute of Social Sciences have established mental health programs and workshops. Online platforms offering teletherapy and mental health resources are also expanding access, especially for students in remote areas. Moreover, social media campaigns and awareness programs are challenging stigma and encouraging students to seek help.

Despite progress, challenges persist. Many universities still lack trained counselors, and cultural stigma prevents students from openly discussing mental health issues. Students may fear academic or social repercussions if they admit to struggling, which delays intervention and treatment. Limited funding and prioritization of mental health infrastructure further hinder the development of comprehensive support systems.

The dignity of soil and the penance of water: Shaping India's 'green future'

Umashankar Pandey
Padma Shri awardee and a renowned Jal Yoddha/Water Warrior

Indian agriculture stands at a historic crossroads. For decades, our narrative was one of triumph—transforming from a food-deficient nation to one of the world's largest agricultural producers and exporters. This "Green Revolution" was fueled by hard work, improved seed varieties, expanded irrigation, and a heavy reliance on chemical fertilizers.

However, as I run the soil of Jakhni (Banda, Uttar Pradesh) through my fingers today, the warnings of experts echo in my mind. The chemical "crutches" that once accelerated our progress have deeply wounded our soil and depleted our groundwater.

The Silent Crisis: Erosion of Our 'Silent Wealth'

Soil is not mere dirt; it is the nation's "Silent Wealth," the very foundation of our entire food system. Yet, the indiscriminate use of nitrogenous fertilizers like Urea has hollowed out this treasure. Our fields are no longer just deficient in primary nutrients; they are starved of organic carbon, secondary nutrients like Sulphur, and vital micronutrients such as Zinc and Boron. The result is a worrying trend where soil fertility is declining and crop yields have hit a plateau.

To counter this, we must adopt the '4R' Stewardship philosophy:

- **Right Source:** Using the correct nutrient type.
- **Right Dose:** Applying the exact amount required.
- **Right Time:** Feeding the crop when it needs it most.
- **Right Place:** Ensuring nutrients reach the roots, not the environment.
- **The Jakhni Model:** 'Med Par Ped' (Trees on Bunds)

My journey began in Jakhni, a village in the drought-prone Bundelkhand region. In 2005, without government aid or formal schemes to stop soil erosion, we turned to community solidarity. We launched the "Khet Par Med, Med Par Ped" (Bunds on fields, Trees on bunds) campaign. Our goal was simple: catch every drop of rain where it falls and recharge the earth's aquifers.

Today, the 'Jakhni Model' is recognized by Niti Aayog. In districts like Banda and Chitrakoot—where water once had to be delivered by trains during summers—we have seen groundwater levels rise by up to 1.34 meters due to bunding. While we have made strides in water conservation, a fear remains: if we save the water but lose the soil to chemical toxicity, our efforts will be in vain. The synergy of water conservation with organic and natural farming is the ultimate "win-win" for the Indian farmer.

Integrated Nutrition: Merging Tradition with Tech

The future of farming lies in Integrated Nutrient Management (INM). This does not mean abandoning fertilizers entirely, but balancing them with organic manure, bio-fertilizers, and micro-nutrients.

The government is facilitating this shift through strategic policy changes:

Subsidies for Organics: Fermented Organic Manure (FOM) and Potash derived from Molasses (PDM) are now under the fertilizer subsidy framework to boost soil organic carbon.

Data-Driven Farming: The Soil Health Card (SHC) is evolving from a mere document into a digital guide for farmers. Plans are underway to link SHC data with Direct Benefit Transfer (DBT) to provide personalized, field-specific nutrient advice.

One-Stop Hubs: PM Kisan Samriddhi Kendras (PMKSKs) are being established as village-level hubs providing quality inputs, diagnostic services, and expert advisory under one roof.

The Nano-Revolution and Policy Reform

India is emerging as a global leader in Nano-fertilizers. Products like Nano Urea and liquid bio-fertilizers significantly reduce waste while enhancing productivity. Schemes like PM-PRANAM incentivize states to reduce chemical fertilizer use and reinvest the saved subsidy into alternative nutrients. Furthermore, the integration of drones is turning the dream of "precision farming" into a reality by ensuring targeted application of inputs. However, the path forward requires addressing the subsidy imbalance that currently favors Urea, leading to nutrient misalignment. We also need a clear regulatory framework for Organo-Mineral Fertilizers (OMFs) to combine the benefits of mineral nutrients with organic matter.

A Resilient Path to 2026

As we stand at the threshold of 2026, dreaming of a Viksit Bharat (Developed India), we must realize that the road to that future runs through the bunds of our fields. The integration of 4R Stewardship, nano-innovations, and precision technologies represents more than just a change in farming technique; it is a decisive strategy for building a resilient, efficient, and future-ready agricultural ecosystem. Success requires a seamless trifecta of cooperation between the government, the industry, and the farmer. By prioritizing soil health today, we are not just farming; we are securing the food sovereignty of future generations.

Intent and outcome

India must match its climate ambitions with higher allocations

Union Budgets began reflecting greater climate concerns from 2021, in the thick of the COVID-19 pandemic, with a modest ₹4,500 crore to localise solar photovoltaic production and to reduce India's dependence on Chinese imports. But there has been a cautious, disjointed approach to the scale and allocations. While five broad sectors (cement, steel, aluminium and fertilizers; decentralised solar power; greening irrigation pump sets; green hydrogen; and nuclear energy) received attention in Budget 2026-27, the most prominent announcement was the proposed five-year outlay of ₹20,000 crore for Carbon Capture, Utilisation and Storage (CCUS). This is a modest provision for a suite of costly and complex technologies. The allocation signals that India is entering a pilot and demonstration phase, rather than embarking on immediate industrial deployment. While operational examples exist in Norway, Canada and the U.S., scaling CCUS has proven expensive and uneven. The technology is primarily relevant to sectors where emissions are embedded in the production process. The EU's Carbon Border Adjustment Mechanism (CBAM) will impose carbon costs on imports of high-emission products, so for India, decarbonising industrial production is no longer only a climate imperative. It is now a question of export competitiveness, particularly for steel and aluminium, which form the bulk of India's CBAM-exposed exports to the EU.

The Budget also substantially scales up the PM Surya Ghar Muft Bijli Yojana rooftop solar scheme – ₹22,000 crore in 2026-27 from ₹17,000 crore (RE) for the current year. It is a welcome push towards decentralised energy systems that reduce land pressure, transmission losses and household energy costs. However, implementation challenges remain, including discom cooperation and upfront finance. Similarly, allocations for PM-KUSUM (solar irrigation pumps), have been sustained at ₹5,000 crore. Revised estimates suggest stronger-than-anticipated absorption. For nuclear energy, the government has extended zero basic customs duty on imports of nuclear plant equipment until 2035. While this reduces input costs, nuclear power remains capital intensive, with long construction timelines and financing risks. Recent legal changes permit private participation, but whether private capital will enter a sector entwined with national security, safety and liability concerns remains uncertain. Green hydrogen, despite budgetary support, continues to see modest actual spending, highlighting the persistent gap between policy ambition and execution. Overall, India's climate budget for 2026-27 repeats a pattern: big on intent, cautious on allocations, and uncertain in its ability to mobilise the private capital required to accelerate decarbonisation across vital sectors.

More, and less

The health-care component of Budget 2026 is a mixed bag

While this year's health-care allocations are aggressive in certain key sectors, it has failed expectations that Budget 2026 would be a milestone for increased health-care spending as a percentage of GDP. The total allocation this year is over ₹1.05 lakh crore, marking an increase of about 10% over the previous year's revised estimates. However, experts have pointed out that the 2026 health budget is approximately 1.9% of the total government expenditure, and about 0.26% of GDP. Finance Minister Nirmala Sitharaman fronted the Biopharma SHAKTI scheme, among the projects with the single highest budgetary allocations this year. This ₹10,000 crore government initiative will transform India into a manufacturing hub for biologics and biosimilars over the next five years, she said. A pan-country clinical state-of-the-art trial infrastructure will also be created, through a network of 1,000 accredited clinical trial sites. No doubt, this will take care of an angle that has long been languishing in India – research and development. Additionally, the government will set up three new National Institutes of Pharmaceutical Education and Research (NIPER) and modernise seven existing units, besides establishing a second NIMHANS campus in north India and two upgraded national mental health institutes. The government has set itself a target of training one lakh allied health professionals over the next five years, while another 1.5 lakh care workers will also be trained to take care of the health needs of the elderly; this is appreciable at a time when India is well on its way towards becoming a grey nation, with fertility levels falling. In the area of making care affordable, the government has exempted 17 cancer medicines and several treatments for rare diseases from customs and import duties, while also reducing the tax collected at source on medical and educational remittances from 5% to 2%. For patients suffering from these conditions, and their families, this will no doubt lead to better affordability for treatments.

Primarily under fire was the Union government's stodgy refusal to increase the allocation for health care to reach 2.5% of GDP by 2025, as committed in the National Health Policy of 2017. Public health activists have lambasted the drop in funding for the National Health Mission, despite the fact that funds have been consistently well utilised here. While fiscal devolution has enabled States to invest more heavily in the health sector, there are concerns, however, that the Centre steadily reducing its share will result in patchy outcomes, not even improvements, in the health-care sector of the country.

The fading of India's environmental jurisprudence

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From its Aravalli ranges to its mangroves, India is at the same moral crossroads that Amitav Ghosh captures in *The Hungry Tide*, where the tides remember what the law chooses to forget. If environmental justice continues to be diluted in the name of development, the Constitution of India risks becoming a silent witness to ecological loss, where the consequences, like the tide itself, will return with unforgiving force.

On December 18, 2025, for non-coal mining projects, the policy of land acquisition first and Environmental Impact Assessment (EIA) later was changed. Now, an EIA can be done without details about the location and area. The Supreme Court of India helped in the dilution of environmental justice by recalling the case, *Vanashakti vs Union Of India* (2025) that banned retrospective environmental clearances. Within five months, a Bench led by (then) Chief Justice of India (CJI) B.R. Gavai, recalled the progressive judgment.

From mountains to mangroves

Recent developments indicate a slow, but systematic, dilution of ecological protection. The CJI, Justice Surya Kant, *suo motu*, stayed the controversial order, saving the reputation of the Court. But the debate concerning the Aravallis is not just about a technical argument on definition. It marks a paradigm change in the perception of development, the role of the environment, and the constitutional obligation by the state.

Similarly, the judicial sanctions to the destruction of 158 mangroves for Adani Cementation Limited (2025) in Raigarh, Maharashtra, and the new environmentally unfriendly infrastructure schemes such as the Char Dham highway in the Himalayas, highlight a dangerous trend – that the health of the environment is further being undermined by the government whose proximity with the corporate world is an open secret though it is also true that the private sector has been severely criticised in the annual Economic Survey presented in January 2026.

The Aravallis, traditionally acknowledged as the ecological backbone of north-western India, play a vital role which includes checking desertification, enhancing the recharge of groundwater, controlling micro-climates and maintaining biodiversity. Interestingly, the Court itself has recognised this ecological role. In *M.C. Mehta vs Union of India and Ors.* (2004), a ban was imposed on mining in the Aravalli region.

Later orders that culminated in the year 2010 admitted that unregulated mining in the area had had irreparable effects on the environment. More importantly, in these proceedings, the Court quashed efforts to restrict the Aravallis to a definition based on the landform's height, especially the suggestion that only landforms over 100 metres could be a component of the Aravalli ranges.

The Court realised how such a strict interpretation would ignore huge tracts of ecologically crucial land, thus foiling the objective of environmental conservation. The 100m norm was discarded in 2010 on an ecological basis. The hills and ridges at a low altitude are of significant importance in the preservation of groundwater and soil stability in the semi-arid landscapes. The Aravallis are not just a cluster of isolated peaks but are a geomorphological system. Unfortunately, the latest height-centric definition does not pay attention to crucial factors such as hydrology, biodiversity and ecological interdependence. It was due to the need to circumvent this reductionist strategy that the Court relied on the precautionary principle, in *Vellore Citizens' Welfare Forum vs Union of India and Others* (1996), rejecting the idea of any artificial limit.

The strange acceptance by the top court of the 100-metre definition, in *In Re: Issue Relating to Definition of Aravalli Hills and Ranges* (2025), marked a clear departure from the position taken in 2010. In trying to keep landforms above a predetermined elevation as the sole subject of legal protection, the Court has efficiently deprived the Aravalli ranges of any statutory and judicial protection over large portions. Such a change has serious constitutional implications.

The right to a clean and healthy environment, which has been broadly understood in the application of Article 21, is directly involved. Article 48A, which requires the state to ensure the conservation and the enhancement of the environment, is now a hollow proclamation in instances where the interpretation of the law by the judiciary can promote rather than safeguard ecological exclusion. In fact, India's courts have been more enthusiastic about cow slaughter (Article 48) and uniform civil code (Article 44).

The discriminatory protection or preservation of some landforms in relation to their height creates an absurd classification that has no rational nexus to ecological goals. An interpretation of a law that safeguards outstanding hills and exposes the surrounding ecosystems to exploitation contravenes the principle of non-arbitrariness that forms the core of Article 14.

A leniency

This watering down of environmental protection is seen not only in the case of the Aravallis. This has been the case over years with courts and regulatory bodies supporting development projects based on the assurance of mitigation instead of their enforcing environmental norms to the letter. This is evident in the undermining of the EIA process and the legalisation of post-facto and conditional clearances, even after the judicial warnings. In *Common Cause vs Union of India* (2017), the Court had made it clear that the legalisation of illegal mining and environmental offences could not be done after the fact, and that the environmental law is to serve as a deterrent. But judicial leniency later in regard to lapses in procedure corresponds to a slow weakening of this principle.

> The higher judiciary appears to be aiding a watering down of environmental protection

The results of this kind of dilution are seen in cases of coastal urban ecology, especially the mangroves of Mumbai. Mangroves are multi-layered ecosystems which act as natural flood control systems, sinks of carbon and reservoirs of biodiversity. They protect against storm surges and tidal flooding. Continued judicial authorisations to fell (and transplant) about 34,000 mangrove trees to build infrastructure are a setback. Allowing mangrove destruction on a large scale on the 'promise of compensatory afforestation' marks the destruction of ecological science and constitutional responsibility. It requires decades to develop mature mangrove ecosystems, which cannot be compensated by having a plantation drive in some other place.

Another example is the Char Dham highway project in Uttarakhand. A June 2025 study identified 811 landslide zones along the Char Dham project. The Himalayan ecosystem is one of the most delicate in the world, and the road widening project on such a large scale has grave dangers – triggering landslides and disturbing rivers.

In *Citizens for Green Doon vs Union of India* (2021), the Court recognised the ecological importance of the area, but still allowed wider roads on the grounds of strategic defence needs. The flash floods and ecological disturbances that affected Uttarakhand raise questions about this 'balancing act'. The ill-effects of the current infrastructural rush affect future generations, especially when the constitutional obligations on the government and the citizen, under Article 48A and Article 51A(g), make it clear that it is the responsibility of citizens to safeguard the environment.

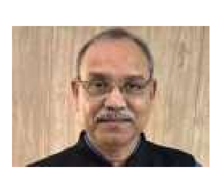
Strong players and the issue of fairness

Environmental clearances of corporations and large-scale infrastructure projects, especially those supported by serious capital in mining, highways or urban redevelopment, can pass through regulatory barriers rather easily. If there is a hearing, it is cut short, objections raised are considered obstructionist, and environmental compliance becomes a mere checklist. This casts grave doubts on procedural fairness and transparency which are contained in Article 14. When it disproportionately gives more privileges to economically strong players, environmental governance can destroy the trust of the populace and constitutional equality.

The changing stance of the judiciary in this dismal picture is crucial. Traditionally, courts have been the custodians of environmental rights as they have broadened the constitutional interpretation on issues of environmental damage. Judgments such as *M.C. Mehta vs Kamal Nath and Ors.* (1996) held that the public trust doctrine was deeply rooted in the belief that natural resources belonged to the state, were held in the trust of the people and could not be sold to be exploited privately. When such definitions or clearances are approved by the courts to promote the degradation of the environment, they basically go against the court's own jurisprudence. The Green Bench of the Supreme Court must sit regularly. Similar Benches must be set up in all the High Courts. Ease of business should not make destruction of the environment easy.

The views expressed are personal

More money for defence, now fix the process



Dushyant Singh

is a retired Lieutenant General, and, currently, Director General of the Centre for Land Warfare Studies (CLAWS)

Tara Kartha

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The Finance Minister has been rather generous. The new defence budget is being touted as being the first double digit jump in India's defence expenditure in decades, ever since its steady decline from 2017. At 2% of the Budget, it sends a signal of strategic determination in a more than unusually turbulent world. The funds will have to be used prudently and expeditiously, which demand systemic change, not tinkering, in the Budget process. As 'frenemies' abound and a tenuous 'rules-based order' collapses, there is no time to lose.

The good and the bad

The most talked about aspect is the Budget's 15% hike hitting 2% of GDP (up from 1.9% last year). Second, in a notable shift, capital expenditure has outpaced the revenue budget, up more than 22%, reversing years of neglect. Third, there is a clear thrust toward modernisation. The Indian Air Force gets a hefty 32% rise, while the Indian Army has got a 30% hike for heavy vehicles and weapons.

Oddly, the Indian Navy, with its ambitious commitments in the Indian Ocean, gets 3%. Ironically, this is probably due to its success in indigenisation, and a proven capability to absorb allotted funds.

All this is good. But the rupee has weakened substantially against the dollar, which means that payment for capital goods such as aircraft has become more expensive. It is not all bad news. Defence exports are rising – ₹23,000 crore last year as against ₹1,000 crore in 2014. A chunk of the Indian Army's mobility equipment is made here by the Tatas, Ashok Leyland and others. But this does eat into the 'double digit' increase.

> A defence budget has to also be seen as a tool that powers growth

There are also the pension payments which rose by 6.56% but it is still at 21.84% when compared to 27.95% for capital expenditure of the Ministry of Defence (MoD)'s allocation. Before FY1987-88, they came under central government pensions and were not clubbed with the defence budget. Despite this, the Budget was still 3.31% of GDP. The size of the economy then was less than half of what it is today, but it still provides a certain perspective.

It might be time to reinvent that wheel.

Bureaucracy and delays

A welcome aspect is that 75% of the capital acquisition budget for procurement has been earmarked for domestic industries, which includes private players. The government's thrust in this direction has been consistent, with defence production recording a 174% surge from 2014-15. But beyond this is the reality of a complex bureaucratic system, one aspect of which is the L-1 (lowest cost) rule which favours large industries rather than innovators who are vital for a tech-intensive industry. They cannot compete, especially when transitioning to manufacturing. This needs not only hand holding but also clarity in forward planning and promised volumes.

The next factor is this – the interminable delays in vital programmes such as Project 75 for submarines approved in 1997. Expected delivery times are now in the mid 2030s. The Rafale fighter aircraft deal which was envisioned in the 1990s, saw results only 2019-20. It is unsurprising then that the MoD had to return ₹12,500 crore of its capital allocation in FY2024-25.

It is time to re-examine the repeated demand for a Non-Lapsable Defence Modernisation Fund, which was announced in the FY 2004-05 Budget speech but never implemented. Financial convenience cannot result in the defence industry being held hostage.

R&D lies scattered

A key area is research and development (R&D). Funds for the Defence Research and Development Organisation (DRDO) and a slew of research organisations have been increased; many have potential benefits for defence production. But research is segmented. Despite often being dual use, it seldom translates into better defence capabilities. India's overall research budget also remains 0.66% of GDP. Compare that to Japan at 3.70%, funded primarily by the private sector. In India, there is a near absence of private sector R&D. Those in the big league must loosen up and unify research and its direction.

A 'pacifist' country such as Japan has now allocated 2.2% for its defence. So has Australia with a far lower threat profile. Europe too is moving to larger allocations. At issue here is the 'guns vs butter' lens through which the defence budget is viewed. Instead, it needs to be melded with the vision of Viksit Bharat's $30 trillion economy. The Border Roads Organisation, for instance, delivers the connectivity for 'Vibrant Villages" programme which is vital to border development.

In another example, the Prime Minister remarked that indigenous shipbuilding has a 6.5 multiplier effect on employment, with its multiple ancillary industries. This applies almost across the board. The Budget has to be seen as a tool for powering growth, rather than being a 'non development' section. Once this is done, the processes will follow.

LETTERS TO THE EDITOR

The cover story

What a sad commentary it is on how Parliament's time is squandered on unproductive debates over books. The Leader of the Opposition suddenly raises an issue over a former Army Chief's book, stalled by the Defence Ministry for opaque reasons. In response, ruling party MPs theatrically brandish books whose contents have long been in the public domain. As someone who has spent a lifetime in publishing, I expected Parliament to confront a far graver anomaly: GST on books. While books are 'exempt', every input — paper, printing, logistics, freelance honoraria, and author royalties — attracts GST. Publishers cannot claim input tax credit or seek refunds, effectively turning GST into a hidden tax. With costs rising relentlessly, this policy quietly penalises knowledge creation while Parliament argues over dust jackets.

N. Nagarajan,
Secunderabad

The online age

It was shocking to read the report on three minor girls ending their lives in Uttar Pradesh due to the restrictions their parents had imposed on them on the use of mobile phones (Front page, February 5). We find that many children cast their pens or pencils aside and are content with being immersed in their mobile phones. Letter writing is an alien concept. Internet 'addiction' in children is an important issue that needs to be tackled as it is affecting the mental health of young people. Our youth must have creative pastimes and an active lifestyle that involves outdoor games.

A.J. Rangarajan,
Chennai

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

Should the Governor's address be scrapped?

P.D.T. Achary

Former Secretary General of the Lok Sabha

Alok Prasanna Kumar

Co-founder of Vidhi Centre for Legal Policy

PARLEY

Last month, during the joint session of the Karnataka Legislature, Governor Thaawarchand Gehlot walked out of the House after reading only a few lines of his customary address prepared by the State Cabinet. The Chief Minister accused the Governor of violating his constitutional obligation. The incident followed similar developments in other Opposition-ruled States. In DMK-ruled Tamil Nadu, Governor R.N. Ravi walked out of the Assembly without delivering his inaugural address. In LDF-ruled Kerala, Governor Rajendra Vishwanath Arlekar omitted portions of the speech cleared by the Cabinet. Should the practice of Governors addressing the State legislatures be scrapped? P.D.T. Achary and Alok Prasanna Kumar discuss the question in a conversation moderated by **Aaratrika Bhaumik**. Edited excerpts:

Does a Governor's refusal to read the Cabinet-approved opening address violate the Constitution?

P.D.T. Achary: Under Article 176, a Governor is constitutionally mandated to address the State legislature at the commencement of the first session each year and at the first session following a general election. The address sets out the government's legislative agenda, outlining the policies and programmes it proposes to pursue during the session and the year ahead. The text of this address is prepared by the State Cabinet, and the Governor, as a constitutional functionary, is required to deliver it in that form. A Governor who declines to address the House, or who makes only a token appearance by reading selective portions of the address, cannot be said to be acting in conformity with the mandate of Article 176.

Alok Prasanna Kumar: Such conduct is contrary to the constitutional mandate. The Governor is an integral part of the State legislature, as recognised under Article 168 of the Constitution. This aspect is often overlooked, as the legislature is frequently understood to comprise only one or two Houses of elected representatives. As a constitutional head within this structure, the Governor is expected to facilitate, not obstruct, the functioning of the legislature.

Can a Governor use discretion to alter such an address?

Alok Prasanna Kumar: No. In *Nabam Rebia v. Deputy Speaker* (2016), the Supreme Court clarified that the Governor's address to the House is an executive function performed strictly on the aid and advice of the Council of Ministers. The recurring departures from this constitutional convention are a consequence of the existing institutional design. Unlike the President, who is indirectly elected and subject to impeachment by Parliament, the Governor holds office at the pleasure of the President, in effect, the Union government. Consequently, while the President remains institutionally answerable to Parliament, the Governor's continuance in office depends upon the confidence of the Union government rather than the legislature within which the office functions.

Karnataka Governor Thaawarchand Gehlot at the joint session of the State legislature, at Vidhana Soudha, in Bengaluru.

P.D.T. Achary: I agree. The Governor cannot alter the address prepared by the State Cabinet and is required only to read it before the House. The Governor bears no responsibility for its contents and incurs no liability for what it states. In a representative democracy such as ours, executive authority is vested in the Council of Ministers, as the elected representatives of the people. The Governor is therefore precluded from running a parallel government or taking independent decisions de hors the aid and advice of the State Cabinet.

What recourse does a Governor have if there are genuine reservations about the address's contents?

Alok Prasanna Kumar: The Governor cannot hold an independent view on whether the government's policies are desirable or even constitutional. Personal opinions need not be forfeited, but they must be conveyed through candid, private exchanges with the State Cabinet. Once the Governor assumes office, such personal views must yield to constitutional discipline. A Governor may offer counsel, but must recognise the limits of the office.

At the same time, it is a healthy convention for the Chief Minister and the Council of Ministers to maintain regular communication with the Governor and to be receptive to any contrarian views he or she might have. Where such rapport and constitutional civility exist, it is unlikely that an elected government would disregard the Governor's counsel.

> At least two other sessions of the State legislature each year commence without a Governor's address, which indicates that the legislature's functioning is not inherently dependent on this ceremonial formality.
>
> P.D.T. ACHARY

Is this address a colonial remnant that ought to be dispensed with?

Alok Prasanna Kumar: The practice ought to be retained, even if it is largely symbolic and serves little functional purpose. The focus should be on addressing instances of constitutionally impermissible gubernatorial discretion rather than abandoning the convention altogether. The address recognises the Governor's place as an integral part of the legislature and reflects the continuity of the Westminster parliamentary model adopted in India.

P.D.T. Achary: I do not believe there is anything sacrosanct about this practice. At least two other sessions of the State legislature each year commence without a Governor's address, which indicates that the legislature's functioning is not inherently dependent on this ceremonial formality. Moreover, Article 175 of the Constitution provides an alternative mechanism through which the Governor may address the House or send messages regarding any pending legislation. Reconsideration of this practice becomes particularly pertinent in light of the increasing instances of visibly partisan conduct by Governors in Opposition-ruled States.

Further, Article 355 imposes a duty upon the Union government to ensure that the governance of every State is carried on in accordance with the Constitution. When a Governor declines to deliver the address mandated under Article 176, it raises concerns about whether that constitutional obligation is being meaningfully upheld. Such situations also risk precipitating a constitutional crisis, as the legislative session cannot formally commence in the absence of the Governor's address.

Is Presidential intervention necessary when Governors fail to discharge their constitutional duties?

P.D.T. Achary: Yes. When Governors act in a partisan manner and fail to discharge their constitutional duties, it is incumbent upon the President to intervene and require the Governor either to perform those duties or to demit office. Article 160 of the Constitution empowers the President to issue directions for the discharge of a Governor's functions, particularly to address contingencies not expressly provided for in the Constitution. However, there have been no notable instances of Presidents invoking such powers to avert situations where gubernatorial conduct threatens to create a constitutional crisis in the States.

Tamil Nadu Chief Minister M.K. Stalin has called for a constitutional amendment to do away with this address. How feasible is it to bring about such an amendment?

P.D.T. Achary: It is unlikely that such a constitutional amendment will be achievable. The Union government is unlikely to support it, and its passage would require a special majority in Parliament – a majority of the total membership of each House and a two-thirds majority of members present and voting. This is a difficult threshold to meet without a broad consensus between the government and the Opposition. Moreover, when the existing framework yields evident political benefit, there is little incentive to alter it.

Alok Prasanna Kumar: Such an amendment would be futile. If the Constitution is to be amended, a more meaningful reform would be to reconsider the manner in which Governors are appointed and removed. Such reform could ensure that Governors remain mindful that their allegiance lies with the Constitution, not the Union government, and that any departure from this role carries consequences for their continuance in office. This also explains why Presidents generally discharge their functions without controversy, while Governors often do not. The former is institutionally accountable to Parliament by virtue of indirect election and the possibility of impeachment.

However, as Mr. Achary has pointed out, even this would require political consensus that may be difficult to secure. Nevertheless, a serious discussion on such reforms is necessary to halt the gradual weakening of constitutional governance in Opposition-ruled States.

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

NOTEBOOK

The free press dies in broad daylight

The fate of *The Washington Post* serves as a cautionary tale

Narayan Lakshman

The writing was on the wall. William Lewis, publisher of *The Washington Post*, and blue-eyed boy of its owner, Jeff Bezos, scarcely attended meetings with the editorial staff of the venerable newspaper since he took over in early 2024. But he set alarm bells ringing across the newsroom with less-than-constructive comments to journalists such as "People are not reading your stuff," openly calling for staff who "do not feel aligned with the company's plan" to leave, and reportedly describing some of them as "activists, not journalists."

Driving internal corporate disenchantment with the journalistic practices of the nearly 150-year-old newspaper was an apparent deepening ideological clash between the management and the long-standing, well-considered political position of the Post on a number of issues. For example, Mr. Bezos's decision to end the established practice of endorsing a presidential candidate before the U.S. election – thus effectively avoiding the image of the newspaper supporting Kamala Harris in November 2024 – raised eyebrows among insiders and external observers alike. Last year, he said that the opinion pages would defend "two pillars: personal liberties and free markets".

It should have come as little surprise then that the *Post* has now led what is widely being described as a "bloodbath" for quality journalism. In what will be remembered as a pivotal moment in the struggle of the U.S. media to stand up to challenging economic conditions and a president who routinely denigrates the free press of the country, Editor-in-Chief Matt Murray, reportedly told employees this week that the newspaper was undergoing a "strategic reset to better position the publication for the future". To this end, he announced sweeping layoffs of close to one-third of all editorial staff across departments, including international desks and correspondents worldwide, the books and sports divisions, and metro and cultural coverage.

At first glance, the proposal – apparently the motivation for this large-scale termination exercise – to narrow the focus of the broadsheet exclusively to politics and national security coverage might work in theory; yet upon closer inspection it fails the common sense test. Even if we accept the premise of the management that it is unprofitable to pursue the idea of a broad news offering – in the face of evidence to the contrary, offered by *The New York Times*, for example – how is the bottom line served by a strategy that rips away some of the finest international reporters and desk editors who are critical to producing quality journalism in politics and national security? A simple example highlights the contradictions inherent: shutting down reporting hubs in Ukraine – as reports suggest the *Post* has done – would directly impinge upon the newspaper's coverage of the machinations of the Donald Trump-led White House as it seeks to curry favour with Russia or reset ties with Europe by brazenly undermining NATO unity.

The deep learning for media houses across the free and democratic world is this: overzealous corporate owners of newspapers who are prone to genuflection to their political masters will happily seize the excuse of falling subscriptions or profits, even of a publication with a rich, hoary legacy of quality journalism, to re-bundle it as a prosaic, pliant publication that might offer a steady income stream to shareholders.

Editorial leaders who hope to avoid this fate would do the opposite of what the combative Mr. Lewis suggested, which is to pre-empt an exodus of readers and financial losses by reassessing what the core readership of the publication cares about and double down on multi-pronged offerings built on the latest and most suitable technology platforms.

The fate of the *Post* is a cautionary tale and its moral is this: while democracy may die in darkness, the free press dies in broad daylight.

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PICTURE OF THE WEEK

A time for reflection

Kashmiri Shiite Muslims light candles at the graves of their relatives to mark Shab-e-Barat, at a graveyard in Srinagar. Shab-e-Barat means the Night of Salvation and it reflects the belief that Allah grants mercy to those who sin and blesses those who pray. IMRAN NISSAR

FROM THE ARCHIVES

FIFTY YEARS AGO FEBRUARY 6, 1976

Harold Macmillan to visit Madras

Madras, Feb. 5: The former British Prime Minister, Mr. Harold Macmillan, will be in Madras for a couple of days this month. He is due to make a 10-day visit to India in his capacity as the President of the Macmillan group of companies. Arriving from Calcutta on February 20, a day after his landing in India, Mr. Macmillan will visit the local office and the press, besides meeting prominent citizens of Madras. On February 23, he will inaugurate the company's computerised type-setting export project at Bangalore. Mr. S.G. Wasani, Managing Director, Macmillan Company of India, said computerised typesetting represented a major breakthrough in printing technology. To begin with, the company would have one such unit, costing Rs. 40 lakhs. Another unit would be installed within two years. He expected the firm's exports to increase from the present Rs. 5 lakhs to Rs. 20 lakhs, by the end of 1976 as a result of this advanced process. In reply to a question, Mr. Wasani said the State Governments' policy of nationalising school text-books gradually had not affected the company's business, though many other publishers had to quit the field. If anything, the firm's turnover of school textbooks had risen from Rs. 60 lakhs to Rs. 91 lakhs during the last three years, he said.

A HUNDRED YEARS AGO FEBRUARY 6, 1926

Control of Buddha Gaya

A meeting to consider the Indian Committee's Report issued in connection with the Buddha Gaya temple was held on 3rd February at the Olcott Memorial Hall, Ananda College. The Rev. Kahave Ratnasara, High Priest of the Maligakanda Temple, presided and a large number of delegates from various Buddhist Associations was present. Dr. O.A. Hewaritarne said that the agitation for the control of Buddha Gaya by the Buddhists began as early as 1891. After persistent efforts, they succeeded in getting the Indian National Congress to appoint a Sub-Committee to enquire into the matter.

Text&Context

THE HINDU

NEWS IN NUMBERS

Ukrainian soldiers killed in the Russian invasion of Ukraine

55,000 The number of Ukrainian soldiers killed on the battlefield as a result of the country's war with Russia is estimated at 55,000, Ukrainian President Volodymyr Zelenskyy said on Wednesday. He added that on top of that casualty figure was a "large number of people" considered officially missing. REUTERS

Number of deaths in the U.S. from wildfire smoke from 2006-20

24,100 A paper, in the journal *Science Advances*, found that from 2006 to 2020, long-term exposure to tiny particulates from wildfire smoke contributed to an average of 24,100 deaths a year in the lower 48 states. Long-term exposure can lead to a range of chronic and deadly health issues. AP

India's payment to UN Regular Budget for 2026

35.18 In dollar million. India has paid $35.18 million to the UN Regular Budget for 2026, joining the "honour roll" of 47 Member states who have paid their regular budget dues in full to the world body on time. The UN Committee on Contributions said that 47 Member states have paid their regular budget assessments in full. PTI

Number of Indian based orgs' websites seized by U.S.

200 U.S. federal authorities have seized more than 200 website domains tied to an India-based transnational criminal organisation having illegal online pharmacies. The U.S. Drug Enforcement Administration field offices throughout the country also conducted multiple operations leading to the arrest of four individuals, it said in a statement. PTI

Public grievances received against the Centre and State

22 in lakh. These public grievances against Union Ministries/departments and State/Union territories governments were received during 2024-25 through a dedicated CPGRAMS portal. The government has undertaken a comprehensive set of measures to reduce grievance pendency. PTI

COMPILED BY THE HINDU DATA TEAM

DISCOMs and the road ahead

DISCOMs show improvement in performance, recording a positive turnaround marked by reduced AT&C losses, a narrowed ACS-ARR gap and improved financial discipline; however, many utilities continue to rely on tariff subsidies and loss takeovers by State governments, underscoring the scope for further improvement

EXPLAINER

T. Ramakrishnan

Better days seem to be ahead for the country's electricity sector, especially power distribution utilities, including power departments, commonly known as DISCOMs.

For long, DISCOMs, now numbering 72 across the country (44 State-owned, 16 private-sector entities, and 12 power departments), had presented a grim picture with never-declining line losses, also called Aggregate Technical and Commercial (AT&C) losses, and the consequent widening gap between the Average Cost of Supply (ACS) and the Average Revenue Realised (ARR). Between 2020-21 and 2024-25, accumulated losses rose from ₹5.5 lakh crore to ₹6.47 lakh crore, with outstanding debt increasing to ₹7.26 lakh crore. Non-cost-reflective tariffs and delayed payment of State subsidies were among the factors that contributed to this state of affairs.

A legacy of losses

As far as India is concerned, DISCOMs and losses have become synonymous, forcing specialists to use the prefix "minus" whenever a power utility's ARR exceeds its ACS. One may argue that loss-making is a legacy matter, as these power utilities – in their previous 'avatar', State Electricity Boards (SEBs), formed under the Electricity (Supply) Act, 1948 – were mostly in the red. But what was overlooked, even then and now, was that Section 59 of the law had originally required SEBs to make a profit of three or more per cent, as specified by State governments.

Signs of a turnaround

Even though many DISCOMs are struggling to cope with chronic issues, several others have begun improving their performance perceptibly in the wake of steps taken by various stakeholders, including those of the Union government. A Survey revealed that DISCOMs recorded a positive Profit After Tax (PAT) of ₹ 2,701 crore in the financial year 2024-25, marking "a decisive turnaround" from a loss of ₹67,962 crore in 2013-14. This improvement was accompanied by a reduction in AT&C losses from 22.62% to 15.04 % during the years in question. Further, the ACS-ARR gap (on an accrual basis) came down from 78 paise per unit (kilowatt-hour) to 0.06 paise per unit, signalling much improved cost recovery.

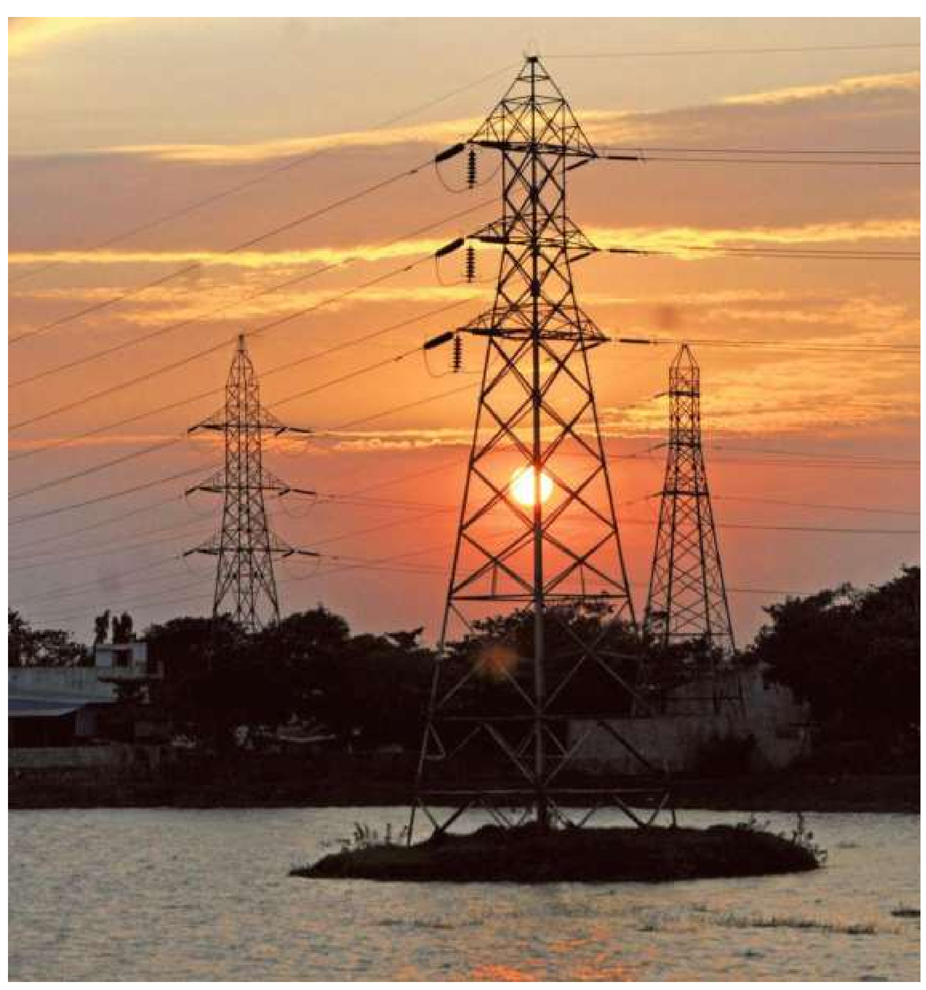
In mid-January, the Union government also made public the performance details of DISCOMs for the financial year that ended March 31, 2025. Claiming credit for the financial turnaround, the government attributed it to several measures, including the implementation of the Revamped Distribution Sector Scheme (RDSS), amendments to the Electricity Rules, and the introduction of the Late Payment Surcharge Rules.

The RDSS's objective is to improve the quality and reliability of power through a financially sustainable and operationally efficient distribution sector, with the release of funds linked to the execution of necessary measures. The effective implementation of the Rules has helped utilities arrest the mounting surcharges on legacy dues, as it allows DISCOMs to clear their dues through a maximum of 48 equated monthly instalments (EMIs).

Discipline and debt reduction

Prior to the Rules coming into force, delays and non-payments by DISCOMs had made it difficult for generators to pay for the fuel, which had to be prepaid, to continue generation, apart from having to pay the Railways in advance for the rakes.

When the Rules came into force on June 3, 2022, outstanding legacy dues totalled ₹1,39,947 crore. Since then, utilities in 13 States and Union Territories paid ₹ 1,31,942 crore till December 2025 through 39 EMIs, prepayments, and reconciliations. In January 2026, the dues went down further to ₹ 4,927 crore, with DISCOMs largely paying their current dues on time, reflecting a marked improvement in sectoral financial discipline.



Call for change: Political will, combined with public-spirited bureaucracy, can easily transform the face of DISCOMs into that of viable and consumer-friendly entities. B. JOTHI RAMALINGAM

On the grid

The table presents an assessment of select States based on key operational and financial parameters, including AT&C losses, accumulated surplus or deficit, and the ACS-ARR gap for 2023-24 and 2024-25

State	AT&C loss (in %)		Accumulated Surplus / -Deficit (₹ in crore)		ACS-ARR gap* (₹ per kilo watt per hour or unit) (-:deficit)	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
Assam	14.03	15.44	-1,324	-1,028	0.22	0.26
Manipur	13.41	12.90	-295	- 290	0.45	0.20
Bihar	20.32	15.51	-18,529	-16,526	0.18	0.41
Uttar Pradesh						
State sector	16.39	19.54	-90,039	-1,00,858	-0.55	-0.73
Private sector	7.75	8.48	1,426	1,561	0.57	0.15
Punjab	10.96	19.21	-9,620	-3,404	0.20	0.30
Rajasthan	22.13	15.18	-91,565	-90,303	-0.31	0.04
Gujarat						
State sector	8.97	8.25	5,165	7,355	0.58	0.40
Private sector	3.92	3.63	2,823	3,892	-0.14	0.42
Maharashtra						
State sector	23.86	17.69	-36,226	-35,671	-0.28	-0.56
Private sector	5.39	4.99	474	1,245	0.99	2.04
Madhya Pradesh	22.89	22.76	-69,506	-71,394	-0.18	0.04
Chhattisgarh	15.88	14.25	-10,016	-10,423	0.20	0.19
Jharkhand	30.51	28.19	-18,512	-20,512	-1.66	-0.95
West Bengal						
State sector	17.13	17.17	158	174	-0.17	-0.03
Private sector	4.64	4.77	197	205	-0.13	0.30
Odisha**	19.59	17.81	824	1,263	-0.10	-0.18
Telangana	19.01	19.84	-67,276	-69,741	-0.75	-0.27
Karnataka	11.89	11.92	-26,109	-34,980	-1.08	-0.69
Kerala	7.44	6.61	-37,543	-38,648	-0.42	-0.17
Andhra Pradesh	12.05	7.87	-29,210	-29,420	-0.34	0.15
Tamil Nadu	11.39	10.96	-1,66,944	-1,19,153	-0.11	0.18
ALL INDIA	15.97	15.04	6,91,416	6,47,210	0.20	0.06

AT&C - Aggregate Technical and Commercial *__ACS__ - Average Cost of Supply | **ARR** - Average Revenue Realised, which covers tariff subsidy received basis but without regulatory income and UDAY grant | **where all the discoms belong to the private sector

Source: 14th Annual Integrated Rating & Ranking of Power Distribution Utilities, Power Finance Corporation

Even though many DISCOMs are struggling to cope with chronic issues, several others have begun improving their performance

Yet, not everything is rosy. Many DISCOMs, if not most, have been able to achieve the turnaround, essentially due to tariff subsidies received from and the takeover of losses by their respective governments. For instance, in the case of Tamil Nadu, during 2024-25, the Tamil Nadu Power Distribution Corporation Limited (TNPDCL), the successor to the Tamil Nadu Generation and Distribution Corporation (TANGEDCO), received ₹15,772 crore as tariff subsidy and ₹16,107 crore towards the takeover of losses. In fact, the utility recorded a profit (after tax) of ₹2,073 crore only after receiving the State government's largesse. But for the takeover of losses, TNPDCL had registered a loss of ₹14,034 crore, according to the findings of the 14th Integrated Rating Exercise conducted by the Power Finance Corporation Limited (PFC) under a framework approved by the Union Ministry of Power. The findings were released in late January 2026.

Take the case of Rajasthan: Jodhpur Vidyut Vitran Nigam Limited (JDVVNL), which, according to PFC's assessment, improved its showing during 2024-25 compared to the past. This utility recorded a profit of ₹92 crore, but this was after the receipt of ₹ 11,625 crore towards tariff subsidy and ₹ 2,540 crore towards loss takeover.

Besides, even the present position of DISCOMs enjoying revenue surplus appears to be transient, because when the utilities may have to effect pay revision for employees in a few years, the probability of them slipping back to square one – revenue deficit – is quite high.

The way forward

Still, the emphasis on government support, which is nothing new, is not to be viewed as taking away the credit for DISCOMs for enhanced performance. However, there is still scope for further improvement. At present, feeder segregation works, taken up in States such as Rajasthan, Andhra Pradesh, Gujarat, Karnataka, and Maharashtra with large rural or agricultural consumer bases separating feeders for agricultural use from non-agricultural use, should be extended to other States such as Tamil Nadu, where an unmetered power supply to the farm sector has been the norm. Only then will there be data, closer to the real picture, regarding the quantum of power supplied to agriculturists.

As Niti Aayog noted in its August 2021 study on the distribution sector, DISCOMs should be proactive in promoting the use of solar pumps in agriculture, a move that would lead to a significant decrease in power procurement costs. The political executive must resist the temptation to offer free electricity universally to domestic consumers or any other category, as economically stronger sections of society invariably benefit disproportionately by any such measure. Political will, combined with public-spirited bureaucracy, can easily transform the face of DISCOMs into that of viable and consumer-friendly entities.

THE GIST

DISCOMs record a decisive turnaround, with reduced AT&C losses, a sharply narrowed ACS-ARR gap and improved cost recovery following reforms and rule changes.

Financial discipline improves, as legacy dues decline, current payments are largely made on time and mounting surcharges are arrested through structured instalments.

Government support remains central, with tariff subsidies and loss takeovers underpinning profits, even as scope for further improvement persists through feeder segregation and efficiency measures.

CACHE

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Rethinking battery strategy in India: the case for sodium-ion technology

India's dependence on lithium-ion batteries exposes structural constraints linked to critical minerals, import dependence, and supply security; sodium-ion batteries emerge as a safer alternative with lower material risk, compatible with existing infrastructure, and the potential to strengthen energy security

Jaideep Saraswat
Nikhil Mall

Batteries have become deeply embedded in modern life. From laptops, mobile phones, wearable devices such as smartwatches and wireless earphones, to power tools, electric vehicles (EVs), and large-scale battery energy storage systems, batteries now underpin both personal convenience and critical infrastructure. A newer trend is also emerging, with batteries being integrated directly into household appliances. These developments collectively point to a future saturated with batteries, making energy storage a foundational pillar of economic growth, energy security, and the clean energy transition.

Dominant, not a perfect solution

Among the various battery chemistries that have existed or are still in use, lithium-ion batteries have emerged as the dominant global technology. This dominance is largely driven by their high energy density, low self-discharge rates, and long cycle life. Sustained global focus on lithium-ion technology over the past two decades has resulted in steady improvements in performance, manufacturing efficiency, and large-scale capacity build-out. By 2024, global lithium-ion manufacturing capacity had reached nearly 2.5 times annual demand, further accelerating cost reductions through economies of scale. As a result, costs have fallen dramatically, from nearly $1,100 per kWh in the early 2010s to about $108 per kWh in 2025.

However, the success of lithium-ion batteries masks several structural challenges. These batteries are highly resource-intensive and depend on critical minerals such as lithium, cobalt, nickel, and graphite. The availability of these materials is unevenly distributed across a handful of countries, while refining and processing capacities are even more geographically concentrated. This creates vulnerabilities related to supply security, price volatility, and geopolitical risk. As global demand for batteries accelerates, these constraints are likely to intensify, reinforcing the need for alternative technologies that can support a more resilient and equitable energy transition.

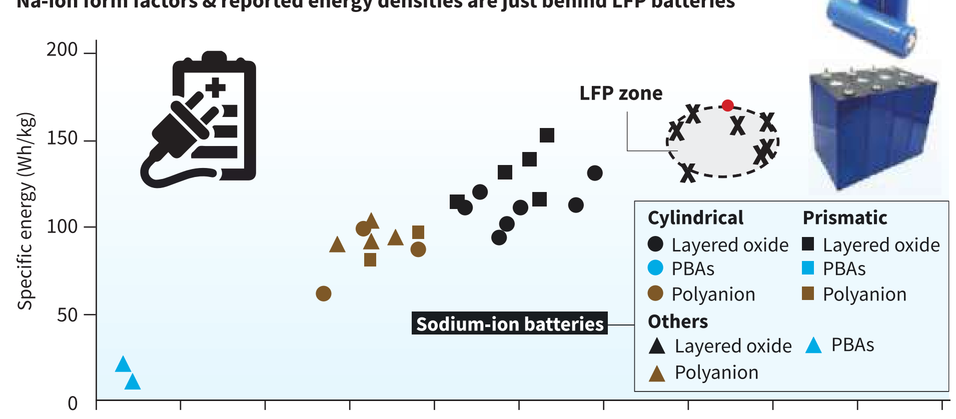
Ambitions and structural constraints

The Government of India has made sustained efforts to build domestic battery manufacturing capacity, most notably through the Production Linked Incentive (PLI) scheme for Advanced Chemistry Cells launched in 2021. Under this scheme, around 40 GWh of manufacturing capacity has been allocated so far. While this represents meaningful progress, deployment remains at an early stage, with just over 1 GWh commissioned to date and additional capacities expected to come online gradually.

More critically, India's upstream ecosystem, from raw material availability and mineral processing to cathode and anode active material production and separator manufacturing, remains underdeveloped. Domestic reserves of lithium are limited and yet to be proven commercially viable, while processing infrastructure is still nascent. Consequently, import dependence for lithium-ion batteries is likely to persist for a considerable period. This reality underscores the importance of parallel investments in alternative battery technologies that can reduce material risk and strengthen long-term energy security. Sodium-ion batteries (SiBs) represent one such technology, offering significant promise for India in the medium to long term.

Within reach

Na-ion form factors & reported energy densities are just behind LFP batteries



The specific energy density of a battery indicates the amount of electrical energy it can store per unit of its own mass, measured in Watt-hours per kilogram (Wh/kg), determining how light a battery can be for a given potential. The volumetric energy density of a battery refers to the amount of energy it can store per unit volume, measured in Watt-hours per litre (Wh/L), defining how compact a battery is. Ideally, both should be high. We notice that commercially available layered oxide sodium-ion batteries of different shapes have better specific energy density and volumetric energy density than their sodium-ion counterparts built of polyanionic compounds and Prussian blue analogues (PBAs). However, they have lower specific energy density and volumetric energy density than lithium iron phosphate (LFP) batteries, indicated as (x). Data from the Volta Foundation's Annual Battery Report 2024

Energy density: sodium vs lithium

From a fundamental perspective, sodium-ion batteries exhibit lower specific energy (Wh/kg) than lithium-ion batteries, largely because sodium has a higher atomic mass than lithium, which intuitively leads to more mass per unit of stored energy. However, this performance gap is often overstated. In practice, it can be significantly narrowed if the mass of other cell components in sodium-ion batteries is reduced, thereby compensating for the higher mass of sodium itself. Moreover, among commercially available sodium-ion chemistries, layered transition-metal oxide cathodes already deliver higher specific energy than polyanionic compounds and Prussian blue analogues, underscoring the growing competitiveness of sodium-ion technology.

Importantly, layered oxide sodium-ion batteries are now approaching the specific energy of lithium iron phosphate (LFP) batteries, as illustrated in **Figure 1**. Although their volumetric energy density (Wh/L) still trails that of LFP, ongoing materials and cell-level optimisations are expected to substantially narrow this gap and potentially lead to meaningful overlap. It is also important to emphasise that this comparison is based on commercially available products, whereas laboratory-scale and pilot-level research results suggest even greater performance potential. By contrast, comparisons with high-energy lithium nickel manganese cobalt (NMC) chemistries are less instructive, as NMC batteries occupy a distinct performance space and entail separate trade-offs related to safety and reliance on critical minerals.

EV manufacturers should be encouraged through procurement policies, pilot programmes, and regulatory nudges to type-test and approve vehicle platforms using sodium-ion batteries alongside lithium-ion options. This approval strategy would allow rapid substitution in response to supply disruptions or cost fluctuations

Safety first

Safety is one of the most compelling advantages of sodium-ion batteries. Studies, including those conducted by the U.S. Naval Research Laboratory, have shown that sodium-ion cells exhibit significantly lower peak temperature rise during thermal runaway events compared to lithium-ion cells. This intrinsic safety advantage extends well beyond cell performance into storage, handling, and transportation.

Lithium-ion batteries are classified as "Dangerous Goods" by national and international transport authorities, necessitating strict packaging, handling, and transportation requirements. They are typically shipped at a state of charge not exceeding 30%, which increases logistical complexity and cost. These restrictions stem from the use of copper current collectors on the anode side, which can dissolve at low voltages and redeposit on the cathode, increasing the risk of internal short circuits.

Sodium-ion batteries do not suffer from these limitations. They use aluminium current collectors on both the anode and cathode sides, as sodium does not form unstable alloys with aluminium. As a result, sodium-ion cells can be safely stored and transported at zero volts without degradation or safety risks. Prolonged storage at zero volts has been shown not to compromise cycling stability. This feature offers significant benefits across the value chain, including safer handling, lower transportation costs, and greater flexibility in manufacturing and installation.

Manufacturing ready

Another critical advantage of sodium-ion batteries is their compatibility with existing lithium-ion manufacturing infrastructure. With relatively minor modifications, lithium-ion production lines can be adapted to manufacture sodium-ion cells. This dramatically lowers the capital barrier to adoption and allows manufacturers to hedge against raw material supply risks.

The primary process difference lies in moisture sensitivity during cell stack preparation. Sodium-ion batteries require more stringent vacuum drying conditions, as residual moisture can have a greater negative impact on performance. While lithium-ion cells can tolerate drying at relatively mild vacuum levels, sodium-ion cells require deeper vacuum conditions, which may marginally increase energy consumption and manufacturing costs. However, as the industry progresses toward dry electrode coating and advanced manufacturing techniques, these challenges are expected to diminish.

Sodium-ion batteries offer a structurally different material pathway compared to lithium-ion systems. Sodium is derived from abundantly available resources such as soda ash, which are far more plentiful and geographically diversified than lithium. Several sodium-ion chemistries eliminate the need for critical minerals.

In addition, sodium-ion batteries use aluminium as the current collector for both electrodes. Aluminium is cheaper, lighter, and more widely available than copper, resulting in cost savings and weight advantages. These material choices significantly reduce exposure to global commodity price volatility and enhance supply chain resilience, a critical consideration for a country like India.

Why sodium-ion matters

Taken together, these attributes suggest that sodium-ion batteries are not merely an experimental technology but a commercially viable and strategically important solution. Cost projections indicate that sodium-ion batteries could undercut lithium-ion batteries by 2035. As of 2025, around 70 GWh of sodium-ion manufacturing capacity is already operational globally, with expectations of scaling to nearly 400 GWh by 2030. This rapid expansion highlights the urgency for India to engage early and decisively with this technology.

Policy, regulatory, and ecosystem recommendations for India

To ensure sodium-ion batteries become a meaningful part of India's energy storage landscape, a coordinated policy and regulatory approach is essential. Public support for upstream battery infrastructure, such as cathode, anode, electrolyte, and separator manufacturing, should explicitly include sodium-ion chemistries rather than remaining narrowly focused on lithium-ion systems. Future incentive programs, including revisions to the PLI framework, should encourage flexibility, ensuring that new battery plants are designed to accommodate both lithium-ion and sodium-ion production with minimal retrofitting from the very beginning. From a regulatory standpoint, standards, safety codes, and certification pathways must be updated to explicitly include sodium-ion batteries, enabling faster commercialisation and deployment.

EV manufacturers should be encouraged through procurement policies, pilot programmes, and regulatory nudges to type-test and approve vehicle platforms using sodium-ion batteries alongside lithium-ion options. This dual-approval strategy would allow rapid substitution in response to supply disruptions or cost fluctuations.

Finally, targeted public funding for R&D, demonstration projects, and early deployments, particularly in grid storage, two- and three-wheeler EVs, and stationary applications, can help build market confidence.

By aligning industrial policy, regulation, and market incentives, India can foster a fair, resilient, and future-ready battery ecosystem in which sodium-ion batteries play a central role.

Jaideep Saraswat leads the Electric Mobility vertical at Vasudha Foundation where he focuses on addressing key barriers to EV adoption and advancing sustainable mobility solutions; Nikhil Mall is also part of the Electric Mobility vertical contributing to research, stakeholder engagement, and initiatives that promote the transition to clean transportation

THE DAILY QUIZ

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

Here is a quiz on some influential figures and key events that happened today

Sindhu Nagaraj

QUESTION 1

Elizabeth II ascended the throne of the United Kingdom of Great Britain and Northern Ireland this day, following the death of her father, King George VI. She became the longest-reigning monarch in British history in 2015. In which year did she ascend the throne?

QUESTION 2

The President of the U.S. was born on this day in 1911. In his first term as President, he began implementing a policy involving economic deregulation and cuts in both taxes and government spending. Name him.

QUESTION 3

This Jamaican singer was born on this day in 1981. Considered one of the pioneers of reggae, he fused elements of reggae, ska, and rocksteady, and was renowned for his distinctive vocal and songwriting style. Identify him.

QUESTION 4

Eva Braun was born on this day in 1912. She was the wife of which famous political figure from history?

QUESTION 5

This Hungarian-American socialite and actor was born on February 6, 1917. Her most famous film was Moulin Rouge. Who was she?

Visual Question:
Identify this French filmmaker who was born on this day. He is widely regarded as one of the founders of an art movement in France. What was it? WIKIMEDIA COMMONS

Questions and Answers to the previous day's daily quiz: 1. On February 5, 1958, the U.S. Air Force lost a hydrogen bomb named 'Tybee' and never recovered it. What is the U.S. military's term for such events? **Ans: Broken Arrow incidents**
2. In 1968, a U.S. B-52 aircraft carrying four thermonuclear bombs crashed onto the sea ice off the coast of ____. **Ans: Greenland**
3. After the Soviet Union collapsed, a former Russian national security advisor named X said the Russian military had lost track of roughly 100 "suitcase-sized" nuclear devices. **Ans: Alexander Lebed**
4. In 1974, the CIA attempted a secret $800-million recovery mission called Project Y. Name Y. **Ans: Azorian**
5. In 1965, the CIA and Indian Intelligence tried to install a plutonium-powered monitoring device atop _____ ____. Fill in the blanks. **Ans: Nanda Devi**
Visual: Name these islands. **Ans: Falkland Islands**
Early Birds: Tamal Biswas | Tito Shiladitya | Arun Kumar Singh | Lalchand Bhutani | Sukdev Shet

Word of the day

Specious:
plausible but false

Synonyms: deceptive, incorrect, ambiguous

Usage: *What seemed like solid evidence turned out to be specious.*

Pronunciation: newsth.live/speciouspro

International Phonetic Alphabet: /spiːʃəs/

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

thehindubusinessline.
FRIDAY - FEBRUARY 6, 2026

Reality check

CPI overhaul will result in contemporary inflation numbers

There has been criticism that the official CPI (Consumer Price Index) inflation readings are divorced from reality. One key reason for this is the outdated base year of 2011-12, leading to a disconnect between the CPI basket and current household spending patterns. An Expert Group has now come up with detailed recommendations for an overhaul of the basket.

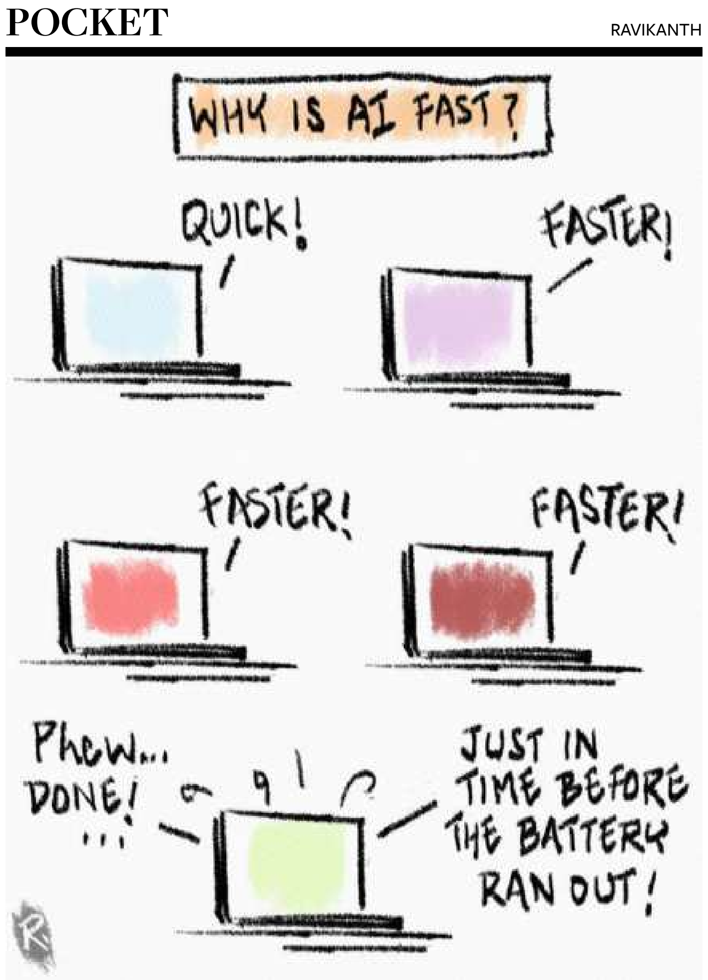
The group has suggested much-needed updates to sources, data collection and measurement methods as well. These will lead to the CPI better reflecting the lived experience of households, and hopefully, lead to better policymaking. The immediate impact of using the latest Household Consumption Expenditure Survey (HCES) data to revise CPI, will be a reduction in the combined weight of food items in it and increase in the services contribution. SBI Research estimates that food weights in CPI will fall from over 45 per cent to less than 37 per cent and clothing and footwear from 6.5 per cent to 6.3 per cent. Housing, water and utilities will gain weight (16.9 to 17.7 per cent), as will transport/communication (8.6 to 12.4 per cent) and recreation (1.7 to 4.9 per cent). But whether the latest HCES has accurately captured spends on health (weight up from 5.9 to 6.1 per cent) and education (weight down from 4.5 to 3.3 per cent) remains a question. Lower weight to food items is likely to reduce volatility in monthly CPI prints, while the higher services component could lead to higher inflation prints.

Several methodological changes will lead to a broader base of data. The new CPI will be based on a fresh survey to identify the most popular markets and shops today. The sample size will feature 358 items instead of 288 and price data will be compiled from 1,465 rural markets and 1,395 urban markets, in place of 1,181 and 1,114 so far. Manual collection and recording of data using pen and paper, will be replaced by tablet-assisted interviews. Classification of items will be harmonised in line with global standards. A key missing piece in the current CPI is incomplete data on house rent. Presently, rent data is only collected from urban centres. In the new series, it will be collected both from urban and rural areas. With rapid digital adoption, online platforms are now an integral part of shopping habits. The new series will collect price data not just from brick-and-mortar shops, but also online platforms. Prices of key services such as OTT streaming platforms and broadband charges will be collected for CPI.

Gold and silver have been among the most contentious components of CPI. The new series tries to standardise their price capture by defining certain standard pieces of jewellery. But it is moot whether gold and silver, which are treated more as assets than as consumption items, should even find place in CPI. Overall, the overhaul of CPI on these lines may usher in greater stability and predictability to official inflation numbers. This will aid better monetary policy making and more realistic Dearness Allowance revisions for employees.

POCKET

RAVIKANTH



SANKALPA BHATTACHARJEE
AMARENDU NANDY

Does fiscal consolidation rest on firm ground?

PATHWAY. The Budget looks to achieve consolidation by postponing investment in human capital, weakening the very growth base on which durable fiscal sustainability rests

GETTY IMAGES

Fiscal consolidation is a widely accepted objective of macroeconomic policy, especially in an environment of elevated public debt and heightened global uncertainty. A credible consolidation path can strengthen macroeconomic stability by anchoring expectations and preserving debt sustainability. Budget 2026 signals this intent. A fiscal deficit of 4.3 per cent of GDP, a steady commitment to public capital expenditure, and a projected decline in the debt-to-GDP ratio to 55.6 per cent all point to an attempt to rebuild fiscal space after the extraordinary expansion of the pandemic years.

Whether this consolidation plan ultimately proves effective will depend not only on numerical targets but on the composition, financing, and durability of fiscal adjustment. On current evidence, Budget 2026 appears to rest on a more fragile foundation than what the headline numbers imply.

First, if we look at the details of the government's finances in FY27, revenue receipts are budgeted at approximately ₹35.33 lakh crore, while revenue expenditure is estimated at around ₹41.25 lakh crore, implying a revenue deficit of nearly ₹5.92 lakh crore (around 1.5 per cent of GDP). This suggests that a substantial share of government borrowing therefore continues to finance routine consumption — salaries, pensions, and subsidies — rather than asset creation. Although capital expenditure is budgeted at ₹12.22 lakh crore (around 3.1 per cent of GDP), it is partly debt-financed as the revenues do not cover spending. In this sense, the headline fiscal deficit understates the extent to which borrowing supports non-productive expenditure.

Second, fiscal consolidation is increasingly constrained by the arithmetic of past debt. In FY27, interest payments are budgeted at ₹14.03 lakh crore, amounting to nearly 26.3 per cent of central expenditure and absorbing around 40 per cent of revenue receipts. This implies that a substantial share of government revenues is pre-committed to debt servicing. With revenues insufficient to cover interest obligations on their own, adjustment is likely to happen through compression of discretionary spending rather than through a reconfiguration of the expenditure or revenue base.

QUALITY OF CONSOLIDATION

Third, the composition of revenues places further limits on the quality of consolidation. Gross tax collections are projected at about ₹44 lakh crore, but after statutory devolution to States, net tax revenues fall to roughly ₹28.7 lakh crore, accounting for over 80 per cent of total revenue receipts. The effective tax base remains narrow, with collections concentrated in personal income tax and GST, leaving revenues acutely exposed to cyclical fluctuations. Non-tax revenues, budgeted at around ₹6.7 lakh crore (about 19 per cent of total revenue receipts), are increasingly drawn from dividends and profits from public sector enterprises and the RBI, indicating an over-dependence on contingent inflows.

Fourth, the growing reliance on RBI surplus transfers highlights this vulnerability. In recent years, exceptionally large transfers (₹2.69 lakh crore in dividends in FY25) have played a significant role in compressing the revenue deficit and containing borrowing. While such transfers are institutionally legitimate, they are inherently contingent on financial market conditions and the central bank's balance sheet. Treating these windfalls as quasi-structural revenues risks obscuring underlying fiscal weaknesses and introduces an element of balance-sheet dependence into fiscal planning.

> **Non-tax revenues are increasingly drawn from dividends and profits from public sector** enterprises and the RBI, indicating an over-dependence on contingent inflows

Public capital expenditure is meant to be the growth offset to these constraints, and it remains the centrepiece of the Budget's economic narrative. Although capital outlays have increased substantially in absolute terms, as a share of GDP, they remain broadly flat at 3.1 per cent, unchanged from the revised estimates for FY26. In an economy marked by underemployment and hesitant private investment, the growth multipliers from public capex cannot be assumed to rise indefinitely, especially in the absence of complementary institutional reforms and credible demand expansion.

HUMAN DEVELOPMENT

Fifth, the trade-offs become clearer when one turns to human development. Union expenditure on health in FY27 is budgeted at approximately ₹1.06 lakh crore (or about 0.27 per cent of GDP). Even after including State spending, total public health expenditure remains less than 1.4 per cent of GDP, well below the 2.5 per cent target set by the National Health Policy. Union expenditure on education stands at around ₹1.39 lakh crore (approximately 0.35 per cent of GDP), while combined public spending is between 4.1-4.6 per cent of GDP, far short of the 6 per cent benchmark reiterated in the National Education Policy. With consumer inflation moderating to 4.5-5 per cent over the past two years, nominal increases essentially serve to preserve real spending levels rather than expand them. In effect, consolidation is being achieved by postponing investment in human capital, weakening the very growth base on which durable fiscal sustainability rests.

The projected decline in the debt-to-GDP ratio to 55.6 per cent is therefore best read as a necessary but insufficient condition for fiscal sustainability. Debt levels depend not only on deficit compression, but on the quality of growth that fiscal policy enables. Consolidation built on restrained social spending and reliance on contingent revenues may stabilise ratios in the short run, but without deeper investments in human capital and revenue capacity, it remains exposed to the very growth slowdowns it seeks to guard against.

The writers are faculty members in the Economics & Public Policy Area at IIM Ranchi. Views are personal

16th finance panel rewards performance

Formula tweaks will benefit southern States, but Commission could have pushed harder for fiscal reforms

Govind Bhattacharjee

Finance Commission recommendations are based on the three principles of equity, equalisation and efficiency. The last two FCs added a fourth: environment, while overlooking efficiency.

The 16th FC brought back the focus on efficiency, and introduced for the first time a new parameter to measure this in the form of a State's contribution to the national GDP, and assigning 10 per cent weightage to this parameter. Obviously, the southern States, which had lost their shares due to the population base getting changed from 1971 to 2011 from the 15th FC, would be more than compensated for by this change. Indeed, the 16th FC did not alter any other parameter radically, except redefining and making minor adjustments in some, but it corrected the aberrations introduced by the 15th FC in the transfer formula which now seems more legitimate.

The vertical devolution, the share of divisible pool to be shared with the States, has remained unchanged at 41 per cent — but the weightage on parameters to determine the *inter se* share of the States in the horizontal devolution has undergone some changes. While the weightage on a State's share of 2011 population has increased to 17.5 per cent from the current 15 per cent recommended by the 15th FC, that on the share of a State's area has decreased from 15 per cent to 10 per cent now. Weightage of the equalising parameter, income distance — that is, the distance of per capita income of a State (average of three years) from the average of the three highest per capita income States — has been reduced marginally to 42.5 per cent from 45 per cent.

CHANGING PARAMETERS

The 16th FC has also expanded the definition of the lone environmental parameter, that is, forest cover, by adding open forests with a canopy density of 10-40 per cent to the earlier definition of medium and dense forest covers with higher canopy densities. Additionally, it has also rewarded the States for increasing their shares of forest areas between 2015 and 2023. The share of a State is now calculated by assigning 80 per cent weightage to its share of national forest cover and 20 per cent weightage to its share in the increase. Thus calculated, this share is then given 10 per cent weightage in the horizontal devolution formula, the same as earlier.

Demographic performance, introduced by the 15th FC, was defined by the inverse of total fertility rate (TFR). The 16th FC has rejected the concept of using the inverse of TFR as a performance indicator, arguing instead that the States which have stabilised their populations are now staring at the prospect of ageing populations without enough workers to support them which will affect future growth, and hence the reward for lower population through TFR need to be phased out. Thus, it has redefined demographic performance as the inverse of population growth rates between 1971 and 2011 and also reduced the weightage of this parameter from 12.5 per cent to 10 per cent.

RED FLAG. The issue of fiscally unsustainable subsidies ISTOCK

These adjustments enabled the 16th FC to introduce the new efficiency parameter — State's contribution to the national GDP with 10 per cent weightage, by supplanting the earlier parameter of tax effort with 2.5 per cent weightage. However, these contributions would show wide variation across States, especially at the top and bottom ends, causing huge differences in devolutions to the obvious disadvantage of poorer States. To moderate these differences, the FC modified this parameter by defining a State's share as the ratio of square root of its GSDP to sum of square root of GSDP of all States, which would moderate the shares of the higher income States. The net result of these changes introduced in the devolution formula is that save Tamil Nadu, all other southern States would now receive a larger share of the devolution, as would Maharashtra, Gujrat, Haryana and Punjab. All Hindi belt States except Jharkhand would see their shares in the total devolution go down and so would be the case with West Bengal, Odisha, and all north eastern States except Assam and Mizoram. But for both groups, the changes would be marginal.

The FC red-flagged the issue of fiscally unsustainable subsidies — especially the unconditional cash transfers, that is, freebies, which are claiming increasing shares of States' revenue expenditure and turning many States' revenue account into red. But perhaps realising its own limitations, the FC only made some general recommendations for better targeting and rationalisation. The previous FCs had forcefully argued for establishing an independent Fiscal Council to restrain the governments' populist tendencies. This recommendation was singularly absent in the 16th FC report.

The writer, a former Director General of the CAG of India, is currently Professor at Arun Jaitley National Institute of Financial Management

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.

Better weather forecasts

This refers to 'Accuracy of severe weather forecast up 30-40% in 10 years' (February 5). The improvement in forecast accuracy comes from better satellites, Doppler radars, ocean buoys, faster computers and Multi-Model Ensemble systems that combine many weather models.

Forecasts are usually updated every 6-12 hours, but fast-changing events like heavy rain and cyclones need updates every few hours using live radar, satellite and ground data.

New technology should work along with local weather stations so that regular updates and clear warnings can reduce missed and false rain alerts.

S Balasubramaniyan
Villupuram, TN

Tariff clarity needed

Apropos 'Tariff cheer' (February 5), the reported easing of US tariffs on Indian goods is encouraging, but the larger concern lies in the lack of clarity around timing, scope and conditions.

What industry and exporters need now is a clear, jointly signed statement that spells out what has been agreed, what remains under negotiation, and when changes will take effect. The government should also keep Parliament and stakeholders informed, instead of allowing speculation to fill the gaps.

A Myilsami
Coimbatore

Effect of sin tax

Apropos 'High taxes on cigarettes may fuel illicit trade, hurt collection' (February 5), there is absolutely no denying that in this part of the world, control and corruption go hand in hand. But then, if there is good governance, then taxes on sin goods (for instance, cigarettes) will not lead to illicit trade or corruption. After all, the very purpose of sin tax is to discourage consumption of goods falling in its purview.

S Ramakrishnasayee
Chennai

Giving farmers a leg-up

'Big vision, but little relief for agriculture' (February 5) rightly underlines the widening gap between the government's long-term technological ambitions and the farmer's immediate economic distress. While initiatives such as the Bharat-VISTAAR AI platform and promotion of high-value crops signal future readiness, they offer little comfort to farmers facing stagnant real incomes and rising input costs today. For "Agriculture 4.0" to be truly inclusive, AI-driven advisories must be matched with credible price assurance and an effective procurement mechanism for non-cereal crops.

Vidyasagar Reddy Kethiri
Warangal, Telangana

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Bharat Vistaar's potential

Making digital advisories work for the farmers

Kushankur Dey

The 'Bharat-Vistaar', a virtually integrated system to access agricultural resources, announced in the Budget, is a timely leap in shaping the digital agriculture trajectory.

India AI, government initiative, has revealed that the global AI in agriculture market is projected to grow to $4.7 billion by 2028 from $1.7 billion in 2023, a CAGR of 23.1 per cent.

Digital advisory services powered by AI strengthen farmer decision-making and enhance farm productivity by blending insights of supervised language models with the scientific advisory of the agricultural research and extension system.

The Finance Minister made it clear that Vistaar will be an open, federated, multilingual AI platform that will allow farmers to access real-time data, and seamlessly track various government schemes, thereby reducing farming risks.

However, a few policy issues, regarding the framework or design principles to be used to develop the 'Vistaar' platform remain. How will it differ from conventional platforms that offer plain-vanilla and customised digital advisory services, and what checks and balances will the government adopt to maintain service quality?

To curate the Vistaar platform, an inclusive multi-stakeholder pathway for the accelerated convergence of AI technologies (IMPACT) can be adopted. Here are some guiding principles to ensure the responsible use of AI in businesses, which apply to agriculture.

First, prioritising farmers' interests and safety must be considered in AI-enabled large language models. 'Do no harm' principle must guide 'Vistaar' platform development as FaaS.

Second, a risk-based regulatory architecture must be framed, with self-regulation as the standard, except in sensitive areas where strict oversight is required to ring-fence farmers from misuse of their data.

Third, the AI ecosystem needs facilitation, with Central/State governments acting as enablers by enacting legislation, implementing policies, and providing data access.

Fourth, catalysing AI adoption among different categories of farmers requires consideration of their socio-cultural and economic factors, and impact evaluation of

AGRI OPS. Digital push PTI

digital agriculture projects nudging farmers' decision-making and the benefits they realise from using timely digital advisories.

A transparent and robust supervised AI system must be in place to enhance trust and reciprocity between farmers and the AI chatbot.

POLICY SUGGESTIONS

The Centre has already employed AI and IoT-enabled systems to improve crop productivity and farmer livelihoods. However, a concerted effort is needed to understand the digital agri-market and to plug the supply-and-demand gap by linking farmers to AI-chatbot-enabled 'smart' and authentic digital services.

Thus, Vistaar should be developed as a hyper-local platform that on-boards complementers to develop agroecology-mapped solutions and disseminates packaged multilingual crop advisory services to farmers. In this regard, the network of agricultural extension, such as ATMA, must be appropriately leveraged.

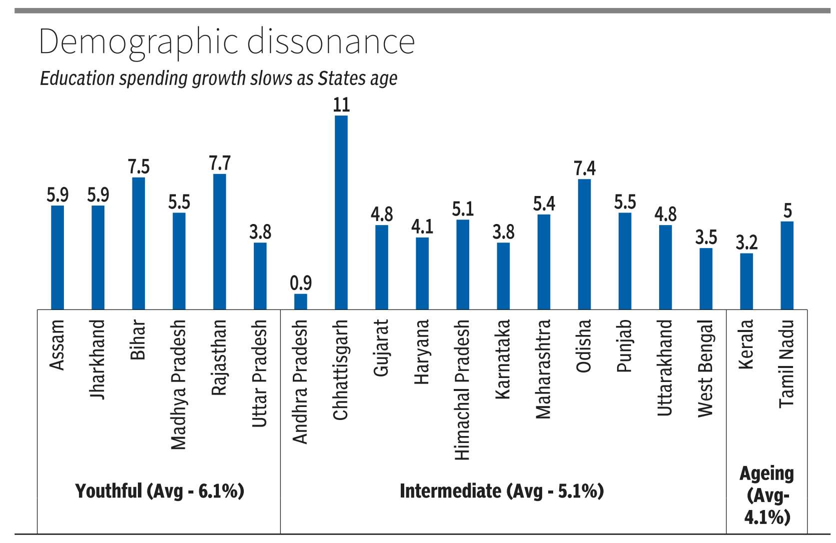
Though ₹150 crore was allocated to Vistaar for the first year, it could converge with the digital farm mission project unveiled in 2024-25, which includes the two pillars: Agri-stack and the Krishi decision support system. The impact of the foundational pillars on digital crop survey and crop loss assessment, and on credit offtake and farm income support, should be assessed using the Vistaar platform. To improve the effectiveness and equitable access of AI-enabled advisory services, model training with reliable big data is needed. Additionally, village-level entrepreneurs or farmer producer organisations (FPOs) and the extension wing of state agricultural universities must be roped in to assess the authenticity of advisory services.

The writer is Associate Professor, IIM Lucknow. Views expressed are personal

Don't neglect higher education

AGE FACTOR. States with a high share of youth tend to spend less on higher education, nullifying their demographic dividend

ANAJALIKRISHNA SUDHAKARAN
ASWATHY RACHEL VARUGHESE



India's demographic dividend is often presented as a national asset that can propel growth for decades. The RBI's latest State Finances report urges us to look beyond this optimism.

By classifying States into youthful, intermediate and ageing categories and mapping their fiscal behaviour, the report reveals an uncomfortable truth. While demographic transitions differ sharply across States, education spending responses do not. Worse, where spending does respond to demography, it does so in ways that may weaken, rather than strengthen, the demographic dividend.

MANY TRANSITIONS

The RBI groups States based on the share of population aged 60 and above as youthful States (below 10 per cent), intermediate States (10-15 per cent), and ageing States (above 15 per cent). Kerala and Tamil Nadu have already crossed into the ageing category, and by 2036 more than half of India's States are projected to follow.

In contrary, States such as Bihar, Uttar Pradesh, Madhya Pradesh and Jharkhand will remain youthful for much longer, supplying labour to the national economy well into the 2040s.

This staggered transition should ideally result in differentiated fiscal strategies. Youthful States need to invest aggressively in human capital to absorb future labour market entrants, while ageing States must balance social security needs with productivity-enhancing expenditure. Yet the data show a convergence in one critical respect that education is steadily losing fiscal priority across all demographic cohorts.

The first warning signal emerges from the growth rate of education expenditure itself. Average y-o-y education spending is highest in youthful States at about 6.1 per cent, declines to 5.1 per cent in intermediate States, and falls further to around 4.1 per cent in ageing States during (2014-2024). Individual States, Rajasthan among youthful States, Chhattisgarh among intermediate States, and Tamil Nadu among ageing States do not alter the broader pattern. Education spending growth slows broadly in line with demographic ageing.

As States age, pension and healthcare obligations rise, compressing discretionary spending. However, this logic ignores a crucial point — demographic ageing does not reduce the need for education rather it changes its nature.

Slower education spending in ageing States risks undermining productivity gains needed to offset labour shortages. More critically, this deceleration sets a benchmark that even youthful States appear to follow.

The real problem lies in what States spend on. If slowing growth were the only issue, it might still be manageable. The deeper concern lies in the composition of education expenditure.

Across all demographic groups, school education overwhelmingly dominates State education budgets. On average, nearly 87 per cent of education expenditure in youthful States is devoted to school education, leaving just over 11 per cent for higher education. Intermediate States show a similar pattern, with around 86 per cent for school education and less than 12 per cent for higher education. Even in ageing States, where higher education shares are marginally better, school education still absorbs about 80 per cent of the total.

A few States, Kerala, Jharkhand and Haryana allocate relatively higher shares to higher education, but these remain exceptions. Even States with the largest and longest demographic dividends are not prioritising higher education.

> **If slowing growth were the only issue, it might still be manageable.** The deeper concern lies in the composition of education expenditure

HIGHER EDUCATION VITAL

This imbalance matters because labour markets reward skills, credentials and adaptability far more than years of schooling alone. School education builds foundational capabilities, but higher education and advanced skilling determine employability, productivity and innovation. Expanding school enrolment without commensurate investment in universities, technical institutions and research systems creates a bottleneck at the point of labour market entry.

International experience reinforces this concern. Economies in East Asia that successfully converted their demographic dividends into sustained growth combined universal schooling with strong investments in tertiary education, vocational training and research. India, by contrast, spends roughly 85 per cent of its education budget on school education and barely 11 per cent on higher education.

The irony is that youthful States are not fiscally helpless. Many of them enjoy better revenue mobilisation and lower committed expenditure ratios than ageing States. In principle, this provides greater fiscal headroom to invest in higher education.

Yet education's share within social sector expenditure has declined even in these States, as budgets tilt towards subsidies, transfers and urban services. The result is a strategic neglect of higher education at precisely the moment when these States should be expanding capacity to absorb millions of future workers. The cost of this neglect will surface elsewhere in educated unemployment, informality, migration distress and eventually weaker tax buoyancy.

Intermediate States face a narrowing demographic window. They must simultaneously prepare for ageing while still investing in growth. If higher education is postponed during this phase, the opportunity to reap productivity gains may be lost permanently.

Ageing States confront a different trap. Rising pension and healthcare obligations, clearly documented in the State Finances report, compress discretionary spending.

However, cutting back on higher education and research undermines productivity growth, which is essential to sustain revenues with a shrinking workforce.

Healthy ageing, longer working lives and the emergence of a 'silver economy' all depend on continuous skill upgrading.

BEYOND DEFICITS

One reason level-wise education spending receives limited attention is institutional and political. School education is visible and decentralised, while higher education is complex, capital-intensive and slower to yield results. Its returns accrue over time and across jurisdictions, making it vulnerable in a fiscal discourse dominated by short-term deficit and debt metrics.

Youthful States must ring-fence and expand higher education spending. Intermediate States must rebalance before ageing pressures harden. Ageing States need efficiency gains and revenue reforms to prevent pensions from crowding out human capital investment.

WAY FORWARD

Ageing is already slowing education spending. Youthful States, instead of compensating, are neglecting higher education. Together, these trends risk squandering India's demographic dividend.

A demographic dividend without higher education is a wasting asset. The fiscal bill lower growth, weaker revenues and higher welfare dependence will arrive with a lag, but it will arrive nonetheless.

If demographic change is destiny, then education policy, especially at the higher level, is the instrument through which States can shape that destiny rather than merely react to it.

Sudhakaran is a PhD. Scholar; Varughese is an Assistant Professor, Gulati Institute of Finance and Taxation, Thiruvananthapuram

EU unfreezes US trade deal after Trump's Greenland u-turn

Jorge Valero

The European Parliament has agreed to restart the ratification process of a frozen trade deal with the US after US President Donald Trump walked back his threats to seize Greenland. EU lawmakers on the trade committee made the move on Wednesday, rescheduling a cancelled committee vote to adopt the European Union's trade pact with the US, which was struck last summer but never fully implemented. The vote could take place on February 24, committee chair Bernd Lange said on X.

The decision does not guarantee easy passage for the free-trade agreement. There are still prominent EU lawmakers expressing scepticism. If the deal gets committee sign off, it would then face a full Parliament vote.

Within minutes of Wednesday's announcement, Parliament's second-largest group, the centre-left Socialists and Democrats, vowed to not support the deal unless it includes a clause suspending the agreement if the US threatens EU sovereignty.

"We will not rubber-stamp any deal," Lange said in a statement. "We still have negotiations ahead of us to improve it."

IN FAVOUR OF DEAL

Conversely, Parliament's largest group, the centre-right European People's Party came out emphatically in favour of the deal, arguing that continuing to block it would only pile more costs on EU businesses.

"Our businesses cannot wait, and neither can our economy," said Zeljana Zovko, the group's lead EU lawmaker on US trade relations, in a statement. "We must move forward now."

The EU-US trade pact was put on pause last month, with EU lawmakers citing Trump's "coercive" actions over Greenland, a Danish territory.

EU-US TRADE DEAL. Has faced a rocky path in European Parliament REUTERS

But after Trump retracted his vow to hit European countries with tariffs until they ceded the Arctic island, European Parliament President Roberta Metsola said she wanted to resume the approval process. The trade deal was initially clinched last July. The EU agreed to remove nearly all tariffs on American products, while accepting a 15 per cent duty on most exports to the US and a 50 per cent levy on steel and aluminium.

The imbalanced accord prompted criticism in Europe, but EU officials and numerous leaders defended it as a way to stabilise the relationship with the bloc's largest trading partner. The EU was also hoping to keep Trump on its side in Ukraine.

Even before Trump's Greenland tariff threat, the EU-US trade deal faced a rocky path in the European Parliament. A group of EU lawmakers opposed the deal from the start, and criticism mounted after the US extended its 50 per cent metals tariff to hundreds of additional products. The US then demanded changes to EU tech rules in exchange for rolling back the expanded tariffs, drawing further ire from opponents. BLOOMBERG

thehindu businessline.

TWENTY YEARS AGO TODAY.

February 6, 2006

Ambani brothers clash again

The Ambani brothers have started another round of war of words. The main issue now is almost the same as that of the first round: control of the group's businesses. Mr Anil Ambani on Sunday alleged that even eight months after the announcement of the division of business between the two groups, RIL, the flag ship company controlled by Mr Mukesh Ambani, has not transferred the management and control of the four demerged companies to the Anil Dhirubhai Ambani Group (ADAG).

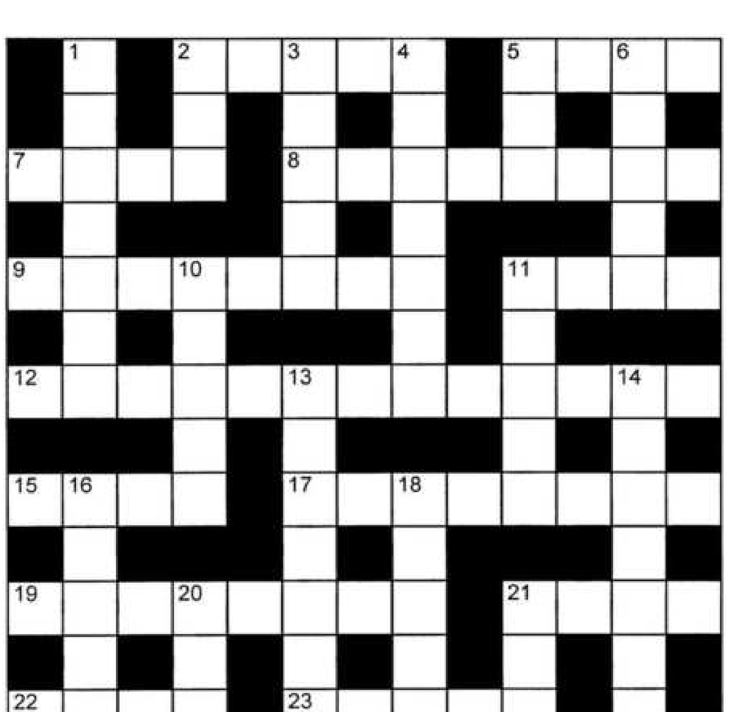
Webasto Motherson shifts assembly line to India

Webasto Motherson, a joint venture between Webasto AG and Motherson, has relocated an assembly line from Germany to India and plans to use the facility to increase the sourcing of automotive sun roofs from its India operations.

CAs can now take up audit work in US

The Institute of Chartered Accountants of India (ICAI) has decided to remove the restriction on practising chartered accountants or accountancy firms from taking up audit or certification work in the US even if they are members of the American Institute of Certified Public Accountants (AICPA).

BL TWO-WAY CROSSWORD 2611



EASY

ACROSS

02. Copy, impersonate (5)
05. Inflammatory swelling as in armpit (4)
07. To catch (stocking) (4)
08. Humbug (8)
09. Opposite of abstract (8)
11. No score (cricket) (4)
12. Weather expert (13)
15. A giant (archaic) (4)
17. High pointed rock (8)
19. Opening, hole (8)
21. Bird's crop (4)
22. Decapod crustacean (4)
23. Made less constricting (5)

DOWN

01. Give solace to (7)
02. Attack and rob in the street (3)
03. Grind meat etc (5)
04. Hide (7)
05. A pass without contest to next round (3)
06. Fundamental (5)
10. Remove dirt from (5)
11. Doctrine laid down (5)
13. Extreme delight (7)
14. Rescue of property from fire etc (7)
16. Drunkard (5)
18. Requires (5)
20. Apply friction to (3)
21. Fish (3)

NOT SO EASY

ACROSS

02. Copy somebody such as Puccini heroine and lead contralto (5)
05. Inflammatory swelling starts below ulna before operation (4)
07. Hidden obstacle may start ladder in stocking (4)
08. With Ness, none can work out if it's rubbish (8)
09. Not being abstract, it can be used in building (8)
11. Bob down under eider (4)
12. He has his highs and lows and can tell whether it sounds like it (13)
15. Old giant of the tennis court (4)
17. First lieutenant in a boat to reach the peak (8)
19. A hole up a tree could show robin's head in it (8)
21. Crop of corn initially uncooked (4)
22. Side-walker may frustrate one (4)
23. Stopped, took top off, and relaxed the pressure (5)

DOWN

01. At which organist is seated to give one comfort (7)
02. One may be a fool to drink from it (3)
03. Carbon in a pit one will chop up small (5)
04. Don't show company broken lance (7)
05. An extra leg, it might be (3)
06. Is in a taxi raised by computer language (5)
10. If not carrying a gun, may be guiltless (5)
11. Could go mad with this code of belief (5)
13. Ecstasy is put out in uncommon surroundings (7)
14. Wild about the pounds retrieved from the wreckage (7)
16. Habitual drinker gives pot up with hesitation (5)
18. Doesn't have requirements such as these (5)
20. Difficulty with which one may apply friction? (3)
21. Fish is intended as a joke (3)

SOLUTION: BL TWO-WAY CROSSWORD 2610

ACROSS 1. Matter-of-fact 8. Imitable 9. Part 11. Caste 12. Crucial 13. Nerd 15. Seat 19. Outline 20. Sight 22. Apex 23. Fireball 24. Extortionate

DOWN 2. Amiss 3. Tracer 4. Relict 5. Avarice 6. Tittle-tattle 7. Disconsolate 10. Fun 14. Retreat 16. Fit 17. Medici 18. Astern 21. Graft

The Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

Critical alliance for the future

The battle to control rare earth minerals has started in earnest. India should not fall behind

With rare earth minerals emerging as the next big resource for nations seeking to stay ahead in the race for global power, the US has unveiled its most ambitious plans yet to corral countries into a coalition of the willing for critical minerals that will coordinate price floors for materials used in semiconductors, electric vehicles, wind turbines, aerospace and defence. The only factor behind this move is countering China's dominance of the sector — it mines almost 60% of the world's rare earths and processes about 90%.

India's initiatives such as establishing a domestic ecosystem for rare earth permanent magnets and creation of dedicated rare earth corridors are a pointer to the centrality of self-sufficiency in this area, and external affairs minister S Jaishankar was in attendance in Washington as US vice president JD Vance unveiled the preferential trade bloc of more than 50 nations. The Forum on Resource Geostrategic Engagement (FORGE) will focus on mineral policy, extraction and pricing and complement Pax Silica, another US-led initiative focused on AI-related supply chains. Both initiatives point to an emerging global battle front, where the leaders are scouting for allies in self-interest and to guard against any power cornering rare but crucial resources.

India's concern is understandable as domestic manufacturing of electric vehicles and other sectors were impacted last year when China suddenly curbed the exports of rare earth minerals. The new US-led bloc is a key platform, and it is important for India to have a seat at the table, simply to avert any overt dominance of China over critical minerals. Similarly, the US-led Pax Silica initiative, which India is expected to join, is crucial at a time when the US is aggressively concluding agreements on critical minerals with countries such as Australia, Japan, South Korea and Thailand. India has six percent of global rare earth reserves, as against Vietnam's 19%. Delhi must rapidly ramp up its expertise in both extraction and processing to be taken as a serious player at a time when such assets are increasingly being used for national security leverage. Participation in multilateral efforts such as the US initiative will help, as will speeding up cooperation under agreements India has signed with nations including Argentina and Australia.

Lakshadweep islands are not just real estate

The Lakshadweep archipelago is India's eastern frontier. Only about 32 sq km of the Union territory (UT) is land, while 4,200 sq km is lagoon. This makes it important from a strategic and an ecological perspective, which is why the islanders' protest against the UT administration's move to acquire 101,020 sq m of private land for tourism and other projects at Agatti Island calls for attention.

Residents have alleged that the administration has ignored the *gram sabhas* and owners while trying to acquire the land, about 3% of Agatti's land mass. This is unacceptable; the law mandates getting the local community's consent even when the acquisition is for a public purpose or utility. In this case, the intent is to promote tourism. The UT administration has been trying to modify property laws that govern land ownership and use in the islands, to facilitate what it deems as development, despite opposition from the islanders and scientists who say the archipelago's fragile ecosystem will crumble in the face of aggressive tourism projects. Private developers, backed by the administration, have been lobbying for permission to build luxury tent cities and beach and lagoon villas.

Lakshadweep is at the frontline of India's battle against the climate crisis. Surface temperature in the surrounding sea has increased in recent years, causing mass bleaching of corals. The Arabian Sea is reporting increased cyclonic activity, which should caution against promoting construction along beaches. Waste and effluents from beachside tourism projects will pollute the lagoons and damage the marine ecosystem. Climate justice has to be at the core of governance. The administration needs to be in conversation with the islanders and involve them in decision-making. The administration should stop infantilising the local communities, but recognise climate vulnerabilities and their cultural sensitivities, and acknowledge their agency while framing policies that impact their lives and livelihoods.

Why India needs a new gold standard

Treating household ownership of gold as consumption skews inflation, current account balances and per capita wealth numbers

Monika Halan

Is gold a consumable item or is it an asset? The question looks silly — of course, it is an asset. It has been a store of value over millennia and, in contemporary times, central banks own it as a part of their reserves. But policymakers and economists have treated individually-held gold as a consumable and excluded it from the asset list owned by households in many important numbers. Yet, the Indian household's ownership of gold has made global headlines over the years. India needs to rethink the way it accounts for gold in its national statistics and put pressure on global inequality lists to take note of the role of gold as an asset for the Indian household.

Gold, in itself, has no value. A stock or a bond, for example, has an underlying business that is an asset or a loan that generates an income. There is a price for gold because there is demand. The same can be said for many metals, and now crypto-coins, that have no use by themselves but have a price because there is a demand. Gold stands apart simply because of the collective memory of it being an asset that has survived the pressures of time and has remained a store of value — something that does not lose value over the long sweep of history.

India treats gold as an asset for all practical purposes. The Reserve Bank of India owns around 880 tonnes of gold as a part of India's reserves — or liquid assets that are acceptable to other countries. Gold is taxed as an asset, with long-term capital gains at 12.5%. Gold is used as collateral to raise loans and the organised gold loan market is a huge ₹15 trillion. The unorganised market might be even larger.

But there are three numbers that treat gold as hair oil — a consumable. As if the minute a housewife buys jewellery, it goes from being an asset to being a "personal effect". It is true that gold jewellery loses 25-30% of its value due to "making" charges, and is not the best way to invest in gold. However, even after the making charges are accounted for, the rest is still precious metal and is good enough to be used as collateral when she uses it to secure a loan.

One, on the consumer price index (CPI), gold is treated as an item under "personal care and effects". Gold comes clubbed along with items such as soaps, shampoos, and hair oil. Including gold in CPI has distorted India's inflation numbers during the current bull run in gold prices. India's CPI has been overstated, giving wrong signals to the interest-rate setting RBI. Hopefully, this anomaly is corrected in the near future as the Expert Group Report on Comprehensive Updation of Consumer Price Index has recommended that gold and silver jewellery be moved out of the CPI. That it has taken independent India till 2026 to have such a recommendation is in itself a commentary on the Indian statistical machinery.

Two, gold imports distort India's current account numbers. Gold imports are treated as imports of goods and services and not of an asset. The capital account records foreign portfolio and direct investments and other "assets", but gold is seen as a consumable. This distorts India's balance of payments negatively when gold imports surge. This too needs a rethink.

Three, global per capita wealth and inequality numbers usually ignore gold ownership by households focusing on financial assets and property. The *UBS Global Wealth Report 2025*, for example, defines net worth or wealth as the value of their financial and real assets, less their debts. Real assets considered are principally housing. But this is an incorrect valuation of household wealth.

Gold stands apart simply because of the collective memory of it being an asset that has survived the pressures of time. HT ARCHIVE

Indian households owned around 34,600 tonnes of gold as of June 2025. At a current valuation of $163 million per tonne, this is a total household wealth of $5.6 trillion, or almost $3,800 per person. It is useful to see how the Indian GDP is at $4.19 trillion and per capita income is $2,900 compared with the wealth that an average Indian household owns. Gold ornaments, coins and bars are a common item of exchange during weddings and other occasions. The gold worn on the person of domestic workers sometimes outshines that worn everyday by others who might have financial assets or tote branded bags that masquerade as assets.

There is clearly a need to rework the way gold is accounted for in our inflation and balance of payment data. When India imported global norms of accounting at Independence, we were of no account in the world in economic terms. In 2026, that story has changed dramatically. Viksit Bharat must write its own rules taking into account its wealth realities. India should also develop its own wealth metrics that account for ownership of gold and informal assets that are not valued on stock markets but are a part of the individual asset basket.

Gold prices are high today due to a reset in the global order. We should use the attention the yellow metal is getting to change our data systems and wealth metrics.

Monika Halan is the best-selling author of the Let's Talk series of books on money. The views expressed are personal

Trade route to closer relations with the EU

Rajesh Agrawal

India has a rich trading relationship with Europe that dates back to 250 BC, even predating the Silk Road. For most of the 2,000 years since, Indian muslins, cotton, handicrafts, spices, emeralds, and gems were the most coveted merchandise in international trade, a bulk of which made their way to Europe. In return, gold and silver poured into India to pay for these. The Indo-Europe trade achieved great scale and proportions in its halcyon days.

The efforts to cement this relationship through a comprehensive free trade agreement (FTA) with the European Union started in 2007. The negotiations had to be abandoned in 2013 due to serious differences in positions on multiple issues. The negotiations started afresh in 2022, and despite the enormity and complexity of the challenges, could be completed only due to the strong commitment and visionary leadership of the two parties. Importantly, the FTA that both sides have negotiated is a reaffirmation of the rules-based trading relationship in an increasingly fragile global economic order. The agreement is historic not merely because of the breadth and depth of the topics and disciplines, but also because both sides reached common ground on many difficult issues.

The India-EU FTA is perhaps the most consequential trade deal concluded in recent times. It could create one of the largest free trade areas in the world, comprising almost 2 billion people and 28 countries that represent 25% of the global GDP. In addition, the agreement is modern and novel in its treatment of issues and concerns. The agreement has up-to-date and substantive disciplines as well as procedural provisions for deepening the trade relationship. The agreement establishes a new template for addressing market access and regulatory barriers both on goods and services, which reinforces traditional disciplines with innovative elements. For example, the rules of origin chapter ensures that only products with substantial processing or production in the partner countries are granted country of origin status; this is achieved through detailed and intricate product-specific rules that seek to align with existing and newer supply chains. In addition, the agreement replicates intellectual property protections with an added focus on promoting the transfer of technology and information flows.

The critical focus of the agreement is the two parties opening up their vast and expansive markets to each other. The agreement offers market access for more than 99% of India's export trade by value, of which at least 90% will receive immediate duty elimination once the agreement comes into force. Notably, the labour-intensive items such as textiles and clothing, leather, gems and jewellery, wood and wooden crafts, and marine products will receive early gains. It will also enable industries such as chemicals, electronics, agri-processing, and minerals to diversify their exports in the vibrant EU common market. While India has allowed market access for the EU's automobiles, this has been done in a phased and calibrated manner, through tariff quotas. Likewise, India's concessions on the EU's wine seek to protect the interests of the domestic industry, while encouraging competition in the higher price segments.

THE KEY CHALLENGE IN NEGOTIATING THE FTA WAS REALISING THE AMBITIONS ON OPENING UP MARKETS WITHOUT COMPROMISING THE CONCERNS AND SENSITIVITIES OF SEVERAL SIGNIFICANT STAKEHOLDER GROUPS

Services trade offers significant potential in the India-EU trade relationship. India has received commitments from the EU for 144 services sectors under the agreement, which is unprecedented. In addition, the chapter on mobility ensures that the temporary entry and stay of professionals and contractual service suppliers will be smoother and more assured, implying that India's talented service professionals can establish their presence in the EU market. The annex on financial services provides for greater engagement between India and the EU on electronic payment systems, including leveraging India's technological expertise in digital payment systems such as the UPI. The agreement also provides the possibility for the practitioners of AYUSH and traditional medicine to provide their services in the EU with greater certainty.

The FTA seeks to nurture a freer, fairer, and mutually beneficial relationship between the two large markets. The chapter on trade and sustainable development sets a new model of cooperation in relation to sustainability concerns. The chapter holistically integrates the objective of sustainable development into the trade relationship, without seeking to harmonise labour or environment standards of the parties. The thrust of the engagement is on policy dialogue, technical assistance, and mobilisation of financial tools and resources. Both sides have also negotiated mechanisms such as the rapid reaction mechanism, non-violation complaints, and standalone annexes that could address specific concerns with respect to certain policy measures or product-specific measures.

The key challenge in negotiating the FTA was realising heightened ambitions on opening up markets without compromising the concerns and sensitivities of significant stakeholders — for example, the dairy and agricultural sector. The income and livelihood concerns of small and marginal farmers and certain industry segments were uppermost in the negotiators' minds. To be fair, the EU also demonstrated much-needed flexibility in this regard.

In an era of supply chain disruptions, the India-EU free trade agreement will complement the gains from the India-UK FTA, EFTA, and other comprehensive trade agreements. Since 2021, India has concluded nine comprehensive trade agreements and is currently in negotiations for several others. The conclusion of the India-EU trade agreement will serve as a catalyst for hastening more economic and trade engagements.

The India-EU FTA is a major step in achieving expanded market access, closer economic integration, and deepening strategic autonomy and resilience, especially in an uncertain and volatile global economy. As economic historians note, economic prosperity can be best achieved when nations trade with each other based on fair, rules-based, and predictable legal frameworks and institutions. The India-EU FTA seeks to uphold this time-tested principle.

Rajesh Agrawal is commerce secretary, government of India. The views expressed are personal

{ LIN JIAN } FOREIGN MINISTRY SPOKESPERSON, CHINA

China's nuclear capabilities are of a totally different scale from those of the US and Russia, and China will not participate in nuclear disarmament negotiations at this stage

Commenting on the expiry of US-Russia START treaty

Reimagining India's health system for future challenges

Indu Bhushan

The launch of the Lancet Commission on *Reimagining India's Health System* late January prompted the question: Are we building a health system for yesterday's diseases or tomorrow's India? India's health challenge is not just about paying for care, but ensuring that people are guided through the system with dignity and continuity.

As the founding CEO of Ayushman Bharat, I have witnessed both the promise and the limitations of health reform firsthand. When the scheme was launched in 2018, many doubted whether India could pull off the world's largest government-funded health assurance programme. Eight years on, the outcomes are hard to ignore. More than 10 crore hospital treatments have been provided, and by one estimate, households have saved nearly ₹2 lakh crore in out-of-pocket expenditure.

India's health outcomes have undoubtedly improved over the decades. Life expectancy has increased, maternal and child mortality have declined, and several infectious diseases are better controlled. Yet progress has slowed, and gains remain deeply unequal. A child born in a poor district or marginalised community still faces far worse health prospects than one born into an urban middle-class household. At the same time, non-communicable diseases and mental health conditions are rising steadily, while the climate crisis and antimicrobial resistance pose new and serious risks.

Ayushman Bharat has achieved considerable success, but there are also limitations that need addressing. While physical access to care has expanded, the experience of care remains fragmented and often poor in quality. Our system continues to be hospital-centric and curative. Primary care, which should anchor prevention, continuity, and trust, remains underpowered. During my time at the National Health Authority, it became evident that even the best health assurance scheme cannot compensate for weak primary care. Too many hospitals were treating complications that could have been avoided with timely counselling, medicines, and follow-up.

Chronic underinvestment lies at the root of many of these problems. Public health spending as a share of GDP has remained largely stagnant for two decades. Compounding this is the way money is spent — fragmented across schemes, departments, and line items, with limited flexibility or accountability. Line-item budgeting in the public sector and fee-for-service payments in the private sector reward volume, not outcomes. They encourage episodic treatment rather than long-term health.

This is why the Lancet Commission argues that India must move from a fragmented, facility-driven system to one that is comprehensive, coordinated, and people-centred. Citizens must no longer be passive recipients of services, but active rights-holders. Quality, dignity, and respect must count as much as coverage numbers. Equity must be treated as a core measure of success.

A key message of the Commission is the need for decentralisation. Health is ultimately local. States, districts, and blocks face very different disease burdens, capacities, and social contexts. During the rollout of Ayushman Bharat, the most successful states were those that adapted intelligently to local realities. A reimagined health system must, therefore, empower states with greater financial flexibility, better data, and real autonomy — while holding them accountable for outcomes.

India's Digital Public Infrastructure, particularly the Ayushman Bharat Digital Mission, can enable continuity of care, real-time surveillance, and learning health systems. But digital tools can strengthen coordination and decision-making only if they are underpinned by trust, sound governance, and strong ethical safeguards.The Commission also squarely addresses the role of the private sector. India cannot achieve Universal Health Coverage without private providers, but neither can it afford weak stewardship. Managed care principles — emphasising prevention, gatekeeping, defined provider networks, and rational payment systems — must replace today's volume-driven incentives. Regulation should enable innovation while protecting the public interest, not tilt excessively in either direction.

Programmes such as ASHAs, women's self-help groups, and community action platforms have shown that informed and engaged citizens improve system performance. A reimagined health system must institutionalise their voice.

Many of the Commission's recommendations are already reflected in policy intent. The challenge lies in execution — aligned financing, institutional capacity, and political commitment across electoral cycles. Vested interests will resist change. Health governance reform is never purely technocratic; it is inherently political.

India's ambition to become a developed nation by 2047 cannot be realised without a health system that is fair, resilient, and people-centred. Ayushman Bharat demonstrated that bold reform at scale is possible. The next phase must go deeper — from coverage to care, from schemes to systems, and from promises to lived reality. The choice before us is clear: Continue to patch a fragmented system, or finally reimagine it for the India of the future.

Indu Bhushan served as the founding CEO, Ayushman Bharat (AB-PMJAY), and is a commissioner, Lancet Citizens' Commission. The views expressed are personal

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Fiscal policy planning

India needs a medium-term plan

One notable shift in the Union Budget this year was the yardstick for gauging fiscal performance. The government had earlier announced that, starting in 2026-27, it would maintain the fiscal deficit at a level that keeps its debt as a percentage of gross domestic product (GDP) on a declining path. Accordingly, the government is aiming to bring down the debt-to-GDP ratio to 55.6 per cent in 2026-27, compared to the revised estimate of 56.1 per cent in 2025-26. The fiscal deficit, as a result, has been pegged at 4.3 per cent of GDP in 2026-27, as against 4.4 per cent this financial year. It is worth highlighting that the government has done remarkably well in fiscal management over the past several years. It has reduced the fiscal deficit from 9.2 per cent in the pandemic year (2020-21) to 4.4 per cent. Further, the consolidation has been achieved with a substantial improvement in the quality of expenditure.

However, the way forward could be challenging. The government has communicated that it intends to reduce the central-government debt-to-GDP ratio to 50±1 per cent by 2030-31. There are two important issues here. First, even if the government achieves this target, the debt level will still be high. The Fiscal Responsibility and Budget Management framework had envisaged limiting the general-government debt to 60 per cent of GDP and the central-government debt to 40 per cent by March 2025. In the current scheme of things, the central government's debt stock will be about 10 percentage points higher than the level desired in 2031. Second, the government could have been more ambitious on consolidation next year, given that it may become more difficult in the coming years. The government, for instance, has to provide for the Eighth Pay Commission. There will also be a general election before 2030-31. Thus, given that the economy is growing at a rate higher than expected, the government could have gone for more tightening.

Ideally, to keep debt on a sustainably declining path, the government should run at least a small primary surplus. The pace of debt reduction will be determined also by nominal GDP growth and interest rates. Thus, it will be important that growth remains at higher levels. Further, in terms of overall fiscal and macroeconomic management, two other issues are worth keeping in mind. One, it is important to look at general-government debt, which is at about 80 per cent of GDP. As a recent analysis in this newspaper showed, debt levels in states can be expected to rise, potentially negating the reduction at Union level to a large extent in the coming years. Thus, it is crucial to find ways of faster consolidation, both at Union and state levels. Two, in overall fiscal planning, it is important to factor in the financing capacity of the economy.

Higher funding requirements of the government can crowd out private investment. As reports suggested, the bond market is concerned about a higher supply of government bonds. Notably, household financial savings in 2024-25 were about 6 per cent of GDP, much lower than the general government-financing requirement. If private corporate investment revives as desired, market interest rates could move up sharply. Therefore, it is fair to argue that there is a need for medium-term general-government fiscal planning beyond the annual Budget numbers.

Powering data centres

AI leadership will depend also on control of power supply

Google's reportedly planned $4.75 billion acquisition of Intersect Power will not just be another corporate clean-energy deal. Data centres powering large-language models now consume city-sized amounts of energy, and the constraint is no longer only chips or capital but also access to reliable power at scale. By buying a major renewables developer, Google is moving beyond being a buyer to becoming an energy actor in its own right. For years, technology companies relied mainly on power-purchase agreements (PPAs). In this case, ownership will give Google the ability to build generation capacity to power new data-centre campuses. Intersect has an array of solar and battery-storage projects concentrated in Texas, a fast-emerging data-centre hotspot.

The move also reflects a deeper tension within Big Tech. Expansion in artificial intelligence (AI) is colliding with climate commitments. In its latest annual environmental report, Google has admitted that the company's overall emission was up 51 per cent relative to a 2019 baseline. Securing clean energy is, therefore, not only about reliability of power but also a pathway towards net-zero pledges. Intersect fits into a broader strategy where Google is building a diversified portfolio of energy solutions, including renewables, storage, geothermal, nuclear, and demand-response programmes that allow data centres to reduce load during periods of grid stress. The company has also been aggressively harnessing offshore wind power through some of the world's largest corporate PPAs. Deals include 478 megawatts (Mw) in the Netherlands, 495 Mw in Taiwan, and additional capacities in Germany and Scotland. These agreements are central to Google's goal of operating on carbon-free energy across every grid it uses by 2030.

Google's Intersect deal must be seen in the context of recent developments in the United States, where the Donald Trump administration and several governors of the country's Northeastern states are pushing for an emergency 15-year wholesale electricity auction that would compel technology companies to fund new power plants. The idea is simple. Households and small businesses should not bear higher electricity bills because of the burgeoning energy requirements of hyper-scale data centres.

Yet building round-the-clock clean power remains expensive. Solar and wind require storage or backup generation. If large firms increasingly self-supply and bypass public grids, there is also a risk that the costs of maintaining shared networks get shifted to other consumers. Regulators will have to balance investment incentives with fairness. For India, the implications are immediate. Data-centre hubs are expanding rapidly across Maharashtra, Tamil Nadu, Gujarat, and Telangana. These facilities will not be marginal additions to demand; they are large, concentrated loads that can strain local distribution networks and require major transmission planning. India's power sector has made progress in electrification and renewable deployment, but discom finances remain fragile and cross-subsidy structures depend heavily on large industrial consumers. India also lacks mature demand-response markets, which could allow a flexible curtailment of data-centre loads during system stress. California's demand-response auction mechanism (DRAM) provides a useful benchmark in this context. As AI infrastructure grows, India will need clearer rules on who pays for grid upgrades, how storage is scaled up, and how renewable integration keeps pace with industrial demand.

Outrunning digital frauds

Fraud moves fast, so must we

ILLUSTRATION: BINAY SINHA

The phone rings. The caller sounds professional. He knows your name, your bank, and just enough details to make you listen. "Sir, your account will be blocked today, update KYC urgently." Or a "digital arrest" over a video call: "Madam, your account is under investigation. Do not disconnect." You are pushed to "provide" personal details or "verify" your identity by transferring money to a "safe account". Very quickly, your life savings are gone, and the caller vanishes. Variations of such stories play out every day, across income groups and geographies.

India's digital payment system is a public good

UPI, or Unified Payments Interface, alone now handles well over 200 billion transactions annually. Yet the same convenience-driven scale that makes payments fast and affordable also gives fraudsters a large hunting ground.

The "weak link" the fraudster exploits is the few seconds when a person is forced to act quickly, deceived into sharing a credential, or convinced to install an app. The fraudster creates urgency, fakes authority, and makes the victim act first and think later.

BANKING & BEYOND

SWAMINATHAN J

Fraud is now organised, specialised & scalable

Criminals use call scripts, spoofed identities, remote access tools, and social engineering to industrialise deception.

Many of the fastest-growing fraud cases fall under what global supervisors call "authorised push payment" scams: Victims initiate the payment themselves, believing it to be genuine. Once money moves, it is routed through mule accounts, layered across multiple transactions, and cashed out quickly. It then becomes a race against time.

Spot the risk early

India's response, therefore, is evolving from "catch the thief" to "stop the flow now". The most practical intervention in a fast-payment world is early detection and containment before funds are moved out. In practice, this is about winning the first hour.

Banks are accordingly tightening their transaction monitoring architecture; alerts now travel quickly and, where necessary, additional layers of confirmation are activated to protect customers. Much of this work is invisible to customers, but it prevents several fraud attempts every day.

However, interruption, important as it is, can only be the second line of defence. The first line is to reduce the number of fraud opportunities in the ecosystem.

Not just a 'customer awareness' issue

Awareness helps, but it is rarely decisive when a caller uses rehearsed scripts, spoofed identities, and has a well-oiled cash-out chain. A more durable approach is to make common fraud pathways harder to execute, while ensuring suspicious transactions are interrupted before they settle.

Impersonation is where many scams start. If customers cannot reliably distinguish an authentic banking touchpoint from an imitation, the fight is lost at the first step. This is where initiatives such as migrating to exclusive banking domains matter.

Smart authentication

India has long relied on two-factor authentication as a core safety feature. But fraudsters have adapted by targeting the second factor itself, through SIM swaps, malware, and remote access tools, among others. Therefore, what is needed is not just "more" authentication, but "smarter" authentication.

Where the transaction is routine and the signals are clean, the experience should remain smooth. Where signals are abnormal, a stepped-up check is justified. The underlying aim is to spot anomalous behaviour at the point of initiation. This is where risk-based controls do their quiet work, preventing a risky or unusual transaction from going through.

Choke the fraud where it thrives

Fraud thrives in the exit routes. The front end of the scam may be a persuasive caller, but the back end is a network of mule accounts that can receive funds, split and move them rapidly across institutions before any one entity can see the full picture. If mule accounts remain easy to create or rent, and operate, the fraud economy stays efficient.

Therefore, mule-account detection is now a core control, including the Reserve Bank Innovation Hub's MuleHunter.AI, which helps banks flag likely mule accounts early using behavioural and transaction-patterns.

Yet artificial intelligence (AI) can only amplify the basics, not replace them. Strong know-your-customer/ anti-money laundering checks and "ongoing due diligence" with regular monitoring vis-à-vis the "on record profile" of the customer is essential to choke the supply of mule accounts.

A contest between speed and safeguards

In digital fraud, when one route is blocked, another is tested, so the response has to be continuous and coordinated across the ecosystem. Policy steps such as clearer liability norms, stronger cyber resilience standards, safer web identity signals like "bank.in", and modernised authentication are gradually tightening the net.

Greed does no good

"Investment scams" promising unrealistic returns account for a large share of losses in digital fraud. They simply repackage old Ponzi and chit-fund tricks in a digital wrapper; the promise of easy, big money is often the bait.

Step back and look up

The RBI requires a beneficiary name look-up feature across major payment channels, enabling remitters to verify the beneficiary's name before initiating a transfer. Customers should use it as a quick cross-check; if the displayed name does not match the person or entity you intend to pay, that is a clear red flag.

Fraud thrives when it can rush you. The most effective personal defence is to slow the interaction and move to a channel you control.

No legitimate agency needs you to stay on a call while transferring money. No genuine refund requires you to "approve" a debit or "pay" a random third party. If a message or caller triggers anxiety or urgency, that is the moment to pause, end the conversation, and verify independently through official channels and apps. If something does go wrong, report it to law enforcement immediately — the first hour is golden.

In digital fraud, time is not just money; it is the difference between containment and contagion. And in the world of instant payments, a brief pause or an extra verification step can be a small price to pay for safety and prudence.

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Staying the course on fiscal consolidation

The Central government has been on a consolidation path in the last five years, with the fiscal deficit-to-gross domestic product ratio declining from a high of 9.2 per cent in FY21 (pandemic period) to 4.4 per cent in FY26, and budgeted at 4.3 per cent in FY27. The pace of consolidation has slowed in FY27, compared to previous years. The Centre is focusing on its medium-term goal of achieving a debt-to-GDP ratio of 50 (+/-1) per cent by FY31 from the current level of 56 per cent. This implies that the Centre can afford to proceed more gradually with fiscal consolidation, provided nominal GDP growth remains healthy and government debt declines in line with the outlined trajectory.

The Centre has managed to attain the fiscal deficit target of 4.4 per cent of GDP in FY26, despite concerns over lower tax revenue collection. Lower gross tax revenue of around ₹1.9 trillion was offset by a higher dividend transfer by the Reserve Bank of India (RBI) and lower expenditure — mainly revenue expenditure — enabling the government to achieve its fiscal deficit target for the year.

For FY27 as well, the fiscal arithmetic looks achievable. The government has budgeted gross tax revenue growth of 8 per cent, which appears reasonable given projected nominal GDP growth of 10 per cent. The budgeted dividend transfer from the RBI and public sector banks (PSBs) of ₹3.2 trillion in FY27 will help further. The high RBI dividend transfer this year is likely due to RBI's gain from dollar sales (forex intervention) and higher interest income. Interestingly, the government has kept a high disinvestment, including asset monetisation, target of ₹80,000 crore, against ₹35,000 crore estimated for FY26. For the last three years, the government has been setting a low disinvestment target at around ₹50,000 crore and has still failed to achieve it. Hence, achieving the high disinvestment target for FY27 will be a key monitorable.

On the expenditure side, it is important to note that the focus on capital expenditure (capex) has continued. The Centre has budgeted capex of ₹12.2 trillion for FY27, implying growth of 12 per cent (year-on-year). The total capex (including the Centre's grant-in aid for capex and central public sector enterprises capex), is impressive at ₹22 trillion, showing a strong jump of 20 per cent (YoY). The total capex (Centre's capex+ grants for capex+ CPSE capex) to GDP is budgeted to increase to 5.6 per cent in FY27, up from the 5.1-5.2 per cent range in the previous four years. The share of the Centre's capital expenditure in total expenditure is budgeted to increase to 23 per cent in FY27, compared with an average of 13 per cent in the pre-pandemic period (FY15-19). While the focus on roads and railways has continued, there has also been a sharp increase of 17 per cent in defence spending in FY27. This is on top of a high 16 per cent growth in defence spending in FY26.

RAJANI SINHA

The Centre has continued its fiscal consolidation and its move towards better-quality expenditure, but the pace of consolidation has slowed. This provides the government with flexibility to support domestic demand and growth amid global turbulence.

But we need to be wary of a few aspects of India's government finances:

- India's general-government debt (Centre + states) to GDP has fallen from 89 per cent in FY21 to 81 per cent in FY25. This is commendable at a time when government debt is rising globally. However, due to higher cost of capital and a narrow revenue base, India's interest payment burden for the general government (measured as interest to revenue ratio) remains at a high of 24 per cent.
- The Eighth Pay Commission recommendations (effective January 2026) will put pressure on the government finances in FY28, making fiscal consolidation more challenging.
- It will be critical for the government to garner higher revenue from asset monetisation and disinvestment. Also, it would be good to earmark that collection for capex.
- There are signs of stress emerging in some state government finances due to the dole-out of freebies and lower goods and services tax collections. It will be important to encourage prudent spending by state governments to improve overall general-government debt levels.
- As the Centre slows its pace of fiscal consolidation, there will be pressure on the debt market due to high redemptions over the next few years. In FY27, the redemption is at a high of ₹5.5 trillion (as against an average of ₹2.9 trillion in previous five years). Over the next three years, the redemption is likely to remain above ₹6 trillion, shooting up further in FY31. This coupled with higher state government borrowing would put upward pressure on government yields.

To conclude, the path of fiscal consolidation will be challenging in the coming years. The Centre is demonstrating fiscal discipline, but state governments also need to follow suit. The general-government debt to GDP is likely to remain on a downward trajectory, the high levels will nevertheless continue to exert pressure on India's interest payment burden. The government should not deviate from its long-term objective of fiscal prudence, even as the going gets tough.

The author is chief economist, CareEdge

The 'RJ' commandments

BOOK REVIEW

AMBI PARAMESWARAN

I vividly remember this incident. It was in the early 1990s, post liberalisation. I was at a magazine stall in Chennai, hoping to pick up a few application forms for good upcoming initial public offerings (IPOs). Yes, in Chennai these forms were widely distributed across various types of outlets including magazine stalls. As I was browsing, I saw an autorickshaw screech to a halt outside the stall; the khaki-clad autorickshaw driver stormed in and asked me "*Edhula Podalam Saar*" (On what can I put my money, sir?). I told him that he may be better off buying a lottery ticket than betting on a hot IPO where allocation was a gamble akin to a lottery.

I was reminded of this incident as I was reading *RARE – Investing The Rakesh Jhunjhunwala Way* by Nandini Vijayaraghavan. In the chapter titled "Mahalakshmi Race Course and Arthur Road Jail", the author says, "A tale that RJ (Rakesh Jhunjhunwala) often narrated goes: 'I was drinking at Geoffrey's when a pretty girl walked up to me and asked 'Give me a tip to double my investment in three years'. I told her 'Go to Mahalakshmi Race Course'."

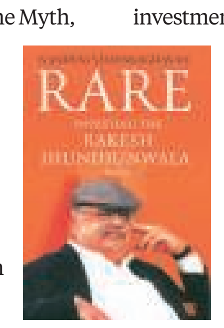
The author is a Singapore-based financial analyst whose columns appear in various leading newspapers. She has done meticulous research to put together this book on RJ and his investment strategies. The book boasts of a foreword by Bhaskar Bhat, former managing director of Titan Industries, a company that RJ backed to the hilt.

If you expect to pick up some "quick tips" on tripling your money in three years after reading the book, banish the thought. But if you are looking to understand how financial analysts look at company performance, then this is a book for you.

Interestingly, the author points out that RJ started his stock market activities around the same time as two other famous bulls: Harshad Mehta and Ketan Parekh. Harshad Mehta is six years older than RJ while Ketan Parekh six years younger. The book starts with what the author calls an "affectionate history" of Dalal Street. Over 25 pages she paints an interesting picture of the Bombay Stock Exchange (BSE) and the birth of the National Stock Exchange (NSE). To set the context on how bulls operate and sometimes go wild, the book dedicates two chapters, one each, to the rise and fall of Harshad Mehta and Ketan Parekh.

We then get into the world of RJ and his business model and ascent. In the chapter titled "The Legend, The Myth, The Man" we get to know about the many passions of RJ, including Bollywood film production.

Part 2 of the book is a deeper examination of the listed equity shares that RJ invested in. I was delighted to read how RJ was a big believer of the Tata Group (a group with which I have personally had many wonderful interactions during and after my days in advertising). The diamond that he picked and bet on heavily was Titan. That gets a full chapter. The section also talks about the other Tata companies in which RJ invested, as well as companies in the pharma and banking sectors. All these chapters are replete with a great deal of financial detail, some of which went over my head.



RARE – Investing the Rakesh Jhunjhunwala Way
by Nandini Vijayaraghavan
Published by Westland
368 pages ₹799

Part 3 looks at RJ's private equity investments. The big jackpot (no, not at Mahalakshmi Race Course) was RJ's investment in Star Health; when the company did an IPO, it swelled RJ's net worth by a significant amount. There were a few others such as Nazara Technologies, which also "popped" for RJ. This section explains how RJ trusted the founders and not just the spreadsheets that companies offer to private equity investors. The last part is a mix of RJ's legacy, his quotable quotes and how the portfolio has performed since his death. The author's research has also unearthed the 10 commandments by which RJ lived his life: Be Law abiding (RJ has been fined by the Securities and Exchange Board of India for some violations; he paid the fine and moved on, the author reiterates); Be aware; Monitor investments; Diversify (RJ reduced his holdings in Titan when it became so big that it overshadowed all his other investments); Borrow cautiously (unlike Harshad Mehta and Ketan Parekh); Manage risks; Do not time the market (advice that people such as Warren Buffett and his guru Benjamin Graham have repeatedly proffered); Do not imitate; Be emotionless; and Decide amid uncertainties.

The chapter "Thus Spake RJ" is full of interesting observations. So let me end this review with an interesting quote. When asked whether to invest in small caps or large caps, RJ is said to have replied, "Invest in small caps that are going to become large caps."

If you are interested in the stock market and understanding the mind of a strategic investor, this book is a valuable read. If, on the other hand, you are looking for a hot tip, better buy a lottery ticket or head to Mahalakshmi Race Course.

The reviewer is a branding and advertising veteran whose latest book Marketing Mixology offers four essential skills for marketing success

OUR VIEW

ISTOCKPHOTO

AI agents: Did markets misread their invasion?

Rattled investors who foresee chunks of the software industry going obsolete aren't wrong. But legacy systems, rules, laws and the true cost of Agentic AI will slow the pace of change

It was swift and brutal, the global sell-off in tech stocks this week after Anthropic's launch of Agentic AI tools with startling skills. From America to India, software stocks lost $285 billion in market value globally within the span of a single trading session. Indian IT majors also slid sharply, with investors seeming convinced that AI agents had finally arrived to replace software products and services at scale. The trigger was Anthropic's decision to open-source 11 'plugins' on GitHub for its Claude Cowork AI platform. Compatible with Claude Code, its coding assistant, these plugins let users set goals for its AI model to achieve. Each plugin guides Claude on which tools and what data to use for every task. Together, this toolkit spans productivity, sales, marketing and legal work. What rattled markets the most was its legal plugin for reviewing contracts, compliance and risk. The panic was understandable, but contracts and revenues have not changed. So, did investors overreact, or do IT firms face a mega-threat?

Until now, humans wrote the script. AI tools such as Replit, Bolt and Claude helped refine it as assistants. Now, an agent can write the script, analyse it, test it, improve it and even deploy it, which explains the market's extreme reaction. The first casualties were predictable. Large tech firms with product-heavy business models driven by software-as-a-service (SaaS)—especially those behind banking, financial service and insurance workflows—were hit the hardest. Indian IT majors that sell licensed platforms alongside services suddenly looked exposed. One may argue that IT firms already use AI platforms like Kiro, Claude and Replit to build their own for clients. But if an agent can reconcile data, generate compliance reports, monitor transactions and flag anomalies, the case for paying recurring licence fees weakens over time. Globally, the same fear rippled across enterprise software. Layered on top is relentless rhetoric on artificial general intelligence (AGI) that spooks investors with endgame scenarios. Every agent's launch seems like a step towards that 'singularity,' overhyped or not. That said, markets may have missed key nuances. For instance, agents today excel at preset tasks, not designing complex workflows for organizations with messy legacy systems. That still calls for human architects. Besides, agents automate work but do not yet own outcomes. So businesses with customized services are at less risk than those counting on licensed stuff—at least for now. Application development and maintenance revenue will not vanish overnight either. Banks, insurers and governments still run old systems. Agents can help, but humans remain essential—particularly in regulated fields.

Markets also need to take the true cost of agents into account. Replacing humans is not a simple swap. A developer's salary is visible, while an agent's cost is buried in cloud bills, compute cycles, storage, redundancy, uptime guarantees and energy use. Just to break even, the AI industry will need to charge far more at some point. AI adopters must also price in risks of security and legal liability. Automation won't be cheap for adopters that must not go wrong. Caution could keep humans in charge. Yet, market fears are justified in some fields (like SaaS). So, was the tech-stock rout overdone? In the near term, yes. Revenues will not be wiped out. But over time, Agentic AI will surely shrink, reshape and reprice parts of the tech industry. What we don't know is the profit patience of AI majors and the speed of this agentic shift.

MY VIEW | FARM TRUTHS

Indian policymakers mustn't let agriculture fall off their agenda

Boosting the farm sector will improve the lives of multitudes and also invigorate domestic demand

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Going by the national accounts, if there is one sector that seems to have done well in recent years, it is agriculture. As the *Economic Survey* also notes, the sector as a whole has grown 4.4% annually in the last five years and 3.9% in the last 10 years. These are impressive numbers for a sector that employs the highest number of workers in India's economy. But also because they outshine the sector's own past performance. Yet, data from the field also suggests that the agrarian sector is in its longest and deepest phase of distress as far as income levels go.

Part of this contradictory assessment of agriculture stems from the way its data is collected and made available. While growth rates are generally presented in aggregate terms for agriculture and its allied sectors, agricultural sub-sectors do not show the same dynamism as the aggregate. Agriculture and allied sectors comprise farm crops, livestock, forestry, logging and fishing and aquaculture. Of these, the crops sub-sector accounts for 54%, livestock 30%, forestry 8% and fishery the rest. Much of the growth in agriculture and allied sectors is driven by growth in livestock, which has expanded at more than 7% per year, and fisheries, which has grown at more than 8% in the last decade. On the other hand, the largest sub-sector of crops has grown at just 2% annually. It includes major crops such as cereals, edible oils, pulses, cotton and sugarcane, along with horticultural crops such as fruits, vegetables and flowers. It is also the largest employer of agricultural workers along with livestock. To put it in perspective, the crops sector grew at 3.3% annually between 2004 and 2014. But its recent decadal growth is among the lowest in three.

While the underlying database for livestock, fisheries and forestry is weaker than for crops, its annual growth of more than 7% in the last decade seems suspicious. Past trends suggested that the livestock sub-sector had grown at a rate similar to that of crops, or marginally higher, given the close linkages between the two and because most farmers in India are involved in crop cultivation as well as livestock rearing. While national accounts data suggests faster livestock growth, data from the Situation Assessment Survey (SAS) shows slower growth. However, what matters for the majority of farmers is growth in crops, for which even the national accounts point to weaker growth than other segments.

This weakness is also seen in India's household survey on income and indirect estimates of it from national accounts. This data confirms a decline in real cultivation income, with households supplementing earnings through wage work. But with wages almost stagnant in the last decade, it's insufficient to raise household incomes. Indirect income estimates from the national accounts that follow the Niti Aayog methodology actually suggest a decline in the income of farmers of 0.62% per year between 2016-17 and 2023-24.

QUICK READ

Our national accounts data suggests this sector is doing fine but aggregate numbers mask weak growth in sub-sectors that support livelihoods. Farmer distress mustn't go unheeded.

Policy attention should shift to strengthening agriculture. Not only will this raise incomes and ease hardships but also address a demand deficiency that has restrained faster GDP growth.

Not only does this raise questions on the government's claim of doubling farmer incomes, it confirms a worsening of earnings and profitability. To put it in perspective, farmer incomes increased 7.5% per annum between 2004-05 and 2011-12. Even on a decadal basis, the increase between 2004-05 and 2014-15 was a strong 6%.

The decline in agricultural incomes has come at a time when the number of workers in the sector has been rising. Almost 66 million workers joined the sector in the last six years, reversing the entire fall in their number between 2004-05 and 2017-18. This is not due to agriculture offering better remuneration, but on account of distress in non-agricultural sectors that are failing to provide remunerative employment. This structural reversal in the economy of workers moving back to agriculture is evidence of the gravity of the crisis we face, more so in the rural economy.

This has occurred despite farmers trying hard to increase productivity and can be viewed in the context of an adverse policy environment. Government investment in agriculture has been weakening in recent years. The state's basic price-support mechanism has also not helped stabilize the prices of farm output. There has been a decline in the farm-gate prices of a majority of crops this year. While food inflation has dropped, so has the price realization of farmers. Agriculture needs to be revived not only because it employs almost half of all our workers, but to drive a long-term revival in India's economy. With private investment failing to pick up and exports slow, we need a domestic demand revival to sustain the economy's growth momentum.

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JUST A THOUGHT

AI agents will become the primary way we interact with computers in the future. They will be able to understand our needs and preferences, and proactively help us with tasks and decision making.

SATYA NADELLA

GUEST VIEW

RBI should allow a kill-switch for phones of defaulters

T.K. ARUN

is a senior journalist.

After saying that the Reserve Bank of India (RBI) is evaluating whether to bring back the policy of allowing loan-financed phones on which repayments are interrupted to be locked as a method of enforcing credit discipline, the central bank has not moved on the subject. It should go ahead and give a green signal for the use of technology to enforce credit discipline.

Graded deactivation might well be a good way to ensure guaranteed servicing of loans taken to purchase electric cars and other software-dependent consumer durables in the days to come. The mechanism of remotely turning a functional piece of equipment into an unusable liability in the event of a default in the servicing of the loan taken to purchase it is better than physical repossession in case of such a default. It would lower the cost of making such loans and benefit both borrowers and lenders.

In mid-2024, RBI acted on consumer complaints about non-banking finance companies (NBFCs) that financed the purchase of smartphones using a remote kill-switch to deactivate them on repayment defaults; NBFCs were also accused of prying into the phone-owner's private data contained in the phone. RBI used its powers of suasion under its supervisory authority to stop lenders from taking such action—even when borrowers defaulted on their equated monthly instalment (EMI) obligations.

Many saw the behaviour of lenders as a case of corporate encroachment and suspected them of snooping on the conduct and social interactions of phone users in violation of their right to privacy as citizens. A seemingly libertarian outcry against 'corporate greed' being allowed to smother citizen rights may have cowed RBI into abandoning credit discipline in favour of good public relations.

Defaults on loans made to finance the purchase of smartphones started to mount. Lenders, especially smaller ones that relied on technology rather than repossession agents to take credit decisions and enforce repayment, pulled back on financing phone sales. This hurt the volume of phone sales as well.

RBI started receiving representations to bring back phone-locking as a form of digital collateral to support credit decisions. At its October monetary policy review press conference, the RBI governor indicated that the central bank was revisiting the subject, according to the *Economic Times*.

What is at stake goes beyond the sale of smartphones. Many of those who borrow to purchase smartphones have no formal history of availing themselves of a loan. Absent a credit history and an associated credit rating, these borrowers would in the normal course be totally ineligible to buy a phone or some other consumer good by agreeing to make a finite number of EMI payments. Armed with the power to remotely lock the phones on which EMIs are in default, some lenders have been willing to take on the risk of deficient repayment and still give loans to such borrowers.

Buying a smartphone on credit and repaying the EMIs without any default is one sure way to acquire a credit history and a decent credit rating for millions of first-time borrowers from the world of formal finance. Disabling phone-locking in case of loan repayment default disempowers such would-be first-time borrowers as they are denied access to formal finance.

India has a relatively low level of bank credit to the private sector. Banks do not have the capacity to measure the creditworthiness of those outside the world of formal finance. NBFCs do a better job of it. Beyond these lenders, informal sources of credit meet the needs of a large segment of small borrowers. Such borrowers typically bear a higher cost of credit as compared to those who do manage to access formal finance.

QUICK READ

RBI was reportedly considering a reversal of its move against financed phones being remotely disabled if borrowers failed to repay loans availed to buy them. It should go ahead and reverse it.

Allowing such a kill-switch will improve access to finance for borrowers with no credit history. As for privacy concerns, safeguards such as a code of conduct can be put in place.

Clearly, it is desirable to bring larger and larger numbers into the fold of formal finance.

Loans for the purchase of smartphones can function as a viable point of entry to formal finance, provided such loans are disciplined by technical instruments such as the remote-locking of phones by phone manufacturers. Such remote-locking can easily be done through the use of a kill-switch that may be triggered when a financed phone fails to receive a message from its manufacturer saying that the payment due on the device has been received.

This functionality does not entail prying into the personal data stored on the phone or generated by the phone's use. RBI can formulate and enforce a code of conduct for lenders, barring privacy breaches and stipulating sufficient notice to a defaulting borrower of the impending disciplinary measure. Device-locking can be calibrated, with some functionalities disabled first, before the phone is fully converted into little more than a brick.

It should be ensured that a locked phone can be unlocked, again by use of an expedient software switch, once the payment obligation is honoured and that information is relayed to the manufacturer.

Phone manufacturers have every incentive to install a kill-switch in their phones that is immune to tactics such as a reset to factory settings and to cooperate with financiers in enforcing credit discipline. That is the way to brisker sales. When RBI dithers over resuming phone-locking as a way to create digital collateral, it discriminates against small borrowers and small lenders. It should snap out of it and act.

THEIR VIEW

Crypto apocalypse: Time to get real about these pseudo assets

Digital tokens have had the US administration's favour but this industry's demands would put the banking sector at threat

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REUTERS

A year ago, the most pro-crypto president in US history had just returned to power after pandering to clueless retail crypto investors and receiving massive financial backing from semi-corrupt crypto insiders. Donald Trump's second coming was supposed to be a new dawn for crypto, leading various self-dealing evangelists to predict that Bitcoin would become 'digital gold,' reaching at least $200,000 by the end of 2025. As promised, Trump did gut most crypto regulations. He also signed the Guiding and Establishing National Innovation for US Stable Coins (Genius) Act, pushed for the Digital Asset Market Clarity Act, profited personally from shady domestic and foreign crypto deals, promoted his own meme coin, pardoned crypto crooks who had allegedly aided terror organizations and hosted private dinners for crypto insiders at the White House.

Moreover, crypto was supposed to benefit from various macro and geopolitical risks, such as the ballooning of US and other advanced economies' debt and deficits, the debasement of the dollar and other fiat currencies, new trade wars and growing tensions between the US and Iran, China and others. Indeed, the heightened risk environment helps explain why gold rose by over 60% in 2025.

But 'digital gold' fell by 6% in 2025. As of now, Bitcoin is down 35% from its October peak, below where it was when Trump was elected, and the $Trump and $Melania meme coins are down 95%. Every time gold has spiked in response to trade or geopolitical ructions over the past year, Bitcoin has fallen sharply. Far from being a hedge, it is a way to leverage risk, showing a strong correlation with other risky assets like speculative stocks.

Calling Bitcoin or any other crypto vehicle a 'currency' has always been bogus. It is neither a unit of account, a scalable means of payment, nor a stable store of value. Even though El Salvador made Bitcoin legal tender, it accounts for less than 5% of transactions for goods and services. Crypto is not even an asset, as it has no income stream, function or real-world use (unlike gold and silver).

Seventeen years after Bitcoin's launch, the one and only crypto 'killer app' is the stablecoin: a digital version of old-fashioned fiat money. Yes, whether digital money and financial services should be on a blockchain (distributed ledger) or a traditional double-ledger platform remains a question. But 95% of 'blockchain' monies and digital services are blockchain in name only. They are private rather than public, centralized rather than decentralized, permissioned rather than permissionless and validated by a small group of trusted authenticators (as in traditional digital finance and banking) rather than by decentralized agents in jurisdictions with no rule of law.

True decentralized finance will never reach scale. No serious government will allow full anonymity of monetary and financial transactions as that would be a boon for criminals, terrorists, rogue states, non-state actors, human traffickers, crooks and tax dodgers. Moreover, because digital wallets and regulated exchanges must be subjected to standard anti-money laundering and know-your-customer rules, it is not even clear that transaction costs through permissioned and private 'blockchains' are any lower, especially now that traditional financial ledgers have improved with real-time settlement and faster clearing tools. The future of money and payments will feature gradual evolution, not the revolution that crypto-grifters promised. Bitcoin and other cryptos' latest plunge further underscores the highly volatile nature of this pseudo-asset class.

As for the Genius Act, having set the stage for another destructive experiment in free banking, like the one that ended in tears during the 19th century, it may well be remembered as the Reckless Act. Under the law, stablecoins are not regulated as narrow banks (for payments and deposits rather than riskier lending and investing), nor do they have access to the lender-of-last-resort or deposit-insurance benefits provided by central banks. All it would take to incite a panic and trigger a bank run is for a few bad apples to misinvest their holdings or place their deposits in weak institutions. As in the 19th century, the current US approach is a recipe for instability.

The recent fight between real banks and the crypto industry over the Clarity Act is revealing. The issue is not about banks wanting to keep their near-monopoly on monetary transactions. In a fractional reserve banking system, banks are involved in both payments and credit creation via the transformation of short-term deposits into longer-term loans and credit. They provide a valuable semi-public good.

> **QUICK READ**
>
> Bitcoin was hailed as 'digital gold' but has clearly lost its glitter as a safe haven for investors. Note that crypto is not even an asset as it has no income stream, function or real-world use.
>
> We can either radically change our financial system to separate payments from credit creation or prohibit stablecoins from paying interest and threatening the role of banks as intermediaries.

Short-term deposits don't pay interest because they are nearly equivalent to currency. Yet the crypto industry wants interest payments allowed for stablecoins—directly or indirectly via exchanges—which would undermine the banking system. So, we must either radically change our financial system to separate payments from credit creation (via narrow banks for payments and loanable funds from financial institutions for credit), or prohibit stablecoins from paying interest and disintermediating banks.

This is a serious political and financial stability issue. Jamie Dimon, CEO of JPMorgan Chase, is rightly raising the alarm over what the crypto industry wants and Brian Armstrong of Coinbase is wrong in dismissing such concerns.

Trump's advisors should explain to him how the banking system works before serious damage is done. Treasury Secretary Scott Bessent, are you listening?

MINT CURATOR

Capital controls are creeping back: Look at Indonesia's case

Jakarta has begun tightening rules and others could follow suit

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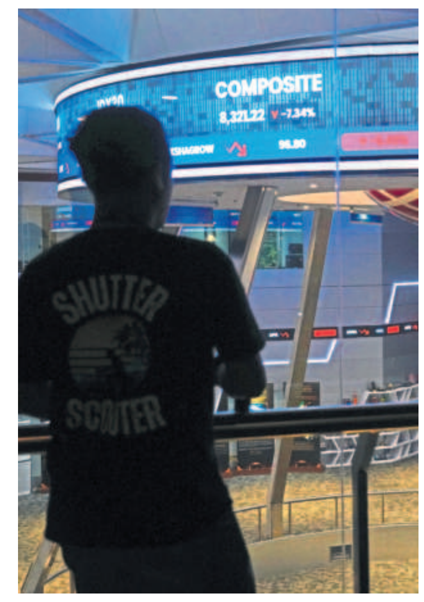

Indonesia's bet is that capital inflows won't be deterred by its new exit barrier. AP

Back in the day, when a country's currency was under pressure, the worst thing it could do was impose capital controls. Stopping money from leaving might work temporarily, but it would cause investors to lose faith and shut the country out of financial markets in the long run. In a *laissez-faire* world of globalization, nothing could be worse than that.

Indonesia is challenging that assumption and may prove that we operate in a completely different global economy now. Last month, the rupiah hit a record low, driven by worries about President Prabowo Subianto's economic policies. He seemed willing to widen the fiscal deficit, which was higher in 2025 than it has been for two decades (excluding the pandemic years). And the nomination of his nephew to the central bank's board didn't help. MSCI last week warned the market may be downgraded to frontier status unless transparency improves, prompting a flurry of activity from regulators to try and shore up confidence. The benchmark Jakarta Composite Index fell 5.1% Monday.

At the same time the rupiah was falling, Indonesia announced a tightening of rules governing how exporters are allowed to spend their money. From January, companies in the country's natural resources sector will have to keep the foreign exchange they earned locked up in state-controlled parts of the financial system for at least a year. Only half of what they deposit can be used, once it is converted into rupiahs, to pay down loans or buy more inputs.

This is a significant escalation of Jakarta's attempts to control how export revenue is used. Over the past few years, policymakers have focused on trying to figure out how to ensure that the country's mineral wealth—particularly from nickel, of which it is the dominant producer—can be put to work elsewhere in its economy.

But this latest effort reveals a growing threat to the assumptions of globalization. It is a move that its peers in Asia and elsewhere might adopt. The bet that Indonesia's leaders are taking is simple: They will be able to keep the dollars they earn at home, bolstering reserves and easing the governments' ability to finance spending, and investors will still be interested.

This is a pretty big wager—especially when your stock market has just lost $80 billion in the worst sell off since the Asian crisis of 1998. But it is one that its peers will be watching carefully. Malaysia used to compel its exporters to convert most of their foreign exchange to ringgit; Thailand has gone in the opposite direction, loosening controls on the repatriation of export earnings, but that's because it is trying to prevent the baht from strengthening. Either way, it looks like management of exporters' foreign-exchange earnings will become a standard part of the Asian toolkit.

For countries that believe they are irresistible to investors, controlling the outward movement of capital is tempting. Under globalization's harsh rules, such controls should cause future investors to look elsewhere. But Jakarta seems positive that, come what may, people will need its nickel and its palm oil, and keep putting money into the country to get those resources out.

They may be right. The International Energy Agency predicted in 2021 that the demand for nickel would increase 20 times in 20 years. Other metals like cobalt and lithium will see similar increases. With numbers like these, places at the centre of the critical-minerals rush over the coming decades could well lock up profits for a year or more and still see investment flow in.

Other countries might be confident in different ways. India, for example, believes that the size of its domestic consumer market will keep foreign companies interested. Over time, New Delhi has raised taxes on how much local major multinational corporation subsidiaries can pay their home offices in return for the use of their brand names and technology. It's currently at 20%, and may well increase in the future, perhaps to the Philippines' 30%.

Emerging-market policymakers will point out that, conceptually, this isn't that different from how, say, the EU views the profits that big US tech companies make. As their access to markets in the West narrows, they are going to look for some way to balance the relationship.

New-age capital controls are just another way in which the fragmentation of the global economy, the growth of supply-chain bottlenecks and the re-emergence of industrial policy is going to make things tough for investors. It's no longer your decision entirely how you spend your earnings; states will step in, when they can, to repurpose that cash to their own ends. Once, the world economy seemed as simple as a spreadsheet. Now it's a lot more complicated.

GUEST VIEW

India's rural job guarantee overhaul needs a trial run

VIDYA MAHAMBARE & VIVEK JADHAV

are, respectively, Union Bank Chair professor of economics, Great Lakes Institute of Management, and assistant professor, Institute of Management Technology.

The recent budget marks a shift in India's approach to short-term state-backed employment support. It has reduced funds for the scheme under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which is expected to be phased out, to ₹30,000 crore from last year's spending of ₹88,000 crore and allocated over ₹95,000 crore to the new Viksit Bharat Guarantee for Rozgar and Ajeevika Mission-Gramin (VB-G RAM G) scheme that will replace it. What explains this shift and what is its context?

In 2004, India made a distinctive choice: an unconditional public employment guarantee for rural citizens. Most countries, up to that point, had relied on conditional income support or unemployment assistance during periods of distress. The backdrop was the NDA government's defeat in the 2004 election. Despite strong economic growth, rural India had not fared well. So the new UPA government chose a universal, demand-driven employment guarantee that entitled rural residents to 100 days of work with no pre-conditions. If work was not provided within 15 days of a demand, an unemployment allowance was payable, though this was rarely enforced.

In short, MGNREGA was based on the fact that meaningful jobs in rural India were scarce. Any reform of this scheme should start with an assessment of that premise. What is the current evidence on MGNREGA and rural employment in general?

About 2.2% of working-age (15-59 years) women and 0.13% of men in rural India in 2023-24 reported being engaged in 'casual wage employment in public works'—a good proxy for MGNREGA employment, as per our calculation based on Periodic Labour Survey data. That is 8.5 million women and 0.5 million men. Administrative MGNREGA data shows that average household participation is only about 50 days of work per year.

How large is the pool of unmet demand for work under MGNREGA that remains invisible in the scheme's official statistics? This can be inferred from rural unemployment rates. In 2023-24, 2.5% of working-age men in rural India were unemployed; that is, they were looking for work but did not find it. Women's unemployment was also low, at 1.2%. However, this masks the fact that around 37% of women were not seeking work, partly discouraged by the unavailability of suitable jobs. In contrast, less than 2% of men were not looking for work.

Employment data, however, cannot fully capture alternative job opportunities, since people may choose not to take up available jobs and instead opt for MGNREGA work. Wage data can offer an important clue: if wages in other occupations, especially in farming-related work, are significantly higher than MGNREGA wages, it suggests workers could have taken up that work.

While the average MGNREGA nominal wage rose from about ₹133 in 2013-14 to ₹253 in 2024-25, market wages for other rural work were higher over that period. As per official numbers, by 2024-25, all-India average daily wages were about ₹398 for male general agricultural labourers (₹316 for women) and ₹441 for male construction workers (₹343 for women). Our analysis indicates that when farm wages were ₹150–200 higher on average than MGNREGA wages, many workers chose not to take up farm employment, perhaps because of its greater physical demands. Implicitly, the formulation of VB-G RAM G suggests that MGNREGA has come to be preferred over farm work, which may explain why the new programme has a provision for suspending it during peak harvest periods. So, during those months, if there is no non-farm or public-work employment available, then the trade-off for rural labour becomes either zero earnings or farm wages.

> **QUICK READ**
>
> The budget has reduced funds for the MGNRGA scheme to ₹30,000 crore and allocated over ₹95,000 crore to the new VB-G RAM G programme that's expected to replace it.
>
> Since this revision of India's rural job assurance has some key changes, such as its suspension during harvest seasons, we should test it out in phases before it's rolled out nationwide.

Job-guarantee reforms should also have taken stock of who repeatedly seeks work. There is a lack of publicly available data on the extent of households' routine reliance on MGNREGA.

A big policy question, thus, remains unanswered: Does India's job guarantee programme primarily serve as a temporary buffer against shocks, or does it lead to continuous dependence on the state among a subset of households?

While job-guarantee reforms were necessary, the manner in which the new framework has been enacted, with no public documentation of consultation with states, raises concerns. The revised funding structure, which shifts 40% of costs to states, reduces the Centre's fiscal responsibility and may adversely affect the scheme-implementation capacity of states.

While job-guarantee reforms were necessary, without a pilot trial run of the redesign in at least one large Indian state that could have helped assess its impact, the shift rests on weak empirical ground. As the new scheme unfolds, a phased implementation schedule would help ensure that the revision is informed by ground evidence.

Of course, the only durable solution lies in expanding non-farm quality employment, especially as India's rural youth are increasingly better educated. This is particularly important for women, single or married, many of whom are unable to migrate to urban areas for work.

Ultimately, the debate is not about either preserving or replacing MGNREGA, but about aligning the rural employment landscape with the realities of a changing labour market in the country.

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RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

PM frames the deal, corners Congress

IN HIS first speech in Parliament after the agreement on the India-US trade deal, Prime Minister Narendra Modi set a panoramic stage. The second quarter of the 21st century will be "*nirnayak*" or decisive, he said, as "*viksit Bharat*" takes its place in it. At this "*aham padav* (important juncture)", there is no looking back for the country. Because as the world moves towards a new post-Covid global order, it is turning to India — "*jhukaav Bharat ki taraf hai*". India will play the role of "*vishwabandhu*" and "*vishwamitra*", the PM said — that formulation, a friendlier version of the earlier title of "*vishwaguru*", may signal, in the uncertain times of Donald Trump, a calibrated softening. It was against this backdrop that he positioned the deal, or deals, that India is stitching recently — nine so far, which make it "future-ready", and which have been accomplished because India conveys, and the world acknowledges, its "*sthirta* (stability)" and "*gati* (agility)". Their biggest benefit will go to the young, for whom the world has opened up its markets and opportunities. "*Avsar hi avsar*..." said the PM, framing the deal as empowerment for a young country.

Having painted a picture of a more self-assured nation on the move, now being embraced by the world, PM Modi then drew the hard lines. By not letting him speak in the Lok Sabha on Wednesday, the Opposition, he said, was heaping "*apman* (insult)" on the President and the Constitution, driven by hate for him. Picking up a crude slogan last heard at a JNU students' protest against the Supreme Court's denial of bail to Umar Khalid and Sharjeel Imam in the Delhi riots case, he said that the Opposition's agenda was hateful and negative. The PM's manoeuvre was, of course, political and strategic — giving his political message a strong personal imprimatur comes easily to him and it serves him well, arguably. At a time when his government confronts a range of consequential issues on which it can be asked questions — from the Union Budget's reluctance to take the big reform leaps to the terms of negotiations with the US that are ongoing — the spotlight on himself is well-timed for him.

But it was Congress that made it easier for him. Calling the PM "compromised", drawing conspiratorial connections with Jeffrey Epstein, reducing public discussion on big issues to rash and sweeping verdicts on him personally, the Rahul Gandhi-led Congress is abdicating its responsibility. It is handing to the PM, on a platter, his key talking point — that Congress's strategy is only about "abusing" Modi. It is failing to utilise the space and power that Parliament gives it. The PM had his say, but for the Opposition, the last two days in Parliament were a missed opportunity.

Loneliness epidemic needs a policy response

IN THE fragments pieced together in the aftermath of the death by suicide of three minor sisters in Ghaziabad is a portrait of a constrained childhood: Economic precarity, fractured family relationships and an overarching immersion in the online world of Korean dramas and games that promised escape but deepened isolation. But the tragedy is far from being an outlier. It portends a broader rupture in the way adolescence is experienced now, where screens are both babysitters and battlegrounds, where the digital world is increasingly the organising principle of many youngsters' lives, magnifying feelings of exclusion while offering little reprieve. A widening gap separates this first generation of true digital natives from their parents and teachers, who lack fluency in the online cultures their children inhabit. It makes monitoring onerous, often fragile.

In a report last year, the WHO estimated that globally, one in seven 10 to 19-year-olds experiences a mental disorder. Across countries, surveys tell stories of a thinning sense of belonging. In India, nearly one in four adolescents reports symptoms consistent with anxiety or depression, while the NCRB has documented a steady rise in students' suicides over the past decade. There is growing evidence that early, unsupervised immersion in online social ecosystems carries psychological risks. The Ghaziabad sisters, aged 16, 14 and 12, had dropped out of school after Covid. In the eight-page note they left behind, they write, "Korean is our life, how did you even dare to make us leave our life?"

The deep sense of unease around social media and children has begun to crystallise in policy. Australia has legislised minimum-age thresholds for social-media use; European countries have tightened protections for minors. In India, too, there is growing discussion on safeguards. These conversations are necessary, but regulation alone cannot mend what has frayed. It also requires the patient work of connection and the creation of safe spaces that allow children to feel seen, heard and loved.

Harry Potter villain to China's new year mascot

THERE IS a Chinese poem whose title is translated as 'Lion-Eating Poet in the Stone Den'. The hyphen is crucial — the poet munches on lions, not vice versa. It's all in how it's written, and that goes 100 times for the original Chinese version, which goes "*Shishi shi shi shi shi*..." When read aloud, it's incomprehensible because every syllable is "*shi*". This is possible because Chinese has many different words that, over time, have come to be pronounced the same. The poem was composed to show how difficult it can be to understand literary Chinese without Chinese characters. The characters are useful because they represent meaning and not just sound, and therefore different ones are used for different words even if they are pronounced the same.

It's because Chinese characters have meanings that Draco Malfoy, a character himself (from *Harry Potter*), has become associated with the upcoming Chinese new year, the start of the year of the horse. In Chinese, Malfoy's name is written with the characters "*ma er fu*" to approximate the sound. But the actual meaning of the characters is "horse fortune". Reportedly, this has made him an unofficial mascot of the coming year in China, with fanart, memes and merchandise springing up everywhere. There are even images of Tom Felton, who played Malfoy in the films, riding a horse; for his part, Malfoy might be relieved it's a horse and not a hippogriff, the magical creature that injures him in the story.

Malfoy became a fan favourite when the films came out thanks to Felton's looks and was often whitewashed in fanfiction. He is an antagonist, however, and even his name has a nastier meaning in French: "Bad faith". Does this make him irredeemable? That would be putting the cart before the horse.

The Budget has delivered a googly — the retrospective tax

SURJIT S BHALLA

MOST OF the comments on Budget 2026 were laudatory, if not euphoric. A collection of some of the summary comments: Businesslike, calm-collected, short, boring and good. Over 95 per cent approval rating — something I have not witnessed in over 36 years of active Budget-watching. I was asked to write this article on Budget day, but politely refused. Reason: Bitter experience that there was always a wicket-taking googly in the budget.

Only after the dust of euphoria had settled did the googly emerge in the form of yet another retrospective tax — starting April 2026, there will be a new tax on capital gains made via the purchase of SGBs or sovereign gold bonds. The SGBs were introduced in 2015-16 when gold prices were low and stable (even declining from their local peak in 2011-12). This scheme of annual issuance of gold bonds was stopped in 2024 — well before the parabolic surge in international gold prices. The terms of the SGB agreement with the citizen and voter was that you buy paper gold, and you are returned paper money when you sell. Capital gains, and losses, with the investor. No tax was to be paid if the price of gold went up, and if the price of gold went down, your loss. Now, retrospectively, because gold prices have shot up, you will pay a long-term capital gains tax of 12.5 per cent. Paraphrasing Khrushchev, the government's attitude is: What is mine is mine — what is yours is also mine.

Besides being greedy and unfair — retrospective taxes should be illegal — the government is also being petty, and can one dare say it, stupid and counterproductive. Nothing is gained and much is lost in terms of investor confidence via this new tax. It will net about Rs 200 crore a year — about .005 per cent of our tax receipts in 2025-26.

Several benefits have accrued to the government via gold bonds. SGBs lowered imports (less physical gold imports), and via a higher current account balance, helped keep the rupee stable, if not to appreciate. And don't cry for the government because of the trivial tax loss. My estimate is that the government made upwards of Rs 50,000 crore from borrowing from the investor (at an annual rate of 2.5 per cent) rather than 7 per cent from the market. And it wants to get Rs 200 crore more — I give up. A simple Occam's razor rule for the Finance Minister: Any retrospective tax is bad policy, by definition, morally, and otherwise.

Retrospective taxes reflect very badly on the process of Budget- and decision-making in India. As I have been shouting to whoever has been within earshot, the secret decision-making of the Budget is a relic of several bygone eras. We did so when we were ruled by a colonial power, and we are doing it today when we are ostensibly on the road to Viksit Bharat.

For the last decade or so, I have advocated an open policy towards Budget presentation. There is no need to follow the 200-year-old legacy of secret preparation (though the halwa should stay). Budget preparation should be an open, collaborative effort, with the final decision resting, obviously, with the policymakers.

Excluding the retrospective tax, Budget 2026 is a very good example of good policy-making. Major policies were announced before the Budget. Income tax reform was announced last year, GST reform in September. The latter is still incomplete, with promises to keep. And for all the bravado (and incorrect and inappropriate) talk of self-reliance, India has acted in a welcome opposite direction. In the short space of a few months, it has become considerably more open — look at the just-announced trade deals! Major trade reforms are now outside the Budget (unlike 1991). And major deregulation, as advocated in a NITI Aayog report (again, outside the Budget), is likely to become policy.

In the run-up to the Budget, most commentators, both within and outside the government, expected the Centre to take significant steps towards addressing the number one ailment of the Indian economy — lack of growth of private investment. The share of private investment in GDP is down about 10 percentage points from its earlier peak of 30 per cent. Indian investment is going abroad and foreign investment is not coming to India. Net FDI is falling, is barely positive, and is at the lowest level (as a percentage of GDP) since our mega-crisis year, 1990. The last three months' net FDI has been negative. Stated bluntly, the investment climate is bad — and the new retrospective tax makes it worse. Indians want to invest abroad, and foreigners don't want to invest in India. And don't blame US President Donald Trump's tariffs or the unstable global environment for this. Indeed, world growth is higher this year and world inflation is lower. Further, many countries have managed the uncertainty extraordinarily well. So, Indian policymakers do not deserve the extra credit heaped on them by domestic experts for "good" growth.

Excluding the retrospective tax, Budget 2026 is a very good example of good policy-making. Major policies were announced before the Budget. Income tax reform was announced last year, GST reform in September

Private investment is down big-time because of the UPA's retrospective taxation in 2012 and the BJP's Model Bilateral Investment Treaty of 2015 (an extraordinarily bad model). The latter stipulated that a divorce agreement between a foreign and a domestic firm could only be achieved if two conditions were met — a five-year cooling and negotiation period, failing which, adjudication by an Indian judge. Seeing these requirements, the foreign investor decided to vote with her feet. (The new, revised BIT recommends a three-year cooling period and maybe an international judge — some improvement). Do we know of any divorce that faces these stringent conditions? No. Then why did two bad laws made by the two leading and contrasting political parties happen? Because the source of these decisions was the same — Indian politicians, advised by our Yes Minister all-powerful bureaucrats, who believe that India will and can do as it pleases because the world cannot do without us. It would be funny if it weren't so sad.

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

To be future ready, healthcare system has to ensure quality

INDU BHUSHAN

WITH THE Lancet Commission on Reimagining India's Health System being launched last month, it is worth pausing to ask: Are we building a health system for yesterday's diseases or tomorrow's India? Soon after Ayushman Bharat was rolled out, a beneficiary asked me something that has stayed with me: "Card *toh mil gaya hai, par ilaaj ka raasta kaun dikhayega* (We have got the card, but who will guide us towards treatment)?" That goes to the heart of India's health challenge — not just paying for care, but ensuring that people are guided through the system with dignity and continuity.

As the founding CEO of Ayushman Bharat, I have seen both the promise and the limits of health reform at close quarters. When the scheme was launched, many doubted whether India could pull off the world's largest government-funded health assurance programme. Eight years on, the outcomes are hard to ignore. More than 10 crore hospital treatments have been provided, and by one estimate, households have saved nearly Rs 2 lakh crore in out-of-pocket expenditure.

India's health outcomes have undoubtedly improved over the decades. Yet progress has slowed, and gains remain deeply unequal. A child born in a poor district or marginalised community still faces far worse health prospects than one born into an urban middle-class household. At the same time, NCDs and mental health conditions are rising steadily, while climate change and antimicrobial resistance pose new and serious risks.

As proud as I am of what Ayushman Bharat has achieved, I am conscious of its limitations. While physical access to care has expanded, the experience of care remains fragmented and often poor in quality. Our system continues to be hospital-centric and curative. Primary care, which should anchor prevention, continuity, and trust, remains underpowered. It is evident that even the best health assurance scheme cannot compensate for weak primary care.

Chronic underinvestment lies at the root of many of these problems. Public health spending as a share of GDP has remained largely stagnant for two decades. Compounding this is the way money is spent — fragmented across schemes, departments, and line items, with limited flexibility or accountability. Line-item budgeting in the public sector and fee-for-service payments in the private sector reward volume, not outcomes. They encourage episodic treatment rather than long-term health.

This is why the Lancet Commission argues that incremental change is no longer sufficient. India must move from a fragmented, facility-driven system to one that is comprehensive, coordinated, and people-centred. Quality, dignity, and respect must count as much as coverage numbers.

One of the Commission's messages is the need for decentralisation. States, districts, and blocks face very different disease burdens, capacities, and social contexts. A reimagined health system must therefore empower states with greater financial flexibility, better data, and real autonomy — while holding them accountable for outcomes. Technology offers an opportunity to support this transformation. India's DPI can enable continuity of care, real-time surveillance, and learning health systems. But digital tools can strengthen coordination and decision-making only if they are underpinned by trust, sound governance, and strong ethical safeguards.

The Commission also squarely addresses the role of the private sector. India cannot achieve universal health coverage without private providers. Managed care principles, emphasising prevention, gatekeeping, defined provider networks, and rational payment systems, must replace volume-driven incentives. Regulation should enable innovation while protecting the public interest.

Many of the Commission's recommendations are already reflected in policy intent. The challenge lies in execution. Health governance reform is never purely technocratic; it is inherently political.

Yet, moments of crisis also open windows of possibility. India's ambition to become a developed nation by 2047 cannot be realised without a health system that is fair, resilient, and people-centred. Ayushman Bharat demonstrated that bold reform at scale is possible. The Lancet Commission is a reminder that the next phase must go deeper.

Public health spending as a share of GDP has remained largely stagnant for two decades. Compounding this is the way money is spent — fragmented across schemes, departments, and line items, with limited flexibility

The writer was founding CEO, Ayushman Bharat (AB-PMJAY) and is commissioner, Lancet Citizens' Commission

Walking with André Beteille, sometimes sitting with him

CHIKI SARKAR

FOR MANY years — from my late 20s to my mid-30s — I would take a walk with André Beteille every Saturday. We lived a door away from each other in Jor Bagh, and we'd walk to Lodhi Gardens, occasionally to Safdarjung's Tomb.

I had recently arrived in Delhi and was lonely and overwhelmed by my new job. André couldn't really care less when I tried to confide in him. At first his indifference wounded me, but I realised quickly there was nothing special about a 20-something being stressed out by her life. His disinterestedness helped me put my anxieties in perspective. After all, there were so many other, more important things to talk about.

Should there be a death penalty? Why didn't reservation work? Was Dostoevsky not better than Tolstoy?

As we got to know each other, we talked about his life. We argued about his parents. I had a soft spot for his feisty, indefatigable Bengali mother. He who had been exhausted by her fighting spirit returned in his conversations to his French father, a gentler man, who I felt was defeated, and who André saw otherwise.

We talked, too, about his peers, the brilliant trio of economists who were the stars of intellectual India in the '60s: Amartya Sen, Jagdish Bhagwati, and Sukhomoy Chakraborty. André respected Bhagwati for being a free market economist at a time when it was deeply unfashionable to be one; for Sen, the star, he felt admiration and some hesitation, perhaps a kind of jealousy. Chakraborty, to him, was the great intellect. He was not one of the A-listers in his telling, but he watched them from the sidelines.

In fact, in André's own telling, he was never the star — that was the point. In Kolkata, he studied at St Xavier's, not the prestigious Presidency College. He never taught at Oxford or Harvard or Columbia, choosing to work all his life in India. Nor did he influence government policy like Chakraborty. His intellectual views were neither stridently left nor right. He didn't think caste was the only lens to see the country from.

Each one of these beliefs and decisions made him a small rebel. And put together, it made him live a life that was uncompromised by vanity, fashion, and the temptations of prestige and power. He believed what he did, he carved a narrow, straight path and walked down it. He felt this was the true scholar's way. One should think clearly, not lie to himself.

The last time I really saw him was shortly after my son had died. He had, by then, retreated, staying largely in his room, not speaking much. When he asked me how I was, I burst into tears, and like the indifferent professor of our walks, he watched me cry silently, waiting for me to stop.

As always, his calm soothed me. I noticed Sen's memoirs on his table and asked if he had read it, and told him Sen had written of him very warmly. He hadn't read it and so I opened the book and read to André about himself. He listened politely. "Are you bored?" I asked him once I was done. "What do you think about, sitting in the room all day?" "I think about him," he said with a smile, pointing to a photograph of his beloved grandson. I squeezed his hand and left.

In André's own telling, he was never the star. In Kolkata, he studied at St Xavier's, not the prestigious Presidency College. He never taught at Oxford or Harvard or Columbia, choosing to work all his life in India

The writer is publisher, Juggernaut

40 YEARS AGO
February 6, 1986


INDIAN EXPRESS

Hike in petroleum products reduced
Sequel to public outcry

Judicial inquiry ordered into Nakodar incident

Assam wants curbs on foreigners to go

Hurried meetings, quick decisions

Petroleum price hike reduced

BARELY FIVE days after announcing a steep hike in petroleum products, the government in response to the public reaction ordered a reduction in the prices of petroleum products, except aviation turbine fuel. The reduction in the case of kerosene, diesel, petrol and cooking gas is marginal. Earlier, it had been estimated that the price hike in petroleum products would get Rs 800 crore extra revenue. This reduction will entail a loss of Rs 270 crore.

Assam CM's demand

THE ASSAM chief minister, Prafulla Mahanta, said he would be discussing the issue of the construction of a border fence during his meeting with the Home Minister, S B Chavan. Addressing a news conference in New Delhi, Mahanta said that Assam's annual plan for 1986-1987 had been fixed at Rs 500 crore, which represented a 22 per cent increase over last year. His government had also asked the Centre to lift the restrictions on the travel of foreigners to Assam in order to boost tourism in the state.

India-Sri Lanka talks

"VERY INTENSIVE discussions" are believed to be currently ongoing between New Delhi and Colombo on the question of making a "move forward" in the search for a solution to the ethnic problem in the island nation. India's mediatory efforts had received a setback when on the eve of the foreign secretary's scheduled visit, India received a "very negative" response from the Sri Lankan government to the proposal submitted by the Tamil United Liberation Front for a political solution to the problem.

India condemns hijacking

INDIA CONDEMNED the hijacking of a Libyan plane by Israel in international air space and termed the action a "complete violation" of international law. Syria threatened retaliation and said Israel's action in forcing down a Libyan airliner could trigger a blow-up in West Asia.

● **WHAT THE OTHERS SAY**
More concentration of power in Xi's hands could have dangerous consequences in China and beyond.
— *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

Politics has queered the pitch for the T20 World Cup. Is there a way out?

India, Pakistan were once on same page

KAUSHIK DAS GUPTA

INDIA'S PRUDENTIAL Cup win in 1983 did not just give cricket a new World Champion. It also heralded a change in the control of the game's levers of power. Although the West Indies were dominant on the field of play, it was England and Australia who held the reins in global cricket administration. Players from the Caribbean, India and Pakistan had shown that they did not always need to bat, bowl and field in the White man's ways, but global cricket administration was still waiting for its decolonisation moment.

It was then that the BCCI and the Pakistani Board came together to challenge historical privilege and bring the World Cup to the Subcontinent in 1987. The Indian Board was headed by a politician, N K P Salve; his Pakistani counterpart, Nur Khan, was an air marshal. But the two found common purpose in unshackling the game's governance from its colonial moorings, even when their countries were on the brink of armed confrontation.

Recounting this almost forgotten chapter today might seem like nostalgia when cricket is no longer a diplomatic tool. The handshake row at the Asia Cup signalled that the political bitterness had spilt over onto the field. And now, the continuing sordidness over the T20 World Cup — the announcement that the Pakistan team won't play India is the latest — bodes ill for the health of the game itself.

Hypernationalism was always a leitmotif of India-Pakistan contests. In the 1996 World Cup, co-hosted by India, Pakistan and Sri Lanka, when the crowd at the Chinnaswamy Stadium in Bangalore jeered Javed Miandad after the Pakistani great had played his last innings, they seemed to be enacting what Umberto Eco had said in his critique of spectator sport. For Eco, what happens in the field of play was only nominally a contest between players. It was rather a competition between supporters of the two teams and bore all the hallmarks of the relations between the societies and polities they represent. But India-Pakistan cricket often gave evidence that Eco's analysis was that of a cultural critic who only saw sport's dark side. Barely three years after the appalling send-off to Miandad, spectators in Chennai gave a standing ovation to the Pakistani team after it had defied a monumental Sachin Tendulkar innings to earn a famous victory. Even today, the internet is replete with heartwarming stories of friendship between the players of two countries. When fans saw players showing mutual respect, tying shoelaces and even exchanging jokes during a tense phase of play, they could see cricket for what it was — a game. That was when India and Pakistan played more often. In the last 15 years, encounters have largely been confined to ICC tournaments. On TV, matches are often framed in militaristic language —"revenge", even "war". If what happened at the Asia Cup is any indication, there is now also a generation of players who embody the political tensions between India and Pakistan.

Salve, Khan and their successors leveraged the power of TV revenues in the Subcontinent to dismantle cricket's traditional power structure. But TV has today turned broader tensions between India and Pakistan into a spectacle. News channels amplify tension and orchestrate debates in ways that play to the emotions of audiences. In his magisterial history of the 20th century, *The Age of Extremes*, historian Eric Hobsbawm wrote of the times when war was something that was fought between the armed forces of nations or enemy blocs. Today, however, navigating geopolitical anxieties is not merely a matter between governments; they have infiltrated everyday social life to a point where many common Indians see the common Pakistani as an enemy. After its recent turmoil, Bangladesh, too, has become embroiled in this ecosystem.

Groups threatening to disrupt matches in India date back at least two decades. A firm hand from administrators, including those who ran cricket, would keep such mischief-makers at bay. But such threats are no longer today the stock-in-trade of fringe groups. The uproar — from leaders across the political system, social media trolls, and TV commentators — that led to the BCCI virtually forcing KKR to annul its decision to select Bangladeshi player Mustafizur Rahman is a case in point. It's true that Indian audiences give the BCCI economic clout. But with great power comes great responsibility. Unlike in Salve and Nur Khan's time, however, the cricket boards, too, have become participants in revanchist narratives. Today, decisions on cricket involving India, Pakistan, and increasingly Bangladesh, aren't just about cricket. The sport deserves better.

The writer is senior associate editor, The Indian Express. kaushik.dasgupta@expressindia.com

Big egos are harming the game

SRIRAM VEERA

PAKISTAN'S DECISION to boycott its match against India in the T20 World Cup is political gesturing at its most incoherent. While the move claims solidarity with Bangladesh, it exposes the hollowness of performative activism in cricket — and sets a dangerous precedent for the sport.

The boycott fails even on its own terms. Pakistan will play all their other matches in Sri Lanka, making this selective protest impossible to justify on security grounds. If safety were the concern, why play in that country? Past boycotts by Australia, New Zealand, England, and the West Indies — of Sri Lanka, Zimbabwe, and Kenya in 1996 and 2003 — all cited security concerns. Even England's politically motivated withdrawal from Zimbabwe, which stemmed from Robert Mugabe's policies, was officially framed as a security issue.

Pakistan's one-match boycott is empty symbolism. The absurdity deepens when you consider the logistics: What if Pakistan and India meet in the final? Will the former forfeit the championship match? Or will they suddenly discover that playing India is acceptable when a trophy is at stake?

Bangladesh's position, in contrast, had internal logic. When India pressured Kolkata Knight Riders to de-select Mustafizur Rahman from the IPL citing safety concerns for a tournament still four months away, Bangladesh had grounds to question how India could then guarantee safety for an entire squad in the immediate future. The ICC compounded the problem by treating the Mustafizur issue as a domestic matter while expecting Bangladesh to participate in an ICC event in the same country. Bangladesh's refusal to play in India followed a clear cause-and-effect chain.

Pakistan's boycott follows no such logic. Their under-19 team played India the same day this decision was taken. Former Pakistan player Basit Ali suggested the sensible alternative: Wear black armbands while playing the game. Instead, Pakistan chose theatrical withdrawal.

This matters beyond one match. Cricket has never been apolitical — the sport's very governance structure was designed to reinforce British imperial hierarchy. The Imperial Cricket Conference (now the International Cricket Council), founded in 1909, granted veto powers to England, Australia, and (White) South Africa that were used for decades to suppress initiatives from non-White nations. Even the 1933 Bodyline crisis ended only when the British government pressured Australia to back down from their accusations of "unsportsmanlike behaviour" to protect bilateral trade.

The question isn't whether politics belongs in cricket, but how political power is wielded. India, with its massive fan base and financial dominance, has the opportunity to govern the sport more equitably than England and Australia in their heyday. Instead, the BCCI's handling of the Mustafizur case — using commercial leverage to exclude a player from the IPL — showed the same impulse toward unilateral control.

The ICC's passive complicity only reinforced the pattern. If India couldn't stand to have a Bangladeshi player in a Kolkata franchise due to safety, they should have been asked how they were going to have an entire squad of players stay and play a series of games in the country. If India, in the recent past in the Asia Cup, and Pakistan, now in this World Cup, have been allowed to play elsewhere, Bangladesh could have been accommodated, too.

But Pakistan's response doesn't challenge this power structure — it plays into it. By boycotting without a coherent justification, they hand ammunition to those who dismiss legitimate grievances about cricket governance as mere political theatrics. They blur the line between principled stands and petulant point-scoring.

The real victims are the sport and its stakeholders. Broadcasters have reportedly invested hundreds of millions of dollars, primarily for India-Pakistan fixtures, the most-watched matches in cricket. Without this marquee clash, the tournament loses its commercial centrepiece and viewership magnet. Fans across both nations, already deprived of bilateral series due to decades of political tensions, lose yet another rare opportunity to see their teams compete. Cricket's already weak governance framework fractures further, with no clear mechanism to prevent future boycotts. When Pakistan faces sanctions for this boycott — whether point deductions, fines, or future participation restrictions — they'll have sacrificed commercial relationships with the sport and fan goodwill for a gesture that satisfies no one and achieves nothing.

The mess, ultimately, comes down to egos playing politics without strategy. Bangladesh, at least, had a grievance. Pakistan has only theatre.

No Bangladesh, no India-Pakistan — where is the world in the World Cup?

The writer is senior associate editor, The Indian Express. sriram.veera@expressindia.com

My surname does not frame my politics. I am a teacher & a citizen, too

MANOJ KUMAR JHA

LET ME state this unambiguously: My political commitments are not derived from the sociology of my surname. They are shaped by the Constitution's normative force and its promises of liberty, equality, dignity, and fraternity. These commitments are open to critique and disagreement. That is the lifeblood of democratic politics, but what is illegitimate is the attempt to discipline constitutional positions through identity-based coercion. The ease with which abuse is normalised against those who refuse identity conformity does not signal confidence in one's arguments.

For years, I have watched first with amusement, then with dismay as my interventions on questions of discrimination and affirmative action have been met not with argument but with abuse. The charge is rarely subtle: That my position deviates from what people sharing my surname are expected to think, and that such deviation amounts to betrayal. After long ignoring this resentment, I once attempted to respond in an article, 'My knapsack of privilege' (*IE*, October 23, 2024). That intervention, it appears, did not satisfy the anger, perhaps because it refused to perform the obedience that identity now demands.

ILLUSTRATION: MITHUN CHAKRABORTY

Our public life contains a persistent expectation. People believe political positions must follow from surnames. They treat citizenship as secondary and assume political judgment can be inherited through family identity: A name functions as a predetermined script. When someone departs from it, people don't see independent thought; they see betrayal. This reflects a deeper discomfort with constitutional autonomy. People become anxious when others claim the Constitution as their primary political reference point rather than their ancestry. What unsettles many is the refusal to be governed solely through identity, not so much the dissent.

India's constitutional imagination was forged precisely to disrupt this logic as the Constitution does not recognise citizens through surnames, clans, or inherited loyalties. It speaks instead in the language of equal moral agency. It assumes that individuals are capable of ethical reflection and political judgement independent of the social identities into which they are born. To deny this autonomy is to hollow out the very idea of constitutional citizenship. Yet, in contemporary discourse, identity is increasingly weaponised as a disciplinary tool, with political disagreement recast as a deviation from communal duty. This is a profoundly anti-constitutional move because it reduces citizens to delegates of imagined majorities and transforms politics into a census of loyalties rather than a contest of ideas.

Constitutional democracy depends on an overlapping consensus: A convergence of citizens from diverse social locations around shared principles of justice, liberty, and equality. This is possible only when constitutional values are placed above inherited allegiances of caste, clan, or community. When political judgement is expected to flow obediently from surnames, citizenship itself is reduced to an accident, and moral autonomy is quietly surrendered. The danger of such parochialism is not merely social fragmentation but constitutional erosion. As Martha Nussbaum has observed, loyalties that remain confined to the near and familiar often become "ethically inert", even morally damaging, when they prevent recognition of the equal worth of distant others. The Constitution's transformative promise lies precisely in its insistence that we enlarge our circle of obligation. The narrower our allegiances, the weaker our constitutional imagination. A robust republic therefore demands the cultivation of the largest possible "we"— bound not by blood or birth, but by a shared commitment to justice, dignity, and freedom.

There is a larger danger at work. When identity becomes the primary arbiter of political legitimacy, constitutional reason is displaced. Rights are defended not because they are just, but because they align with group interest. Injustice is tolerated so long as it benefits "one's own". This is how constitutional morality erodes, not through dramatic ruptures, but through everyday accommodations with majoritarian convenience. In a constitutional democracy, ethics cannot be provincialised; the moral horizon must extend to all citizens. Emancipatory politics, if it is to mean anything beyond rhetorical flourish, must resist this slide. Emancipation begins with the freedom to dissent from power, from tradition, and from one's own community if it is against the constitutional morality.

Identity is irreducibly plural. As Amartya Sen argues in *Identity and Violence*, we simultaneously inhabit multiple affiliations – professional, linguistic, regional, ideological, ethical – and their salience shifts with context. I am a teacher in the classroom, a researcher in academic forums, a citizen in political debate, and yes, someone born into a particular community. But no single identity exhausts who I am or dictates what I must think. The insistence that inherited group identity should be the default lens everywhere represents what Sen calls "singular affiliation"— a dangerous reduction that denies human complexity. It assumes my caste or religious background predetermines my stance on reservation, secularism, or economic policy. This is not just intellectually impoverished; it is ethically coercive. Constitutional citizenship precisely requires that we refuse this flattening, allowing reason and context to guide our political judgements.

In a republic as diverse and unequal as ours, the temptation to retreat into identity certainties is understandable. But yielding to that temptation comes at a steep cost. It diminishes citizenship, flattens political imagination, and forecloses principled disagreement. If we are serious about safeguarding the republic, we must defend not only the right to speak, but the right to think, freely, autonomously, and constitutionally. Anything less reduces democracy to lineage, and that is precisely the future the Constitution was written to prevent.

The writer is Member of Parliament (Rajya Sabha), Rashtriya Janata Dal

Adolescents need to feel valued

ALISHA LALLJEE

IT ALL looked fine, I didn't know my kids were addicted or suffering. Which father would let his daughters die?" said a distraught father of three minors who died by suicide in Ghaziabad. Human behaviour, especially when it reaches such tragic endpoints, is rarely caused by a single factor but is usually the result of layered emotional, psychological, and social vulnerabilities.

Adolescence is a stage of life where everything feels intense — emotions, friendships, rejection, self-doubt, and the need to belong. Thus, adolescents often turn to something that gives them comfort or escape. They can form attachments to social media, gaming, reels, or relationships. These behaviours often begin as harmless coping tools and slowly replace real-world interactions, responsibilities, and emotional growth. What looks like obsession from the outside is often an attempt to soothe anxiety, loneliness, and low self-worth.

Gaming can become deeply engaging because it offers instant rewards, clear goals, and a sense of achievement that real life sometimes fails to provide. Every time a player clears a level or receives appreciation, the brain releases dopamine, a chemical linked to pleasure, motivation, and reward. Games are designed to provide frequent and predictable dopamine spikes. Over time, the body begins to crave these bursts of satisfaction. Sometimes, when they do not fit into that virtual world, they may feel dejected because they do not know anything beyond it. Social-media addiction is also linked to loneliness, as a person may begin to forget or reject real human experiences.

Parents, of course, play one of the most important roles in protecting adolescents from slipping into unhealthy addiction patterns, but this protection rarely comes from strict rules or constant monitoring. It begins with creating a home where children feel emotionally safe. Small, consistent efforts like checking in about their day and acknowledging their feelings make children feel seen and supported.

Setting healthy boundaries around technology is equally important, but it works best when it feels collaborative rather than controlling. Instead of banning gaming or social media, parents can help adolescents develop a balance by setting realistic screen routines, encouraging hobbies outside the digital world, whether it is sports, music, art, or spending time with friends and family. These experiences are integral to making adolescents realise fulfilment can exist beyond screens. In addition, when parents model mindful technology use themselves, it encourages healthier habits in children.

When adolescents suddenly withdraw from loved ones, show noticeable mood changes, struggle with sleep, lose interest in school, or become unusually irritable, it may indicate emotional distress rather than stubbornness or defiance. Adolescents need to feel valued for who they are, not just what they achieve. When parents regularly reassure their children that their love and acceptance are not tied to marks, or popularity, it builds a strong emotional foundation. A child who feels secure at home is far less likely to search for validation through digital escapes or inappropriate company.

The writer is a Mumbai-based psychologist, psychotherapist and special educator

LETTERS TO THE EDITOR

Memoir row

THE STRENGTH of a democracy lies not in dominance but in dialogue ('Allow Leader of Opposition to speak', *IE*, February 5). Preventing the Leader of the Opposition from speaking weakens parliamentary debate and undermines democratic values. Parliament is meant to be a space for questions, accountability, and diverse viewpoints. Disagreement is not a threat to national interest; rather, it strengthens governance. Allowing opposition voices ensures transparency and public trust. A healthy democracy listens, even when it is uncomfortable.

Charu Sharma, Hoshiarpur

IT IS for the government to clarify the delayed go-ahead for the book, written by a distinguished general. If it has found some content objectionable, those concerns should have been conveyed to the author ('Allow Leader of Opposition to speak', *IE*, February 5). Rahul Gandhi has the right to raise the matter, which is of public interest, in the Lok Sabha. The Speaker denied him permission to speak. But members of the House can quote from sources if they attest to the authenticity of the quoted text.

S S Paul, Nadia

New Manipur CM

THE NEW government in Manipur has three key imperatives ('On new Manipur CM's plate: Challenges & hope', *IE*, February 5). It needs to re-establish the rule of law by cracking down on militant groups and get back the stolen weapons fuelling unrest. It needs to rebuild trust between the Meitei and Kuki-Zo communities. Finally, it needs to work toward a solution regarding the separate administration demand without leading to the fragmentation of the polity. Only then will normalcy truly return. Various interest groups need to realise this and commit to the restarting of democratic systems.

Anany Mishra, Bhilai

• AUTOMOBILES

Flush car door handles: China's ban, and the safety concerns

A flush or hidden car door handle on a BYD car model. BYD

Rishika Singh
New Delhi, February 5

IN A global first, China has announced a ban on "hidden" or retractable car door handles from 2027. A feature increasingly found in several manual and electric cars, its global popularity has been attributed to Elon Musk's Tesla.

Chinese state broadcaster CGTN reported that in some cases, passengers have been trapped in their vehicles after car crashes or power failures, because the doors couldn't be opened. Under China's new rules, every car must have the standard mechanical release on both the inside and outside of all doors. The regulations could nudge other countries, but also matter in and of themselves, since China is both the world's biggest producer and market for cars.

Tesla leads the way

Tesla began rolling out cars in the late 2000s, and within a few years, it carved out a niche for itself by selling futuristic-looking designs. Among the modern features was the hidden (or flush) door handle. Unlike traditional or mechanical car door handles that can be opened manually, by lifting a flap or pulling a handle, these handles are at the same level as the door. They only reveal themselves once the car keys are brought near the vehicle.

South Korean carmaker Hyundai says on its website: "When retracted during driving, it reduces aerodynamic drag and creates a cleaner, more future-forward look." An engineer told state media *China Daily* that hidden door handles can increase a car's range by 5-10 km by reducing drag. But the extent of the mileage benefit has been questioned.

Hyundai details two types of flush handles — "an automatic style that pops out as needed, and a manual style where the user presses part of the handle area and then pulls to open the door." For the automatic handles, the car battery powers the mechanism — activating sensors that detect the car keys, and sending commands to the handles to protrude. Passengers sitting inside must also push buttons to open the doors. While emergency systems exist, they vary in terms of placement and may not always be conveniently located.

CONTROL SHIFT

- Flush door handles represent a larger shift towards electronic systems in cars.
- In India, some of the popular models sold with the feature include Tata's Sierra and Curvv, Kia's Seltos and Syros, and Mahindra's XEV 9e, BE 6 and XUV 700

As Tesla gradually became the standard for EVs, other companies began incorporating features like the hidden handle. According to the *China Daily* report, such handles are "widespread" in China's hybrids and EVs. In April 2025, about 60% of the top 100 selling New Energy Vehicles included them.

Fires to electric failures

While considered stylish, flush door handles have become a serious safety risk following multiple reports of system failures. A Chinese carmaker's engineer told *China Daily*: "Sensors are often located at the front of the door; if they're damaged in a crash, the handle may not pop out." Accidents, fires resulting from accidents, or cars being submerged can also damage the battery, possibly leading to people getting trapped inside cars.

US authorities, too, have ordered probes into cars over electronic door handles becoming inoperative. In at least four instances, parents had to break the car windows for their children to exit the vehicle. Tesla's design chief told *Bloomberg* last year that the company was looking to combine the electronic and manual door-release mechanisms as a possible solution. This came soon after a *Bloomberg* investigation found that US officials had received more than 140 consumer complaints related to doors on various Tesla models from 2018.

The case of door handles, however, represents the increasing trend of car mechanics transitioning towards electronic systems. *Reuters* reported that in April 2025, Chinese carmaker BYD rolled out at least 21 affordable models equipped with free "smart driving" features. This is visible in other markets too, including India, where Advanced Driver Assistance Systems are being offered at a lower price range.

• GEOPOLITICS

India's Russia challenge — balance old ties, new reality

Trump's claim that India 'agreed to stop buying Russian oil' has put New Delhi in a diplomatically tricky position with a longtime ally

SHUBHAJIT ROY

WHEN US President Donald Trump announced the India-US trade deal, he also claimed on Truth Social that Prime Minister Narendra Modi had "agreed to stop buying Russian oil". This has put India in a diplomatically difficult position, as it has to balance its longstanding ties with Russia while continuing to work with the Trump administration.

Russia has been India's friend and ally, but it is also friends with China, which adds a layer of complications to New Delhi's dealings with Moscow.

Trump's statement has not been addressed by PM Modi, but to analyse its potential impact, one has to look back at India-Russia ties over the past few decades.

Defence the cornerstone of ties

India's relationship with the Soviet Union blossomed specially in the 1970s, when Moscow stood with India during the 1971 India-Pakistan war as a counterweight to the US.

The defence ties between the two countries boomed, and India became dependent on Soviet Union-manufactured defence equipment. These equipment comprised more than 80% of India's weapons at that time. While both countries also cooperated on civilian nuclear energy, space and people-to-people contact, defence was the major pillar.

After the collapse of the Soviet Union in 1991, defence continued to be the backbone of the ties, and even as India started diversifying to other sources — Israel, US, France and some other European countries — Russia remained the mainstay, of defence equipment and more importantly of "spares" of the legacy equipment. In fact, this dependency was hovering around 60 to 70% till recently.

Modi and Putin in New Delhi in December.

Ukraine and the oil question

After Russia invaded Ukraine in February 2022, the US-led Western bloc imposed sanctions on Moscow. Russia found a willing buyer of its oil in India, selling at deep discounts.

The India-Russia energy trade was just 2% of India's energy imports before February 2022 (the Russian invasion of Ukraine). That increased to more than 32% over the next few years. Bilateral trade between India and Russia reached a record high of $68.7 billion in FY 2024-25, with Russian oil imports comprising the bulk of this trade, amounting to $63.8 billion. India's exports to Russia was a paltry $4.9 billion.

The US looked the other way, and the West European countries, which had initially protested, reconciled to the issue, as it was reasoned that New Delhi was serving two purposes: India was sticking to the price cap on Russian oil, while also keeping the global-supply chain of energy stable and preventing a price rise.

Delhi's rationale was that its decision was guided by commercial interests, since it wanted to cushion the inflationary impact of crude price hikes, and so was buying from the countries offering the lowest rates. Also, India said that the government was not involved in the process of buying oil, and it was the companies that made the decisions.

This worked well till Trump assumed office last year. He singled out India for a punitive 25% tariffs for buying Russian oil, sparing European buyers and even China.

India has been rolling back its Russian oil imports since September 2025, though it has maintained that its decisions are driven by commercial logic and its energy needs.

Tightrope

Even as it cut back on oil purchases, India has sent out other signals to the world.

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PM Modi has had several phone conversations and two meetings with President Putin.

Russia's response

Even as it cut back on oil purchases, India has sent out other signals to the world. PM Modi has had several phone conversations, and two very high-visibility meetings in Tianjin and Delhi, with Russian President Vladimir Putin. There is a sense that the leaders have had the opportunity to discuss these new realities and challenges that India faces from the Trump administration, especially since the 25% tariffs were imposed as a 'Russian penalty'.

Delhi's change in course is expected to be understood by Moscow, as India has kept the Russians in the loop about its compulsions of minimising the political and economic cost being imposed by the US under Trump.

The Kremlin, thus, has played down Trump's statement. "We, along with all other international energy experts, are well aware that Russia is not the only supplier of oil and petroleum products to India. India has always purchased these products from other countries. Therefore, we see nothing new here," Kremlin spokesman Dmitry Peskov said on Wednesday.

India may not officially confirm the stoppage of Russian oil, just as it has never publicly spoken about phasing out Iranian oil or Venezuelan oil since Trump 1.0, under US pressure. The government has maintained that it will be guided by its national interests, which includes its energy security.

Ministry of External Affairs spokesperson Randhir Jaiswal made this clear on Thursday: "Insofar as India's energy sourcing is concerned, the government has stated publicly on several occasions that ensuring the energy security of 1.4 billion Indians is the supreme priority of the government. Diversifying our energy sourcing in keeping with objective market conditions and evolving international dynamics is at the core of our strategy to ensure this. All of India's actions are taken and will be taken with this in mind."

The China angle

Coming back to defence, although dependence on new Russian equipment has dropped to less than 40%, and there are challenges with the efficacy of the Russian equipment due to sanctions on high-tech transfers to Russia, India is careful about Russian sensitivities, especially due to its proximity to its strategic rival, China. With about 50,000 Indian troops still deployed on the India-China border for almost six years now, India would not want to risk its ties with Russia.

So, Delhi will have to diplomatically navigate this tricky territory about the declining oil imports and its continuing defence partnership with Moscow.

START pact ends, Europe security calculus under (nuclear) cloud

EXPERT EXPLAINS

MANJEEV SINGH PURI

FORMER INDIAN ENVOY TO THE EU

THE LAST arms control treaty between the US and Russia expired on Thursday, and in theory, they are now under no obligation to limit their strategic nuclear arsenals. While this is a matter of concern for the world — UN secretary general António Guterres said the START treaty could not have expired "at a worse time" as the "risk of a nuclear weapon being used is the highest in decades" — caught bang in the middle is Europe, with its main adversary emboldened, and its main security guarantor unreliable.

In many ways, Europe is responsible for its plight, but the fractured transatlantic unity has consequences for other players, including China and India.

NATO Trumped

NATO, the bedrock of transatlantic unity created post World War II, was in a colloquial sense meant to 'keep the Russians out, the Americans in and the Germans down'. In those days, the last was obvious, but the first worried the UK, the victorious European ally, which was thus clear that the US should not be allowed to retreat to its Monroe Doctrine (1823), focussing its interest only in the Americas. NATO's core is, therefore, its Article 5, which says that an attack on one is an attack on all. US President Donald Trump, however, believes that the US's core interests are in the Americas — the now rechristened "Donroe" doctrine.

The US GDP is roughly $31 trillion, and it has a population of 345 million; the Europeans add up to $28 trillion with around 600 million people. With such economic might, why are the Europeans 'down' and unable to 'keep the Russians out' by themselves, even 80 years after WWII and 30 years since the collapse of the Soviet Union?

An answer lies in their far lower military spend and build-up as compared with the US. In NATO, of the $1.6 trillion estimated annual defence expenditure, the US spends more than half, at around $980 billion. Even now, more than 65,000 US troops remain in Europe. For many years, the Europeans have availed the free ride on security offered by the US, allowing it to consolidate its hegemonic power.

Now, they geographically find themselves between two powers that own 90% of the nuclear warheads in the world. Russia has over 5,500 warheads, the highest, followed by the US at over 5,000. China with 600 comes next. In Europe, UK and France are nuclear powers, but together do not have 600 warheads.

Cold War, cold thaw

The first decade post the Soviet Union saw the West follow 'détente', i.e. engagement, with Russia. The Europeans benefited and built a relationship of cheap oil and trade. But the fear of Russia continued to be egged on by neo-conservative ideas, which wanted to prevent the resurgence of a Soviet-like superpower. NATO, thus, pushed ever eastward, closer to the Russian border, and began eyeing Ukraine, a country the Russians see as indelibly linked with them.

Europe has found itself dealing with an unreliable security guarantor, the Donald Trump-led US. AP

The break came in in 2014, when Russia took Crimea from Ukraine, and full-scale war broke out eight years later. In a sense, Trump seeks going back to the détente, while the Europeans now stand in fear of Russia.

In his first term, Trump had demanded that that the Europeans step up their defence spending to 2% of their GDP (Germany, the largest European economy, spent only slightly more than 1% on defence in 2014). But Trump 1.0 was still an institutional presidency where many of his advisors were retired generals, for whom the transatlantic bond was a red line.

Deals and dilemmas

Eight years later, Trump forced NATO members to up their military spending to 5% of their GDP, a tough financial call that many find politically challenging.

Trump wants to do deals, including with the biggest competitors, China and Russia, as he sees opportunities with them. They, the Chinese and Russians, appear to see merit in going along — a major case in point being not vetoing UNSC 2803 that has created the Trump-led Board of Peace. The Europeans, on the other hand, are seen as obstructionists, touting a rule-based order that restricts Trumpian enterprise.

Where India stands in all this

In the past, transatlantic divergences have created a certain multipolarity and provided space for the global south to pursue multi-alignment and seek global collaborative action on their development challenges, climate change, humanitarian action, etc. Indeed, India is pursuing such a course, with the EU deal being an example.

A major rupture in transatlantic unity would not only hurt Europe, it would also puncture the combined heft of the West (the G7 is still around 45% of nominal global GDP) and have consequences for the world, providing openings for Chinese hegemony.

The Europeans are hoping that Trump 2.0 shall pass. But there is a growing understanding that they must stand up and develop a polar position, for their security and to build multi-alignments for themselves.

• DISASTER MANAGEMENT

In India's first-ever disaster victim identification guidelines, teeth hold the key

Brendan Dabhi
Ahmedabad, February 5

INDIA'S FIRST-EVER guidelines and standard operating procedures for Disaster Victim Identification (DVI), released by the National Disaster Management Authority (NDMA) late last month, are aimed at ensuring recognition, registration and dignified handover of human remains to families in the event of mass fatality incidents.

The reason behind formulating them was several victims of disasters remaining unidentified or difficult to identify, Nawal Prakash, Joint Advisor to the NDMA, said. "There are many branches in forensics that can help in DVI and so we wanted to bring them together to see how they can help during such trying times."

Four stages of DVI

The document underlines the roles and responsibilities of various stakeholders such as police, health officials, and emergency responders, besides the need for a unified command to deal with the four stages of the DVI process, which is as under:

- Systematic recovery of human remains from the site, along with documentation and preservation measures.
- Collection of post-mortem data from the human remains, including medico-legal examination and forensic documentation.
- Collection of ante-mortem data including personal, medical, dental and other relevant records, and DNA from families and authorities for comparison.
- Reconciliation of this data for analysis, confirmation and release of remains.

Gaps and challenges

In India, vulnerabilities in the process exist at each level. These include:

- Lack of an "operational DVI incident commander" to coordinate with various agencies at a disaster site.
- Lack of a method to collect ante-mortem data to compare with remains.
- Shortage of trained forensic experts, anthropologists and other specialists, coupled with overburdened forensic science laboratories busy working on legal cases.
- Inconsistent tagging, mapping and chain of custody practices leading to higher risk of misidentification, and legal complications. Body fragments of different victims could be considered as belonging to a single victim and is handed over to a single family.

The guidelines borrow from lessons learned from the Air India crash in Ahmedabad. FILE

During natural disasters, fragmentation or commingling of human remains during earthquakes or landslides, rapid decomposition in hot areas, displacement of bodies during floods, and difficult terrain in high altitude or forest areas pose problems.

Incidents of burning, poly trauma (severe injuries to multiple body parts), and remains spread over a large debris field, can complicate matters. There could be hazardous exposure. The document also recognises climate change as a significant "risk multiplier", besides delineating logistical challenges (including mortuary spaces) and sociological issues.

National Dental Data Registry

Interpol's DVI guidelines (2023) state the three primary or scientific identifiers to be fingerprints, odontology (dental examination), and DNA profiling.

During the AI 171 crash in Ahmedabad last year, experts had relied on Interpol guidelines to identify the 260 bodies that were so charred and often commingled that normal identification processes like fingerprinting and property recovery were rendered useless. This document borrows from lessons learned from the crash: specifically, using forensic odontology, apart from DNA analysis, to identify victims. It recommends creating a "National Dental Data Registry" so that ante-mortem data can be compared with post-mortem data for identification.

Dr Jayasankar Pillai, member of the Drafting Committee and secretary of the Indian Association of Forensic Odontology, said everyone should have a selfie with their front teeth clearly visible as it would help identification in the event of a disaster.

Forensic archaeology

The methods of conducting DVI stated in the guidelines include post-mortem fingerprinting, DNA analysis, forensic odontology, virtual autopsy — and, interestingly, forensic archaeology. Notably, this field of forensics was included from a project underway in Arunachal Pradesh, Manipur, and Tripura, where the National Forensic Sciences University is exhuming and identifying bodies of Allied troops killed fighting the Japanese during World War II. This is being done in in collaboration with the Defense POW/MIA Accounting Agency of the US Department of Defense.

Opinion

FRIDAY, FEBRUARY 6, 2026

BIG DEALS

Prime Minister Narendra Modi

Big countries are very eager to have trade relations with India. Be it the trade deal of the European Union or the recent deal with the US...The entire world is openly praising these trade deals

Slow progress

New schemes well-designed, but health & education spending continues to lag Viksit Bharat goals

IN THE BUDGET for FY27, the Centre's total budgetary expenditure is estimated to rise by a modest 7.7%, lower than the projected nominal GDP expansion of 10%. The outlays for health and education are pegged to marginally exceed the pace of total expenditure, at 10.5% and 14.2% respectively. This shows a modest effort to raise the outlays for both, which are central to enriching human capital and reaping the demographic dividend. However, the country can hardly afford to be complacent. The Centre's health expenditure declined from 0.37% of GDP in 2020-21 to 0.26% in 2025-26 (Revised Estimate), and is seen to remain roughly the same for 2026-27. The outlays for both the years are in fact lower than in 2020-21 when adjusted for inflation. The National Health Policy's target of raising overall public health expenditure to 2.5% of GDP by 2025 has been missed, with the actual figure stuck at around two-thirds of that level. Health spending by states and Union Territories has of course increased steadily from 0.67% of GDP in 2017-18 to 1.1% in 2025-26, thanks also to the funds transferred from the Central Budget. But out-of-pocket health expenses of households still lingers at 2.3% of GDP. Low doctor-population ratio and acute shortage of specialist professionals are also afflicting many states. Bihar and Jharkhand's healthcare professional to population ratio is just 10, much lower than 44.5 recommended by the World Health Organization.

Government spending on education has hovered around 4.6% of GDP over the last few years, which is relatively better in comparison to similarly placed low-middle income countries. But it is still lower than the Euro area average of 5.05% or South Africa (6.5%) and Brazil (5.5%), both comparable economies. In fact, the average high-income country rate is only marginally higher at 4.8%, but unlike India, they don't have the task of building basic infrastructure any longer. To be sure, India's per capita general government expenditure (PCGE) on education in current US dollar terms is largely on the trendline. However, as pointed out in an EY study, to fulfil the aspiration of Viksit Bharat, the PCGE on education needs to increase by more than seven times.

Since wide inter-regional disparities remain, equalisation transfer to poorer states is taking place. However, low institutional and fiscal capacity of laggard states are a problem. For instance, to receive the Centre's grants under the National Health Mission, states are required to make a matching contribution, and this has led to the unintended consequence of certain "high-focus" states like Bihar and Rajasthan getting lower grants than better-placed ones like Tamil Nadu and Kerala. The education outcomes, measured by established yardsticks like "learning poverty rate", teacher-student ratio, and student dropout rates continue to be below par, although some states have indeed made rapid strides.

To its credit, the Centre has rolled out some well-designed health and education schemes in recent years like Samagra Shiksha Abhiyan and PM-JAY health insurance facility. Budget FY27 has moved further on this path by seeking to establish stronger linkages between education and entrepreneurship, bolster the care ecosystem for the elderly, and forge alliances with the private sector to upgrade Allied Health Professionals. Though joint ventures with the private sector have incremental benefits, health and education infrastructure can't reach acceptable levels, unless the government pitches in with more resources. Raising the revenue-GDP ratio is paramount.

Google backs up $185 bn in AI spending with receipts

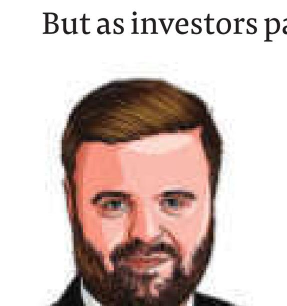
JUST WHEN I thought I'd grown immune to seeing huge numbers attached to the artificial intelligence business, Alphabet Inc. comes along with this:

"To meet customer demand and capitalise on the growing opportunities we have ahead of us, our 2026 Capex investments are anticipated to be in the range of $175 to $185 billion."

$185 billion! Analysts had been expecting something more like $119.5 billion, according to Bloomberg consensus data, which in itself would have been about a 30% increase from 2025. Now investors are being asked to swallow a potential spending increase of more than double.

At first, it seemed as if perhaps they wouldn't. The initial reaction to the projections sent shares down more than 7% in after-hours trading in what looked for a moment like a repeat of Microsoft Corp.'s tricky earnings last week, when solid performance wasn't enough to offset rising costs for the company's AI build-out — its shares are down 14% over the past five days.

But as investors parsed the rest of the Google picture, their pessimism subsided. Shares retraced their losses and actually posted gains before settling a little lower later.



DAVE LEE

Bloomberg

This was thanks to a final quarter of the year that brought Alphabet a beat on overall revenue, profits, YouTube ads and cloud computing. But what really helped soften the blow of the capex increase were the metrics that pointed to Google's increasingly formidable position in AI.

As the company moves to integrate its Gemini chatbot into more products like Gmail and the Chrome browser, it is rapidly gaining popularity and eating away at ChatGPT's market lead. It added 100 million monthly active users quarter-on-quarter, with Chief Executive Officer Sundar Pichai saying the company had also seen a "sharp increase in engagement per user."

The company has turned what look like a mortal threat — people using AI instead of Google search — into an "expansionary moment" for the core product, Pichai said, with its search business seeing "more usage than ever before." Google Search revenue was up 17% year-on-year. The company's recent agreement to provide the technical backbone for Apple Inc.'s redesigned Siri seems set to add to those gains in the not too distant future, Bloomberg Intelligence analysts remarked.

Google Cloud, through which Google sells its AI capabilities and hardware to other companies, grew 48% year-on-year. That extended its run as the fastest growing of the three main providers, having been viewed for a long time as a third player behind Amazon.com Inc. and Microsoft. This success has been aided by its yearlong investment in its own AI chips, reducing its reliance on expensive and scarce hardware from Nvidia. Its cloud backlog — future agreements for computing power — grew 55% year on year, an increase driven by "multiple customers," the company said. (Last week, Microsoft said 45% of its backlog was from just one client, OpenAI.)

"Capex spend this year is an eye towards the future," Pichai told investors on Wednesday evening. "I expect the demand we are seeing across the board, for Google DeepMind as well as for cloud, I think is exceptionally strong." It certainly appears that way. All of this has given Pichai just enough latitude to make his pitch, which is: We're seeing results and now it's really time to go gung-ho. At the rate things are going, this time next year $185 billion might look quaint.

DEFENCE BUDGET

BUDGETARY ALLOCATIONS BODE WELL FOR INDIA'S FOREIGN AND SECURITY POLICIES

A shot in the arm

HARSH V PANT
SAYANTAN HALDAR

Respectively Vice President and Associate Fellow, Maritime Studies, ORF

INDIA'S FOREIGN POLICY finds itself at a critical juncture. While much of the country's external engagements remain deeply intertwined with its economic policy, looming challenges continue to demand vital strategic attention to its security calculus. The recently concluded India-European Union (EU) free trade agreement (FTA), the seeming consensus over a trade deal with Washington, and an overall focus on economic diplomacy to fuel its regional and global prowess underscore that a resilient economic backbone is an essential element of India's foreign policy.

Similarly, the challenges to India's national security and the emergence of a serious, systematic reset in New Delhi's security preparedness, as evidenced during and in the aftermath of Operation Sindoor in 2025, highlight the need for a robust budgetary allocation. The Union Budget 2026-27, and the budgetary allocations to the ministry of external affairs (MEA), and the ministry of defence (MoD), serve as a guiding framework that outlines New Delhi's priorities at this moment of flux.

India's budgetary allocation towards the MEA has seen a marginal increase since 2025-26. For the upcoming financial year, ₹22,118 crore has been earmarked for the ministry, against that of the current year which was pegged at ₹20,516 crore. An overview of the fine print in the allocation reveals a host of realignments that are likely to guide India's external engagements. The largest allocation within the budget for the ministry has been directed towards the Overseas Development Partnership (ODP) vertical—at ₹6,997 crore, accounting for over 31% of the total allocation. Given India's sustained focus on strengthening developmental partnerships with various like-minded countries, especially in the Global South, the sizeable budget for the ODP signals a vital continuity in New Delhi's efforts to foster cooperation in this domain.

Importantly, allocation towards India's neighbourhood has continued to remain a top priority, giving greater heft to New Delhi's commitment to act as a catalyst of a secure and stable region spanning South Asian and Indian Ocean geographies, capped by the discursive framework of the "neighborhood first" policy. Among India's neighbours, Bhutan (₹2,288.56 crore), Nepal (₹800 crore), and Maldives and Mauritius (both at ₹550 crore) received the highest allocation. Interestingly, Bhutan has yet again emerged as the recipient of the highest share in India's budgetary allocation to the MEA, accounting for over 10%. Among other neighbours, an increase of ₹100 crore is seen in the budgetary allocations to Sri Lanka (₹400 crore) and Afghanistan (₹150 crore). Given New Delhi's active engagement with Colombo, and a slow reset in ties with the current regime in Kabul, the hike in budgetary allocations appears to suggest that India continues to undergird its diplomatic outreach with an economic muscle. The strain in India-Bangladesh ties is also acutely visible in the reduced budgetary allocation towards Dhaka, which has been halved for fiscal year 2026-27, at ₹60 crore, from the preceding year's ₹120 crore.

The need to recruit personnel to better manage growing diplomatic prowess and continued investment in defence production are two critical challenges

The MoD's share in the Budget remains the highest among all other ministries. For 2026-27, it has received an allocation of ₹784,678 crore, which accounts for 14.68% of the total budget of the government. 2025 tested India's security calculus acutely. Given that the looming threats of terrorism and border conflict persist in India's national security outlook, the rise in the share of the budget allocated to the MoD outlines the priority being accorded to enhance preparedness. The 14% hike from the budgetary estimate allocation to the MoD signals a continuity and an upgrade in efforts to enhance the financial bandwidth required to fuel modernisation and reforms in security preparedness. At a time of strains in defence supply chains across the world, and mounting challenges to India's security calculations, New Delhi continues to emphasise the need for self-reliance in defence, more specifically defence production. This Budget earmarks ₹219,000 crore for capital expenditure of the armed forces, and ₹365,478 crore for revenue expenditure. Considering that India's has been emphasising on research and development of new technologies, overall reform, modernisation, and streamlining of domestic production, the increase in budgetary allocation for the MoD bodes well for its ambitions and the compulsions of India's security preparedness.

Over the last year, India has taken a quantum leap in its economic diplomacy efforts. India successfully secured FTAs with the UK and the EU to traverse these markets seeking new opportunities. However, India's efforts to secure a trade deal with the US over the past year has been marked by a critical test of resilience for New Delhi to balance its national interest, while continuing to engage with Washington. For New Delhi, securing and safeguarding the interest of each sector within the vast spectrum of US-India trade relations has remained a key priority. The fresh announcement of consensus between New Delhi and Washington, as well as Commerce Minister Piyush Goyal's confirmation of the exclusion of sensitive sectors such as agriculture and dairy from the trade deal suggests it will have a positive bearing on India's domestic market economy. In today's era of integration of global markets, the imposition of tariffs is a critical barrier to realising the full potential of economic interdependencies. As the upheaval in US-India ties over the past year appears to have been left behind with the conclusion of negotiations, new opportunities abound for both sides.

As India transitions to become the third-largest economy in the world, persistent gaps in the MEA and the MoD need to be addressed. The need to recruit personnel to better manage its growing diplomatic prowess and continued investment in defence production are two such critical challenges. The trends of budgetary allocations to both the ministries exhibit New Delhi's willingness to add fiscal muscles to efforts to mitigate these challenges.

American or Chinese exceptionalism?

STEPHEN S ROACH

Faculty member at Yale University and former Chairman, Morgan Stanley Asia

Both US and Chinese leaders are guilty of personalising the conflict-prone relationship. Continuing down this path raises the important question of which country is truly exceptional

THE UNITED STATES and China have long been the most prominent representatives of two opposing systems: democracy and socialism. But they increasingly share one crucial characteristic—personalised leadership—that blurs the otherwise sharp distinction between the two. This raises the important question: which country is truly exceptional?

American exceptionalism is, of course, taken for granted. There is no formal definition of this lofty state of national supremacy, nor are there any qualifying metrics. To borrow from former US Supreme Court justice Potter Stewart, "I know it when I see it." Personal freedoms, the rule of law, and economic primacy are often cited as the main reasons why America is the world's "shining city upon a hill", as former US President Ronald Reagan famously proclaimed.

By contrast, China hardly comes across as exceptional, at least as it is understood in the West. Notwithstanding its mounting economic strengths, China is quickly disqualified by its lack of personal freedoms—not just of expression, but also those associated with a democratically elected representative government.

Leadership is also an important element of American exceptionalism. That's not because US presidents have been unusually brilliant or decisive, with magnetic personalities and extraordinary communication skills, but because they have embraced, if not celebrated, democratic principles. The very concept of American exceptionalism is predicated on the belief that US leaders are wedded to a free and open society, the rule of law, and a capitalist economy.

Until now.

President Donald Trump has abandoned many of these values, raising the distinct possibility that the US is no longer as exceptional as it might think. By contrast, Chinese President Xi Jinping has risen to the status of "core leader"—a designation last given to Mao Zedong. Yes, Xi is an authoritarian president in a one-party system. But from China's perspective, he is just as exceptional as the generic American president used to be.

The role of leadership bears critically on the Sino-American relationship, and especially on their growing conflict. One problem is that the onerous task of managing the relationship has been left to personalised leadership and diplomacy. This forces us to think about US-China leadership in relative terms—not merely comparing Trump and Xi but also assessing more generally how each country understands the leader's role in the opposing system.

History asks far more of exceptional nations. Nothing is more important than a willingness to understand and tolerate other countries

This is particularly difficult for Americans, who have been conditioned to abhor anything with a whiff of socialism. Few in the West dare think otherwise. Scathing Marxian critiques of capitalism as a system of exploitation disguised as freedom have gained little purchase, and the former Soviet Union's appalling disregard for humanity cemented the aversion.

The Chinese people, unlike their ideologically conditioned Communist Party leaders, appear more accepting of the US system. But they stop short of recognising American exceptionalism, owing to a growing sense of nationalism fuelled by Xi's espousal of the Chinese Dream. This growing patriotic fervour has brought China's citizenry close to believing in some form of Chinese exceptionalism.

The Chinese understand the recent about-face of American leadership and the hypocrisy underpinning it. Unfortunately, so do many of America's most steadfast allies. That became glaringly evident at the recent World Economic Forum in Davos, where Western leaders pushed back against Trump's ridicule, hostility, and condescension.

Many Americans, especially the MAGA-controlled Republican Party, were inclined to shrug off his performance at Davos as "Trump being Trump". Such indifference to a potentially seismic shift in the character of American leadership may come back to haunt the US. While the case for one exceptional country is compelling in a unipolar world, it is less so in a bipolar or multipolar world.

A big question for American exceptionalism is whether Trump is an aberration or a sign of where the US is headed. Ultimately, only Americans can answer this question, expressing their preferences through the free and fair elections that are the cornerstone of US democracy (and yet surprisingly fragile, as demonstrated by Trump's attempts to overturn the 2020 presidential election). For China, the question of its exceptionalism may ultimately hinge on that same electoral process.

All this could be decisive in shaping the trajectory of the US-China relationship. Steeped in denial, America is unwilling or unable to differentiate between the personalisation of conflict-prone policies and the moral underpinnings of democratic values. A deep-rooted intolerance of other systems, as well as their leaders, makes it even more challenging for the US to navigate the complex dynamics with China.

Chinese leaders are also guilty of personalising the Sino-American conflict. They constantly frame the superpower rivalry in Marxian-like terms: "the East is rising, the West is declining". Xi was more direct at the National People's Congress in 2023, explicitly blaming the US for embracing a policy of Chinese containment.

Trump, fixated on striking a deal with China at the upcoming summit in April, has turned the other cheek, touting his personal friendship with Xi. Yet Sino-American conflict resolution requires more than superficial claims of camaraderie between leaders of two different systems.

In the end, history asks far more of exceptional nations. Nothing is more important than a willingness to understand and tolerate other countries with different systems.

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LETTERS TO THE EDITOR

Balanced growth

Apropos of "Loosen the controls" (*FE*, February 5), the editorial rightly highlights the urgency of scaling up India's banking sector to support higher credit-to-GDP levels and sustained growth. The current 56% ratio is indeed low, and the proposed high-level committee offers a good opportunity to address long-pending issues like consolidation, governance reforms in public sector banks, and calibrated relaxation of ownership norms. While encouraging mergers and attracting more foreign capital is sensible, any loosening of controls must be gradual and well-regulated to safeguard stability. Allowing sound non-banking financial companies limited entry into banking, raising foreign direct investment caps thoughtfully in public sector banks, and prioritising tech adoption could help without undue risk. The committee should focus on practical steps that balance growth with prudence.

—SM Jeeva, Chennai

Exercise restaint

Apropos of "Time to wait and watch" (*FE*, February 5), a "wait and watch" approach for a rate cut is vital at this uncertain economic juncture when inflation control is essential. We have to monitor how the previous rate cuts have been transmitted to lending rates. The clouds of tariff uncertainty on global trade remains stark and industries are fumbling in realigning their production schedule and credit need based on market vagaries. The US reduction of tariffs on India signals a resumption of strong trade. The central bank must cut rates based on a strong rationale and with a clear vision on the current flow of credit offtake and the need of the market.

—NR Nagarajan, Sivakasi

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Make Sharing Crypto Data Less Cryptic

Market could split, beware shadow players

GoI is reportedly putting final touches to the reporting mechanism for crypto transactions, and should be ready for cross-border data-sharing by next year. India has been at the forefront of efforts that have shaped up as the crypto asset reporting framework designed to improve international tax transparency. Swelling crypto market capitalisation will provide an avalanche of information to the global anti-tax evasion endeavour. The framework is an information-sharing arrangement among tax authorities expected to provide visibility on assets, intermediaries, users and transactions. Guidelines are designed to replicate the success of information exchange about financial transactions. But unlike the tightly regulated financial market, distributed ledger transactions present a challenge to regulators implementing reporting standards. Special effort needs to go into sensitising the ecosystem about compliance through a combination of hand-holding and penalties.

Common reporting standards for cryptos work when a large enough number of countries sign up. Holdouts could be breeding grounds for dark pools of capital the global alliance is seeking to squeeze out. It also requires consistency in reporting efforts by member states. International pressure is mounting to bring more countries into the fold and help those that need to bring their tax administration up to speed. There's a strong likelihood of cryptos emerging as a transparent asset class by end of the decade.

The process will be helped along by emergence of fiat digital currencies, which provide authorities with greater visibility into transactions and holdings. These provide an alternative mechanism for digital commerce without risks inherent in cryptos. Tax transparency will be served by improved international cooperation and increased acceptance of cryptos by everyday users. But a risk remains that the crypto market could split into a regulated mainstream branch and another that operates in the shadows, leveraging the technology's decentralising tendency to protect privacy.

Self-Censorship, the Anti-Innovation Vax

Kala Ghoda Arts Festival, Mumbai's annual celebration of creativity, has long prided itself on being a bazaar of ideas. Yet, last week, its organisers cancelled a scheduled talk by human-rights activist and scholar Anand Teltumbde, citing 'withdrawal of permission from police', bureaucratese camouflage for something more troubling: members of civil society pre-emptively clamping down dissent by a member of civil society.

Teltumbde, a trenchant critic of caste hierarchies and state overreach, is no stranger to controversy. But the manner of his exclusion is telling: no courtroom summon — as was the case last month with nine Tata Institute of Social Sciences (TISS) students who had gathered to commemorate another scholar-activist G N Saibaba's death anniversary — but self-censorship. Not to sound too theoretical, this is precisely the sort of power that philosopher Michel Foucault diagnosed: authority that need not punish, because institutions and individuals do the 'needful'.

Foucault's metaphor of the panopticon — a prison where inmates behave as if watched, even when they are not — is apt. Kala Ghoda became its own warden. This is no longer in the realm of conspiracy theory, but increasingly the new normal: fear of displeasing authority — central, state or even local — is enough to ensure compliance. When institutions begin to act as extensions of the state's nervous system, surveillance is internalised and becomes a competitive space for a new definition of 'good citizenry' — ease of living without 'inviting any jhamela'. By narrowing the field of permissible thought, exchange of ideas is selectively choked. In a society that purportedly celebrates and encourages innovation and out-of-the-box thinking more than ever, the irony is staggering.

JUST IN JEST

MPs could help turn unpublished books into published ones

How Parliament Can Save Publishing

Just in case you decide to quote from a book in Parliament, do ensure that the book has been published. Reading anything from an unpublished manuscript kept in the archives or a drawer won't cut the ice any more. The logic is impeccable: words, apparently, are not words until they wear the ceremonial robes of ISBN registration. Until then, they are spectral utterances, floating in the ether, unfit for parliamentary debate. Tagore's unpublished drafts? Forbidden. Savarkar's marginalia? Nahin hoga. The diary you keep under your pillow? Dangerous samizdat. One shudders to think of the countless unpublished shopping lists, letters, doodled manifestos and chief ministerial poem that may now be deemed worthless to quote in the literary soirée that goes under the name of sansad.

But there's a silver lining. Forget 'Booker Winner' or 'Oprah's Book Club Pick'. The new marketing gold standard of publishing can be: 'Quotable in Parliament', or QIP. Publishers will rush manuscripts into print not for readers, but for legislators desperate to cite something without being accused of trafficking in phantom prose. It's triumph of paperwork over thought, of bureaucracy over imagination. And in that triumph lies the possible revival of the publishing industry that does away with the need for readers: publishing schedule synced to parliamentary sessions.

CURSOR ↖ GoI missed the bus on AI and semiconductors, and curbing mindless subsidies

What the Budget Didn't Do

T K Arun

The missing link

Budget 2026 is a business-as-usual exercise that increases some outlays, announces some new schemes, corrects some duty perversions, contains the fiscal deficit, and undertakes to devolve resources recommended by the Finance Commission to states. It gets a thumbs up by normal standards.

But these are not normal times. We are experiencing what Mark Carney at Davos called a rupture in the global order. Trump has demolished old certainties about geopolitical alliances and enmities. No erstwhile US ally — European, West Asian or Asian — can count on Marines rushing to their rescue in the event of hostilities that, just a year ago, would have triggered intervention by the world's most powerful military. Every nation is scrambling to enhance its capacity to defend itself.

While never an ally of the US, India had grown accustomed to considering itself a partner, not just formally in a grouping like Quad but in a comprehensive campaign, in general, to pre-empt any military adventurism by China in the Indo-Pacific. India's rise as an economic and military power is widely understood as a necessary condition to keep China's rise peaceful. Trump has ploughed such assumptions deep underground.

Russia has been a reliable source of support. But Russia is beholden to China, for supplying critical inputs to its war against Ukraine. China has consistently dragged its feet over settling the border dispute with India, builds up and arms Pakistan as a convenient force multiplier, and engages with India's other neighbours in South Asia to neutralise them, if not turn them against India.

India has to build up its strategic capacity, double-quick: buy and build arms, rid its communications and weapons systems of dependence on Chinese electronics, create a satellite constellation in low-Earth orbit to monitor developments on the ground, spot and lock in on targets, and supply vital battlefield communications, including to drones used by individual soldiers or patrol units.

Simultaneously, there is strategic and economic challenge from AI. It's essential for commercial entities to develop AI applications that ride on foundation models from Western tech firms, and even open-source models available from China. But AI is increasingly used for military purposes. For that, India cannot rely on any model that can be withheld or corrupted by an external agent. India must develop its own.

Billions of dollars handed over to foreign chip companies to set up low-end fabs in India is better spent on developing our own chip-making ecosystem

AI is a product of the computing capacity derived from armies of high-speed, parallel processing chips housed in data centres, and programming. India has neither. But it has the potential to create both.

India's semiconductor missions are ridiculous. The only reason to build chips in India, rather than import them, is to shield ourselves from weaponised technology access of the kind the US has used against China. That purpose is not served by handing over billions of dollars to foreign chip companies to set up low-end fabs in India. That money is better spent on developing our own chip-making ecosystem.

A thought-through semiconductor mission would start with identifying every single element of the chip-making ecosystem, assemblies in each one of them, sub-assemblies and components. Fund five startups to develop every single item in this array, ranging from extreme ultraviolet lithography machines, lenses used to focus the laser to etch grooves on silicon wafers, to the kit to deposit vaporised metal in grooves and clean up afterwards.

Foreign companies have set up high-end R&D centres in their GCCs in India, employing Indian talent. What prevents Indian enterprise from doing this?

Not all of them will deliver. Some funds would be swallowed by the well-connected. But in this process of reinventing the wheel, India would create indigenous capability to keep innovating beyond the existing frontiers in this field.

Can India do this? China has. Foreign companies have set up high-end R&D centres in their GCCs in India, employing Indian talent. What prevents Indian enterprise from doing this? Only the missing vision, courage and funding. Instead of luring foreign chip companies to set up shop in India, let GoI lure Indian tech talent working at the cutting edge in many parts of the world, to lead startups that would deliver Indian AI.

All this calls for large amounts of money, which cannot be found by business-as-usual budgets. Given the strategic imperative, extraordinary measures have to be taken. GoI must draw back from its populist trespass into state subjects, and mindless subsidies, such as that for urea, which depresses nutrient use efficiency and inhibits the spread of complex fertilisers.

It must put an end to the ethanol-blending farce, which only serves to reduce the crop under oilseeds and increase prices of maize, chicken feed, eggs and chicken. More than half of ethanol is derived from grain, including rice, all grown with subsidised, energy-intensive water and fertiliser.

When Lal Bahadur Shastri called on people to hand over their gold to finance the war thrust upon India, Indians responded. India today faces a similar existential crisis. Indians will respond with sacrifice — provided it is shared by all sections, and funds are utilised wisely.

Reorienting the budget is politics, not economics. It calls for political courage, honesty of purpose, and articulate engagement with the public. Is that too much to expect?

ChatGPT SHAIRI OF THE DAY

There once was a pact
hailed as great,

With cheers at an
'18%' rate.

No one knew of what,

Or why — but then,
who's got,

The nerve to ask questions
at such a fine fête?

• • •

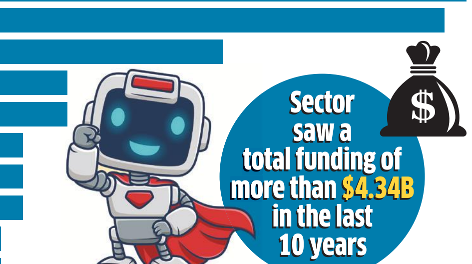
HUMANOID ROBOTS

The market for humanoid robots has been growing significantly recently. In 2025, \$2.65 billion was invested in humanoid robotics startups, more than in the years 2018 to 2024 combined, according to Tracxn data, indicating that investors now view humanoid robotics as a more mature and commercially attractive technology. China currently leads the startup count in the field...

Number of startups listed in the field of humanoid robotics, by country

China	23
US	22
India	12
UK	6
Germany	5
Australia	3
France	3
Japan	3
Austria	2
Canada	2

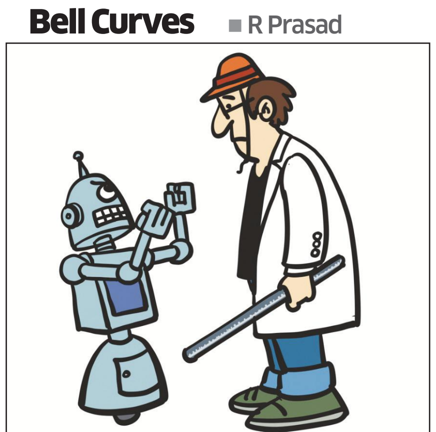
As of Jan 2026



Source: Statista

SANJEEV RAJ JAIN

Bell Curves ■ R Prasad



3.7 seconds of deep learning. 43,256 martial arts disciplines mastered. Care to spar?

Cities, Want Pvt Funds?

Rajeev Gopal

In India, urban climate resilience has largely been financed through public budgets. State transfers, centrally sponsored schemes and direct budgetary allocations account for 85-90% of municipal capex, including climate-related investments.

Own-source revenues primarily fund O&M, while borrowing remains limited to a small number of larger cities and usually requires state approvals. World Bank estimates suggest that resilient and low-carbon urbanisation in low- and middle-income countries will require between \$256 bn and \$847 bn annually.

Global urban climate finance has grown, reaching about \$831 bn annually in 2021-22, more than double 2017 levels. Yet, these flows remain uneven, concentrated in advanced economies and heavily skewed toward mitigation rather than adaptation. As a result, overall finance would still need to expand several-fold over the coming decade, especially in emerging economies.

Climate resilience is not a one-time investment but a continuous process because cities require repeated infra upgrades. At the same time, public finances are under pressure from competing priorities. A greater share of long-term capital will have to come from private sources. But that requires changes in the regulatory and financial frameworks governing municipal finance.

The challenge is not a shortage of global capital, but the difficulty of investing in cities where revenues are uncertain, risks are poorly allocated and governance lacks predictability. Making cities investable requires governments to empower municipalities, ease borrowing restrictions and simplify PPP frameworks.

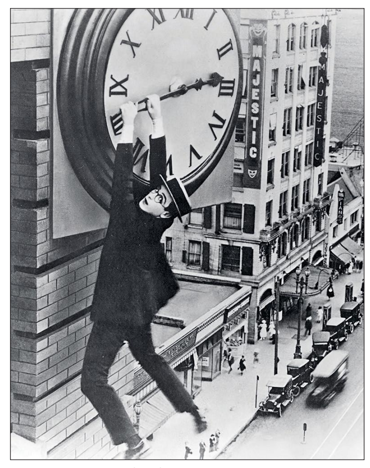
Yet, many cities face structural barriers: limited capacity to design and deliver multi-year programmes, weak or incomplete audited accounts and fiscal frameworks, and a lack of bankable investment pipelines. Restrictive borrowing rules, slow approvals and shallow capital markets further deter investors, explaining why private finance remains cautious despite rising climate ambition.

Policy signals suggest a gradual shift in India. Urban Challenge Fund, announced in Budget 2025, signalled an intention to mobilise private capital for urban projects, while introduction of an Infrastructure Risk Guarantee Fund (IRGF) in this year's budget reflects movement toward risk-sharing mechanisms that could make infrastructure investments more bankable. The challenge, however, lies in implementation at the city level.

▶ Mumbai Climate Action Plan 2021 identified climate investments and integrated them into the capital programme. Yet, financing has largely followed individual projects rather than a system-wide resilience framework, leaving progress vulnerable to political and institutional shifts.

▶ Cape Town adopted a different model, anchored in a 120 bn South African rands (about \$7.4 bn) 10-year infrastructure programme. Climate was embedded across all sectors, and financing was raised against the city's balance sheet rather than individual projects. This mainstreamed approach created continuity, reduced reliance on episodic approvals and proved more attractive to long-term investors.

▶ National-level reforms in South Africa aimed at streamlining PPP frameworks further illustrate how regulatory change can support municipal financing. System-wide resilience embedded in routine capital planning is more durable — and financeable — than project-driven approaches.



Let go of public finances

Private investors do not finance policy announcements. They finance balance sheets that demonstrate sound governance and fiscal discipline. Cities seeking private capital must:

▶ Show predictable revenues, expenditure discipline and credible debt-service capacity, while separating regulatory and operational roles.

▶ Move beyond isolated projects to present multi-year investment pipelines. Cities such as Copenhagen have embedded flood protection into their broader capital programmes. In India, Pune and Ahmedabad demonstrate that improved financial management and clearer capital planning can open access to debt markets, even if climate-specific financing remains nascent.

▶ Multilateral development banks (MDBs) can provide long-tenor capital, technical assistance and risk-mitigation tools that help cities prepare bankable projects and attract private co-financing. Cape Town's climate-resilient infrastructure programme illustrates how MDB engagement can strengthen financial management and improve access to capital markets.

World Bank's new Country Partnership Framework with India reflects a shift toward enabling reforms and investment frameworks for rapidly urbanising economies. MDBs cannot substitute for municipal financial readiness, but they can help bridge the gap between public intent and private capital allocation.

If the first challenge of urban climate resilience is recognising risk, the second is financing the response. Over the coming decade, resilience will increasingly become a test of municipal creditworthiness. Cities that strengthen their balance sheets and embed climate resilience into mainstream investment decisions will be better positioned to mobilise long-term capital. Those that do not will remain dependent on constrained public budgets — and increasingly exposed to climate shocks.

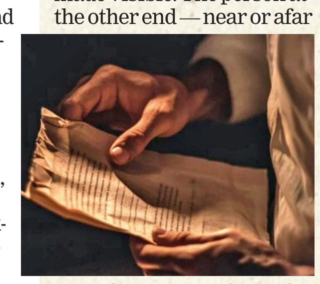
The writer is former senior country officer, IFC, World Bank Group

ALGO OF BLISSTECH

Reading Old Handwritten Letters

There is a special joy in unfolding an old, handwritten letter, an experience that feels almost illicit in our age of emails and instant messaging. The paper itself carries history: faint creases, crossing-outs, uneven strokes, some words hard to decipher that require going over more than once.

Handwriting is personality made visible. The person at the other end — near or afar



now, alive or passed on — becomes palpable again. Unlike typed words, the writing is intimate, fingerprints of thought. To read them is to hear the writer's voice, unmediated by screen or tech.

The imperfections throw up smiles and laughs. A misspelling, a margin doodle — these are not errors but human signatures, reminders that communication was a craft, not just a transaction. The joy lies in the slowness: letters demand patience, both in their writing and their reading.

And then there is the emotional alchemy. A letter can collapse decades, resurrecting warmth of a friendship, ache of a farewell, or thrill of a first declaration. In those fragile sheets lies the paradox of permanence: words that fade, yet endure.

THE SPEAKING TREE

Stay in The Middle

OSHO

The most difficult thing for the mind is to remain in the middle. And to move from one thing to its opposite is the easiest. This has to be understood very deeply, because unless you understand this, nothing can lead you to meditation. If you're balanced, mind disappears. Mind is like a disease: when you're imbalanced, it's there, when you are balanced, it is not there.

That's why it's easy for a person who overeats to go on a fast. It looks illogical, because we think that a person who's obsessed with food cannot go on a fast. But you're wrong. Only a person obsessed with food can fast, because fasting is the same obsession in the opposite direction. It's not really changing yourself. You're still obsessed with food. Before you were overeating, now you're hungry — but the mind remains focused on food from the opposite extreme....

Only friends can become enemies. You cannot suddenly become an enemy unless you have first become a friend. Only lovers can quarrel and fight, because unless you love, how can you hate? Modern research says that so-called love is a relationship of intimate enmity. A man who is not gathering any momentum to move anywhere, can be at ease with himself, can be at home.

Excerpted from The Empty Boat; courtesy: Osho International Foundation; www.osho.com

Chat Room

Give X Factor a Try, With Checks

Apropos the Edit, 'AIon Musk Adds Booster to Rockets' (Feb 5), Elon Musk's move to fold xAI into SpaceX ahead of the latter's IPO creates a powerful synergy between defence contracts, satellite networks like Starlink, and ambitious AI development. This also concentrates immense influence in one private entity, raising questions about oversight, national security and fair competition in critical technologies. Regulators in the US and elsewhere should insist on stronger transparency measures — perhaps mandatory disclosures on data flows among entities and independent audits of dual-use technologies. Musk's vision is bold, but balanced governance ensures it benefits society broadly.

A Myilsami
Coimbatore

Greying Economy Has a Silver Lining

This refers to 'Senior Care, It's Economic' by KumKum Dasgupta (Feb 5). Focusing on service orientation and treating the rising number of elderly as a distinct 'longevity economy' is the right step. For this purpose, they may be divided into 3 groups: (1) Those who are mentally and physically fit to work. For them, the state policy can be specifically devised to benefit from their experience. (2) Those who are fit but need financial support for sustenance. Their family members become the caretakers along with financial help from the state where required. (3) Those who are in frail health and totally dependent on others for everything. For them, all stakeholders have to put their resources together. As Pope Francis said, 'The quality of a society is also judged by how it treats elderly people.'

Y G Chouksey
Pune

View Cutters Have Run Their Course

Apropos 'Tourism, Get a Slogan Change' by Shantanu Nandan Sharma (Feb 5), campaigning with an appropriate brand image is desirable, but how far will it go? Why are countries like Türkiye and Vietnam much-sought-after by the western world with far less attractions to offer? Rising domestic and NRI arrivals are far more tolerant to factors such as ill-managed traffic, doubtful adulterated street food, unchecked air pollution, demanding guides, defaced heritage, unexpected breakdowns and uncertainties that pervade our divided land, and get aggravated by poor civic sense. Much can be done to alleviate these weaknesses.

Buddha Bagai
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THE GOAN EVERYDAY

Dreams are necessary to life
Anais Nin

Govt's Bharat Taxi could be Goa's game-changer

Union Home and Cooperation Minister Amit Shah launched India's first government-backed cooperative sector driven taxi platform called Bharat Taxi in New Delhi and Gujarat. The innovative app, designed as a driver-owned "zero-commission" alternative, aims to provide cheaper rides, allowing drivers full fare retention. The interesting part is that this service is not exclusive to Delhi but is a nationwide concept that is expected to cover the entire country within the next three years.

The government plans to extend this concept well beyond Delhi and Gujarat, and even cover diverse terrains—from Kashmir to Kanyakumari—ensuring that even the remotest corners of India benefit from this cooperative model. This news makes interesting reading for Goa, a State where private taxi operators have been defiant over allowing aggregator-based taxi services, forcing even the government to rethink its policy.

Goa has been at a crossroads over taxi services, with traditional taxis taking cudgels against the operation of Goa Miles, with stray incidents of violence being reported across the coastal belt. Tourists and passengers have been caught in the crossfire, with some being forced to alight and walk on their own. While the common grouse was that the local taxis were overcharging, the traditional operators complained that aggregator services undercut fares, making the business unsustainable. Furthermore, they maintained that app-based taxis cut fares by around 30 per cent, against the business ethics.

The resistance to regulation also stemmed from the argument of protecting local identity. While most of the traditional businesses have been wiped out, the local taxi operators were holding on to the straw that this too will be extinct, succumbing to outsiders, although this may not be an entirely valid point of debate, since a number of taxis are now run by non-Goans. Tourists often complain that transport in Goa comes at a heavy price, besides being unpredictable. While most of the concerns are addressed with the introduction of Bharat Taxi, it remains to be seen if local taxis are open to the idea of fare capping. And this is where the debate would revolve in the State.

Could Bharat Taxi be a game-changer in Goa? Does it tick the right boxes? Yes, it does. Besides the zero-commission operation, where the owners retain almost 100 per cent of the fare, there are social security benefits, health insurance, and a Rs 5 lakh accident cover. A major takeaway is allowing the operator to retain full fares. Additionally, this service, which promises to democratise the sector with its cooperative ethos, could be a boon for traditional taxis, as it directly competes with private players like Ola and Uber.

The question is whether traditional taxi operators in Goa would embrace Bharat Taxi, or continue to oppose aggregator-based services over the famous "identity crisis". In a fast-evolving world where seamless transportation is the key for a tourist destination, Goa needs to urgently get out of the informal ecosystem and streamline services. Having said that, the traditional taxis and their role as one of the torch-bearers of tourism all these years cannot be dispelled. The government must take enough safeguards so that new systems do not disengage them and snatch away livelihoods.

The slogan "Sahkar se Samriddhi" (Prosperity through Cooperation) encapsulates the vision behind Bharat Taxi. It is a hallmark of operator empowerment, and by all means should be welcomed. The integrity of traditional taxi operators will be tested here.

OPEN SPACE >>

Student lives must matter

I write this letter as a deeply concerned parent, troubled by the repeated reports of student suicides at BITS Pilani. Parents send their children with immense trust and hope that they will not only receive a quality education but also a safe, supportive, and humane environment. The recurrence of such tragic incidents severely shakes this trust and raises serious concerns about the mental well-being of students on campus. Academic excellence should not come at the cost of young lives. Continuous academic pressure, emotional isolation, and inadequate mental health support appear to be creating an environment where students feel overwhelmed and helpless. It is distressing that, despite previous incidents, effective preventive and remedial measures seem to be lacking.

Why has the management not strengthened counselling services, peer-support systems, and stress monitoring mechanisms? Why are warning signs repeatedly being missed? Each such incident is not just a statistic but a family shattered forever. As a parent, I urge the BITS Pilani administration to take immediate, transparent, and accountable steps to address student mental health. Furthermore, the Government and regulatory authorities must intervene, conduct a thorough review, and ensure that strict safeguards are put in place to prevent such tragedies from recurring. No parent should have to fear for their child's life in the pursuit of education. Immediate action is not just necessary; it is a moral responsibility.

EVARISTO FERNANDES, *Merces*

Why Goa is still failing student mental health

Death of yet another student at BITS Pilani Goa campus—among multiple deaths in just over a year—forces us to move beyond symbolic compliance

>The writer is an Assistant Professor of Social Work, Goa University, and Founder, Human Touch Foundation

PETER F BORGES

Whenever a student dies by suicide, public discourse immediately turns to a familiar and seemingly reassuring question: were the Supreme Court's guidelines followed? The question sounds legal, technical and orderly, because it suggests that if rules exist, safety must logically follow. But this is precisely where we get it wrong. The Supreme Court's mental health guidelines were never meant to be reduced to a checklist. They were meant to compel States and institutions to confront their preparedness for a rapidly changing and deeply complex crisis affecting young people. The recent death of yet another student at the BITS Pilani Goa campus—among multiple deaths in just over a year—forces us to move beyond symbolic compliance and ask a far more uncomfortable question: are we actually prepared to protect students today?

In July 2025, in Sukdeb Saha vs State of Andhra Pradesh, the Supreme Court issued binding, nationwide directions on student mental health and suicide prevention. These guidelines apply to all educational institutions—schools, colleges, universities, coaching centres and hostels, public and private alike. Crucially, the Court recognised that institutions cannot be left to regulate themselves. That is why it mandated the creation of District-Level Monitoring Committees, chaired by the District Magistrate or District Collector, with representation from education, health, child protection systems and civil society. The intent was clear: mental health oversight had to be external, multidisciplinary and preventive, not reactive and institution-controlled.

To be clear and fair, South Goa has constituted its District-Level Monitoring Committee. The committee is chaired by the South Goa District Collector, Egna Cleetus, IAS, and includes senior representation from the district administration, the Directorate of Higher Education, the Directorate of Health Services through the Chief Medical Officer, and the police. It also includes representatives from Social Welfare, Women and Child Development, Technical Education and the Law Department. From a narrow administrative lens, this satisfies the Supreme Court's directive. The issue before us, therefore, is not non-compliance. The issue is whether this structure is actually equipped to deal with the crisis unfolding on campuses.

The Supreme Court did not mandate committees so that States could say they had formed one. It mandated them so that student deaths would reduce, not repeat. Yet repeated tragedies compel us to confront a hard truth: compliance without capacity is hollow. Several departments represented on the committee do not possess the technical expertise or clinical authority required to respond meaningfully to campus mental health crises among adolescents and young adults. Mental health emergencies require clinical insight, early intervention and sustained engagement.

If preparedness is the real objective, then representation from specialised mental health systems cannot remain peripheral. It must be central. Any serious district-level mechanism must actively involve the District Mental Health Programme and trained professionals from institutions such as the Institute of Psychiatry and Human Behaviour. Psychiatrists, psychologists and psychiatric social workers who understand adolescent and young adult distress must be embedded in planning, monitoring, campus reviews and prevention strategies.

Equally critical is the presence of credible civil society experts. This was not an afterthought in the Supreme Court's guidelines; it was intentional. Civil society organisations working directly with young people, campuses, substance use, digital safety and psychosocial care bring ground-level realities that institutions often miss. They identify early warning signs, understand emerging patterns and are able to question institutional narratives without fear or conflict of interest. Without independent voices, monitoring becomes self-referential and accountability weakens.

What makes the current response particularly fragile is that student vulnerability today is no longer linear or single-cause. We are dealing with a convergence of crises: mental health distress, substance abuse and digital violence. Treating these as separate silos is not merely outdated; it is dangerous. Substance abuse has repeatedly surfaced in campus narratives and media reports, yet it remains largely absent from structured mental health planning.

> **Cyberbullying, image-based abuse, sextortion and online harassment have become central triggers of distress among young people**

A district monitoring mechanism that does not explicitly integrate substance-use prevention, early detection, harm reduction and referral protocols into campus safety planning is not prepared, regardless of how often it meets or how senior its members are. Substance use among students is a public health reality shaped by stress, access, peer dynamics and vulnerability.

Even more neglected is digital violence. Cyberbullying, image-based abuse, sextortion and online harassment are major sources of distress. Trauma often begins online and spills into campus life, yet institutions act as though it originates only on campus. Preparedness requires digital safety expertise and trauma-informed responses; without this, only half the problem is addressed.

The Supreme Court's guidelines were never about creating more committees or generating more paperwork. They were about ecosystem strengthening. Preparedness would mean functional student-to-counsellor ratios that actually work, campus-based mental health professionals rather than outsourced helplines alone, trained faculty and wardens who can identify warning signs early, and integrated responses to substance abuse and digital violence.

This moment demands more than another review meeting. District-level monitoring cannot remain an administrative exercise; it must become a mental health-led mechanism. Representation from the District Mental Health Programme and institutions such as the Institute of Psychiatry and Human Behaviour has to be central, not occasional. Clinical expertise must inform monitoring, audits and campus interventions.

Goa has compliance without depth or expertise. The question is not whether directions were followed, but whether we are prepared for today's realities. Preparedness demands investment and coordination; without it, compliance breeds complacency and lives are lost.

THE INBOX >>

Are we eating unsafe fish?

A viral video shows a layer of formalin being peeled off a mackerel bought at a fish market in Goa. As fish prices rise sharply, concerns are growing over whether Goans are consuming unsafe fish. In 2018, the State was shaken by reports of formalin-laced fish entering local markets, triggering widespread health concerns. Formalin is commonly used to extend the shelf life of fish. Although the Goa Food and Drugs Administration (FDA) continues raids and inspections, some vendors may still use formalin to keep fish looking fresh. Formalin is a known carcinogen. In 2025, the Oncology Department of Goa Medical College Hospital (GMCH) at Bambolim reportedly recorded around four new cancer cases daily, totalling 1,550 cases for the year. Cancer can result from multiple causes, including environmental, genetic and lifestyle factors. While the increase in cases cannot be directly linked to formalin-laced fish, exposure to formalin through contaminated food could be a contributing factor. Given the health risks associated with consuming formalin-laced fish, it is essential for authorities and the public to act together to protect public health and the seafood industry.

ADELMO FERNANDES, *Vasco*

Concerns over unregulated real estate growth

During my time abroad and in India, including Goa, I have observed that corruption and black money exist across the country. However, their impact appears stronger in parts of north India, particularly around Delhi and nearby states. Black money frequently flows into real estate, both within India and overseas. Goa is facing increasing pressure due to unregulated money entering the State through developers from outside Goa. This has put strain on local planning systems and raised concerns about environmental damage. There is also a common perception that such money influences elections and policy decisions in favour of powerful real estate interests.

In my village of Colva, at least two controversial projects are coming up in areas marked as CRZ zones, fishermen-only wards and wetland paddy fields. These developments have caused serious concern among residents. Another issue is the involvement of individuals from outside Goa, including senior government officers, in private and commercial construction, raising questions about transparency and enforcement of local laws. At the Colva Gram Sabha held on 1 February 2026, several questions on licences and violations remained unanswered. I share these observations in public interest so Goans are better informed and can protect their land and environment.

ARWIN MESQUITA, *Colva*

Hill cutting continues as action remains weak

A retired High Court judge launched the "Enough is Enough" campaign in Goa to draw attention to environmental damage caused by unchecked construction. Earlier findings revealed large-scale illegal hill cutting for building projects. Several builders were also found to have encroached on agricultural land. The retired judge, Ferdin Rebello, alleged that permissions for hill cutting were being granted by misusing certain provisions that do not have the force of law. He said this showed that village panchayats and some government authorities were allowing the misuse of farmland and hill slopes.

Recent reports of illegal hill cutting at Reis Magos raised serious concern. The Bombay High Court at Goa did not grant immediate relief in a petition on the issue. While the State claimed no illegal activity was found, videos and photographs showed evidence of hill cutting. It was also alleged that contractors were removing and selling soil in the name of road works. Goa has recorded over 300 hill-cutting cases in three years, with Bardez reporting the highest number.

AJAY JALMI *via email*

Send your letters to us at editor@thegoan.net. Letters must be 150-200 words and mention the writer's name and location

HC step in for stray animals

The Constitution of India protects all living beings, and we should be proud of this and of the judges who uphold it. The Bombay High Court at Goa has taken a strong stand on the lack of emergency services for stray animals. This followed a Public Interest Litigation (PIL) filed by animal activist Indresh Advani, whose commitment to animal welfare deserves appreciation. The Goa government told the High Court that it is in the process of procuring animal ambulances. This is a positive step, but its implementation must be monitored regularly. The government said an earlier tender received no bids, following which the timeline was extended. The PIL seeks 24/7 animal ambulance services and demands at least one ambulance in every taluka. While a state-wide rollout is pending, Mormugao launched an independent animal ambulance and rescue van in February 2026, which is a welcome initiative for animal welfare.

RAJESH BANAULIKAR, *Arpora*

Goa's past makes case for dual citizenship

It is encouraging to see the European Union strengthening ties with India, and meaningful that a person of Goan origin who left years ago still feels connected to Goa and its people. Chief Minister Pramod Sawant once criticised Goans who say "Viva Portugal", yet the Prime Minister recently used the phrase positively. Goa's history is different, having been ruled by Portugal, which allowed Goans to hold Portuguese passports. Portugal still values this link, though some local leaders oppose it. Many Goans have built stable lives in Europe due to limited opportunities at home. The Goa and Indian governments should consider dual citizenship for Goans born and raised in the State.

RONNIE DSOUZA, *Chandor*

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Briefs

JSW Cement Q3 profit at ₹130.62 crore

JSW Cement Ltd has reported a profit of Rs 130.62 crore for the December quarter of FY26, helped by improvement in EBITDA and gains in sales volume. The company had reported a loss of Rs 80.22 crore for the October-December quarter a year ago, according to a regulatory filing from JSW Cement, part of the USD 23 billion JSW group, on late Wednesday evening.

UNO Minda Q3 PAT up 18.13% at ₹300.48 cr

Auto components maker UNO Minda Ltd on Thursday reported an 18.13 per cent rise in consolidated net profit at Rs 300.48 crore in the third quarter ended December 31, 2025, riding on robust sales. The company, which had posted a consolidated net profit of Rs 254.37 crore in the corresponding period last fiscal, said its board has approved an investment of Rs 764 crore to set up an alloy wheels manufacturing facility in Maharashtra.

Hitachi Energy Q3 profit up 90% to ₹261 cr

Hitachi Energy India Ltd (HEIL) on Thursday posted over 90 per cent jump in net profit at Rs 261.4 crore for December quarter FY26, supported by higher revenues. It had logged a net profit of Rs 137.4 crore in the October-December period of preceding 2024-25 financial year, the company said in an exchange filing. Revenue rose to Rs 2,168 crore from Rs 1,672.4 crore.

Page Ind Q3 profit down 7.3% to ₹189 cr

Apparel manufacturer Page Industries Ltd on Thursday reported 7.3 per cent decline in net profit at Rs 189.53 crore for December quarter FY26, on account of impact from new Labour Codes. The company had posted a net profit of Rs 204.65 crore during the October-December period a year ago, according to a filing from Page Industries Ltd (PIL).

FICCI to host meetings on expanding biz opportunities via UAE

The Federation of Indian Chambers of Commerce and Industry (FICCI), in collaboration with the Sharjah Airport International Free Zone (SAIF Zone), Government of Sharjah, UAE, and in association with the Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), will organize a focused series of B2B meetings in Mumbai on the theme "Expand Your Business in International Markets through UAE." The B2B meetings will be held on 6–7 February 2026 at the Four Seasons Hotel, Mumbai.

India-US trade deal to drive export of gems and jewellery

The gems and jewellery industry in India expects a significant recovery following the announcement of a trade agreement with the United States. The reduction in US tariffs marks a pivotal moment for India's gems and jewellery sector, said Rajesh Rokde, Chairman, All India Gem & Jewellery Domestic Council (GJC).

LIC's 9-mth PAT climbs 17% to ₹33,998 cr

FPJ News Service

MUMBAI

Life Insurance Corporation of India (LIC) on Thursday reported a nearly 17% jump in its net profit for the nine months ended December 31, 2025. The net profit stood at Rs 33,998 crore as compared to Rs 29,138 crore for the nine months ended December 31, 2024. In terms of market share measured by first year premium income (as per IRDAI), LIC continues to be the market leader in Indian life insurance business with overall market share of 57.07% as compared to 57.42% in the corresponding period of the previous year.

LIC has a market share of 35.84% in individual business and 71.36% in group business. The total premium income for the nine months period stood at Rs 3,71,293 crore as compared to Rs. 3,40,563 crore, registering a growth of 9.02%.

The AUM rose 8.01% to Rs 59,16,680 crore as compared to Rs 54,77,651 crore. The overall expense ratio decreased by 132 bps to 11.65% as compared to 12.97%. The yield on investments on policyholders funds excluding unrealized gains was 8.77% as against 8.82%

Speaking on the occasion, R Doraiswamy, CEO & MD, LIC said, "The consumers and the insurance industry have responded positively to the various initiatives of the government, especially to GST 2.0. At LIC, we have further increased our performance by achieving higher and better parameters on volume growth as well as product and channel diversification. The non par share within the individual business has increased to 36.46% on an APE basis as compared to 27.68% for the same period last year. Further, the VNB margin has also improved to 18.8% as compared to 17.1%. Till December 31, 2025, 2,97,028 women have been appointed as Bima Sakhis. Another interesting component of our channel diversification journey has been the rising share of Banca and Alternate Channels in our overall mix of individual new business premium. We are confident of the growth prospects of all segments of our business as we move ahead. LIC remains grateful to its various stakeholders for their continuous trust as we dedicate our efforts towards achieving the national objective of 'Insurance for All by 2047'."

The total premium income for the nine months period stood at ₹3,71,293 crore

Individual New Business premium income was Rs 44,941 crore as compared to Rs 42,441 crore, registering an increase of 5.89%. The individual renewal premium income was Rs 1,91,050 crore as compared to Rs 1,78,975 crore, registering an increase of 6.75%. The total individual business premium increased 6.58% from Rs 2,21,416 crore to Rs 2,35,991 crore. The group business total premium income was Rs 1,35,302 crore as compared to Rs 1,19,147 crore, registering an increase of 13.56%.

A total of 1,16,63,856 policies were sold in the individual segment during the period under review as compared to 1,17,10,505 policies, registering a decrease of 0.40%.

On an annualized premium equivalent basis, the total premium was Rs 44,007 crore. The Value of New Business grew 27.96%. was Rs 8,288 crore as compared to Rs 6,477 crore.

Suzlon PAT up nearly 15% to ₹445 cr in Q3

PTI

NEW DELHI

Suzlon Energy on Thursday posted a nearly 15 per cent rise in its consolidated net profit to Rs 445 crore fot the December quarter mainly on the back of higher revenues.

Its consolidated net profit was Rs 388 crore for the quarter ended December 31, 2024, a company statement said.

Revenue from operations rose to Rs 4,228 crore from Rs 2,969 crore in the same period a year ago.

In the third quarter, the company had a record orderbook of 6.4 GW with the highest-ever quarter deliveries at 617 MW while 2.4 GW execution is underway.

Girish Tanti, Vice Chairman, Suzlon Group, said in the statement, "Key growth priorities under Suzlon 2.0 include launching DevCo as a standalone FDRE project development vertical, transforming OMS into a digital-first platform, setting up smart manufacturing facilities, and capitalising on global opportunities."

As electric mobility gains traction, AI capacity expands, and industrial decarbonisation accelerates, the green transition is gaining significant momentum, he added.

Suzlon Group is a leading global renewable energy solutions provider, with 21.5GW of wind energy capacity installed across 17 countries.

Tata Motors Passenger Vehicles posts net loss of ₹3,483 cr in Q3

PTI

NEW DELHI

Tata Motors Passenger Vehicles on Thursday reported a consolidated net loss of Rs 3,483 crore in the third quarter ended December 2025, impacted significantly by the cyber incident at its British arm Jaguar Land Rover.

The company had posted a consolidated net profit of Rs 5,485 crore in the corresponding quarter of the last fiscal, Tata Motors Passenger Vehicles Ltd (TMPVL) said in a regulatory filing.

Its consolidated total revenue from operations in the third quarter stood at Rs 70,108 crore compared to Rs 94,472 crore in the year-ago period, it added. Total expenses in the quarter under review were Rs 74,880 crore against Rs 89,698 crore in the year-ago period, the company said.

The company said it incurred exceptional items of Rs 1,600 crore for Q3 FY26 pertaining to the JLR cyber incident, new labour code and stamp duty of Rs 800 crore, Rs 400 crore and Rs 400 crore, respectively.

JLR's loss after tax in the quarter was 298 million pounds.

The performance continued to be impacted significantly by the cyber incident at JLR, as indicated earlier. The domestic performance improved quarter-on-quarter (QoQ) on account of higher volumes and incentives, TMPVL said.

Bharti Airtel profit more than halves to ₹6,631 crore in Q3

PTI

NEW DELHI

Bharti Airtel on Thursday said its consolidated net profit plunged by about 55 per cent to Rs 6,630.5 crore in the third quarter ended December 2025, mainly due to higher network operating costs, statutory fees and employees' expenses.

The company's consolidated profit, attributed to the owners of the parent, was Rs 14,781.2 crore in the year-ago period, according to a regulatory filing.

Bharti Airtel's capital expenditure during the reported quarter grew by about 28 per cent to Rs 11,787 crore from around Rs 9,161 crore in the December 2024 quarter. The company's capital expenditure in India grew by 16 per cent to Rs 9,249.5 crore from Rs 7,979.5 crore. The company's outgo on license fee and spectrum charges in the December 2025 quarter grew by about 7 per cent to Rs 3,846 crore from around Rs 3,570 crore.

Expense on employees increased by 21 per cent to Rs 1,958 crore from Rs 1,608 crore, even though its total headcount declined marginally to 28,567 from 28,715 on a year-on-year basis.

India's second-largest telecom company clocked a quarterly revenue from operations of Rs 53,982 crore, 19.6 per cent higher than Rs 45,129.3 crore it posted in the year-ago period.

PVR INOX profit jumps 2-fold to ₹95.4 cr in Q3

PTI

NEW DELHI

Cinema exhibitor PVR INOX on Wednesday said its consolidated net profit jumped over two-fold year-on-year to Rs 95.4 crore in the December quarter of FY25.

The company reported a net profit of Rs 35.5 crore in the October-December quarter of the previous fiscal year, according to a regulatory filing.

PVR INOX revenue from operations was up 9.46 per cent to Rs 1,879.8 crore in the December quarter. It was at Rs 1,717.3 crore in the corresponding period.

Total expenses were at Rs 1,755.6 crore in the December quarter, up 2.5 per cent year-on-year.

During the reporting quarter, PVR INOX revenue from its movie exhibition segment was up 10.8 per cent to Rs 1,815.3 crore.

NYKAA Q3 NET PROFIT SURGES TO ₹63 CRORE

FSN E-Commerce Ventures, the parent of fashion and beauty platform Nykaa, on Thursday reported a multi-fold increase in consolidated net profit to Rs 63.31 crore for the quarter ended December 2025.

It had posted a profit (attributable to equity shareholders of the parent firm) of Rs 26.12 crore in the December quarter of the previous fiscal.

The company's revenue from operations rose 26.73 per cent to Rs 2,873.26 crore in Q3 FY26 compared to Rs 2,267.21 crore in Q3 FY25.

On a quarter-over-quarter (QoQ) basis, Nykaa's profit and revenue rose 83.88 per cent and 22.47 per cent, respectively. -PTI

IOC net profit jumps four-fold to ₹12,126 cr on refining margin boost

PTI

NEW DELHI

Indian Oil Corporation (IOC) on Thursday reported a more than four-fold surge in its third-quarter net profit, as gains in refining and marketing margins offset weakness in the petrochemicals segment.

Its standalone net profit of Rs 12,125.86 crore in October-December - the third quarter of April 2025 to March 2026 fiscal year - compared with Rs 2,873.53 crore earnings in the same period a year back, according to a stock exchange filing by the company.

Refining margins surged on low prices of crude oil, the raw material IOC uses to make fuels like petrol and diesel. Fuel sales also rose 5 per cent in the quarter.

Without giving quarterly numbers, IOC said it earned USD 8.41 on turning every barrel of crude oil into fuels during April-December 2025 against a cross-refining margin of USD 3.69 per barrel.

The company, which sells domestic cooking gas at government-controlled rates, accounted for Rs 2,414.34 crore in subsidy receipts.

The government had, in October last year, approved a one-time compensation to cover losses IOC and other state-owned fuel retailers suffered on selling LPG at below market price. For IOC, Rs 14,486 crore of subsidy to be paid in 12 equal monthly instalments was approved, starting from November 2025.

In accordance with this, the firm said it has recognised Rs 2,414.34 crore instalments for November 2025 and December 2025 as revenue from operations. It, however, did not say if the subsidy had actually been received.

Fuel sales rose to 26.015 million tonnes in Q3 from 24.78 million tonnes in the previous year.

Its revenue from operations rose to Rs 2.31 lakh crore from Rs 2.16 lakh crore in Q3 of the previous 2024-25 fiscal.

PFC net profit rises 6% to ₹8,212 cr in Q3

PTI

NEW DELHI

State-owned Power Finance Corporation on Thursday posted a nearly 6% rise in consolidated net profit to Rs 8,211.90 crore for the quarter ended December, aided by higher income. It had reported Rs 7,759.56 crore "profit for the year ago period from continuing and discontinued operations," the company said in an exchange filing.

The company's total income rose by about 9% to Rs 29,140.57 crore in the third quarter from Rs 26,821.84 crore in the corresponding period of preceding financial year.

In April-December, the company's profit after tax increased 13% to Rs 25,028 crore from Rs 22,157 crore in FY25. Consolidated Loan book stood at Rs 11,51,407 crore as on December 2025, higher from Rs 10,69,436 crore at the end of 2024. On a standalone basis, PFC's net profit rose 15% to Rs 4,763 cr in Q3 FY26, from Rs 4,155 crore in Q3 FY25.

PFC reported 13% in loan asset book to Rs 5,69,627 crore as on December 2025, from Rs 5,03,824 crore as of December 2024. The company's CMD Parminder Chopra said, "The company has delivered a robust performance in nine months, recording double-digit loan asset growth of 13% Y-o-Y, with renewable energy book growing by 28%. The Board has declared an interim dividend of Rs 4 per share for the quarter."

Hindustan Copper Q3 profit zooms to ₹156.3 crore

PTI

NEW DELHI

State-owned Hindustan Copper on Thursday reported more than a two-fold jump in consolidated profit to Rs 156.30 crore for the quarter ended December 31, 2025 driven by higher revenues.

The company had posted consolidated profit of Rs 62.87 crore in the year-ago period.

The consolidated revenue of the company during October - December period rose to Rs 687.34 crore over Rs 327.77 crore in the corresponding quarter.

The state-owned firm plans to triple its ore production capacity from the current 4 million tonnes per annum (MTPA) to 12.2 MTPA by 2030-31. Hindustan Copper is engaged in copper ore mining and holds all the operating mining leases for copper ore in the country.

Adani Energy Solutions installs 1 cr smart meters

PTI

NEW DELHI

Adani Energy Solutions Ltd (AESL) on Thursday said it has become the first player in India and perhaps globally to have successfully delivered 1 crore electricity smart meters across discoms.

The next 1 crore will be delivered in the coming financial year, AESL said in a statement.

As India's leading AMISP (Advanced Metering Infrastructure Service Provider), AESL has the mandate to install 2.5 crore smart meters across five states.

At 25,000 per day, its pace of installation is highest in the industry, it claimed.

This milestone comes much ahead of the company's guidance of reaching the 1 crore mark by March 31, 2026.

AESL's smart meter network delivers real-time consumer insights, enhances billing transparency, and strengthens utility operations.

"Reaching an installed base of 1 crore smart meters is a testament to our benchmarked execution excellence and deep engagement with distribution utilities and consumers," Kandarp Patel, Chief Executive Officer, AESL said.

Govt borrowing to be completed in non-disruptive manner: Thakur

Economic Affairs Secretary Anuradha Thakur on Thursday said government borrowing of Rs 17.2 lakh crore for the next financial year will be completed in a non-disruptive manner, ensuring that enough funds are available for the private sector.

"The government borrowing programme also includes Rs 5.5 lakh crore for repayment. So, the net borrowing would be Rs 11.73 lakh crore. It is in the same range as has been the case earlier," she told PTI in an interview. -PTI

Sun Pharma to pump in ₹500 cr in Assam to set up mfg unit

PTI

GUWAHATI

Leading drug maker Sun Pharmaceutical will invest Rs 500 crore to set up a manufacturing plant in Assam, generating direct employment for over 500 people, Chief Secretary Ravi Kota said.

Senior officials of the pharma company held a meeting with the chief secretary on Wednesday and discussed various aspects of implementing the project.

"Held a meeting with representatives of Sun Pharmaceutical Industries Limited... to review the company's proposal for setting up pharmaceutical manufacturing facilities in Assam," Kota said in an X post on Wednesday night.

From the company, senior vice president Rahul Awasthi and associate vice president Ranjit Mohapatra met Kota.

"The proposal involves establishing drug formulation manufacturing units in the state to cater to the Indian market, with a planned investment of over Rs 500 crore to be implemented in two phases," the chief secretary said.

The project is expected to generate direct employment for more than 500 people in a phased manner after commencement of operations, he added.

"Key aspects such as land requirements, availability of water and power, connectivity, and access to skilled manpower were discussed," Kota said.

Apogee Aerospace places ₹3,500 crore order with Australia's AAI for 15 planes

PTI

NEW DELHI

Apogee Aerospace has placed an order for 15 amphibian aircraft with Australia's Amphibian Aerospace Industries (AAI) for a total value of Rs 3,500 crore as part of a strategic collaboration.

Besides, the Indian company will invest Rs 500 crore to establish tail-section manufacturing, maintenance and overhaul facilities, training and simulation infrastructure, and advanced systems integration capabilities in India.

This will be for the amphibian planes of AAI, which also plans to set up a manufacturing facility for these planes in India.

The announcements made on Thursday in the national capital also come at a time when the government is making efforts to boost air connectivity as well as encourage self-reliance in the fast-growing aviation and aerospace ecosystem.

Amphibian aircraft can operate on both water and land. They are also known as seaplanes.

The two companies are also looking to tap the opportunities in the country's blue economy.

On Thursday, AAI and Apogee Aerospace announced a strategic collaboration to establish an amphibian aviation ecosystem in the country that will be anchored by AAI's Albatross 2.0 amphibious aircraft platform.

Albatross 2.0 are transport category planes that can have up to 28 seats.

Swan Defence bags Oman order for training ship

PTI

MUMBAI

Shipbuilding and heavy fabrication firm Swan Defence and Heavy Industries (SDHI) on Thursday said it has secured a supply order from the Oman Government for a training ship.

The vessel, intended to support the Royal Navy of Oman's advanced naval training and maritime operations, is expected to be delivered within 18 months, SDHI Ltd said.

This export order reinforces India's indigenous shipbuilding capabilities and its growing stature as a global maritime hub, while further strengthening the deep-rooted bilateral relations and maritime cooperation between India and Oman.

"This contract stands as a testament to our advanced technical expertise and world-class shipbuilding capabilities that meet global benchmarks, Earni" said Rear Admiral (Retd), V K. Saxena, CEO of Swan Defence and Heavy Industries Limited.

The training vessel, measuring 104.25 m in length, will be equipped with modern classrooms, training offices and accommodation facilities.

Omega Seiki forays into passenger E-2W segment

PTI

NEW DELHI

Electric mobility firm Omega Seiki Mobility (OSM) on Thursday announced its entry in the passenger electric two-wheeler segment with the launch of e-scooter Vextra, both for the domestic and overseas markets.

Priced at Rs 99,900, Vextra has been developed to address the growing demand for affordable, technology-driven electric scooters for daily commuting and professional usage, it said. The company is aiming to sell 15,000 units of Vextra annually, with 9,000 from the domestic market and the remaining 6,000 from international sales.

Initially, the company said, it will focus on West African markets, including Nigeria, Ghana, the Ivory Coast and Mali, which are seeing growing demand for affordable and efficient e-mobility, as part of OSM's global expansion roadmap. It also said that the company is coming up with a new EV facility in Lagos (Nigeria), which will support regional assembly, distribution, and faster market penetration across West Africa, which is expected to be operational in May this year.

Is the posturing by Pakistani Cricket Board a red herring?

DECADES back, especially after India emerged as the surprise in the pack and went on to unseat the then near-invincible West Indies from the cricketing pinnacle and held aloft the 1983 ODI World Cup, it marked the commencement of India's dominance in the sport. In subsequent years, the power of its governing body, the Board of Control for Cricket in India (BCCI) became so awesome that even as India's status as a world conqueror was getting cemented, the clout of the BCCI became so effective that its efforts ensured that the International Cricket Council (ICC) agreed to move the coveted World Cup out of England shores to the Indian subcontinent.

It was a major victory for Asian cricket as it marked a rare show of camaraderie between India, Pakistan and Sri Lanka, who went on to host the premier limited overs championship. Undoubtedly, this coming together of Asian teams came as a shocker for champion outfits like England, Australia and to a lesser extent New Zealand, which were calling the shots until then. This perhaps was something that they could not digest. Over the years, this inner fear gradually lent a racist colour to the gentleman's game with sledging being the most potent weapon in their armoury, a tactic that is perhaps more dangerous than the infamous Bodyline tactic.

However, call it geopolitics or ego-ridden battle for regional one-upmanship, the Asian 'unity' was thrown asunder with Pakistan, bolstered by its establishment, treating India as the arch-rival (sworn enemies, so to say). This obsession to get the better of the rival has been ingrained in the psyche of not only the players but even the people of the two neighbouring countries. "It does not matter if you don't win the championship as long as you don't lose to the arch-rival' was the mindset that ruled people from India and Pakistan.

The 17-year refusal to play each other in Tests has done so much damage to this 'hatred' against one another that despite the subsequent resumption of cricketing relations between the two, the mindset remained as hostile as ever, in fact it kept deteriorating by the day. It is this very trait that saw a Pakistan captain refusing to shake hands with his Indian counterpart during a major tournament! Not surprisingly this 'enmity' has seeped into other disciplines like hockey and kabaddi, including in their respective Premier Leagues. It has taken a turn for the worse this year.

Even as the 10th men's T20 World Cup 2026, scheduled to begin in Colombo and Kolkata on February 7, a bizarre situation has developed wherein the Asian 'oneness' lies in tatters. Pakistan has refused to play its group match against defending champion India on February 15 and would also forfeit their match even they have to clash against each other in the knockout stage.

This was ostensibly to extend solidarity with Bangladesh, which refused to play in India citing security concerns. This actually stemmed from their fear after Hindus were getting butchered in Bangladesh. Pakistan apparently took advantage of the strained Delhi-Dhaka relations to hit two birds with one stone-another loss to India would have made it miserable for its players back home and the PCB, while also gambling on the fact that ICC Chairman Jay Shah would not dare to suspend it to avoid a global backlash and being accused of victimising India's political rival. Of course, the show will go on and ICC might magnanimously declare that action would be taken against Pakistan in due course. Nasser Hussain, former England captain, has now joined the 'war' by urging ICC to treat India, Pakistan and Bangladesh as equals.

Can state funding of elections bring transparency to India's democracy?

P Sugunakar Rao

INDIA'S democracy is one of the world's largest and most vibrant. Yet, its electoral process faces a growing challenge: the influence of money. With election costs skyrocketing and transparency in political financing under intense scrutiny, the debate over state funding of elections has resurfaced. While proponents see it as a solution to reduce the role of unaccounted money, critics and officials caution that it is not a silver bullet. Experts and stakeholders offer varied perspectives on whether state funding can truly ensure transparency and fairness in India's polls.

The money problem: Scale and lack of transparency

Election campaigns in India have become extraordinarily expensive. Analysis has shown that the 2024 Lok Sabha elections were likely the costliest in the country's history, with expenditure estimated at around ₹1.35 lakh crore—more than double what was spent in earlier general elections.

Data from the Association for Democratic Reforms (ADR) indicates that between 2004-05 and 2022-23, nearly 60 per cent of contributions to major political parties came from unknown sources, underscoring deep transparency gaps in political finance.

Importantly, while individual candidates must adhere to expenditure limits set by the Election Commission of India (ECI)—₹95 lakh for Lok Sabha and ₹40 lakh for state assembly seats—these limits do not cover party spending on media, rallies, and campaign infrastructure, leaving a wide window for unregulated expenditure.

This opacity was exacerbated by instruments like electoral bonds, introduced in 2017. The Supreme Court struck down the scheme in 2024, terming it unconstitutional and harmful to citizens' right to information, after evidence showed a disproportionate share of bond funds flowed to the party in power.

What is state funding of elections?

State funding of elections involves public financing of political campaigns, either fully or partially, to reduce reliance on private money. Models range from direct cash transfers to reimbursement of verified expenses or allotment of resources in kind, such as free media time or facilities.

The idea traces back to reform suggestions like those of the Indrajit Gupta Committee (1998), which recommended limited public funding and non-monetary support such as free travel and airtime, to level the playing field without introducing cash inflows that might be misused.

Several reformists advocate for a partial state funding model, blended with tight disclosure norms and strict enforcement

However, not all authorities support state funding. The Election Commission of India (ECI) has historically expressed reservations. In written submissions to a parliamentary panel, the Commission noted that state funding alone cannot check overall election expenditure, especially that incurred by parties and third parties beyond direct candidate expenses. The ECI has stressed the need for comprehensive reform in reporting and spending rules rather than simply introducing state funding.

Another voice in this debate includes views from former officials and civil society. Former Election Commissioner T.S. Krishnamurthy has suggested stronger reforms in political financing and more stringent oversight rather than solely relying on public funding mechanisms. While his comments on direct state funding were less explicit, he has called for reducing the dependence on private campaign funds—a principle that aligns with the idea of public financing.

Global lessons: Not one size fits all

International democracies offer varied models of state funding:

France has a strict hybrid system combining state funding with capped private donations and strict audits, which many analysts point to as a best-practice approach.

Germany provides proportional public subsidies based on past election performance, alongside mandatory disclosure of private donations.

Brazil, after banning corporate contributions, increased public finance but still struggles with enforcement and transparency gaps. These examples suggest that state funding alone is not sufficient; it must be part of a broader framework of rules, disclosures, and enforcement mechanisms.

Challenges in the Indian context

Critics of state funding in India raise practical concerns. Public funds are limited, and allocating large sums to party campaigns—especially without strong checks and balances—could invite misuse or political manipulation. There are also fiscal priorities related to health, education, and development that compete for the same funds.

Moreover, state funding needs to be coupled with effective regulation of party funding and election spending. Experts argue that real-time digital disclosure systems, stricter limits on corporate and third-party spending, and strong audit mechanisms would be necessary for any public financing to succeed.

A middle path: Partial and conditional public support

Several reformists advocate for a partial state funding model, blended with tight disclosure norms and strict enforcement. This could include:

- Public reimbursements for verified campaign costs above a threshold.
- Free access to state media broadcast slots and public venues.
- Mandatory digital disclosure of donations above small thresholds.
- Real-time expenditure tracking during campaign periods.

Such an approach seeks to reduce the influence of big private money without imposing the full financial burden on the state or encouraging misuse of public funds.

Conclusion

State funding of elections could contribute to enhancing transparency and fairness in India's electoral process, but it is not a standalone solution. Experts agree that comprehensive electoral finance reform—including stringent reporting requirements, expenditure limits across the board, and institutional oversight—must accompany any public funding model.

As India grapples with concerns about rising campaign costs and opaque financing, the debate continues not just about whether to fund elections from the exchequer, but how to do so in a way that strengthens democratic integrity without unintended consequences.

(The writer is President, Kisan Jagaran)

Will India attain the title of "Vishwaguru"?

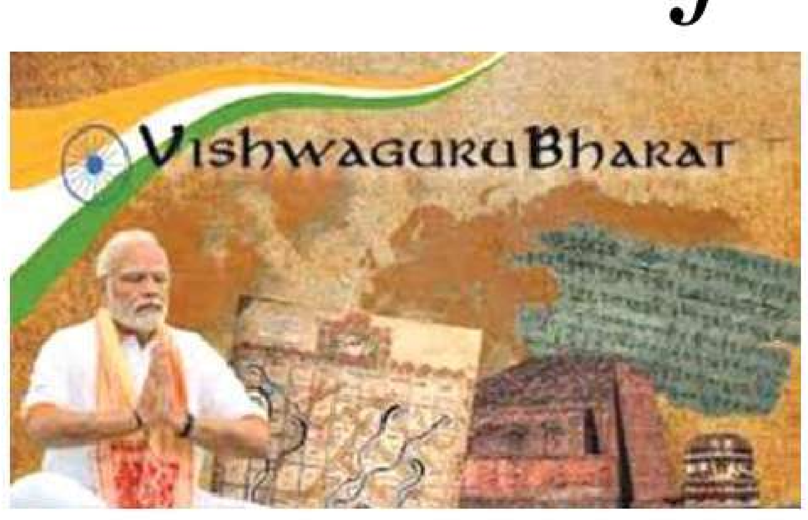
Ravulapati Seetaramarao

THE term "Vishwaguru" has become especially widespread in India these days. The reason is not only that Prime Minister Modi has taken the country to a higher economic standing, but there are also reports that he aspires to see India as "Vishwaguru" by the nations of the world. Thinking ambitiously is one thing — getting corresponding support from all sides is another. With Donald Trump elected U.S. president a second time, the economic plans of many countries have been thrown into disarray.

In one sense, his own economic team has been reshuffled, but more importantly, in order to secure a stable position for his country, he has devised and implemented a variety of policies that few dare to oppose. The direction he has chosen, however, harkens back to older dominant practices, and nearly every nation has reacted in alarm. The word "tariff" has taken on new meanings.

Acting as if the entire global economic order rests in his hands — not only controlling his own financial systems but also interfering in the economies of friendly countries — he has imposed duties on your exports, made imports scarce for you, proclaimed his decrees as gospel, sung his own song and insisted his tune be followed. As he wields power in this controlling, authoritarian way, a silent opposition has begun to emerge.

With these developments, critics feel that India's "Vishwaguru" idea — and even the word itself — has been sullied. In truth, it goes without saying that to earn the universal recognition and respect required to be called a "world teacher," many qualifications are needed. Strong capabilities and social equity are essential, as is the mature intent to share benefits fairly.



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Above all, an economy must be robust and institutionally backed by dependable resources; unless economic progress is demonstrably superior to that of other countries, and unless such strengths are present and recognized worldwide, claiming the title of "Vishwaguru" for ourselves feels somewhat presumptuous.

No one can fault efforts to achieve that status, but if the system isn't thoroughly reformed and presented credibly to the world, the established powers will not accept it. That's why the U.S. bluntly and decisively rejects such claims. When people talk about globalization, they often mean the free spread of goods and services, but that definition is incomplete.

In countries, especially those that have adopted democratic governance, there is a particular political method: societies and markets evolve in a way that fosters friendly trade relations with other nations, encouraging mutual cooperation and the spreading of each country's systems. It's hard to give globalization a perfect, all-encompassing definition; once you grasp the core principle, though, it's clear: globalisation is tied to democracy, simplification, and global cooperation.

These days governments are no longer operating worldwide the way globalisation used to be understood. Each is reshaping economic strengths and alliances as they see fit and presenting new calculations to the world. For a long time it was almost taken for granted that America's progress was driven by immigrants who came from other countries, settled in the U.S., and in countless ways helped make it the richest nation.

But now, with leaders like Donald Trump arguing that immigration threatens sovereignty and even the very existence of the nation, and implementing policies to systematically send people out in order to pursue "independent" progress, every system and country is taking notice of the change. That has raised a serious question about whether any country can still claim to be the "teacher" or leader of the world. With developments like these unfolding across the globe, it's only natural to ask: what role will India play?

But by population and by area, India must be recognized as a very large country! Therefore no one can ignore our India — and until it reaches the top ranks economically, it cannot truly claim the title of "Vishwaguru" (world teacher)! Over the past 20 years we have failed to fully harness our country's productive capacity based on its population. Socially, instead of unity we have politically cultivated and nurtured caste, religious and regional inequalities.

With poverty and a large population unable to gain political power struggling in dire conditions, the prospect of becoming a "Vishwaguru" seems a distant dream. However, "modernization" has become an important instrument of our national progress. With digitalization and efforts to reverse brain drain bringing our country's top-tier brainpower back home, optimism is growing that we can stand strong economically.

That is an encouraging sign — as governments at the state and central levels broadly and continuously pursue self-reliance, economic development, and efforts to eliminate social inequalities with concrete actions, a quiet hope is emerging: why can't we achieve it?

If rulers and political parties continue to run politics for their own benefit, without strengthening economic systems in unexpected ways, without removing economic inequality, and without eliminating social fluctuations, can the goal of "Vishwaguru" be achieved? Only time will tell. Yet no one can deny the weight of the spiritual path's guidance.

(The writer is a retired IPS officer, who has served as an Additional DGP of Andhra Pradesh)

LETTERS

Rahul does it again and again

Your editorial - 'Rahul's antics over Naravani's book will not help' (HANS, February 5) pointing out the remarks of leader of opposition may not help, but his expressions must be heard patiently. Unfortunately, Rahul Gandhi's voice on many occasions in the house and outside has become a laughing stock. He is being treated as a novice in politics which may prove right in the event he becomes head of the government at a later opportunity.

Dr N S R Murthy, Secunderabad

II

THIS is with reference to your editorial 'Rahul's antics over Naravane's book will not help Congress'. The Congress, under Rahul Gandhi's leadership, appears intent on paralysing Parliament through orchestrated disruptions rather than constructive engagement and meaningful debate. Dragging references from General M. M. Naravane's unpublished memoir into the House, especially during deliberations on motion of thanks to the President's Address, was unwarranted and disgusting. Above all, preventing the Prime Minister from delivering an address in the House, virtually gheroing him is seen as a notch above the present wickedness of the Congress.

National security issues demand responsibility, not political point-scoring. Such conduct betrays frustration and a loss of direction after repeated electoral setbacks.

K V Raghuram, Wayanad

III

RAHUL Gandhi's theatrics over references to former Army Chief General M. M. Naravane's forthcoming book will do little to revive the Congress. The party's apparent, pre-determined strategy of disrupting Parliament has assumed a troubling pattern, deviating from established democratic norms. Raising selective national security concerns during the President's Address, instead of adhering to the agenda, sets a dangerous precedent.

Invoking unpublished material on Chinese intrusions reflects political desperation rather than statesmanship. The country is aware that the security forces have been given a free hand to display their professionalism, without any interventions, unlike before. The inevitable counter-display of books critical of Congress rule only exposed the hollowness of this tactic and the party's anxiety over the NDA's electoral continuity.

S Lakshmi, Hyderabad

Harness technology to save rainwater

THIS has reference to the article ' Prioritize rejuvenation of Buckingham Canal' (THI Feb 4). Every year it is common that heavy rains disrupt the traffic , damages roads, foot paths, manholes ,trees , animals and humans .Showing mere sympathy or making aerial surveys is of no use . Using optimal use of technology can create many open water storage tanks and canals to collect all the rain water . Such water shall be made to flow freely to the rivers , particularly to the Musi River . The Musi River development on par with the Buckingham canal is most important .On priority it shall be completed so that our Telangana becomes a major tourist place.

G Murali Mohan Rao, Secunderabad

Convert waste into viable energy

THROUGH your column, I, would like to draw the attention of the Minister of Municipal Administration, Government of Telangana and to the GHMC Commissioner, to send a study team to Chennai, Tamil Nadu to visit the Perungudi Dump Yard, where biomining project, being undertaken by the Singapore based Blue Planet's Zigma Environmental Solutions, which is working relentlessly to clear the 26 lakh tonnes of waste mounds, which is being treated to produce building materials, furniture and steel pallets. The objective of this project is to address the environmental concerns but also to create a greener and cleaner future.

The use of this biomining not only addresses the visible issue of waste accumulation but also delivers substantial environmental benefits. Waste and waste water are the common issues of every metropolitan city. The solution is to adopt the latest technology, in converting the waste collected into viable energy. The organic waste is to be composted in a decentralized manner by the compost plants and the manure generated, is to be supplied to all the GHMC parks in Hyderabad city besides open sale to public.

R J Janardhana Rao, Hyderabad

thehansreader@gmail.com

BENGALURU ONLINE

'Advanced elevator technology enhances passenger safety in Namma Metro'

BENGALURU: As Namma Metro undertakes a major expansion while placing passenger safety at the core of its growth plans, advanced elevator and escalator technologies are playing an increasingly important role in ensuring safe and seamless commuter movement, with around 500 elevators and nearly 1,000 escalators set to be deployed across the 78 km expansion, said Sumit Bhatnagar, Bangalore Metro Rail Corporation Ltd (BMRCL) official said on Thursday.

Representing Bangalore Metro Rail Corporation Ltd (BMRCL), Sumit Bhatnagar speaking at The Second Smart Lift & Mobility World 2026 in Bengaluru, said the metro network, which currently spans about 96 km with 83 stations, will expand to nearly 175 km with around 127 stations over the next two years.

Addressing a stakeholders' meet, Bhatnagar said the scale of expansion will significantly increase vertical mobility requirements across stations, particularly at major interchange hubs and high-footfall locations.

"As the network grows, the need for elevators, escalators and travelators will rise sharply. In the next phase, we will be operating an inventory of around 500 elevators and close to 1,000 escalators, along with travelators at select stations to improve passenger movement," she said.

Read more at https://epaper.thehansindia.com

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"Bharat Taxi has been initially launched in Delhi-NCR and Gujarat and will be expanded across all states and Union Territories within two years. Profits will be shared with drivers associated with Bharat Taxi.
-Amit Shah, Union Home Minister

BIZ BRIEFS

Tally Solutions hosts event

Tally Solutions, a business automation software for small and medium enterprises, has acknowledged and celebrated the significant contributions of the Tax and Accounting community of Tirupati in driving the adoption of technology to augment the accounting and compliance needs of India's micro, small, and medium enterprises (MSMEs). In recognition of the work of GSTPs, accountants, tax advocates, and other professionals, Tally Solutions hosted an exclusive event, Tax and Accounting Titans', to honor their efforts.

Healthcare 360's conference in Hyd

Health360, a pioneer in integrated healthcare solutions, marked its presence at the Transforming Healthcare with IT (THIT) Conference 2026, held on January 30-31 at the HICC, Hyderabad International Convention Centre. Themed "Reimagining Healthcare. Reinventing Tomorrow," the two-day event brought together thought leaders, clinicians, technology experts, policymakers, and innovators to explore actionable pathways to strengthen India's healthcare ecosystem. Now in its 13th edition, the THIT Conference stands as India's premier international forum.

Lord's Mark's achievement

Lord's Mark Industries Ltd announced the successful installation of the world's first AI-based, contactless remote patient monitoring system at Gauhati Medical College and Hospital (GMCH). With this deployment, Assam becomes India's first state to operationalise an AI-driven hospital model within the public healthcare system. Dr Sachidanand Upadhyay, MD, Lord's Mark Industries Ltd, said: "India's healthcare system is at a pivotal inflection point where technology must move beyond pilot projects to become core clinical infrastructure."

Hindalco partners with KADA

Hindalco Industries Ltd, in collaboration with the Kuppam Area Development Authority (KADA), announced the launch of a state-of-the-art Multi-Skills Training Centre at its Kuppam plant in Andhra Pradesh. Samik Basu, Chief Human Resources Officer, Hindalco Industries, said: "At Hindalco, we see skilling as a powerful catalyst for social and economic transformation."

Dezerv's Create Wealth newsletter

Southern states are expected to average GDP growth of 6.8 per cent per year between 2026-30, with Karnataka and Telangana at the very top achieving 7.4 per cent and 7.2 per cent respectively. This outpaces the national forecast, as Oxford Economics projects India's real GDP to grow on average by 6.3 per cent per year between 2026 and 2030, with total GDP reaching Rs268 trillion in real terms just over $5 trillion by 2030.

LIC clocks 17% rise in Q3 net at ₹12,930 cr

Net premium income rose to ₹1,25,988.15 crore during the third quarter of FY 26

INSURANCE PERFORMANCE

- The standalone net profit for the nine months Rs33,998
- Premium Income for nine months Rs3,71,293
- New business premium income for the nine-month Rs44,941

MUMBAI

LIFE Insurance Corporation of India (LIC) reported a consolidated net profit of Rs12,930 crore for Q3 FY26, marking a 17 per cent year-on-year increase from the Rs11,008.65 crore net profit reported in Q3 FY25.

The insurer's net premium income, meanwhile, rose to Rs1,25,988.15 crore during the third quarter of FY 26.

The standalone net profit for the nine months ended December 31, 2025, was Rs33,998 crore as compared to Rs29,138 crore for the nine months ended December 31, 2024, registering a growth of 16.68 per cent, according to a company statement.

In terms of market share measured by First Year Premium Income (FYPI) (as per IRDAI), LIC continues to be the market leader in the Indian life insurance business with an overall market share of 57.07 per cent for the nine months ended December 31, 2025, as compared to 57.42 per cent for the nine months ended December 31st 2024. For the nine months ended December 31, 2025, LIC had a market share of 35.84 per cent in the individual business and 71.36 per cent in the group business.

The total premium Income for nine months period ended December 31, 2025, was Rs3,71,293 crore as compared to Rs3,40,563 crore compared to the same period of the previous year, registering a growth of 9.02 per cent.

Individual New Business premium income for the nine-month period ended December 31, 2025, was Rs44,941 crore as compared to Rs42,441 crore for the same period of the previous year, registering an increase of 5.89 per cent. The individual renewal premium income for nine months period ended December 31, 2025, was Rs1,91,050 crore as compared to Rs1,78,975 crore for the same period of the previous year, registering an increase of 6.75 per cent.

The total individual business premium for the nine-month period ended December 31, 2025, increased to Rs2,35,991 crore from Rs2,21,416 crore for the comparable period of the previous year, registering an increase of 6.58 per cent. The group business total premium income for nine months period ended December 31, 2025, was Rs1,35,302 crore as compared to Rs1,19,147 crore for the same period of the previous year, registering an increase of 13.56 per cent.

Hyd preps for BioAsia meet as world leaders shape healthcare innovation

The event begin open with inaugural addresses by Chief Minister Revanth Reddy and IT Minister D Sridhar Babu

HANS BUSINESS
HYDERABAD

BIOASIA 2026, Asia's flagship life sciences and healthcare forum, is set to convene global leaders in science, artificial intelligence and industry on February 17–18, 2026, as the sector stands at a pivotal moment of transformation. With the theme "TechBio Unleashed: AI, Automation & the Biology Revolution", the two-day conference will explore how AI-native biology, advanced automation and digital-first healthcare models are reshaping the discovery, development and delivery of therapies worldwide.

The event will open with inaugural addresses by Telangana Chief Minister A Revanth Reddy and IT and Industries Minister D Sridhar Babu, underscoring the State's ambition to position Hyderabad among the world's top five life sciences hubs. A dedicated Telangana Rising Vision 2047 session will outline the State's long-term roadmap for innovation-led growth in AI-enabled R&D, advanced modalities and next-generation biomanufacturing.

BioAsia 2026 will feature an eminent lineup of global leaders, including Stefan Miltenyi of Miltenyi Biotec, Howard Y Chang of Amgen, Pushmeet Kohli of Google DeepMind, Madeleine Roach of Sanofi, Anton Groom of MSD, Despina Solomonidou of Novartis, Rashmi Kumar of Medtronic, Eamonn Warren of Eli Lilly and Badhri Srinivasan of Unilabs. Across nine high-impact sessions, discussions will span AI-driven discovery, next-generation biologics, digital manufacturing and resilient global supply chains.

A marquee CEO Conclave will examine growth, geopolitics and innovation pathways towards 2030, while Day Two will spotlight the rise of Global Capability Centres as strategic innovation engines. With participation from leading multinational and Indian companies, policymakers and investors, BioAsia 2026 is expected to reinforce Hyderabad's standing as a global hub for life sciences and TechBio innovation.

EV battery demand set to touch 700 GWh by 2040

HANS BUSINESS
HYDERABAD

INDIA'S demand for Advanced Chemistry Cell (ACC) batteries is set to witness explosive growth over the next two decades, scaling from 28 GWh in 2025 to well over 700 GWh by the mid-2040s, according to a comprehensive new report titled "Vision 2047: India's Roadmap for a Self-Reliant Battery Ecosystem" released on Thursday at the India Battery Manufacturing and Supply Chain Summit (IBMSCS) 2026, a two-day flagship event organised by India Energy Storage Alliance (IESA) in Hyderabad. The report, which provides a detailed assessment of India's battery value chain through 2047, reveals that the country's transition to electric mobility and large-scale energy storage will be central to achieving its climate commitments, the Viksit Bharat 2047. The study adopts two forecast scenarios: a Business-as-Usual (BAU) case and a more ambitious Viksit Bharat Pathway (VBP) case, projecting that total battery demand could reach between 1.3 TWh and 1.9 TWh by 2047.

Centre, states working on GST e-way bill reform: Official

NEW DELHI: THE Centre is engaging with states on revamping the e-way bill framework, which will come up in the next meeting of the GST Council, a source said. The Economic Survey last week said that the next wave of GST reforms could focus on reimagining the e-way bill system as a facilitator of smooth logistics rather than only as a tool for enforcement and control. The e-way bill reforms would amount to a significant deregulation of the logistics ecosystem, reducing costs and delays for trade while maintaining effective, non-intrusive oversight for tax administration.

"We are working with the states on e-way bill reform and will bring it before the GST Council," the source said. The GST Council, chaired by union Finance Minister and comprising state ministers, last met on September 3, 2025, in which it decided to cut tax rates on 375 items and rationalise slabs.

The e-way bill proposal will be placed before the GST Council once the consultations are over, the source added. The Survey suggested wider use of e-seals and electronic locking systems, integrated with e-way bills and vehicle-tracking technologies, to ensure secure, end-to-end tracking of consignments without routine stoppages on the road.

State governments, which play a key role in field-level enforcement, would have to be a key partner in the transition to a risk-based, system generated alerts and limiting discretionary checks.

The Survey also suggested a policy design with increased reliance on trust-based and technology-driven compliance models, such as a "trusted dealer" framework under which taxpayers with a strong compliance record face minimal physical checks and enjoy greater certainty in the movement of goods.

Kotak Flexicap Fund marks 15-years of its journey

HYDERABAD: Kotak Mahindra Asset Management Company Ltd. (KMAMC) announces the 15-year milestone of Kotak Flexicap Fund. The scheme has delivered 16.59 per cent CAGR since inception and built a strong long-term performance record through multiple market environments.

Nilesh Shah, MD, Kotak Mahindra Asset Management Company Ltd, said: "Kotak Flexicap Fund completing 15 years is a moment of pride for us and for the investors who have stayed committed to the fund. Flexicap as a category continues to be important because it allows investors to participate in India's growth across segments while leaving market capitalization allocation decisions to an experienced investment team."

Harsha Upadhyaya, added: "Kotak Flexicap Fund has navigated 15 years of varied market cycles by staying anchored to businesses with durable earnings potential and strong capital efficiency.

Credai Property Show 2026 from today in Hyderabad

HANS BUSINESS
HYDERABAD

CREDAI HYDERABAD PROPERTY SHOW

HYDERABAD is poised to witness one of the city's most awaited real estate showcases as Credai Hyderabad Property Show 2026 opens on Friday at the Hitex Exhibition Centre, Madhapur in the city. Organised by Credai Hyderabad, the city chapter of India's apex body of private real estate developers, the three-day exhibition will run from February 6 to 8, 2026, bringing the entire realty ecosystem under one roof.

Themed 'Permanent Ho Jao', the property show sends out a strong message encouraging homebuyers to invest in Hyderabad and make the city their permanent home. Reflecting the city's transformation into a stable, opportunity-rich and future-ready metropolis, the theme underscores long-term home ownership backed by trust, transparency and assurance—core values embodied in Credai's philosophy of 'Credaibility'.

The exhibition will showcase 300 projects from over 60 member developers, spanning integrated townships, apartments, gated communities, villas, green buildings, as well as retail and commercial developments. Financial institutions and building material manufacturers will also participate, offering visitors end-to-end home-buying solutions, including guidance on housing loans and financing options.

Oppo launches Reno15c

HANS BUSINESS
HYDERABAD

OPPO, India smartphone maker, has launched OPPO Reno15c model, designed to make the core Reno experience more accessible to a wider audience of travellers, creators and photography enthusiasts. Combining refined design, long-lasting endurance, and intelligent AI features, the new model delivers the core strengths of the Reno series in a more accessible package. The new device will be available for purchase in India starting 5 February 2026, in Afterglow Pink and Twilight Blue. At the heart of the model is a powerful 7000mAh battery with 80W SUPERVOOC fast charging, paired with an immersive AMOLED display, reliable performance, and durability, as well as ColorOS 16, making it a dependable everyday companion for users constantly on the move.

Standard Engg posts strong 9M FY26 growth

HANS BUSINESS
HYDERABAD

Accelerates integrated engineering push

STANDARD Engineering Technology Limited, formerly Standard Glass Lining Technology Limited, reported a robust financial performance for the third quarter and nine months ended FY26, underlining its successful transformation into an integrated engineering solutions provider.

For the nine-month period ended FY26, the company recorded a total income of Rs562 crore, marking a 23.6 per cent year-on-year growth. EBITDA stood at Rs102 crore, up 11.9 per cent, with margins at 18.2 per cent. Profit before tax rose 15.9 per cent year-on-year to Rs83 crore, while profit after tax increased 18.8 per cent to Rs62 crore.

In Q3 FY26, SETL posted a total income of Rs196 crore, registering a sharp 37.1 per cent growth over the corresponding quarter last year. EBITDA grew 17 per cent to Rs34 crore, while PBT and PAT rose 22.7 per cent and 28.3 per cent to Rs27 crore and Rs20 crore, respectively.

Commenting on the performance, Managing Director Nageswara Rao Kandula said the quarter marked a defining phase in the company's evolution, with SETL scaling its core glass-lining business while expanding into integrated, turnkey engineering solutions. He emphasised that glass lining remains central to the company's growth, with innovations such as conductivity glass-lined reactors and strong demand for shell-and-tube heat exchangers strengthening its market position.

During the quarter, the company completed its corporate name change and executed key strategic acquisitions, including Scigenics (India) Private Limited and a majority stake in C2C Engineering Private Limited. These moves have strengthened SETL's capabilities across bioprocess systems and multi-disciplinary engineering, enabling concept-to-commissioning project delivery.

Looking ahead, SETL enters FY27 with a diversified order book, growing traction in advanced engineering technologies and exports contributing around 15 per cent of revenues, with management expecting robust order inflows and sustained profitable growth.

Markets snap 3-day rally amid heavy profit-booking

As participants turned cautious ahead of the RBI policy announcement amid geopolitical uncertainties. Intense selling in metal, IT and capital goods stocks also dampened market sentiment

Directional Shift

- BSE-Sensex fell 503.76pts or (-0.60%) to 83,313.93
- NSE-Nifty declined 133.20pts or (-0.52%) to 25,642.80
- FIIs bought Rs29.79-cr; DIIs bought Rs249.54-cr on Thursday

MUMBAI: Benchmark indices Sensex and Nifty halted their three-day rally to close with deep cuts, in line with bearish global markets, as participants turned cautious ahead of the RBI policy announcement amid geopolitical uncertainties. Intense selling in metal, IT and capital goods stocks also dampened market sentiment, traders said.

In a bearish session, the 30-share BSE Sensex further dropped 503.76 points, or 0.60 per cent, to settle at 83,313.93.

During the day, it tanked 666.07 points, or 0.79 per cent, to 83,151.62. A total of 2,447 stocks declined while 1,737 advanced and 158 remained unchanged on the BSE. The 50-share NSE Nifty declined 133.20 points, or 0.52 per cent, to end at 25,642.80.

"Indian equities saw consolidation, as weakness was followed by a sharp rally in recent sessions, driven by optimism around the US-India trade deal, suggesting profit booking was at play. "Global cues added further pressure, with concerns over a broad-based tech sell-off in international markets and heightened US-Iran tensions leading to risk-off sentiment," Vinod Nair, Head of Research, Geojit Investments Limited, said. Market participants are now turning their attention to the upcoming RBI policy meeting, Nair added.

The decision of the Monetary Policy Committee (MPC) will be announced by RBI Governor Sanjay Malhotra on Friday. From the Sensex constituents, Eternal, Bharti Airtel, Bharat Electronics, ITC, Infosys, Reliance Industries, ICICI Bank and Asian Paints were among the major laggards. In contrast, Trent, Tata Steel, State Bank of India and Bajaj Finance were the gainers.

Among sectoral indices, capital goods dropped 1.07 per cent, metal (1.05 per cent), consumer durables (0.88 per cent), BSE Focused IT (0.78 per cent), IT (0.76 per cent) and telecommunication (0.72 per cent). BSE PSU Bank and oil & gas were the gainers. The Nasdaq Composite index tumbled 1.51 per cent, and the S&P 500 declined by 0.51 per cent. The Dow Jones Industrial Average ended 0.53 per cent higher.

DECCAN Chronicle
6 FEBRUARY 2026

As Mamata steps in, will SC protect voters in SIR?

Shorn of its dramatic potential and historic aspect, the appearance of West Bengal chief minister Mamata Banerjee in the Supreme Court of India in person to plead the case of the people of West Bengal against the unjust, illegal and unconstitutional deletion of voters from the electoral roll by the Election Commission of India as part of the special intensive revision points to an urgent need for the apex court to intervene in the matter.

Ms Banerjee's case is simple: All bona fide voters must find a place on the rolls and it is the responsibility of the Election Commission to ensure that. West Bengal's electoral roll had 7.66 crore entries before the SIR. The ECI published a draft list after deleting 58 lakh names and flagged 1.16 crore entries as having "logical discrepancies". This is, however, just an expression to cover up its failure to factor Indian realities in the exercise. Using this clumsy expression, the ECI has effectively stripped the people of West Bengal of their right to elect their rulers. This right is the cornerstone of democracy as practised in our country.

India is a multilingual society. The Eighth Schedule of the Constitution lists 22 languages, and discrepancies and unavoidable errors could take place when proper nouns are written in different languages. There are men and women with an age gap of fewer than 15 years or more than 50 years with their parents. Sometimes, couples may have six or more children. Many women adopt their husband's name as their last name. These are realities of Indian life and not "logical discrepancies" powerful enough to strike names off the electoral roll.

Many women adopt their husband's name as their last name. These are realities of Indian life and not 'logical discrepancies' powerful enough to strike people's names off the WB electoral roll.

It may be recalled that the Supreme Court itself had flagged these issues and expressed its disapproval for using them as excuses to remove names from the voter list. The West Bengal CM's case is that the Election Commission refuses to address her queries on these issues and hence her appearance in person before the court. It is welcome that the apex court has asked the ECI to be more sensitive going ahead.

The points argued by Ms Banerjee, at the same time, ask us to prioritise an issue that is fundamental to the functioning of our country as a democracy. Article 21 of the Constitution insists that "no person shall be deprived of his life or personal liberty except by procedure established by law". The right to life is fundamental to the existence of the citizen as an individual. Likewise, the right to exercise their franchise is fundamental to them as citizens of the republic. Hence it must be treated on a par with the right to life, and proper procedure must be followed before taking anyone off the voter list. The whims and fancies of officials serving on the poll panel cannot be the sole reason behind declaring them ineligible to take part in the democratic process. An Indian must vote because it is their right and not by the grace of the ECI. And a chief minister appearing in court to plead this constitutional right is not a comfortable sight.

Indian IT must adapt to AI

The $285-billion rout that a mere announcement of an AI automation tool has set off in global stocks indicates high levels of uncertainty among investors about the future path of the global technology sector, affecting all its stakeholders such as companies, employees and their families.

The new AI tool — Anthropic's Claude Cowork — is positioned as a more autonomous workplace agent that can plan and execute tasks across common knowledge-work flows, not merely answer prompts. In the global IT hierarchy, it is typically believed that the US invents, China builds, and Japan and Korea perfects. As India brings scale, the AI agents are believed to affect Indian companies, who have not yet become truly AI-era companies.

India IT industry body Nasscom believes that concerns that AI tools will eliminate the technology services business are misplaced and Indian companies will play a key role in helping in enabling the global transition towards the AI-assisted workplaces.

Nasscom believes concerns that AI tools will eliminate the tech services business are misplaced and Indian companies will play a key role in enabling the global transition towards AI-assisted workplaces

History shows automation rarely deletes demand; it rewires it. While the near-term shock is real, especially for entry-level roles, routine support work and services sold by the hour, the AI agents cannot eliminate the role of human beings. However, the advent of the AI agents threatens to disrupt India's skilling model and eliminate the factories that roll out entrance-ready students every year.

The AI agents will change the landscape of every industry. They will threaten careers that are not laid on a firm foundation of specialisation. An era that seamlessly entwined human talent and machine capabilities has ended. Now machines have become smarter and it is imperative that humans must get even smarter.

Instead of being nostalgic about the past, people, especially youth, therefore, must accept the change and learn to work with artificial intelligence. Otherwise, they will be swept away by the AI tornado without any trace.

DECCAN CHRONICLE

KAUSHIK MITTER
Editor

K. SUDHAKAR
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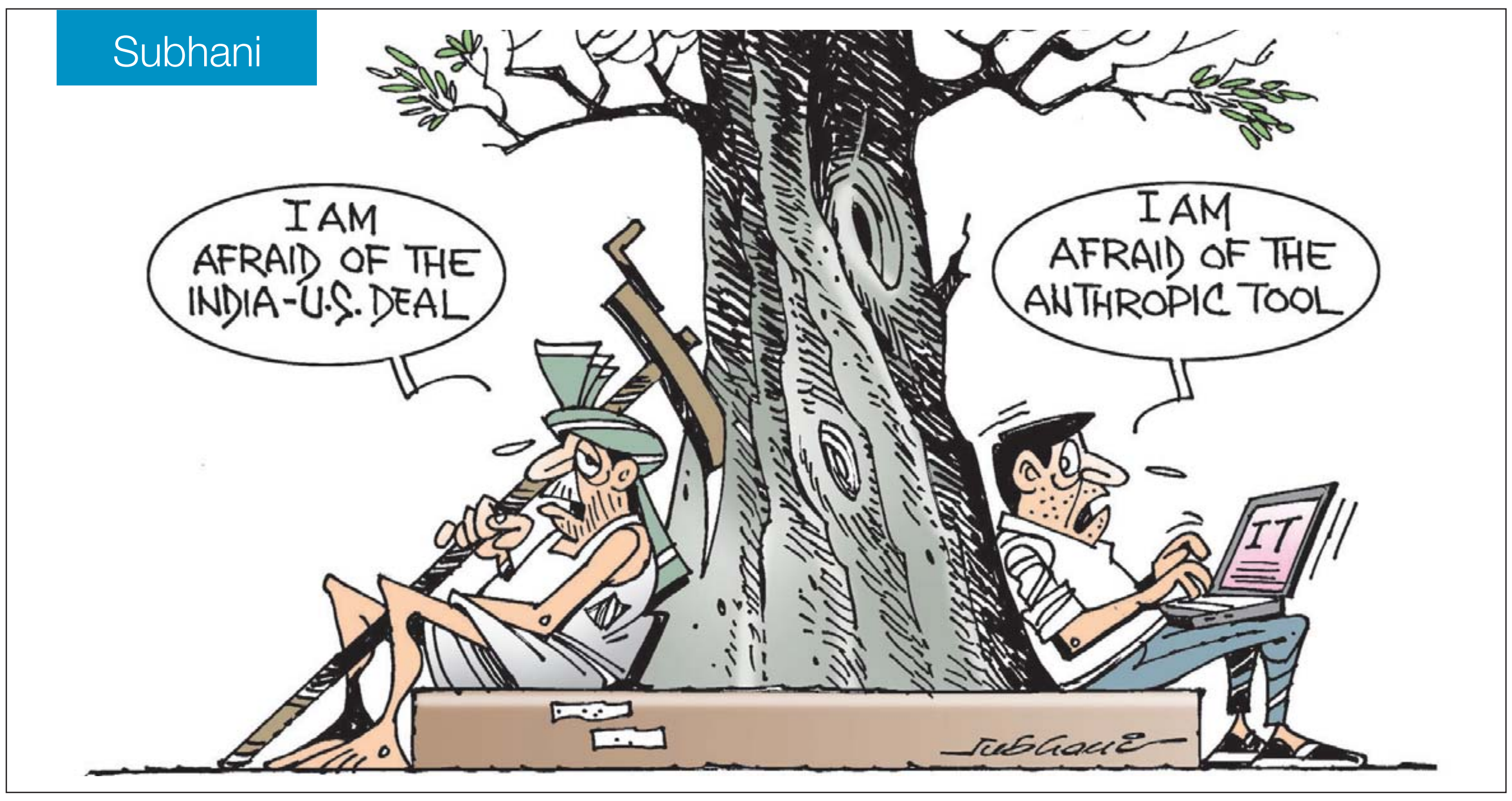
Subhani



Trade deal reality check: A multi-alliance strategy

K.C. Singh

India-Russia relations can't be shut down overnight. The oil trade can hardly be blocked suddenly. Will the US still drop the 25 per cent punitive tariffs, pending India's compliance, or await its outcome?

At 10.30 pm Indian time on Monday, US President Donald Trump announced on social media that he had just concluded a telephonic conversation with Prime Minister Narendra Modi and the two countries had reached agreement on their long-awaited trade deal. Describing his Indian interlocutor as "my greatest friend and a powerful and respected leader" in his own country, Mr Trump attributed the trade deal to the "friendship and respect" the two leaders shared.

The same post displayed some details. The reciprocal tariffs on India are to drop from 25 per cent to 18 per cent. The additional punitive 25 per cent tariffs, for India's ongoing Russian oil imports, would also go as the Indian Prime Minister had agreed "to stop buying Russian oil". This was justified as crucial to Russia ending the Ukraine war.

Noticeably, Prime Minister Modi, in his own social media post where he "thanked" President Trump, did not acknowledge any such commitment. Russia too publicly claimed that India had not conveyed that it was curtailing Russian oil imports.

Additionally, President Trump claimed India will reduce "tariffs and non-tariff barriers against the United States, to zero". India, he added, also committed to a greater degree of "BUY AMERICAN". That includes India procuring "$500 billion of US energy, technology, agricultural, coal and many other products".

Mr Modi thanked President Trump and, compensating for ignoring his self-proclaimed peace-making in the past, lauded his leadership as "vital for global peace, stability, and prosperity". India, he added, despite New Delhi avoiding membership of the Trump-created Board of Peace, "fully supports his efforts for peace".

Mutual back-slapping aside, while the announcements are welcome, unrestrained cheering often requires a reality check. Firstly, as some analysts pointed out, only a preliminary agreement has been announced. A formal trade deal is still being negotiated. Hence the trade concessions, if any, made by India are still unclear. India's commerce minister Piyush Goyal briefed the media, without taking questions. Thus, his claim that agriculture and dairy are "fully protected" must await the emergence of details. India's farmer union leaders have already begun criticising the deal. US agriculture secretary Brooke Rollins has claimed that America's agricultural products will attain a "higher level".

The US export of agricultural products to India climbed from $1.85 billion in 2020 to $2.34 billion in 2021. After a slight drop in 2022, these touched $2.37 billion in 2024. During January-November 2025 these reached $2.85 billion, one-thirds higher than the same period in 2024. The Indian export of agricultural products to the US climbed from $5.30 billion in 2020 to well past $6 billion in 2021, 2022 and 2024. The trade imbalance has actually been dropping over the same period. The US has been eyeing India's huge market for years. The need is now greater as China has used its purchase of US agricultural products as a bargaining chip to counter US tariffs. It has done so by turning to Brazil and other suppliers.

It is unlikely that India would compromise on not importing products of genetically modified crops or dairy products derived from cows on non-vegetarian diets. However, the lower tariffs will relieve Indian seafood and rice exporters. Besides spices, these two products are amongst the top three agricultural exports. Also relieved will be jewellers, textile and garment exporters.

During Prime Minister Modi's February 2025 Washington visit, bilateral trade was targeted to touch $500 billion by 2030. During 2024 it reached $212.3 billion. Of this, the goods trade constituted about 60 per cent, with the trade balance in India's favour.

President Trump now declaring that India will absorb $500 billion of US goods requires some context. Both Japan and South Korea have promised to invest in America $550 billion (by 2029) and $350 billion respectively. The South Korean Parliament is examining a bill about this investment, with only gradual transfer of capital, mostly into shipbuilding.

India has thus learnt a lesson. President Trump requires huge numbers to claim domestically that manufacturing was returning to the United States. This was part of the "Make America Great Again" (MAGA) agenda. The details are left to the negotiators. Therefore, the Trumpian claims should not be given a reality check. With popular ratings of the Republican Party plunging, it is widely accepted that the Democrats may capture the House of Representatives in the November 2026 mid-term elections. Some Republican members of Congress are now reportedly urging President Trump to roll back tariffs. Therefore, India needed to buy time by ending the trade confrontation with the US.

The experience of both Canada and South Korea demonstrates that with President Trump, no trade deal is final. He is in fact using tariffs not just to balance trade but as weapons to coerce friend and foe alike to accept his worldview. The 2025 US National Security Strategy paper has already spelt out his neo-colonial, xenophobic and rule-less approach to international relations. Across the Americas, referred to as the Western Hemisphere, the 19th century's Monroe Doctrine has been resurrected, while misreading its original intent. The abduction of Venezuelan President Nicolas Maduro demonstrates the new doctrine of total US dominance in the Americas.

Prime Minister Narendra Modi has observed that the "world is tilting towards India". It might appear so, because within a week, a draft India-European Union free trade agreement and an initial India-US trade deal have been announced. However, caution is advisable for multiple reasons.

Firstly, as Evan Feigenbaum writes, "trust is much easier to lose than to build". It would be naive to assume that the United States has restored India's strategic position in Asia, as a balancer of China. The revival of Pakistan's diplomatic stature, pampering by President Trump of its Army chief Field Marshal Asim Munir and the American interference in politics of Nepal, Bangladesh and the region raises doubts about US reliability.

Secondly, India-Russia relations can't be shut down overnight. The oil trade may have diminished but it can hardly be blocked suddenly. Will the US still drop the 25 per cent punitive tariffs, pending India's compliance, or await its outcome? If these tariffs linger, normalcy can hardly return to India-US trade.

Finally, President Trump is headed to China in April for a summit with President Xi Jinping. He has in the past referred to such meetings as "G-2" encounters. That betrays a clear acceptance of China as America's main global rival. This approach relegates India to a subsidiary role.

Public jubilation may be useful in domestic politics. However, geo-strategically, India should play along with America, while strengthening all possible alternative alliances.

The writer is a former secretary in the external affairs ministry. He tweets at @ambkcsingh.

LETTERS

OPPOSITION STIR

The Parliamentary process is being systematically undermined *(Oppn stir puts off Modi's LS speech, Feb. 5)*. After the President's address, members debate the vote of thanks, raise key issues, and the PM is expected to respond before the House adopts the motion. The PM did not attend the LS to reply.

Buddha Jagdish Rao
Visakhapatnam

MAMATA'S ACTIONS

Impeachment moves against the Election Commission or the Madras High Court Chief Justice are non-starters, a reality well understood by Mamata Banerjee and M. K. Stalin (*Mamata seeks fairness in voter exercise in WB, Feb. 5*). Even the case involving an Allahabad High Court judge lacks traction. Mamata went further by approaching the Supreme Court over SIR, prompting directions to the Election Commission and the West Bengal CEO. Such confrontations appear limited to the TMC government.

Parthasarathy Mandadi
Tirupati

The ECI is acting within its legal mandate, and procedural issues can be addressed at the booth level. Instead of contesting SIR, the West Bengal government should cooperate with the Commission to ensure clean and accurate electoral rolls.

Govardhana Myneedu
Vijayawada

NEAR MISS OF JETS

The mid-air engine failure and near-collision in Mumbai are urgent warnings, not isolated events (*Air India, IndiGo wingtips collide at Mumbai airport, Feb. 4*). Crew skill prevented disaster, but luck is no safety measure. Change must come now, not after tragedy. Passengers trust the system with their lives.

C.S. Raju
Puttaparthi

INDIA'S DECADE

BlackRock CEO Larry Fink is right in calling the next two decades India's era (*Next two decades India era: Larry, Feb. 5*). India's growth is evident, and global investors are taking note. With its strong education base, large population, and abundant resources, India has emerged as a preferred investment destination for MNCs.

Chunduri Satya
Visakhapatnam

Email your letters to info@deccanmail.com, editor@deccanmail.com.

Dilip Cherian
Dilli Ka Babu

Posting at Centre gains in worth as MHA tightens its grip on IPS careers

Scratch the surface of *sarkari* rules, and they quickly become about power, career pathways, and the familiar tug-of-war between the Centre and the states.

The ministry of home affairs' latest directive fits that pattern neatly. IPS officers from the 2011 batch onwards will now need at least two years of Central deputation at the SP or DIG level to be empanelled for senior posts like inspector general at the Centre. No Central stint, no climb up the ladder.

This marks a quiet but important shift. For years, district policing was seen as the real proving ground, while Central postings were useful but optional. That balance has now flipped. Central experience is no longer a value-add but a prerequisite.

Officially, the reason is straightforward. Central forces and agencies are short of officers at the middle and senior levels. Vacancies are mounting, and the Centre believes states aren't sending enough suitable officers. The solution, then, is to make deputation unavoidable.

But the implications go well beyond staffing gaps. Making central deputation mandatory risks skewing senior leadership towards officers with stronger bureaucratic exposure than sustained field experience. That may not sit well in a country where policing challenges are anything but desk bound.

There's also a clear contradiction with the Supreme Court's direction to gradually reduce IPS deputation to the CAPFs and create space for cadre officers. The Centre's push for more IPS officers into these roles sits awkwardly with that intent.

And then there's federalism. States have always been protective of their IPS officers, for both administrative and political reasons. Tying promotions to Central postings looks less like neutral reform and more like the Centre tightening its grip over police careers.

The irony is hard to miss. Officers now need central experience to move up, but actually getting that experience still depends on state governments releasing them. That is never assured.

FROM PATNA TO PARADISE

It wasn't a rumour. In the run-up to the New Year, a group of IAS and IPS officers from Bihar went abroad on approved leave, fanning out to destinations including the US and Bali. The trips were officially sanctioned and fully within the rules, and in some cases stretched to 42 days, long enough for the files back home to feel truly abandoned.

No laws were broken, no procedures bypassed. The paperwork was in order, permissions granted, and the system did exactly what it was designed to do. This wasn't a case of babus slipping out unnoticed. Everything was neat, legal and impeccably documented.

And yet, context has a way of ruining a good technical defence. Bihar isn't exactly coasting. Administrative pressure, law-and-order challenges and routine governance headaches are the state's permanent background score. Against that, the sight of a significant chunk of senior bureaucracy holidaying overseas was bound to jar.

No one disputes the right to a break. But when too many senior officers are simultaneously off the grid, the optics shift from "well-earned leave" to "collective getaway". That's when public patience thins, even if the rulebook stays silent.

The babus are back now, passports tucked away and inboxes overflowing. One hopes they returned refreshed. Next destination: Arctic cruises, perhaps!

WEBSITE GLITCH SPARKED PSU POWER SCARE

When you head a Maharatna heavyweight like SAIL, even a minor tech glitch can spark major conspiracy theories.

That's exactly what played out on the last working day of January, when the name of SAIL chairman and managing director Amarendu Prakash briefly disappeared from the Public Enterprises Selection Board (PESB) website. In Delhi's tightly wound PSU ecosystem, that was enough to set alarm bells ringing.

Speculation spread rapidly, was he being shown the door, or was it some big decision about to drop?

For much of the day, the rumour mill worked overtime, and industry watchers indulged in a bout of enthusiastic kite-flying. Ironically, Prakash's details remained unchanged on SAIL's own website throughout. But the PESB portal, often treated as the final authority on top PSU appointments, had glitched.

The brief disappearance gave fresh ammo to critics who have, from time to time, hinted at a premature end to Prakash's tenure. Supporters, meanwhile, endured a few hours of unnecessary suspense.

Context matters here. Prakash has been under pressure in recent weeks and firmly in the public spotlight, making him an easy target for speculation. Some insiders point to vested interests that have been eager to cast doubts over his leadership. The technical lapse on the PESB site simply handed them a convenient trigger.

By evening, the mystery resolved itself. The missing name was quietly restored, and it was back to business at SAIL headquarters.

Love them, hate them ignore them at national peril, is the babu guarantee and Dilip's belief. Share significant babu escapades dilipcherian@hotmail.com

quick BITES

INDICATORS

INDICATORS		%
Sensex	83,313.93	-0.60
Nifty 50	25,642.80	-0.52
S&P 500*	6,842.52	0.58
Dollar (₹)	90.31	-0.12
Pound Sterling (₹)	122.66	-1.03
Euro (₹)	106.48	-0.30
Gold (10gm)* (₹)	1,61,400▾3,600	-2.10
Brent crude ($/bbl)*	67.61	-2.66
IN 10-Yr bond yield	6.651	-0.66
US 10-Yr T-bill yield*	4.27	-0.008

* As of 8:30 PM IST

IIFCL announces Rohit Rishi as managing dir

State-owned India Infrastructure Finance Company Ltd (IIFCL) on Thursday said Rohit Rishi has assumed charge of managing director of the company. Prior to assuming charge of the company, Rishi has served as executive director at the Bank of Maharashtra. Rishi brings with him over three decades of experience in the banking and financial services sector, the company said in a statement.

PFC reports 6% rise in net profit to ₹8,211.9 cr

State-owned Power Finance Corporation (PFC) on Thursday posted a nearly 6 per cent rise in consolidated net profit to ₹8,211.90 crore for December quarter of FY26, aided by higher income. It had reported ₹7,759.56 crore profit for year ago period from continuing and discontinued operations, PFC said. Its total income rose by 9 per cent to ₹29,140.57 cr in Q3 from ₹26,821.84 crore in same period a year-ago.

Sun Pharma to invest ₹500 cr in Assam mfg unit

Drug maker Sun Pharmaceutical will invest ₹500 crore to set up a manufacturing plant in Assam, generating direct employment for over 500 people, state's chief secretary Ravi Kota said. "The proposal involves establishing drug formulation manufacturing units in the state to cater to the domestic market, with a planned investment of over ₹500 crore to be implemented in two phases," the chief secretary said.

Omega launches e-scooter Vextra at ₹99,000

Omega Seiki Mobility (OSM) on Thursday announced its entry in the passenger electric two-wheeler segment with the launch of e-scooter Vextra, both for domestic and foreign markets. Priced at ₹99,900, Vextra has been developed to address the growing demand for affordable, techn-driven electric scooters for daily commuting and professional usage, the company said. It aims to sell 15,000 units of Vextra annually.

Sensex sheds 500 pts on global tech stock sell-off

Next momentum trigger is likely post the RBI policy announcement

RAVI RANJAN PRASAD
MUMBAI, FEB. 5

Stock market's main indices Sensex and Nifty-50 fell more than half a per cent amid selling in technology stocks in global market and ahead of RBI's monetary policy announcement on Friday.

Largely on weak global cues, the Sensex fell 503.76 points or 0.60 per cent to close at 83,313.93 while Nifty-50 closed 0.52 per cent or 133.2 points down at 25,642.8.

Broader market fell more with BSE Small-cap index down by 1.04 per cent and BSE Mid-cap index down by 0.41 per cent.

Market volatility has been coming down post Budget and India-US trade deal and volatility index NSE's India VIX fell further by 0.69 per cent to 12.17.

"Indian equities saw consolidation, as weakness was followed by a sharp rally in recent sessions driven by optimism around the US–India trade deal, suggesting profit booking was at play. Global cues added further pressure, with concerns over a broad-based tech sell-off in international markets and heightened US–Iran tensions leading to risk-off sentiment. Metals and small-cap stocks were key underperformers, while broader indices reflected cautious trading," said Vinod Nair, head-Research, Geojit Investments.

"The current phase appears to be a healthy cool down after the sharp gap-up of Tuesday, and the next momentum trigger is likely post the RBI policy announcement," said Rajesh Bhosale, technical analyst, Angel One.

All IT stocks in NSE's Nifty IT index closed with loss on caution as California-based artificial intelligence company Anthropic's AI plugins created a panic among service-focused IT companies. Nifty IT index closed 0.56 per cent lower with top loser being Infosys (-1.03 per cent), Oracle Financial Services (-1.03 per cent) and Mphasis (-1.7 per cent).

Barring Nifty healthcare and PSU bank, all other sectoral indices fell led by Nifty metal (-1.02 per cent), auto (-0.58 per cent), consumer durables (-0.82 per cent) and realty (-0.58 per cent).

Meanwhile, foreign portfolio investors were net sellers of equities worth ₹2150.51 crore while domestic institutions were net buyers by ₹1129.82 crore.

MIXED SIGNALS

MARKET volatility comes down post Budget and India-US trade deal.

ALL IT STOCKS in NSE's Nifty IT index close with loss on caution Anthropic's AI plugins created a panic among service-focused IT companies.

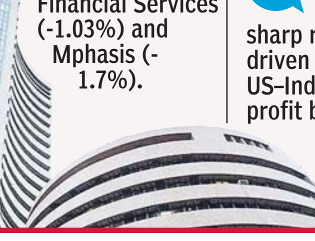
GLOBAL CUES add pressure, with concerns over tech sell-off in international markets.

NIFTY IT index closes 0.56% lower with top losers being Infosys (-1.03%), Oracle Financial Services (-1.03%) and Mphasis (-1.7%).

FPIs SELL equities worth ₹2,150.51 cr while domestic institutions buy equities worth ₹1,129.82 crore.

INDIAN EQUITIES saw consolidation, as weakness was followed by a sharp rally in recent sessions driven by optimism around the US–India trade deal, suggesting profit booking was at play.

— **VINOD NAIR,** *Head-Research, Geojit Investments*



Silver declines ₹30,000 a kg, gold dives ₹3,600 per 10 gm

SANGEETHA G.
CHENNAI, FEB. 5

After rebounding on Wednesday, gold and silver prices once again tumbled on Thursday. While gold lost ₹3,600 per 10 gm in the domestic spot market, silver made a bigger correction of ₹30,000 per kg. Silver ETFs too declined around 12 per cent after the metal prices fell.

In the international gold prices fell 4.65 per cent of $234 per ounce to $4789 and silver declined more by 18.6 per cent to $73.57 per ounce.

In the Multi Commodity Exchange, the correction was milder. Gold dropped down by 3.75 per cent to ₹1,48,455 per 10 gm and silver fell 7.39 per cent to ₹2,39,000 per kg.

The Delhi spot market, gold shed ₹3,600 per 10 gm to ₹1,61,400 and silver lost ₹30,000 per kg while falling to ₹2,68,000.

Both gold and silver ETFs recorded drop in prices on Thursday, while gold ETFs fell around 5 per cent, the fall was steeper around 12 per cent in silver ETFs.

Both gold and silver almost erased their two-day rebound as the US dollar strengthened on Friday, supported by signals from the Federal Reserve that interest rate cuts may come more slowly than markets once hoped. Sentiment was further weighed by Kevin Warsh's nomination as Fed chair, seen as favouring tighter policy.

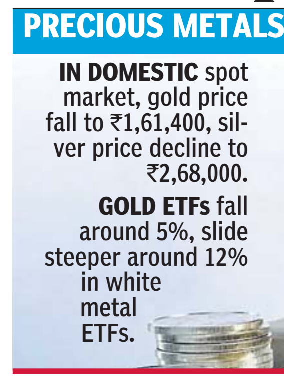
Meanwhile, signs of easing geopolitical tensions between the United States and Iran trimmed safe-haven appeal, said Kedia Commodities.

Further, mixed data from the US showed weaker jobs growth but stronger services activity.

Meanwhile, UBS analysts, in a report, said that gold's rally was far from over, and prices could average $5,200 an ounce by mid-2026. There could be some short-term consolidation in prices with consolidation between $4,500 and 4,800/oz in the coming days due to volatility from margin calls.

However, UBS warned that silver is likely to stay volatile after its recent rally and the steep correction that followed.

PRECIOUS METALS



IN DOMESTIC spot market, gold price fall to ₹1,61,400, silver price decline to ₹2,68,000.

GOLD ETFs fall around 5%, slide steeper around 12% in white metal ETFs.

IN GLOBAL MARKETS, gold prices fall 4.65% of $234 per ounce to $4,789, silver declines more by 18.6% to $73.57 per ounce.

IN MCX, yellow metal down by 3.75% to Rs 1.48 lakh per 10 gm, silver falls 7.39% to ₹2.39 lakh per kg.

LOGISTICS NEEDS 47 L PEOPLE BY 2030, SAYS SKILL COUNCIL

New Delhi, Feb. 5: India's logistics sector would need 47 lakh people by 2030, and the country needs major skilling reforms and a digital workforce to fill those vacant positions, a top official of the logistics sector skill council said on Thursday.

The logistics industry saw strong hiring activity in 2025, with reports of 10.8 per cent net employment growth in the second half of the year, indicating that many roles are indeed being filled as the industry expands, it said.

"The sector will need 47 lakh additional logistics workers by 2030 due to growth in freight, warehousing, transportation, and supply chain functions. To address the growing demand, we need major skilling reforms and digital workforce creation," said Ravikanth Yamarthy, chief executive officer, Logistics Sector Skill Council. — *PTI*

LIC sees Q3 net rise to ₹12,958 cr

FALAKNAAZ SYED
MUMBAI, FEB. 5

Public sector behemoth Life Insurance Corporation of India (LIC) has reported a net profit of ₹12,958 cr for the Dec. quarter, up 17 per cent from ₹11,056 cr in the year-ago period.

The net premium income for quarter stood at ₹1.25 lakh crore, compared with ₹1.06 lakh crore in Q3 FY25. The total income improved to ₹2,33,984 cr compared to ₹2,01,994 crore in the same period a year ago.

Income from investment rose to ₹1,07,608 crore from ₹94,336 crore in the same quarter a year ago.

The insurer has for now shelved its plan to acquire a stake in a pure health insurance company.

"There was a plan that we should be making a foray as a strategic investor in a standalone health insurance company to understand the market. But as we are evaluating the options, we find that it is not the kind of thing that is going to be immediately required," R Doraiswamy, managing director and chief executive officer of LIC, said at the press conference.

"As and when we reach a stage where we find an opportunity exists we will look at it," he added.

Meanwhile, LIC, which owns real estate in many prime locations across the country, is looking to leverage these assets valued at ₹45,000 cr to generate better returns for its policyholders. However, it does not intend to monetise them through outright sales.

IOC NET UP 4-FOLD TO ₹12,126 CR ON REFINING MARGIN

New Delhi, Feb. 5: Indian Oil Corporation (IOC) on Thursday reported a more than four-fold surge in its third-quarter net profit, as gains in refining and marketing margins offset weakness in petrochemicals segment.

Its standalone net profit of ₹12,125.86 crore in October-December quarter of FY26 compared with ₹2,873.53 crore earnings in same period a year back, according to exchange filing by the company.

Refining margins surged on low prices of crude oil. Fuel sales also rose 5 per cent to 26.01 million tonnes in the quarter.

Without giving quarterly numbers, IOC said it earned $8.41 on turning every barrel of crude oil into fuels during April-Dec. 2025 against a margin of $3.69 per barrel.

The company accounted for ₹2,414.34 crore in subsidy receipts of LPG.

Its revenue from operations rose to ₹2.31 lakh crore in Q3 of FY26 from ₹2.16 lakh crore in same period a year-ago. — *PTI*

AIRTEL Q3 NET FALLS 55% TO ₹6,630 CR ON HIGHER EXPENSES

New Delhi, Feb. 5: Bharti Airtel on Thursday said its consolidated net profit plunged by about 55 per cent to ₹6,630.5 crore in the third quarter ended December 2025, mainly due to higher network operating costs, statutory fees and employees' expenses.

The company's consolidated profit, attributed to the owners of the parent, was ₹14,781.2 crore in the year-ago period, according to a regulatory filing.

Bharti Airtel clocked a quarterly revenue from operations of ₹53,982 crore, 19.6 per cent higher than ₹45,129.3 crore it posted in year-ago period.

Meanwhile, the telecom's capital expenditure during the reported quarter grew by about 28 per cent to ₹11,787 crore from around ₹9,161 crore in the December 2024 quarter. It's capital expenditure in India grew by 16 per cent to ₹9,249.5 crore from ₹7,979.5 crore. — *PTI*

RBI may keep interest rates unchanged on local, int'l cues

FALAKNAAZ SYED
MUMBAI, FEB. 5

With domestic growth holding up and the external environment turning supportive aided by the US-India trade deal, economists expect the central bank's rate setting panel to keep its benchmark repo rate unchanged at 5.25 per cent on Friday, when the Monetary Policy Committee (MPC) will announce its decision.

It is likely that the MPC will turn its attention towards liquidity management and monetary transmission.

While the RBI's MPC has cut interest rates by 125 basis points since February last year, including a quarter point in December, and injected ₹6.6 lakh crore in the current fiscal as part of open market operations (OMO), bond yields are refusing to budge down.

According to a Emkay report, only 9 per cent of the rate cut transmission is visible in bond yields in this cycle with the 10-year benchmark yield down merely 11 basis points in the cycle compared to 88 per cent in the 2019 cycle of eight months and an average of 83 per cent for the past four easing cycles.

"With GDP growth expected to moderate modestly, but potential growth being supported by sustained public-sector capex and the boost from two major trade agreements, the monetary policy calculus remains finely balanced. A calibrated uptick in retail inflation further limits the case for near-term easing," said Sujan Hajra, chief economist and executive director, Anand Rathi Group, .

"Active management of system liquidity and bond-market spreads will be far more critical than adjustments to the policy rate. No material change in the policy stance is expected at this meeting," added Hajra.

GROWTH MODE

RBI MAY turn towards liquidity management and monetary transmission, analysts expect.

RBI's MPC had cut interest rates by 125 bps since Feb. 2025.

IT PROACTIVELY injected ₹6.6 lakh cr in FY26 as part of open market operations.

BANKS SEEK permission to free up some of cash they have to park with RBI for short-term financial stress requirements.

Centre working to revamp e-way bill framework

New Delhi, Feb. 5: The Centre is engaging with states on revamping the e-way bill framework, which will come up in the next meeting of the GST Council, a source said.

The Economic Survey last week said that the next wave of goods and services tax (GST) reforms could focus on reimagining the e-way bill system as a facilitator of smooth logistics rather than only as a tool for enforcement and control.

The e-way bill reforms would amount to a significant deregulation of the logistics ecosystem, reducing costs and delays for trade while maintaining effective, non-intrusive oversight for tax administration.

"We are working with the states on e-way bill reform and will be placed before the GST Council once the consultations are over," the source said.

The e-way bill proposal will , the source added.

The Survey suggested wider use of e-seals and electronic locking systems, integrated with e-way bills and vehicle-tracking technologies, to ensure secure, end-to-end tracking of consignments without routine stoppages.

State governments would have to be a key partner in the transition to a risk-based, system generated alerts and limiting discretionary checks.

The survey also suggested a policy design with increased reliance on technology-driven compliance models, such as a trusted dealer framework under which taxpayers with a strong compliance record face minimal physical checks.

With GST introduction, check posts across states were abolished, marking a structural reform, improving the free movement of goods and reducing transit delays. The system emerged as an effective digital substitute, enabling online tracking of goods movement. — *PTI*

Bitcoin slumps below $72,000

New York, Feb. 5: Bitcoin tumbled below $70,000 Thursday as negative momentum deepened across cryptocurrencies, driven by vanishing marginal demand and this week's volatility in tech equities along with precious metals.

The token dropped as much as 4.6 per cent to $69,271 in early New York trading, hitting its lowest level since November 2024. The slide is accelerating even as gold and silver retreat from recent highs that had prompted speculative traders to pivot from digital assets.

Bitcoin is down about 45 per cent from its October high, as big buyers like ETFs and digital-asset Treasuries beat a retreat.

"Price action across crypto has been undeniably heavy over the past 24 hours, with Bitcoin acting as the primary drag on broader sentiment," said Joel Kruger, markets strategist at LMAX Group.

The slide has echoes of the one in 2022, when prices retreated sharply from the surge seen during the easy-money era of the pandemic as the US Federal tightened monetary policy. — *Bloomberg*

Range Rover Evoque assembly begins in TN

Mumbai, Feb. 5: Jaguar Land Rover (JLR) will begin assembling Range Rover Evoque at a new factory in Tamil Nadu from February 9, accelerating a shift to relocate production and capture surging domestic demand for luxury cars.

The first vehicle will roll out from parent Tata Motors Passenger Vehicles's Ltd (TMPVL) ₹9,000 crore Panapakkam plant in Tamil Nadu, people familiar with plans said.

The site, expected to become a hub for its premium cars, will eventually absorb more JLR assembly that's currently handled at its Pune plant, the people said. It is designed for an annual capacity of 250,000 vehicles.

The move seeks to centralise JLR's Indian operations in a modern hub closer to ports and suppliers.

TMPVL posted a loss of ₹3,490 crore for the three months through December, versus a profit of ₹5,410 crore a year earlier, it said. Revenue fell 26 per cent to ₹70,110 crore. JLR swung to a pretax loss of £310 million. — *Bloomberg*

NEW | CHOICES

Company seeing AI investments, infra drive growth

Alphabet lines up $185-bn spend

California, Feb. 5: Alphabet outlined an ambitious capital spending plan leveraging its growth to build out data centers and infrastructure needed to lead in the AI age.

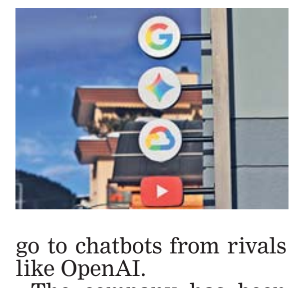
Google's parent company said capital expenditures will reach as much as $185 billion this year, compared with the $119.5 billion analysts expected.

Expected spending for 2026 will total more than what Alphabet spent in three years combined.

But chief executive officer Sundar Pichai reassured investors that costs are necessary. "We're seeing our AI inv-estments and infrastructure drive revenue and growth across the board," he said. "Search saw more usage than ever before, with artificial intelligence (AI) continuing to drive an expansionary moment."

Google Cloud revenue in the recent period jumped 48 per cent to $17.7 billion and Gemini, its AI model, is rapidly reaching new users, Alphabet said.

Google has raced to reinvent its business for the AI age, working to keep consumers in the habit of going to its search page even when they could also go to chatbots from rivals like OpenAI.



The company has been incorporating Gemini 3 in all its products, including its Chrome browser — an effort that has required massive investment in data centers and chips for model improvement and cloud customers.

The company has said its massive investments in AI — funding new infrastructure, research and talent — are essential for competing against rivals.

About 40 per cent of the company's technical infrastructure investments were tied to data centers and networking equipment, while 60 per cent were tied to servers, said Anat Ashkenazi, Google's chief financial officer.

To justify its heavy spending, Alphabet continued to demonstrate momentum in its cloud and search advertising businesses. — *Bloomberg*

The FT View

FINANCIAL TIMES
'Without fear and without favour'
ft.com/opinion

Britain's inequitable student loan system

Graduate discontent is growing over their repayment terms

For Britain's Labour government, student loans threaten to become a political time bomb. Not only are young graduates facing soaring housing, commuting and childcare costs compared with previous generations. They also pay an extra 9 per cent tax above a certain threshold, towards student loan costs — and a three-year threshold freeze in the last Budget will increase the bite this takes out of their pay. The freeze has refocused attention, too, on other inequities of the system, with millions of graduates' repayments failing to keep pace with ballooning interest. Many say loans have become a "tax on ambition".

Worst-hit are an estimated 5mn-plus English students who took out second-generation "Plan 2" loans when starting university from 2012 to 2022. They pay much higher interest — currently up to 6.2 per cent — than pre-2012 "Plan 1" loans, currently 3.2 per cent. Since university tuition fees tripled in 2012, they also had to borrow a lot more. (Welsh, Scottish, and Northern Irish graduates face less onerous terms.)

Both groups pay 9 per cent extra marginal tax to repay their loans, but Plan 2 borrowers' higher debt means this takes far longer. And the loan rate means two-thirds of repayers are piling up interest faster than they can pay it off; in the last tax year, £15.2bn of interest was added to loans, but only £5bn repaid. Borrowers must earn £66,000 a year before they start paying off any of the principal, says the Institute for Fiscal Studies.

Since the government writes off unpaid Plan 2 loans after 30 years, bad debts are ultimately the government's problem. But nearly three-quarters of final Plan 2 graduates are forecast never to repay their debt in full, so repayments become an almost career-long "graduate tax".

Introducing a "real" interest rate in 2012 was intended to make the system more progressive, and collect more interest from higher-paid graduates. But the better-off can still repay loans faster than others and so shrink the cost. Middle earners end up paying the most. Labour's freeze on the salary thresholds at which repayments start — and at which higher interest rates kick in — will only compound these issues. While this government is not the first to impose freezes, critics suggest this is a material change to loan contracts that commercial lenders couldn't get away with.

Those in their 20s and 30s are often unfairly portrayed as over-entitled "snowflakes". Most are as keen as earlier cohorts to work, prosper and contribute, but face daunting cost hurdles. Years of freezes on income tax thresholds also mean they hit higher rates more quickly. FT reporting suggests some now question whether it is worth accepting higher-paid positions with more pressure or longer hours.

> Reversing the threshold freeze would at least show that the government is listening, but would be another embarrassing budgetary U-turn

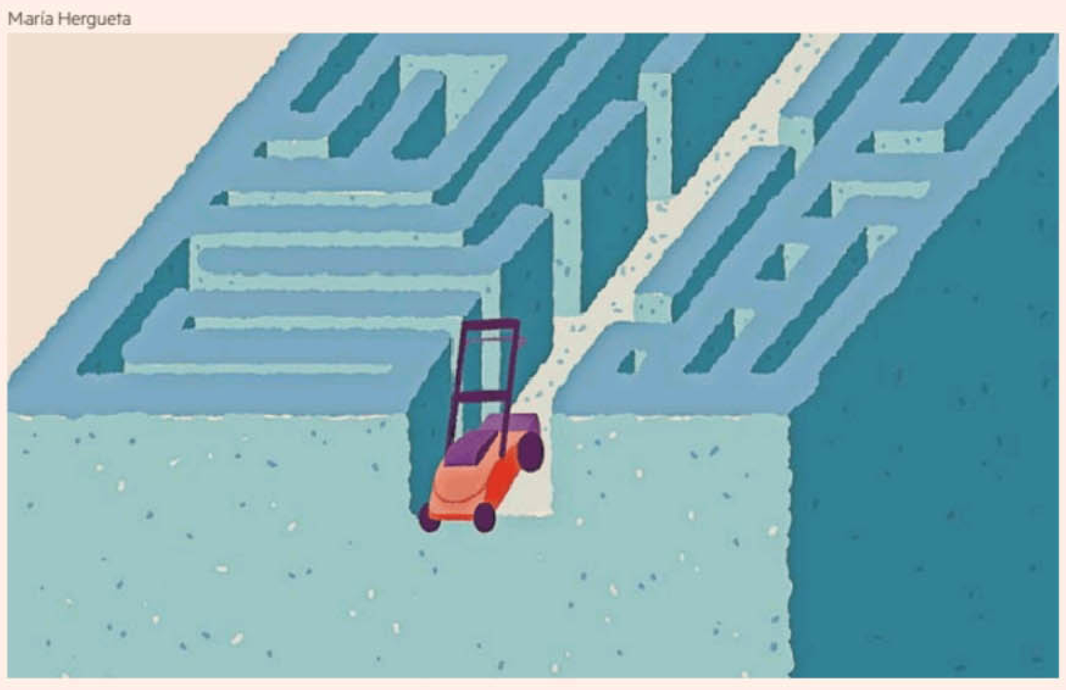
Reversing the threshold freeze would at least show graduates the government is listening, but would be another embarrassing budgetary U-turn. Beyond that, there are no easy options to unpick Plan 2 loans. Cutting the repayment rate, as a growing graduate campaign wants, or the interest rate (post-2023 loans reverted to RPI as the interest rate, but with a 40-year repayment period) would ease the burden on graduates. The government would face a backlash elsewhere if resulting costs had to be picked up by non-graduate taxpayers. It should not, though, underestimate the anger of young professional voters hit by yet more costly changes to loan repayments.

With universities making a loss on teaching domestic graduates, and almost half of universities in England facing deficits this year, student loans need to be reviewed as part of a much broader, and urgent, rethink of how UK universities are funded.

Opinion Society

The beauty of friction that lets us feel the world

María Hergueta



Guru Madhavan

GLP-1 drugs and GPT models share an unsettling kinship. Each promises to dissolve friction so thoroughly that we forget it was ever there. One rewires how the body registers hunger; the other turns inklings into instant expertise. Both reveal how reflexively we welcome the removal of resistance and how rarely we ask which kinds deserve to stay.

In the history of friction-removal, physical toil fell first. Washing machines erased scrubbing while plumbing and thermostats ended the hauling of water and tending of fire. Then came bureaucratic easing: e-filing, direct deposit, money transfers and online flight check-in all swept away the drags that breed inefficiency.

Next, distance and delay. GPS made it nearly impossible to get lost and one-click online ordering eclipsed errands. Streaming put an end to trips to the video store and then the store itself. Remember dot-matrix printers? The clatter as each line crawled across the page, leaving behind an embossed texture, the perforated edges you tore off and the ribbon you changed when it faded. Inkjets and lasers made them obsolete. PDFs came next, and then chatbots, which make even reading the PDF optional. Each advance made the tasks simpler, then pointless, then delegable.

> Decades of simplification have conditioned us to treat drag, distance and delay as defects

But removing resistance comes with its own risks. In aviation, when fly-by-wire control systems replaced mechanical linkages with electronic ones, controls became smooth — too smooth. The haptic cues that pilots relied on faded. Engineers had to add stick shakers to mimic the tremor that once warned of a stall — sensations that pilots intuitively grasped.

Power steering in automobiles created the same sort of void — controls that felt effortless yet detached until designers restored a hint of pressure to help drivers feel traction. In both cases, tools extended skill rather than displaced it. Fake feedback only works when it builds on real experience.

Engineers use damping, or calibrated resistance, to prevent overshoot, slowing change just enough for corrective feedback to take hold. Banish it and the system cannot adjust, swapping stability for speed. In education, regular tests slow down the pace of learning in order to make it stick. Even eating depends on rate-limiting pauses that let the body sense fullness, giving time to catch up with desire.

Medicine, too, faced a similar dilemma with anaesthesia. Pain serves as the body's sentinel, and its complete suppression invites dangerous complications. Clinicians have learnt to balance relieving agony with retaining protective reflexes, proof that some frictions deserve extinction while others demand preservation.

Decades of simplification have conditioned us to treat drag, distance and delay as defects. Yet some frictions sharpen purpose instead of stalling it. Our rapid embrace of weight-loss drugs and AI assistants shows how instinctive that impulse has become.

GLP-1 and GPT go deeper, softening constraints that are embedded in the human experience. Hunger is more than an inconvenience; when it works as intended it marks the line between enough and excess. Wrestling thought into text does the same, forcing us to distil vagueness into meaning.

Used wisely, both GLP-1s and GPTs can expand human capacity, and for many they bring real relief. GLP-1 drugs help those with metabolic disorders, reshaping hunger along with relationships with food, body image, self-worth and identity. But they override existing signals. And GPT models lower the barrier to eloquence and expertise, although they may also erode confidence in our own thinking. Both raise the same question: are they shedding a burden or dulling instructive feedback?

Good engineering removes friction that impedes and conserves friction that informs. We often miss that nuance. We expect everything to work and when effortless controls fail we hydroplane, unable to steer even at a safe speed.

This is not a lament for hardship. Something gets lost, however, when we no longer understand, in a tactile, embodied way, how things function or fail. We become more vulnerable than we realise. And when the surface gives way, we may no longer recognise the cracks.

We call this progress. And for the most part, it is. But if friction teaches us how to feel the world, then we should also ask what else we might be smoothing out of reach.

The writer is a systems engineer and author of 'Wicked Problems: How to Engineer a Better World'

Letters

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How US households subsidise the AI data centre boom

The optimism of Scott Strazik, the GE Vernova chief executive, regarding the data centre build-out ("GE Vernova thinks data centres could lower utility bills — eventually", Report, January 29) overlooks a fundamental reality of US power markets: gas remains the marginal price setter for electricity.

By tethering the US grid to a massive "petrotech" expansion of gas-fired power to meet AI demand — a nearly 50 per cent increase in current capacity if all projects go ahead — we aren't lowering costs, we're importing systemic volatility into every American household's utility bill.

If gas power is overbuilt to meet AI demand that does not materialise, then consumers will ultimately end up carrying the can.

As AI drives a record surge in domestic gas demand, it will compete directly with the US push to increase liquefied natural gas exports. This "double-pull" on supply — exporting it abroad while increasing domestic use for AI — will inevitably exert upward pressure on domestic gas prices. In fact, the Energy Information Administration, which compiles official energy statistics for the US government, is already forecasting a 33 per cent price surge by 2027.

Furthermore, GE Vernova's own 21 per cent spike in turbine costs proves that the AI boom is inflating the capital cost of the grid itself. We are building out a 30-year dependency on a volatile commodity at the exact moment its capital costs are peaking.

The "petrotech" build-out may offer a short-term power fix for Big Tech that socialises the risk and privatises the profits. Instead of "averaging out" costs, this build-out forces the public to subsidise the infrastructure for a private AI boom while remaining hostage to volatile gas markets.

Jenny Martos
Project Manager, Global Oil and Gas Plant Tracker, Global Energy Monitor
Richmond, VA, US

Plea for transatlantic ties, not technological autarky

France's decision to require public officials to abandon Zoom and Microsoft Teams in favour of the domestic Visio platform reflects a broader European push for "digital sovereignty", a concept that increasingly appears to mean non-American technology. But the policy risks entrenching distrust among close allies, accelerating the fragmentation of the west's digital ecosystem ("France pushes state workers away from Zoom as Europe eyes tech decoupling", Report, FT.com, January 31).

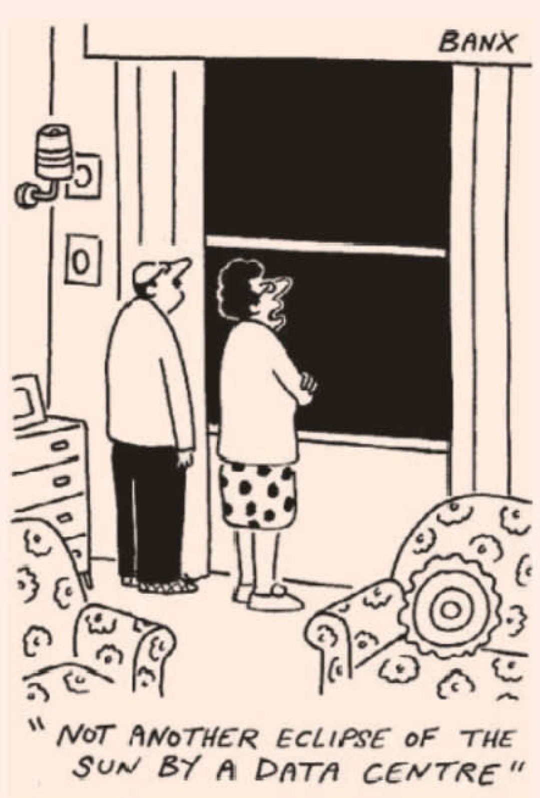
The logic is also internally inconsistent. Visio is hosted by Outscale, a subsidiary of Dassault Systèmes, which has substantial US operations and commercial ties. That leaves it at least theoretically exposed to the same extraterritorial legal reach of the US Cloud Act that France claims to be avoiding. Substituting one provider for another does little to resolve the underlying legal tensions — and may simply obscure them.

More broadly, treating allied legal systems as inherently untrustworthy weakens the foundations of transatlantic co-operation. The west's advantage has never been technological autarky but dense integration: shared markets, interoperable systems, and common legal norms that reduce friction and build resilience. Replicating commoditised collaboration tools at the national level does not enhance security; it dissipates scale and undermines that integration.

If "sovereignty" comes to mean excluding allied companies rather than strengthening shared rules and safeguards, it risks becoming a rationale for western decoupling rather than collective strength.

China, busily building its own digital challengers, would be the principal beneficiary.

Daniel Castro
Director, Center for Data Innovation, Washington, DC, US



What those early blooming daffodils really tell us

Regarding David Ross's letter "January is the start of a wave of riotous nature" (January 30), in which he says "the evenings are noticeably brighter, the daffodils are thrusting up, and there are thrilling intimations of the dawn chorus", unfortunately daffodils blooming in January is not a cause for celebration. They are meant to arrive in March. It is a sign of the confusion roiling our flora and fauna due to climate change.

Raj Parkash
London W4, UK

Tory Brexit negotiator on the Labour reset

Labour's Nick Thomas-Symonds, Britain's chief EU negotiator, mocks those who want a "proper Brexit" (Opinion, February 3). Not surprisingly he is trying to distract attention from his own actions, because what he is doing is not improving but gradually reversing Brexit.

Far from being a new trade deal, his "reset" with the EU constitutes the partial re-entry to the EU's single market, in defiance of his own party's manifesto, applying EU laws without any say in them, and paying for the privilege too — a point that goes oddly unmentioned in his guest column.

The government's efforts would be better expended on using the benefits of British national independence, while we still have it, to deregulate and improve the business environment here in the UK. Such action would do far more to help the benighted British economy than surreptitiously binding ourselves once more, bit by bit, to the slow-growth EU.

Lord (David) Frost
House of Lords, London SW1, UK

OUTLOOK

ITALY

The angelic Meloni behind a fresco fiasco

by Amy Kazmin

Just a stone's throw from Italy's parliament stands the Basilica of San Lorenzo in Lucina, one of Rome's oldest churches and home to art by the 17th-century Baroque masters Gian Lorenzo Bernini and Guido Reni.

In recent days, though, the visitors streaming inside are not there to admire the historic paintings and sculptures but to gawk at a newer fresco: an angel with the unmistakable face of Prime Minister Giorgia Meloni.

It was originally painted in 2000 in a chapel dedicated to the memory of Italy's last king, Umberto II. At the time, the angel — holding a map of Italy — looked like an ordinary cherub.

But the fresco emerged from a recent renovation with a distinctive new visage, though it escaped the notice of locals and tourists alike until La Repubblica newspaper revealed the resemblance last weekend, unleashing a national uproar.

"The deification of the sovereign was widespread in antiquity, legitimising absolute earthly power," former Forza Italia lawmaker Elio Vito fulminated on X. "This is not a joke; it is a sign of the dark times." The opposition Democratic Party demanded an investigation, calling the fresco "unacceptable".

Monsignor Daniele Micheletti, the parish priest, says he was unaware of what the painter had done while renovating the water damaged chapel, but admitted he was pleased with the surge in visitors.

"I see nothing wrong with it," the cleric told reporters. "If the church is bringing together people who don't usually come to the basilica and getting them to pray, I'm happy."

The self-taught restorer, Bruno Valentinetti, 83, was ambiguous about whether he intended to paint Meloni or not. He insisted he merely refreshed the original fresco, but also said he was free to paint who he wanted — just as Caravaggio tucked his own self-portrait among the characters portrayed in his biblical scenes.

Sharing the image on social media last weekend, Meloni, an avid collector of angel figurines, commented, "no, I definitely don't look like an angel." But the curious visitors who streamed into the church had little doubt.

"The face is her face," said Marco Musso, 27. "It seems like something done on purpose." His father, Francesco, a retired police officer, expressed dismay. "It's not a good image for Italians," the elder Musso said. "She should stick to politics."

The Catholic Church was not amused. "Images of sacred art and Christian tradition cannot be misused or exploited as they are intended exclusively to support liturgical life and personal and community prayer," said Cardinal Baldo Reina, Pope Leo's vicar for Rome.

Depicting rich, powerful individuals in Catholic art is a long-standing tradition in Italy. Renaissance artists like Giotto painted their patrons in works financed by the Church.

"Places of worship were the privileged spaces where governors, princes and kings had their images entered into sacred history," says art historian Jacopo Veneziani, a professor at Milan's IULM University. "It was an effective way of legitimising power by placing it in a religious context."

More recently, fascist dictator Benito Mussolini was depicted as a peasant, bundling wheat behind the Virgin Mary, in a mosaic on a church exterior in Sabaudia, the beach town he founded in the 1930s.

Today, politicians are fixated on social media, which is why Veneziani believes Meloni's depiction as an angel sparked such a furore. "We are no longer used to seeing the faces of power appear in a sacred space," he said.

With the growing crowds threatening to overwhelm the solemnity of church, Valentinetti late on Tuesday night bowed to pressure from the Vatican and covered the angel's face with white paint.

Andrea Mammone, a professor at Sapienza University, said the Catholic Church had to insist that Meloni's face be scrubbed — lest it become a magnet for her zealous supporters.

"The church had to do something to avoid this becoming a sort of cult site for political activists," he said. "You need to separate religion and politics as much as possible."

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Opinion

Absolutely everyone is peddling an AI application

BUSINESS
Brooke Masters

Anyone in doubt about the widening impact of AI on US companies should try taking my commute.

The subway line that stops near the FT's New York office is plastered with adverts from a trading software group warning that it is "not smart" to use "the same AI for pizza recipes and your portfolio".

At my suburban commuter train station, the pitch is more obscure. "Get through a VDR faster than the conductor can say Ardsley-on-Hudson," a billboard promises, adding in smaller type: "AI for M&A."

A web search made clear that the campaign is promoting software that combs through pre-merger documents in a virtual data room. But I find it hard to believe that many travellers would care enough to check.

Colleagues who attended the World Economic Forum in Davos report that the scale of AI-related advertising there was, if anything, even more overwhelming. Technology providers were lining up to impress the corporate and policymaking elite with their progress in harnessing the world's hottest innovation.

The drivers of this deluge of marketing are clear. Big companies are under pressure to show results from AI after several years of corporate happy talk that has been long on enthusiasm but short on practical details. Despite widespread rollouts of large language models and thousands of pilot projects, 95 per cent of enterprises could show no positive financial impact last year, according to an MIT study.

Most companies are still struggling to move beyond the basics, such as using large language models to help write marketing materials and employing AI customer service chatbots.

Yet enthusiasts, including many chief executives, have been promising that 2026 will be the year that the technology "grows up" and proves its worth. In a recent Boston Consulting Group survey of global CEOs, 90 per cent expected to see a measurable return on their AI investment in 2026 and 62 per cent were confident the technology would pay off.

Tellingly, the surveyed companies planned to double AI spending as a share of revenue and half of the CEOs told BCG that they believed that their job stability rested on getting AI right.

> Big marketing campaigns by start-ups are trying to land customers before the funding starts to run out

That creates a very fertile market for AI groups, which can claim a specialist ability, whether it is automating an asset manager's trade reporting or speeding drug development. Those that can trade on a known expertise are particularly attractive at a time when companies are still casting about for ways to harness the technology to spur productivity gains or bring in new revenue.

The London Stock Exchange Group, for example, is offering clients an AI-based product that lets them design and run complicated financial analysis that once would have required much more in-house computing and tech support.

"It democratises the ability to do sophisticated analytics and modelling. You can be a small hedge fund and do some very cool things. You don't have to be a giant institution to get access," explains CEO David Schwimmer. If the tools catch on and work, client hedge funds will see trading gains, and LSEG will prosper not only from selling the tools but also the additional data needed to plug into them.

But the window of opportunity could be a narrow one. Corporate customers are shopping around now, but once they find an AI application that they like, it will be that much harder to shift them to a rival service. Competition is rising as the biggest AI groups and existing software giants, such as Salesforce and SAP, race to create their own speciality offerings. Anthropic sent shares in LSEG and other data firms tumbling on Tuesday by launching a suite of AI productivity tools that help automate legal work.

Hence the massive marketing campaigns by start-ups trying to land a few choice customers before the funding starts to run out.

There is much talk about an AI bubble and how and when it might pop. So far the worry has been focused on the companies that are pouring hundreds of billions of dollars into the infrastructure needed to support the technology. Meta shares took a brutal dive last autumn, and Microsoft's shares dropped more than 10 per cent last week after it announced that data centre spending had surged 66 per cent.

Microsoft CEO Satya Nadella has warned that the tech infrastructure spending boom risks becoming a bubble unless the benefits from AI usage spread beyond the usual Big Tech suspects. My commute suggests that all manner of companies are trying to make that happen, with what feels like increasing desperation. If they fail, the fallout could be far wider than anyone expects.

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Britain can't ignore China and Europe

Carl Godfrey

POLITICS
Janan Ganesh

Sir Keir Starmer's visit to China last week was the first by a British prime minister for eight years. His attendance at a gathering of EU leaders this week is the first since Brexit. When Rachel Reeves went to the Gulf last autumn, no chancellor of the exchequer had been for six years.

So, just to run through those destinations again: the world's second-largest economy, the largest cross-national single market and a region that accounts for some 40 per cent of all sovereign investment globally. Perhaps the predecessors of Starmer and Reeves had more pressing engagements elsewhere.

Slowly, gingerly, Britain is coming out of a decade of sulking in its room. Whatever his fumblings in the domestic scene, Starmer is the first prime minister since David Cameron to understand the nation's place in the world, which is that of a mid-sized actor in need of friends — or at least partners of convenience.

Meanwhile, the Conservative leader Kemi Badenoch would not visit China "at this time". (Shall we leave it a full decade, then? That will teach them.) She did not just oppose but also marched against the new embassy of the People's Republic that is to go up near the Tower of London. If this animus were balanced with a warming towards Europe, the overall thing might hang together as geostrategy, but the Tories do not like the EU either.

So this, as far as it can be made out, is the international posture of the British right: no to Europe, no to China, yes to America but increasingly coyly so, because no one wants to suffer the electoral fate of Canada's Pierre Poilievre or Australia's Peter Dutton, both of whom were tainted by association with Donald Trump. As for trade with India, the right is caught between excitement at the opportunities and foot-dragging on behalf of "British workers".

Which country do the Tories think they live in? If it is a superpower with a GDP in the tens of trillions of dollars, this extreme pickiness about which bits of the world to engage with would make sense. But rumours persist that it is an archipelago of 70mn-ish people whose global clout peaked a century ago.

Badenoch, the exact inverse of Starmer, is showing promise on the home front. She is an improved parliamentarian. While the Tories are stuck in voting-intention polls, the underlying data is turning. The party has become the most trusted on the economy. A big plurality of voters now say the government taxes and spends too much. She has "lost" colleagues to Nigel Farage's Reform UK but only in the sense that someone loses gallstones: the party will be better for the short-term ache.

What has not improved at all, not matured an iota, is Conservative foreign policy. For a sense of its weirdness, consider what peer nations are doing. Friedrich Merz is expected to visit China soon, despite Germany having to make up much less diplomatic ground there than Britain does. (Olaf Scholz had been twice and bilateral trade is huge.) Mark Carney went last month and Emmanuel Macron the month before. Was Starmer seriously meant to not go? Britain has real security concerns, but what threats does it face that other north Atlantic democracies have decided are manageable? If the issue is ethical — human rights and so on — what did a near-decade of estrangement from China achieve on that front? Are the absolute monarchies of the Gulf going to be shunned?

> Most countries will have to approach foreign affairs through a kind of strategic promiscuity

With which democratic allies, if not the ones right across the Channel, should the UK seek strength in numbers against autocracies?

The coming world, if it is to be one of several big powers rather than just the US, is scary but also mentally clarifying. Most countries will have to take essentially the same approach to foreign affairs, which is a kind of strategic promiscuity. Maintaining different relationships, consolidating none in particular: governments from Canada to Vietnam are going to have to play the roué. Starmer's recent overtures to Europe and China are just the start — which is why he has so little to show for them — and the Tories are already scandalised. Their alternative? A monogamous love of the US that even then dare not speak its name, at least not while Trump is around to put off British voters.

This isn't tenable. Yet the conservative movement is boxed in on all sides. It committed to a worldview a decade ago, when the planet was pro-trade, the US was friendly and Europe at peace, and now does not know what to do. The British right cannot seek closer economic integration with its own continent without admitting that Brexit was a stinker of an idea. It cannot defrost the relationship with China without upsetting its own side. It cannot get much tighter to Trump without needling the public. Which leaves what? Getting on really well with New Zealand is not a foreign policy. I fear the Tories are just months away from falling back on that old recourse, that sure sign of conservative intellectual exhaustion through the decades: a pledge to strengthen the Commonwealth.

Starmer is said to prefer the dignity of foreign trips to the hard work at home. Good. Given the state of some of Britain's key relationships after almost a decade of self-defeating aloofness and unearned hauteur, a prime minister who was not touring the world right now would be derelict in their duties. "Never here Keir"? When those who fling that insult understand that it is high praise, they might be worth electing.

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China has seized Sony's television halo

COMPANIES
John Gapper

When Sony announced last month that it intended to pass control of its home entertainment division, including the Bravia television brand, to the Chinese group TCL Electronics, it came as a shock. How could Sony, famed for its sleek, expensive devices, play second fiddle to a Chinese brand?

The question can be asked the other way round: when did TCL, which was founded 45 years ago as an audio tape manufacturer in Guangdong province, turn into a credible joint venture partner for Sony? Along with Hisense, it has established a pretty good reputation for making budget LCD televisions, but Bravia's high-end halo has been in place for two decades.

The answer lies in the longevity of reputations. It takes time to build brands and perception often outlives business reality. Sony still produces high-quality televisions, but it no longer makes key parts itself. It was long ago overtaken in sales by South Korea's Samsung and LG, and now has only 2 per cent of the global market.

The television industry is a lens to view what has happened to global manufacturing. First, Sony and other Japanese brands took the lead from US companies led by RCA in the 1980s, then the lead passed to South Korea. The planned Sony-TCL joint venture coincides with another turning point: TCL is now close to overtaking Samsung as the world's largest maker.

The striking thing about Sony's plan to put its television and home audio brands into a joint venture in which TCL would hold a 51 per cent stake is that it had little choice but to adapt. Technological change and the sheer scale of Chinese manufacturing have changed the world: a television of the same quality as in Sony's heyday would cost a fraction of the price now.

Sony still has valuable intellectual property, including expertise in rendering images. But televisions are not like iPhones: it is hard to maintain leadership of the industry without producing the components that go into them, notably their flat panel screens. Those are mostly now made by Chinese companies including TCL Technology, which is part of the group.

"Historically, the company that makes the panels ends up being the industry leader," says Robert O'Brien, display research director of Counterpoint Research. Television history is being made again: Chinese makers supplied 71 per cent of television panels made in Asia last year, according to TCL. Less than 10 per cent of them are now made in Japan and Korea.

> It is hard to maintain leadership of the industry without producing the components TVs need

This puts TCL in a similar spot to Samsung two decades ago: a company known for making components for others, which climbed the value chain and created its own consumer brand. TCL has been spending heavily on marketing to elevate its own image, mounting a grand display at last month's CES trade show in Las Vegas and sponsoring the Winter Olympics.

TCL is betting that size matters, using its capacity in flat panel production to produce a 98-inch home theatre television that retails for $10,000. It has also invested in technology, making steady improvements to its LCD screens. The Mini-LED technology it launched in 2018 is close to challenging the high-end OLED televisions on which Sony and LG have focused.

But Sony's halo still glows. It is very difficult to build a brand and the joint venture offers a shortcut. Even if a Bravia television were wholly made by TCL — as Sony's OLED screens are supplied by Samsung and LG — it would feel different. The brand resonates, although some of its substance is historic.

This moment has been a long time coming for Sony. It stopped making its own LCD screens in 2011, and has been shifting its consumer electronics division away from selling televisions and smartphones. It sees a more profitable future in premium cameras and audio, and higher margins in selling to professional users rather than competing in the mass market.

That partly reflects harsh reality: Sony's former strength in consumer electronics has eroded as South Korean and Chinese hardware makers have grown, leaving PlayStation as its strongest device. But there is also a strategy there. It has diversified into film, television, music and games, where intellectual property is less in danger of being beaten by China's scale.

The big story in television, as in other manufacturing industries, is the rise of China. Sony has conceded it and Samsung faces a fight not to go the same way in future. TCL's brand does not yet match its size, and it still needs Bravia to add a halo. One day, China's television champion will have its own.

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Are UK consumers rediscovering their mojo?

ECONOMICS
Chris Giles

As Britain's Labour government stumbles from one political crisis to another, the economic mood has been brightening. Business sentiment surveys are trending up, consumer confidence is emerging from a trough, job vacancies are no longer declining, GDP growth in November exceeded expectations and both retail sales and the public finances performed strongly in December. These individual data points come at a time when household debt has fallen to its lowest point for over two decades and there was reasonable productivity growth in 2025.

I do not want to puncture the brighter mood, but many of the signs of encouraging economic data are just monthly movements in volatile series. To secure a strong and durable recovery, the prerequisite is healthier consumption since it accounts for roughly 60 per cent of GDP. It has fallen 15 per cent below the subdued trend it was on in the 2010s. While spending growth has stagnated, real incomes have risen modestly since the pandemic, leaving the rate of household saving close to 10 per cent late last year, a level rarely seen in the UK this century outside recessions.

As Catherine Mann, external member of the Bank of England's Monetary Policy Committee, has documented, other countries have not had similarly depressed consumption patterns. Yet, the economics profession contains many competing theories for why people are so reluctant to spend.

> There are many competing theories for why people are so reluctant to spend

Mann emphasised the scarring nature of the post-pandemic inflation shock. In October, she called for interest rates to stay higher for longer to ensure inflation was firmly brought under control. "Then, households can return to their normal consumption-savings behaviour," she said. There is evidence to support her argument, but high and volatile post-Covid inflation was far from just a UK phenomenon, so the British savings response is not adequately explained.

An alternative theory is that higher interest rates themselves encouraged saving rather than spending. Again, this story does not quite account for the UK being an outlier. There are many explanations. Younger people are having to save more to finance homes that have become less affordable with higher mortgage rates. Interest income has gone mostly to older people, who have higher savings and less responsive consumption. And the overriding public narrative about the UK economy has been relentlessly negative.

The important thing is to note that none of these theories is mutually exclusive. They have all probably contributed to higher savings rates.

When you ask people, as the BoE has, they have many different reasons for saving more. The top answers were that they wanted to rebuild savings at a time when they had greater worries about future emergencies, they were saving for a deposit or another big purchase, they had higher incomes and they enjoyed higher rates of interest. In GfK's consumer confidence index, households have been consistently far more positive about their own finances than the general economic situation, highlighting the likely influence of the national mood on spending.

The good news is that most of the competing causes of high UK savings are falling away. Time is the great healer of post-pandemic inflation scars and today, the BoE will forecast price rises coming back to its 2 per cent target this spring. Interest rates have fallen and the BoE thinks the peak impact of tighter monetary policy is now in the past. The Financial Conduct Authority also loosened restrictions on mortgages and lenders are responding. And as the MPC becomes confident it has beaten inflation, it will reduce rates further.

The national mood has not quite changed. But so long as the UK economy manages to survive 2026 without a new crisis, we should expect British consumers to rediscover their mojo.

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EDITORIALS

Tribune endorsements for Congress in 13th, 14th, 15th, 17th districts

The Tribune Editorial Board is endorsing candidates on both the Democratic and Republican sides of contested primary races for the U.S. Congress throughout Illinois. This is Part Four.

13th District

Before Illinois' new political maps came out in 2021, District 13 was represented by a Republican — Rodney Davis — who held the seat for a decade until the new map cut him out of District 13. Now, the district has a Democratic tilt. It's a mix of rural areas and college towns, making its politics diverse, and Democrats who want to win here must remember this is a somewhat competitive district.

Incumbent Nikki Budzinski is running against Dylan Blaha, 31, in the Democratic primary. Blaha, an army veteran, is running a progressive campaign well to the left of his opponent.

Budzinski is the more pragmatic Democrat. She has shown a willingness to work across the aisle during her tenure in Washington, which goes a long way with this board and, we imagine, with her constituents. We appreciate, for example, her bipartisan efforts to increase access to apprenticeships and skills training.

We agree with Blaha on the importance of the balance of power in our government and his skepticism of executive overreach. But he seems to mistake government expansion for reform, assuming bigger systems will work better simply because they are, well, bigger.

Budzinski, 48, is endorsed in the Democratic primary.

Republican challengers in this district face the same difficulty statewide that Republicans face in general, namely, the need to appeal to the base to win primaries and the need to appeal to moderates to win the general. It's a tall order, but such is the reality.

Republican Joshua Loyd, a 28-year-old West Point graduate, is vying for another chance to do that after losing to Budzinski in 2024. To earn a rematch, he'll have to defeat Jeff Wilson, a Republican running on a populist Republican platform.

Wilson, 61, is a Navy veteran and serves on the Champaign County Board, which will give him name recognition among voters. While he is campaigning on a promise of fiscal restraint, which we like, he has clearly aligned himself with Trump's agenda, casting doubt on his ability to operate as an independent-minded representative. Loyd presents a more commonsense approach to a wide range of issues while also maintaining support for principles of limited government and free enterprise. He received our endorsement in 2024, and we continue to view him as the best choice today.

Loyd is endorsed in the Republican primary.

U.S. Rep. Nikki Budzinski, 13th, speaks during a hearing of the House Agriculture Committee about the impact of economic policies on farm country on Feb. 11, 2025, on Capitol Hill in Washington. **BRIAN CASSELLA/CHICAGO TRIBUNE**

14th District

Incumbent U.S. Rep. Lauren Underwood, who is running for reelection without a Democratic opponent this primary season, will face off in the 14th District against either Gary Vician, 71, or James Marter, 63, in the November general election. Whoever gets the Republican nomination has an uphill battle ahead. Marter lost to Underwood in 2024.

This district, which stretches from Lake County west to McHenry County and south into Kane and Kendall counties, includes a potpourri of communities — suburban, ex-urban and rural — and political leanings.

Vician's campaign platform looks good on its face — including a stated commitment to cut taxes and a desire to create a thriving economy. He also lists public service on his résumé, noting that he served as Naperville Township supervisor from 2009-13. Despite multiple attempts to contact him, however, we never reached him, and are left with a lot of unanswered questions about his candidacy. Marter is a former delegate for Donald Trump and has portrayed himself as an unapologetic hardliner who aligns closely with the president on a wide range of issues and has said he has "zero concern for bipartisanship," which does not sit well with us.

The Tribune is not endorsing in this Republican primary race.

15th District

Republican U.S. Rep. Mary Miller has held her seat in Illinois' 15th District since 2021. District 15 is the largest district — geographically — in the state, and covers much of central and downstate Illinois, bisected awkwardly by District 13, stretching across to the eastern and western borders so that it touches Indiana, Iowa and Missouri. It is less ethnically diverse than other parts of the state, is home to an economy that relies heavily on agriculture and has a strong conservative tilt. While District 15 is a safe bet for Republicans, it's also a bellwether we'll be watching to see how the president fares in conservative parts of the state.

Miller ran unopposed in 2024. Now, she is facing primary challenges in Judy Bowlby, 70, and Ryan Tebrugge, 36.

Bowlby clearly understands the district she hopes to represent, with an emphasis on agriculture and a focus on kitchen table economic issues, and worked for decades in health care and government affairs. What really stood out to us is Bowlby's deep desire to build bridges as a means of restoring trust in democracy and faith in institutions. We found her approach, tone and authentic demeanor refreshing and much-needed.

Where Miller walks in lockstep with Trump, Bowlby is more independent-minded and moderate. Tebrugge, a business owner and former law enforcement officer, supports fiscal responsibility and cutting waste, and offered thoughtful opinions on immigration reform. Like Bowlby, he seems to sense the need to cool partisan tensions. We believe Bowlby is best positioned to take on that challenge and has the experience needed to make a difference in Washington.

Bowlby is endorsed in the Republican primary.

Democrats in District 15 necessarily have to be more moderate to compete in the general election, and four — Paul Davis, Kyle Nudo, Randy Raley and Jennifer Todd — are vying to run against a polarizing incumbent.

Davis, 58, a Collinsville veterinarian, describes himself as "fiscally conservative and socially liberal." He told us his point of distinction is his emphasis on finding middle ground, being willing to work across the aisle and coming up with ways to solve nonpartisan issues. His rejection of extreme, divisive and disconnected politics surely will resonate with not just District 15 voters but many Americans elsewhere. He grasps the importance of agriculture to his district. On health care, he is an advocate of Medicare for All, with the ultimate goal of a single-payer system in the U.S. Like every other Democratic candidate in this primary, he supports a tax on unrealized gains, but he also clearly stated his openness to spending cuts and reform. In this field, that sets him apart.

Todd, 56, is a nurse, a single mom, child of a military veteran and a lifelong Illinoisan. Her campaign seems to be rooted in her personal story, and we have no doubt of the sincerity of her motivations. Many of her ideas sound very much like her Democratic peers in the northern part of the state.

Raley, 69, a longtime on-air broadcaster, understands how to make a point, most of which are very progressive in nature. Nudo, 54, is a small-business owner and union man who presents a good command of the everyday issues constituents care about. What gives us pause is that much of his language on spending focuses on tax hikes rather than looking for responsible cuts.

If you live in District 15 and consider yourself a very progressive Democrat, Todd and Raley are your candidates. Nudo comes across as slightly more moderate. But Davis' recognition of the need to address out-of-control spending makes him the most reasonable choice, and he would present the strongest challenge to Miller in the general election.

Davis is endorsed.

17th District

In many ways, endorsement season is an opportunity to marvel at just how ridiculous Illinois' political maps have become. District 17 is no exception, running in a snaking route throughout north-central Illinois, including Rockford, the Quad Cities, Bloomington and Peoria. This misfit district is represented by U.S. Rep. Eric Sorensen, a Democrat who defeated his Republican opponents in a competitive race in 2022 and then more comfortably in 2024. The Republicans vying to face him in November are Julie Bickelhaupt, 50, and Dillan Vancil, 33.

Both Republican primary candidates express an understanding of the challenges small businesses are facing. Both candidates are pro-life but acknowledge that it's up to the states to decide rules on abortion access. Both are Second Amendment advocates. Both support immigration enforcement. Both are well to the right of this board.

Vancil owns coffee shops in Illinois and Iowa and employs a healthy number of employees, including many younger workers, and speaks convincingly and with authenticity about the desire to improve affordability — the buzzword of the year — for regular Americans. We appreciate his commitment to lowering the tax burden and would hope that would be accompanied by a commitment not to do so irresponsibly and without any accompanying spending cuts. We also like that he told us he supports "strong, instant background checks for all commercial (gun) sales."

We liked that Bickelhaupt, a seventh-generation farmer, supports school choice, an issue this board has long championed.

Central Illinois is not Chicagoland, and what flies among moderates and conservatives up here isn't the same as the politics elsewhere. We recognize that, and so take with a grain of salt some of our misgivings about these candidates, which, frankly, made us consider not endorsing in this race. If you are looking for a Republican with a small-business perspective, and who could present a coherent challenge to incumbent Eric Sorensen, Vancil is your best shot.

Vancil is endorsed.

ON THIS DAY 56 YEARS AGO
A JUDGE TAKES THE 5TH AMENDMENT

A new scandal in the Illinois judicial system has been uncovered, just as the state constitutional convention begins consideration of drastic reforms.

The case involves Circuit Judge Richard A. Napolitano, presiding judge of the Housing court in Chicago. He has been named as an unindicted co-conspirator in indictments for official misconduct and conspiracy returned by the Sangamon county grand jury. Moreover, he has admitted that he invoked the 5th amendment to avoid incriminating himself when called to testify before the grand jury.

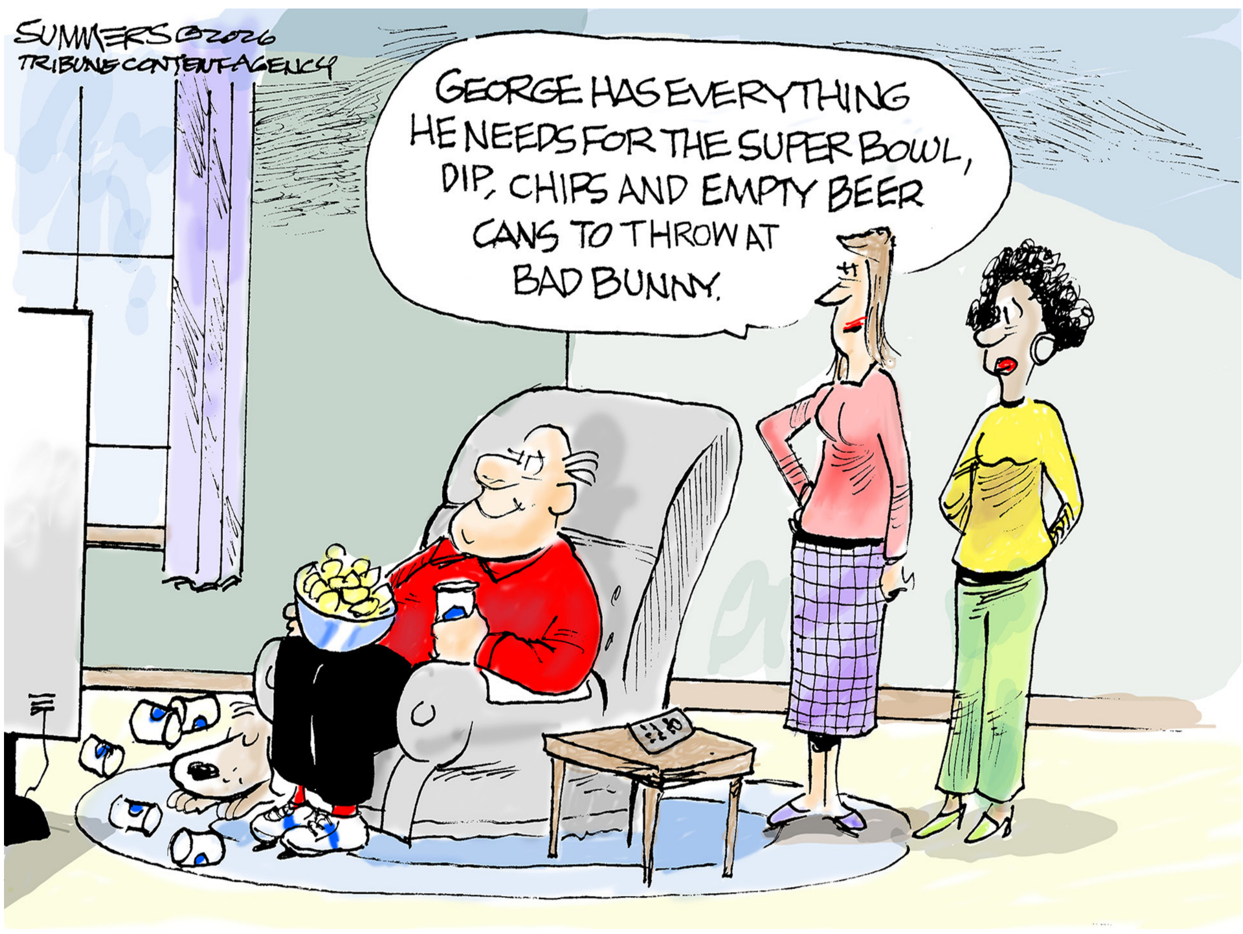
Under the 5th amendment no person may be compelled in any criminal case to be a witness against himself. Nevertheless for a judge to invoke this privilege is shocking unless he intends to resign his office forthwith. It is standard practice for law enforcement agencies to require the resignation of any official or employee who refuses to answer a relevant question put to him by one authorized to ask such a question, on the ground that a truthful answer would tend to incriminate him.

Judge Napolitano's personal bailiff also took the 5th amendment in the Springfield investigation of fraudulent concession contracts at the Illinois state fair. When Sheriff Joseph Woods heard of it yesterday he ordered the bailiff's discharge.

Under the Illinois constitution the chief responsibility for dealing with charges of misconduct by judges is held by the Illinois Courts commission, which is composed of five judges appointed by the Supreme Court. The commission has announced that it will consider the Napolitano case at its next regular meeting, on Feb. 13. The Illinois Courts commission now faces a test of its usefulness. And the constitutional convention has a good illustration of what is likely to happen under the present judicial article, which virtually guarantees lifetime jobs to judges.

Tribune Editorial Board, Feb. 5, 1970

EDITORIAL CARTOON



DANA SUMMERS/TRIBUNE CONTENT AGENCY

OPINION

Here is the common thread among college athletes accused of fixing games

By Mark Mitchell

The recent federal indictments on Jan. 15 accusing a large number of basketball players of throwing college games have predictably triggered indignation and outrage from fans, sports pundits and national news outlets. The dominant explanations are familiar: sports betting, greed and moral failure. Those narratives are emotionally satisfying — and incomplete. They focus almost entirely on what these athletes did and how it might affect all of college sports while largely ignoring where they came from.

Based on an ongoing research project, I decided to take a closer look at the high schools attended by the indicted players and the counties where they grew up. My examination of the counties where they played high school basketball reveals a significant commonality: Many of these players come from areas with very low rates of economic mobility. These are places where children born into low-income families face some of the weakest prospects in the country for ascending the income ladder. According to county-level mobility estimates developed by economists Raj Chetty at Harvard University and Nathaniel Hendren at the Massachusetts Institute of Technology, the average mobility ranking for the counties where these players grew up is near the bottom of the nationwide distribution of all counties.

Obviously, that fact does not excuse criminal conduct. Adults are responsible for their actions. But it should force a more complex question — one often avoided by the left and the right alike: Why do high-stakes failures — academic, disciplinary and now criminal — occur so persistently among talented young people from the same kinds of places?

My research co-authors, F. Andrew Hanssen at Clemson University and Maxwell Mitchell at Northwestern University, and I are studying this exact question in another context: elite high school football. Using data on more than 33,000 top-ranked recruits nationwide from 2005 to 2022, we examine which players transitioned smoothly to college football and which did not. All possess what economists would describe as unusually valuable human capital. Indeed, we estimate that elite football players in our dataset are roughly 60 times more likely to reach the NFL than typical high school players.

Nearly 1,000 of these elite players never made it onto a Division I roster due to academic or disciplinary issues. Yet every single one of these derailed players had a football scholarship from a major program. When we traced the origins of their derailment, the pattern was unmistakable. Derailed players disproportionately came from weak schools, poor neighborhoods and families with limited structure. And they also came from low-mobility counties; the aforementioned seminal research by Chetty and Hendren developed causal measures of county mobility across nearly all U.S. counties.

We found that two forces appear to operate simultaneously. First, in low-mobility counties, high school sports are often the only clear path to escape the neighborhood and move up in the world. Young people respond rationally, and these counties produce far more elite talent than their population alone would predict.

Second — and more consequential — the same environments systematically lack the institutional capacity to shepherd that talent into adulthood. Schools are less equipped to prepare students for college-level academics. Guidance is thinner. Eligibility rules are more complex to navigate. Family resources are stretched. The result is that numerous highly talented football players with extraordinary human capital get derailed. Everything they lived for becomes moot. Many of them seem to disappear from society and give up.

Looking at it this way, the recent basketball indictments make sense as part of a larger pattern rather than being isolated events. In environments where young people have few chances to recover from mistakes, those mistakes can be much more damaging, and the temptations can feel more overwhelming.

This is where the public conversation usually falls apart. One side keeps insisting tougher enforcement and punishment will fix everything. The other side counters that the honest answer is more government social programs and more funding. Both are missing the deeper issue: Many on the right treat these young athletes as lessons in failure, while many on the left seem convinced another round of bureaucracy can somehow make up for the family support, solid schools and community structure that were missing long before the trouble started.

I have a lot of compassion for these young men — not because they can't control themselves, but because they often deal with immense pressure and very little support. They're expected to juggle tricky academic requirements, meet eligibility requirements and face public scrutiny, usually without the support that their more fortunate peers receive. This mix of challenges can be really tough for them. It's tough when they're putting their all into becoming elite athletes — while carrying the weight of being their household's best hope for upward mobility.

Coaches and administrators know this. Many work tirelessly to support these players. But individual effort can go only so far. What our research — and the growing body of work it builds on — shows is that these outcomes are not random, and they are not merely moral failures. They are the predictable result of growing up in places that lack the institutions needed to guide these young people's talent into adulthood.

I don't pretend to have a clean policy fix. But if we're serious about preventing the next round of scandals, we might start by admitting that another integrity seminar or another layer of paperwork is not a substitute for the support these young people never had in the first place.

Mark Mitchell is an adjunct professor of finance at the University of Chicago Booth School of Business and founding principal at AQR Arbitrage.

People celebrate the Fourth of July with street fireworks in Chicago's Pilsen neighborhood in 2025. AUDREY RICHARDSON/CHICAGO TRIBUNE

Let us celebrate 250th Independence Day by ending the state's ban on fireworks

By Brad Weisenstein

Just shy of 250 years ago, Founding Father John Adams understood the weight of the moment when we as a nation declared our independence from British rule, as well as the importance of celebrating that moment to help unify a new American people.

He wrote to his wife, Abigail, on July 3, 1776, that the day would be the most memorable in American history. He said the day of deliverance should be celebrated by succeeding generations.

"It ought to be solemnized with Pomp and Parade, with Shews, Games, Sports, Guns, Bells, Bonfires and Illuminations from one End of this Continent to the other from this Time forward forever more," he wrote.

Too bad Illinoisans will not join in the illuminations at home for our nation's semiquincentennial — at least not legally. That's because Illinois state law bans residents from using or even transporting most consumer fireworks. Leaders in Illinois, Massachusetts and Vermont don't trust their residents to act responsibly enough to fulfill Adams' rallying cry.

Our nation's independent streak is the defining element of our national character. We celebrate the cowboy and the explorer and still fly "Don't Tread on Me" flags.

So, the fact that the Illinois fireworks ban is roundly ignored by Illinoisans is not a surprise to anyone, as the night skies prove on Independence Day. We simply drive across the state line to enrich pop-up stands in Indiana, Wisconsin, Missouri and the other Midwestern states.

Northwest Indiana is one of the nation's hottest fireworks markets thanks to Chicago-area consumers. Hannibal, Missouri, claims the nation's largest fireworks stand — about the size of a Walmart Supercenter.

Both are a short ride over the Illinois border. Both are getting rich from Illinoisans ignoring the state ban. Both have giddy politicians collecting lots of tax from outsiders.

Consumer fireworks consumption in the U.S. hit nearly 300 million pounds, worth \$2.2 billion, in 2024 and is expected to "boom" for the 250th Independence Day. This year, the holiday falls on a Saturday, which also traditionally spikes consumption.

So, here's a suggestion for the Illinois General Assembly, which will wrap up its current session well before we celebrate our nation's 250th birthday this July Fourth. Let's stop making Illinoisans criminals twice over — once when they go get fireworks and then again when they shoot them off — just because they want to celebrate their independence as Adams envisioned. Let's keep Illinois fireworks dollars in Illinois.

It's time to repeal the Illinois Pyrotechnic Use Act of 1942.

Illinois since 1942 has banned most consumer fireworks such as Roman candles, firecrackers and bottle rockets out of concern for people's safety. The act does allow novelty items such as sparklers, which are sticks of magnesium burning at up to 3,000 degrees.

So why didn't state lawmakers ban sparklers, which in 2024 caused 1,700 emergency room visits nationwide? Maybe because a little perspective shows there is relatively little risk to fireworks compared with the joy of personal pyrotechnics and the economic bump their use can bring.

Of 12.7 million emergency room visits in the U.S. related to consumer products in 2023, fireworks accounted for fewer than 10,000. Barbecuing caused double that and baseball and softball games 14 times as many. No politicians are trying to ban grilling or America's pastime.

Illinoisans deserve to decide for themselves whether they want to shoot off displays in their backyards or head to municipal displays to express their patriotism. Freedom of choice is valued in 47 other states, so why not here?

Illinois leaders should not play King George and restrict our people on the very day we are celebrating our independence. State lawmakers can lift the ban and enjoy their freedom to tax the newly legal consumer fireworks plus the income from those Illinois stands.

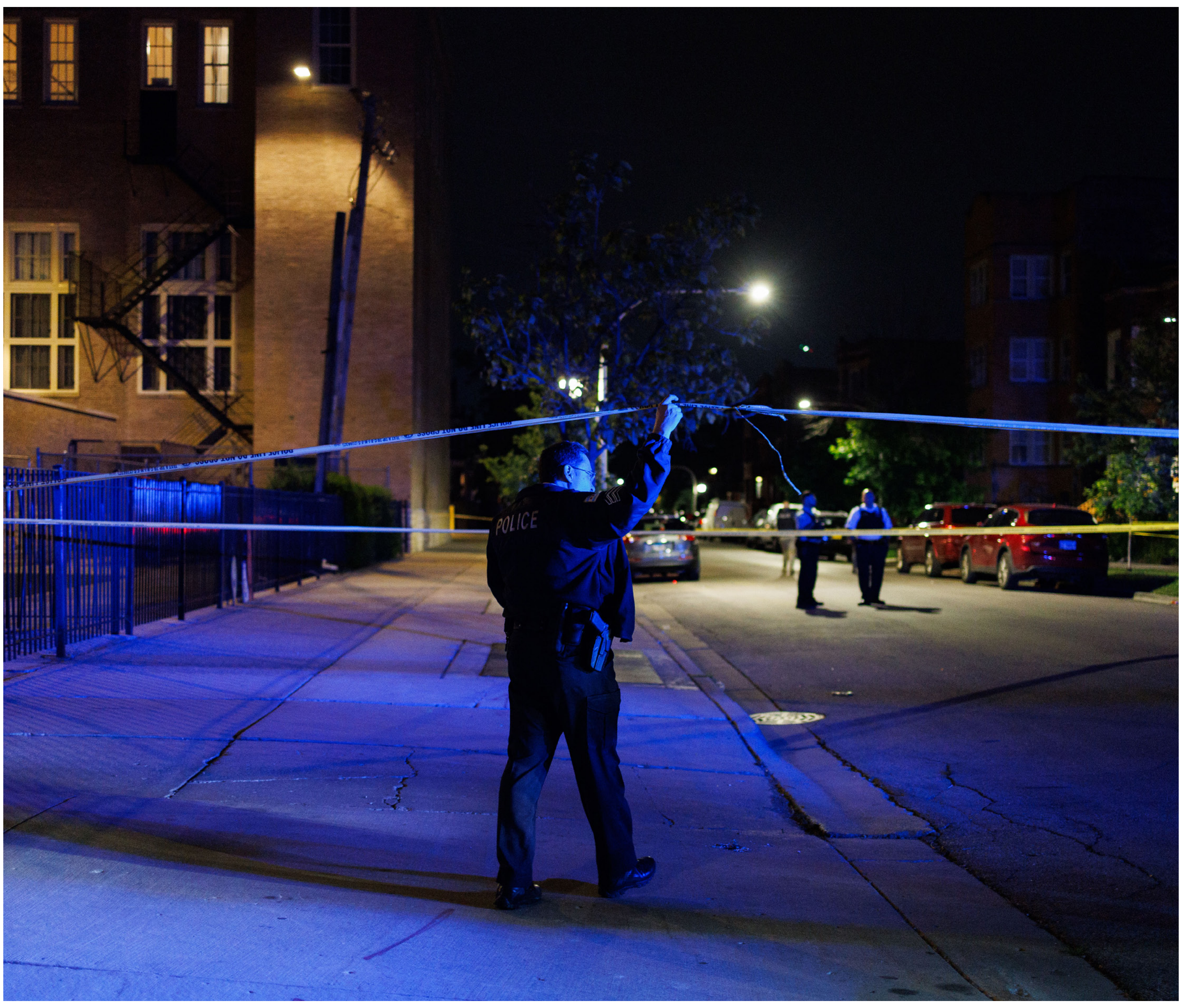
Let's light the fuse for repeal. Let's celebrate our nation's 250th birthday with legal pyrotechnics in Illinois, just as the Founding Fathers prescribed.

Brad Weisenstein is the managing editor of the Illinois Policy Institute.

OPINION

Immigration is not driving crime in Chicago, data shows

By Calvin Proffit, John Leverso and Ben Feldmeyer



Officers work at the scene where a 42-year-old man was shot in the chest in the 1600 block of South Springfield Avenue in the North Lawndale neighborhood on May 26, 2025, in Chicago. ARMANDO L. SANCHEZ/CHICAGO TRIBUNE

Immigration has become one of America's sharpest flashpoints, increasingly framed not only as a border issue but as a public safety threat. In recent weeks, that framing has turned into real-world confrontation. In Minneapolis, federal immigration agents fatally shot U.S. citizen and Minneapolis resident Alex Pretti during an enforcement operation, just weeks after agents killed another U.S. citizen, Renee Nicole Good, during a separate immigration action.

Chicago has also been a major stage for immigration enforcement. Federal officials have repeatedly cited the city in public statements and enforcement announcements arguing that immigration enforcement is necessary for public safety, including through high-profile operations such as Operation Midway Blitz, which was billed as targeting the "worst of the worst," including alleged gang members.

At its core, this argument rests on a simple claim: Immigration is driving serious violence, and aggressive enforcement is therefore necessary for public safety.

That claim is testable.

In our new study, we examine fatal and nonfatal shootings across 77 Chicago neighborhoods from 2010 to 2021 and assess whether changes in immigration are followed by changes in serious violence. In our analysis, immigration is measured as the neighborhood share of residents who are foreign-born, a standard census-based measure used in research on immigration and crime. This measure does not identify legal status, but it captures neighborhood-level changes in immigrant presence that public debates often treat as drivers of violence.

We distinguish shootings recorded as gang-related in official law enforcement data on crime incidents from those not classified as gang-related. While any such classification is imperfect, Chicago is one of the few large U.S. cities that routinely records gang involvement in shooting incidents, and these measures are widely used in Chicago violence research.

The results are clear. We find no evidence that rising immigration increases gang shootings, fatal or nonfatal. At the same time, immigration is consistently associated with fewer shootings that are not gang-related. For fatal shootings overall, each 1-percentage-point increase in a neighborhood's foreign-born population was associated with about a 3.9% decrease in fatal shootings. Put simply, if a neighborhood's immigrant share rose by just 5 percentage points, we would expect roughly a 20% reduction in fatal shootings. Similar patterns appear for nonfatal shootings, especially those unrelated to gangs, where higher immigrant presence is consistently linked to lower levels of violence.

Individual cases can dominate headlines. But across Chicago neighborhoods over time, immigrant growth was not followed by a rise in shootings. This pattern is consistent with a large body of prior research finding that immigration does not increase violent crime.

It's important to be clear about what our study does and doesn't claim. We analyze neighborhoods, not individuals. That means we are not claiming that individual immigrants never commit crime, and we are not labeling immigrants as "good" or "bad." This is also not a randomized experiment, and neighborhood data cannot answer every individual-level question. But it tests the core prediction behind the public debate: If immigration growth drives shootings, shootings should rise in the neighborhoods that see increases in the immigration population. In Chicago, they do not. And even if immigrant populations are imperfectly measured, this data offers no consistent reason to expect that immigration growth drives up gang shootings when the pattern is simply not there.

None of this is an argument against border policy. It is an argument for accuracy, precision and evidence-based public safety. When immigration is assumed to be a source of community violence, policy moves toward aggressive enforcement strategies rather than interventions that directly reduce shootings. And when gangs are invoked as proof of a generalized immigrant threat, it becomes harder to see what is really needed to prevent gang violence.

If policymakers want fewer people shot, they should focus on what actually predicts and prevents gun violence: interrupting cycles of retaliation before they escalate, supporting trusted community members who mediate conflict, concentrating resources on the small networks and places where violence is most likely to occur and reducing easy access to firearms.

Treating immigrants as a catchall explanation for violence may be politically convenient. It won't make our cities safer.

Calvin Proffit is a doctoral candidate, sociological criminologist John Leverso is an assistant professor and Ben Feldmeyer is a professor in the School of Criminal Justice at the University of Cincinnati.

VOICE OF THE PEOPLE

9th District candidates

As a voter in the 9th Congressional District, I'm disappointed in the editorial endorsing state Sen Laura Fine in Tuesday's edition ("Laura Fine for Democratic nomination in 9th Congressional District"). The Tribune Editorial Board is right that the race to succeed U.S. Rep. Jan Schakowsky has attracted "many impressive people," but I think the board has given two of the candidates short shrift.

I'm not sure it should dismiss Kat Abughazaleh's candidacy so decisively. Is it because she chose to send a spokesperson to speak to the editorial board? Do I want a congressional candidate talking to a panel of journalists or protesting the behavior of Immigration and Customs Enforcement? I'm not sure.

The editorial board also should have given more consideration to state Sen Mike Simmons. I'm not sure why the board didn't manage to speak with him in person, but I've been impressed with his use of citizen-based legislative councils in his district and what seems to be a heartfelt concern for the everyday problems of his constituents.

It seems to me that both of these candidates represent the future of the 9th Congressional District. What we need now more than ever are new solutions, new energy and greater activism in politics, both here and nationwide.

The old answers are obviously failing us.

— Jane Bannor, Chicago

We need negotiators

I believe it is time for all politicians and candidates running in the upcoming election to understand our Founders.

Instead of the candidates promising to "fight, fight, fight" if elected to Congress, I prefer to hear their plans on how they will "negotiate, negotiate, negotiate" to obtain compromise.

We voters have an opportunity to choose representatives who will do what they are supposed to do: Negotiate, compromise and present plans that lead to solutions rather than fight with each other.

We voters should demand Congress create an enforceable solution on the issue of immigration. Voters should be protesting in front of district offices or in Washington instead of on the streets over Immigration and Customs Enforcement.

If representatives are unable to agree to a solution, voters should demand they resign and then elect leaders who understand the Constitution.

— Rudy U. Martinka, Elmhurst

Prosecute feds' abuses

While national attention has rightly focused on Minneapolis, where federal agents operating under draconian deportation quotas have engaged in unprecedented violence, communities in the Chicago area must prepare for what comes next: Customs and Border Protection and Immigration and Customs Enforcement returning to Chicago.

When they do, we must be ready.

Last year, the federal government breached public trust to an extraordinary degree, using violence and funding cuts to pressure governors and mayors to comply with an extreme agenda — while relentlessly lying to the public and the courts. This year, state and local governments should draw a firm line against these abuses of federal power and hold federal agents accountable when they violate state and local law.

During Operation Midway Blitz last fall, unprovoked violence by CBP and ICE was rampant — and often captured on video. U.S. District Judge Sara Ellis cataloged this misconduct in an extensive written opinion. Yet we saw no state prosecutions to protect the public from federal agents, who operated here with impunity — and then moved on to Minneapolis, emboldened.

For this reason, we welcome Lake County State's Attorney Eric Rinehart's public stance ("State prosecutors must hold feds accountable when they break law," Jan. 29). He made clear that in his jurisdiction, "federal agents who break state laws will be investigated, ... prosecuted with due process and held accountable in our local court system."

We call on Cook County State's Attorney Eileen O'Neill Burke to follow the lead of Rinehart and others such as Philadelphia District Attorney Larry Krasner and prosecute all crimes committed by federal agents in this county.

Supreme Court precedents support this legitimate exercise of state power. In our federalist system, as Rinehart notes, if federal officers believe they have acted lawfully, there are well-established procedures for them to raise defenses to state law based on the Supremacy Clause — in court. Holding federal agents accountable will deter future abuses of power.

These prosecutions may be difficult. But extraordinary actions by the federal government require an extraordinary response from our state prosecutors.

Illinois Attorney General Kwame Raoul's office has been remarkably successful in confronting the Donald Trump administration's overreach. That office should convene state's attorneys and local law enforcement agencies and provide legal guidance. A coordinated, all-hands effort is required.

During Midway Blitz, neighbors organized to protect one another and document the federal government's actions. Their videos identified those taken into federal custody, informed families and helped secure legal relief. Those recordings may yet bring accountability to the architects of these anti-democratic policies in Washington.

Our fellow citizens are meeting this moment with courage. Our state prosecutors must match it — by using every lawful tool to protect the people they were elected to serve.

— Patrick Hanely, president, and Kenneth Obel, executive board member, New Trier Democrats

Politically motivated

Sheila Bedi, a civil rights attorney and Mayor Brandon Johnson's strategy chief, said the mayor's final say on felony charges against federal immigration officers "would not be influenced by politics," the Tribune reported ("Johnson directs police to investigate federal agents," Feb.1).

Hell, the mayor's entire "ICE on notice" executive order is based on politics.

— Bruce R. Hovanec, Chicago

Consider 1974 editorial

Here are excerpts from a May 9, 1974, editorial regarding our president at the time: "lack of concern for morality, a lack of concern for high principles, a lack of commitment to the high ideals of public office, ... preoccupied with appearance rather than substance. ... He is devious. He is vacillating. He is profane. He is willing to be led. He displays dismaying gaps in knowledge. He is suspicious of his staff. His loyalty is minimal. ... It is ... important for the future of the Presidency itself that it be separated from the man who now holds it."

Why has the Tribune Editorial Board abandoned its own principles? Fear, perhaps?

— Michael Clayton, Riverwoods

Your admirable leaders

I often ask my many Chicago relatives whether they realize how fortunate they are to have elected officials worth reading about or listening to. Your governor, U.S. senators, mayor and numerous other officials have refused to remain silent not just about what is happening in Chicago but also in California, Minneapolis, Maine and everywhere else American values and freedoms are at risk because of President Donald Trump and his paramilitary.

Meanwhile, here in Ohio, we have Gov. Mike DeWine who has stated that he fears Springfield, Ohio, could be the new Minneapolis. (Springfield, Ohio, is where Trump, JD Vance and several Ohio Republicans claimed Haitian refugees were eating their neighbors' cats and dogs.) But DeWine naively or spinelessly said that when federal agents come for Haitian refugees, he expects them to follow Ohio law enforcement protocols. We have U.S. Sen. Bernie Moreno who, along with the equally sycophantic U.S. Rep. Jim Jordan, also a Trump supporter, signed on to a legal brief with the U.S. Supreme Court supporting Trump's outrageous attempt to do away with birthright citizenship.

So please appreciate what you have in Illinois. We in Ohio can only hope to be so lucky.

— Stephen Gladstone, Shaker Heights, Ohio

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Opinion

In counting the dead in Iran, a picture of ferocity

The high number of dead and wounded demonstrates the depths of the regime's fears.

Scott Anderson

It's been a trying time for the Islamic Republic of Iran.

Over the past two years, its regional proxy allies have been severely weakened by the Israeli military. Add to that a 12-day bombing campaign against Iran conducted by the United States and Israel in June. The regime suffered a body blow last month when large-scale street protests over the nation's economic collapse quickly transformed into calls for the government's overthrow. For a moment, it appeared the protesters might be gaining the upper hand. Then came the state's brutal crackdown.

Just how close did the regime feel it was to falling? With the nation still essentially cut off from the outside world, that would appear difficult to ascertain. But often, one reliable indication in such circumstances is to gauge the ferocity with which a regime responds to unrest. It may be a bit on the morbid side, but one way to measure that response is to ascertain how many people died.

Trying to determine the death toll is more than a measure of threat to a regime: It is also a vital step in providing a sense of justice for the victims and in holding the perpetrators accountable for their crimes.

The calculation is easier said than done, because exaggerated and underestimated body counts have been a feature of armed conflict since time immemorial. In conventional wars, combatants often minimize their own casualty figures while exaggerating those of their enemy to bolster morale and suggest victory is close. In internal insurrections like what we have witnessed in Iran, this formula tends to be reversed, with the state lowballing casualty numbers — no government wants to be seen as indiscriminately slaughtering its citizens — and dissidents raising them to provoke outrage. The current Iranian regime has the dubious distinction of having traveled both sides of the street.

In the 1978-79 revolution that toppled the shah and ushered in Iran's Islamic government, the first great jolt of violence occurred in the northwestern city of Tabriz in February 1978. After security forces quelled the unrest, the shah's government initially reported six people had been killed, while the opposition claimed hundreds.

Such vast divergences in body counts quickly became a feature of the Iranian revolution, with the opposition often claiming death tolls in protests that were five- or ten- — at times, even twentyfold — that of the state's numbers. One common approach when people are confronted by such disparities is what is known as "the false dilemma," in which they decide the true figure must lie somewhere in the vast middle.

In the Iranian revolution, this tendency worked in the opposition's favor, leading many observers to believe the conflict was far bloodier, and the shah's soldiers far more brutal, than was the case. In the revolution's aftermath, a commission appointed by the Islamic government to determine the number of dead came up with the remarkably specific figure of 2,781. No matter. By then, Iran's supreme leader, Ayatollah Khomeini, was routinely proclaiming that there were as many as 60,000 "shaheds," or martyrs.


BEN HICKEY

Now, of course, the Iranian regime finds itself on the other side of this body-count battle.

The recent unrest began in response to the collapse of the Iranian rial and hyperinflation when shopkeepers in Tehran took to the streets on Dec. 28. In subsequent days, thousands — and then millions — of other Iranians joined the protests. Their complaints swiftly went beyond the economic to the political, with many demanding that the government dissolve. Initially, violence was minimal, with the number of those killed reported as in the dozens.

Then, on Jan. 8, everything changed. This was also the day the regime shut down the internet and essentially cut off Iran from the outside world. Over the next few days, strife spread on a scale that even the state ultimately had to acknowledge. By Jan. 21, and with order somewhat restored, the state said 3,117 had died, a toll that it claimed included several hundred members of the security forces.

That number stands in stark contrast to what is now being reported by most international media outlets and outside human rights groups. Often working from snatches of video and furtive telephone calls from sources

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The real reason Silicon Valley won't stand up to Trump

In a shaky job market, workers feel they lack the leverage needed to make their political views known.

Aaron Zamost

Hours after Alex Pretti was shot and killed by federal agents in Minneapolis, Apple's chief executive, Tim Cook, joined President Trump; his wife, Melania; and other luminaries in the White House to attend a screening of a documentary devoted to the first lady.

Apple employees voiced anger in internal Slack channels, while other Silicon Valley tech workers publicly denounced the Trump administration's deployment of federal officers across America. Workers at Palantir erupted in internal complaints over the software company's work with immigration enforcement. At Meta, some longtime employees are considering leaving the company, saying it is now led by a MAGA-skewing chief they no longer recognize.

But by and large, tech employees reacted to how their leaders addressed (or failed to address) what's happening in Minneapolis with exhausted apathy. At a time when companies are shedding workers by the thousands, dumping them into an increasingly shaky job market, tech employees feel mostly powerless to influence an industry whose leaders had once convinced them they could change the world.

There are many theories about Silicon Valley's swift, and very conspicuous, rightward turn. Tech leaders course-corrected from an overly permissive era. The Trump administration demands fealty in exchange for critical regulatory favors. Mr. Trump's reelection reshaped the national climate and reoriented the values of tech leadership.

Each of these explanations is convenient, but none are correct. I've worked in tech for 20 years, across both Big Tech and venture-backed start-ups, and I can tell you the truth is much more mundane. Silicon Valley's chief executives have always been driven by economics, not ideology. As Michael Corleone put it: It's not personal — it's strictly business.

What has happened in tech is a market correction, not a cultural one — a transfer of power from labor back to management. To attribute this change to a "vibe shift" among tech leaders may flatter political actors, but it's beside the point. The real danger is mistaking a change in leverage for something permanent, or confusing business incentives with values. The idea of "woke corporations" was always flawed — conflating business strategy with political belief distorts not just how we understand the tech industry, but also how we interpret corporate power in American life more broadly.

Here's how Silicon Valley actually works. Big tech companies and growing start-ups are in constant, vicious competition with one another to hire and retain the best employees, especially in product and engineering roles. When these companies are in hypergrowth mode, and particularly when the job market is tight, hiring top talent can be nothing short of a matter of survival. And they are fishing in a largely progressive pond: Political


CHRISTIAN PHILIP SCOTT

donation data shows tech employees are predominantly Democratic-leaning.

The late 2010s and early 2020s were a particularly intense period in the industry's war for talent. Hiring exploded. Meta nearly doubled to 86,000 employees in 2022 from approximately 45,000 three years earlier. Amazon added over 400,000 employees in 2020 alone. As Silicon Valley recruiting teams relentlessly poached one another's people, tech labor had infinite choices and all the leverage.

So what did companies do when a generous compensation package was no longer enough to win over candidates? They instead sold a sense of belonging. Amid fierce competition, many companies realized that encouraging workers to bring their perspectives and passions to the office could increase their loyalty and their willingness to work hard. That, in turn, served the real financial objective: higher job acceptance rates, lower employee attrition and faster growth.

When the pandemic further supercharged hiring, tech companies started a corporate-values arms race to differentiate on employee experience. LinkedIn gave workers a paid full week off to combat burnout. Pinterest increased monetary assistance for adoption and expanded fertility benefits. Even Tesla made Juneteenth a company holiday (and no one would accuse Elon Musk of being "woke"). Companies said, "Bring your whole self to work."

Tech didn't embrace these policies out of moral enlightenment. It did it because replacing a top engineer could cost hundreds of thousands of dollars in lost productivity, institutional knowledge, recruiter time and onboarding. When attrition costs are existential, empathy becomes a strategy. Whether it's flexible work-from-home policies or mental health stipends, you give your people what they want or they'll go somewhere else to get it. "Whole self" culture wasn't part of a political movement. It was a labor-market artifact where talent war conditions made employee empowerment economically rational.

A new economic reality following the

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OPINION

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How Trump world sent opera packing

Marc A. Scorca

When the Washington National Opera announced its decision to leave the Kennedy Center last month, many interpreted the move as a repudiation of President Trump and his efforts to seize control of the arts complex.

In fact, the repudiation came from the Kennedy Center. By imposing an economic model on the company that makes opera impossible to produce, it was effectively disowning the art form and by extension all nonprofit performing arts and their profound contribution to American national life.

The new mandate set forth by the Kennedy Center requires that every performance break even through only ticket sales and corporate sponsorships that have been confirmed before the curtain rises — a system that the leadership considers revenue neutral. But that system simply doesn't work for nonprofit arts, and especially for opera, because it ignores the vital role of donations.

Like all other nonprofit performing arts organizations, opera companies depend on two main income streams, earned and contributed. Earned income flows largely from ticket sales, with smaller amounts of money drawn from endowments. Contributed income — mostly from individuals but also from foundations, corporate sponsorships and small government grants — provides more than half of overall income. At most opera companies, contributions of all sizes from individual donors exceed box-office income — as they do for many organizations in other disciplines.

By forcing an impossible economic model on the Washington National Opera, the Kennedy Center essentially disowned the art form.

That contributed income isn't making up for a loss, a misunderstanding held by many; rather, it's the lifeblood of an opera company. Most companies balance their yearly budgets by generating as much income as possible and managing expenses. Opera and all the arts operate at a loss only if income from contributions plus that from ticket sales falls out of balance with expenses. This model is uniquely American in the arts world. It has prevailed through the dynamic expansion of opera companies, orchestras, dance companies, theaters, choruses and presenting organizations across the country over the past 50 years.

Opera is enormously expensive to produce. Soloists, choristers, orchestral musicians, dancers, stagehands and backstage artisans all told can number in the hundreds. The costs of sets and costumes are rising steadily. Opera companies have sophisticated fundraising and marketing departments that work every year to bring in money to cover the expenses of each performance.

All of this is in the service of one of the world's greatest forms of artistic expression — drama intensified through exquisite music made even more compelling with visually arresting sets and costumes. The stories of opera span the centuries and come in different languages, but they all set out to explore the deepest emotions and complexities of the human condition.

The Washington National Opera was on an upswing in recent years. Since 2018, its endowment has increased from $8 million to almost $30 million. The company fulfilled the budgetary obligations of its agreement with the Kennedy Center every year since, thanks in part to the generosity of its donors. Covering expenses only through ticket sales and corporate contributions would be impossible even in the most stable of circumstances.

Current circumstances are not stable. Ticket sales declined significantly through 2025. Individual contributions have fallen, too. The reluctance of Washingtonians to participate in activities at the center since Mr. Trump's takeover is well documented. Staff members have either resigned from marketing and development departments or been fired, and many positions remain open. Cutting staff to reduce costs almost always leads to revenue losses greater than anticipated savings.

In effect, the leadership of the Kennedy Center has told the Washington National Opera that the inherited masterpieces of Mozart, Verdi and Puccini and works from the new American canon by Mason Bates, Kevin Puts and Jeanine Tesori are no longer wanted at the nation's performing arts center.

Demonstrating the innate resourcefulness of artists, the company has announced that planned performances will take place at Lisner Auditorium at George Washington University, the company's original home. Francesca Zambello, the company's artistic director, said it would put on three American works "that explore themes at the heart of what makes our country great."

The works are Scott Joplin's "Treemonisha"; "The Crucible," by Robert Ward, based on the Arthur Miller play; and Leonard Bernstein's "West Side Story."

"'Treemonisha' celebrates the triumph of education over ignorance, while 'The Crucible' is a cautionary tale about a righteous mob that murders innocent women and tears families apart," Ms. Zambello said. She noted that Bernstein called his musical, created with Arthur Laurents, Stephen Sondheim and Jerome Robbins, "an out-and-out plea for racial tolerance."

There is no indication that the Kennedy Center (which recently announced it would close for two years of renovations) had any issues with those specific works and themes, but depriving the opera company of the resources to produce them rejects them by other means.

The Kennedy Center professes that its mission is partly to "celebrate the cultural heritage by which a great society is defined and remembered." Repudiating one of America's greatest musical institutions in its capital city contradicts this mission. The company's success in supporting a rich cultural fabric should be celebrated — not abandoned — especially during the year of the nation's 250th birthday.

MARC A. SCORCA *served as the president and chief executive of Opera America, a service organization, from 1990 to 2025.*

STEPHAN DYBUS

In counting the dead in Iran, a picture of ferocity

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inside Iran, their estimates of people killed during the protests now range from 6,854 by the Washington-based Human Rights Activists News Agency to 30,000 reported in Time magazine, which cited two unidentified senior officials of Iran's Health Ministry.

So, who's right?

The regime's history of turning to violence when threatened provides a hint. In the so-called Twitter revolution of 2009, when demonstrators took to the streets over what they insisted was a stolen presidential election, security forces killed several dozen. In the quashing of the Women, Life, Freedom movement that began in 2022, many place the body count in the neighborhood of 550. Even by the regime's own figures, then, what took place this January is on a totally different order of magnitude.

Except the regime's figures are also probably a fiction. In the city of Rasht, for example, the normally reliable Human Rights Activists News Agency has documented at least 392 deaths. If that many were killed in Rasht, with a population of some 766,000, what might it reveal about the numbers in Tehran, population 10 million and the epicenter of the protests? Civilians across the country have reported mass graves, morgues overflowing with body bags, relatives or neighbors disappearing without a trace.

On top of the dead, estimates of the wounded range as high as 300,000. That is far out of keeping with the usual one to three ratio of killed to wounded in combat situations, but it makes sense amid reports of security forces firing birdshot at protesters, taking aim at their eyes and heads. Doctors in Tehran have described demonstrators with severe eye injuries, many who were blinded, as well as security forces storming into hospitals to haul away those with telltale wounds from shotgun pellets.

KAVEH KAZEMI/GETTY IMAGES

In the 1978-79 revolution that ushered in Iran's Islamic government, vast divergences in body counts quickly became a feature, with the opposition often claiming death tolls in protests that were five-, ten- or at times, even twentyfold that of the state's numbers.

But even this probably doesn't help paint the full picture. A hallmark of most every past civil disturbance in Iran is that security forces operate with even greater impunity in the countryside. This is especially true in corners where ethnic minorities like Kurds and Baluchis predominate and where the regime's Revolutionary Guards have periodically conducted bloody crackdowns. With just these two ethnic groups joined to the rural population, it means we have heard little about the fates of people in a broad swath of the country.

All of which suggests a terrible answer to the question of just how much the regime feared for its survival. Whatever the final number proves to be, it already may have carried out one of the worst state-sanctioned massacres of unarmed civilians anywhere in nearly a half century in order to survive.

SCOTT ANDERSON *is the author of "King of Kings: The Iranian Revolution: A Story of Hubris, Delusion and Catastrophic Miscalculation."*

FROM READERS

Texas vs. Plato: Censorship in the academy

Reading "This is no way to run a university," by Greg Lukianoff (Opinion, nytimes.com, Jan. 12), reminded me of my first contact with Plato's "Symposium" in 2003 at a seminar in China, where homosexuality was criminalized until 1997 and remains a taboo.

I remember the passage that shocked me — Plato's account of a speech by the playwright Aristophanes on the origin of love: Humans were once titans, powerful enough to rebel against the Olympian deities, and as punishment were halved into incomplete creatures, doomed to wander the earth searching for their other halves. Once found, we will happily perish from thirst or hunger to remain in blissful reunion. The professor's eyes twinkled with mischief: What if our original selves were fully male or female?

I reread "The Symposium" at Princeton, where I received a doctorate, and in Germany with my students. There is a debate about teaching Plato because of his anti-democratic political philosophy — though I am willing to defend the right to read Plato since if you cannot debate a dead Greek, how can you possibly debate living authoritarians or their defenders? I would have never suspected that a hauntingly poetic passage in the "The Symposium" would trigger American censors.

China has always had censorship, and the grip has been tightening under Xi Jinping. But Chinese reverence for tradition has so far protected premodern materials from censorship — another reason most Chinese humanities scholars have turned to premodern research.

The fact that American censors are working with greater zealotry than their Chinese peers is truly sobering.

ZHIYI YANG, FRANKFURT
The writer is a professor of Sinology at the University of Frankfurt.

Xi's purge raises the stakes for Taiwan

GARNAUT, FROM PAGE 1

For Mr. Xi and his fellow party princelings — the children of revolutionaries — Yan'an is hallowed ground, where Mao rallied the Red Army and turned it into the disciplined fighting force that went on to defeat the Nationalist government of China and seize control of the country. It was also where Mao unleashed a campaign of political terror to eliminate rivals or those he considered ideologically unreliable for the challenges ahead.

General Zhang is not only a highly respected veteran who was second in command to Mr. Xi; he was long considered one of Mr. Xi's closest military advisers. Their fathers fought together in the revolution. If someone of General Zhang's stature can be vilified as a source of rot, it underscores that the overhaul by Mr. Xi — arguably the most strategically patient, calculating and globally ambitious leader in the world today — is about something far larger than corruption or factional balance.

Mr. Xi, like Mao and the Soviet leader Joseph Stalin, has cast removing rot as a process of self-renewal, a continual effort to detoxify and sterilize the Communist Party to ensure regime survival.

Since 2022, Mr. Xi has removed five of the six generals in his Central Military Commission. As many as 34 of the 44 generals in the party's Central Committee have been ousted or were conspicuously missing from official appearances without explanation — a deeper purge than anything Mao ever conducted.

This unquestionably leaves the Chinese military weakened over the short term. Stalin culled close to 90 percent of his top generals during the Great Terror of 1937 and '38. When the Soviet army invaded Finland in 1939, it was badly mauled by much smaller Finnish forces.

But Mr. Xi apparently believes he can cultivate a new generation of leaders in short order for the world's largest standing army. A devoted student of Soviet and Chinese Communist Party history, he knows that in just three years Stalin had reconstituted his top brass, led by Georgy Zhukov, who eventually turned back invading Nazi forces.

The government's line about General Zhang's dismissal has specifically dug into similar time frames. After the announcement was made, The P.L.A. Daily noted that at Yan'an the "virtuous cycle of 'removing rot — regenerating flesh — winning battles' enabled the army, in just three short years, to sweep away opposing forces, overthrow the reactionary rule of the Kuomintang (Nationalists) and usher in the birth of New China."

LUONG THAI LINH/EPA, VIA SHUTTERSTOCK

Taken together, the pieces are now lining up in a way that could embolden Mr. Xi to escalate Chinese economic and military pressure on Taiwan in the next few years.

Taiwan will hold elections in January 2028. If Lai Ching-te, the current president, is re-elected, it will be the fourth straight time that Taiwan's voters have elected a candidate from the Democratic Progressive Party, which favors maintaining the democratically ruled island's de facto independence. This could be seen by Mr. Xi as further narrowing the path toward peaceful unification on Beijing's terms. On the other hand, if Mr. Lai loses — recent polling suggests he might — it would hand the presidency to a party that is more open to closer ties with China.

President Trump's actions may be inadvertently intensifying these dynamics.

While consistently antagonizing the allies that have helped keep Beijing's geostrategic ambitions in check, Mr. Trump has shown little appetite for sustained confrontation with Beijing, appealing for summits and suing for peace in his trade war. It may be no mere coincidence that General Zhang's downfall was announced just one day after the Trump administration released a new National Defense Strategy, which focuses on U.S. dominance of the Western Hemisphere while moving away from the longtime goal of countering China.

If Mr. Trump continues with an accommodative approach to China and further destabilizes U.S.-anchored alliance systems, the strategic consequences two years from now could be profound.

With fewer constraints, both internal and external, Mr. Xi would be free to squeeze Taiwan even harder, backed by a regenerated Chinese military leadership that has been conditioned to execute — not question — his orders.

JOHN GARNAUT *is a founder of Garnaut Global, a geopolitical risk advisory firm. He was a China correspondent for The Sydney Morning Herald and a senior adviser to Prime Minister Malcolm Turnbull of Australia and is the author of "The Fall of the House of Bo."*

Big Tech and the president

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height of the pandemic — evident in Silicon Valley Bank's failure, a "crypto winter" of plummeting currency prices and a significant slowdown in the tech sector's growth — ultimately pushed companies from Amazon to Microsoft to rein in spending on hiring, and the incentive structure flipped. Because they no longer needed to compete for labor at any cost, executives exhausted by their formerly empowered employees were happy to take back the control that they'd ceded. The slowdown didn't just change how companies behaved; it exposed what had been driving their behavior all along.

It's worth asking whether many tech companies' professed values were ever real. We've seen leaders who built their reputations on defying authority become foot soldiers for the administration. The same elasticity informs their rollback of the culture they once championed.

Four years ago, Marc Benioff, the Salesforce boss, said, "Office mandates are never going to work." He now works from home in Hawaii much of the time while most of his employees are required to be in-office three to five days a week. In 2020, Mark Zuckerberg announced that Facebook would donate $10 million to groups working on racial justice. Last year he rolled back Meta's D.E.I. programs. Did his values change? Or did the power dynamics?

As Michael Corleone put it: It's not personal — it's strictly business.

Of course, work is not the best place for cubicle fights about the war in Gaza. Nor is it a place where lavish perks are entitlements. These companies are businesses, not nonprofits. But when companies said "be your authentic self," and then silenced employees who raised societal concerns related to their work, they essentially blamed workers for a culture war they didn't start and disciplined them for holding leaders to the values they had promoted.

This about-face will prove counterproductive over the long term. In my conversations with tech employees, the result hasn't been anger at hypocrisy so much as detachment — a loss of tribal loyalty (fewer T-shirts emblazoned with tech company logos), and a clearer understanding of the limits of corporate idealism.

The recent reassertion of managerial prerogative was only possible in an economic environment where top executives could flex their muscles like a boss. It won't last forever. When labor is scarce again, many of these companies will rediscover the values they abandoned. The question is whether employees will forget just as quickly.

AARON ZAMOST *is a tech communications consultant and former head of communications, policy and people at Square.*

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COMMENT

Editorials

Orsi's visit reflects common commitment to China-LAC community with a shared future

In a world increasingly defined by uncertainties, the meeting between Chinese President Xi Jinping and Uruguayan President Yamandu Orsi in Beijing on Tuesday marks a key step toward deeper cooperation between the two countries. The meeting also underscores China's engagement with Latin American and Caribbean countries and highlights the potential for the two sides to jointly promote a fairer global order.

The reaffirmation of China-Uruguay ties in the meeting sends a clear message that the two countries are willing to further boost the vitality of their comprehensive strategic partnership. In the process, they should also collaborate in promoting an equal and orderly multipolar world and inclusive economic globalization.

As analysts have noted, Orsi's visit reinforces China's role as a vital partner of LAC countries — a role that resonates in today's polarized landscape, since China is becoming increasingly crucial as regional countries seek to diversify their international relationship.

Leading a delegation of around 150 individuals, including prominent business figures, Orsi aims to elevate Uruguay's global standing and explore new avenues for investment, trade and development. His seven-day itinerary reflects a pragmatic approach to fostering sustainable growth and enhancing Uruguay's international influence.

The signing of a joint declaration and multiple cooperation agreements between the two countries on Tuesday injects fresh impetus to bilateral relations. These pacts, covering areas such as science and technology, environmental protection and agricultural trade, indicate the two sides' commitment to elevating cooperation in new frontiers to high levels. The focus on diversifying their goods trade and expanding collaboration in services and investment is particularly promising given that similar priorities have been outlined for China's new five-year plan period starting this year.

With Uruguay enjoying a trade surplus with China and exporting key agricultural products such as beef, soybeans and wood pulp, the potential for growth in sectors such as dairy and services remains untapped in the superlarge Chinese market.

By strengthening their economic ties and strategic coordination, the two countries are showing how partners can work together to navigate the complexities of the current world situation through cooperation and mutual respect. Such partnership is essential for fostering stability and certainty on the world stage.

Both countries are committed to strengthening their comprehensive strategic partnership, honoring their traditional friendship and orienting it to the future. Their engagement is conducive to safeguarding the interests of Global South countries as a whole, particularly LAC countries. Notably, Uruguay assumed the rotating presidency of the Group of 77 and China last month, a strong pillar of multilateralism, as the UN chief called it.

China has always valued its relations with LAC countries. It supports LAC countries in upholding their sovereignty, security and development interests, and supports Uruguay in assuming the rotating presidencies of the Community of Latin American and Caribbean States and the Southern Common Market. The country also stands ready to work with Uruguay and other regional countries to further contribute to the building of a China-LAC community with a shared future through concrete actions and results.

The strong desire of LAC countries to achieve autonomous development and their ability to act on this desire stem precisely from the fact that their hegemonic northern neighbor has consistently attempted to include them within its "sphere of influence", insisting on "mowing the grass" in its "backyard" itself, unable to tolerate their independent stance on the world stage.

As shown by Sino-Uruguayan relations, the cooperation between China and LAC countries respects the will of LAC countries, meets the needs of their people, and provides enormous opportunities for their development. No external force is in the position to point a finger of blame at it.

Chinese electric buses prove just the ticket

Europe's bus depots might seem an unlikely place to discover the "truth" of its economic ties with China. Not the kind delivered in some European politicians' sound bites, but the kind that shows up on spreadsheets, maintenance logs and accident reports. While these politicians debate "security risks" and "strategic dependence" in carefully calibrated sentences, the people, who actually have to move human beings around cities every day, are making their judgment: Chinese electric buses are what they need.

Across Germany, Belgium and Austria, public transport operators are choosing buses made by BYD and Yutong, even as political anxiety makes a noise in the background. One German executive admitted that quality, safety and reliability matter more than where the buses are made.

Here lies the tension Europe cannot quite resolve. On the one side are some politicians expressing their "worries", and others theatrically invoking "espionage", "data privacy" and "strategic dependence". On the other side are transport authorities staring down the hard calendar of climate targets that do not care about rhetoric and commuters who do not accept excuses. When ideology meets hard demands, ideology is usually the one that blinks.

Chinese electric buses, inconveniently for the "anti-China" narrative, perform as asked. The advantages of BYD's blade batteries are not talking points, except to bus aficionados. They are design choices that reduce risk and calm drivers. Yutong's software, praised by European testers as faster and more integrated than systems they already use, is by no means a so-called "Trojan horse". It is a productivity upgrade. In public transport, where margins are thin and tempers thinner, such things matter more than slogans.

The market tells the true story. Chinese-made electric buses now command a significant share of Europe's fleet renewals, and brand recognition among operators is high. That is because Chinese manufacturing has crossed the line from "cheap" to "competent", and now to "convincingly good".

That leap did not occur in a vacuum. Over the past years, China has poured sustained investment into electric vehicle research and development, with a focus on high-end manufacturing, batteries, power electronics and intelligent systems.

The irony is that much of this progress accelerated during the years when some Western economies were busy "de-risking" and "decoupling". Confronted with technology restrictions and political headwinds, China did not retreat. It sprinted toward self-reliance by overcoming key technological choke points, while simultaneously expanding openness, diversifying partners and scaling up cooperation. In its latest move on Friday in this regard, Beijing urged efforts to leverage the country's comparative advantages to promote continuous breakthroughs in the development of industries of the future.

While some Western politicians spare no effort to safeguard their economies' so-called "security" by shutting doors, Chinese policymakers have called for opening doors wider and rolled out targeted road maps with clear objectives and deadlines across key sectors. So while the enterprises in certain countries waver amid their politicians' inertia, their Chinese counterparts are doubling down on innovation — breaking down major problems into smaller nuts to crack one by one. The two approaches to the climate crisis — talk shop and workshop — have produced very different results. One has tried to manage risk by blocking engagement; the other has tried to transform risk into opportunity by pursuing innovation.

Recent EV deals and consultations between China and the European Union, and between China and Canada, suggest a tacit admission: earlier restrictions on Chinese EVs were driven less by engineering concerns than by politics — specifically, pressure from Washington. Pragmatism seems to have returned, as it tends to do when budgets are involved.

China's NEV sales hit 16.49 million units in 2025, ranking first globally for 11 consecutive years; its NEV exports surged 103.7 percent year-on-year to 2.62 million units, serving over 180 countries and regions worldwide. NEVs cut carbon emissions by over 40 percent in the full life cycle compared with fuel cars. Therefore, Chinese NEVs have become a core solution for global carbon emissions reduction. But Chinese EV makers have no respite as they need to continue to invest in innovation. That is how a manufacturing powerhouse becomes a value-driven one — by letting technological success lift the entire industrial ecosystem.

Those Western naysayers of Chinese EVs should realize that electric bus is a poor vehicle for ideology. Political maneuvering may slow traffic temporarily, but markets have a way of clearing their throats and moving on.

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Cai Meng

Opinion Line

Medical AI collaboration form of lifesaving quality control

A routine diabetes checkup is rarely life-altering. Yet for Qiu Sijun, a retired bricklayer in eastern China, it was — because an algorithm noticed what the human eye had missed. An artificial-intelligence system flagged his CT scan, doctors followed up, and they caught pancreatic cancer — normally a near-silent killer — early enough to save his life.

The story is compelling not because it is miraculous, but because it is ordinary. No experimental drug, no heroic surgery — just data, pattern recognition and a system willing to look twice. That ordinariness suggests that AI's most transformative role in medicine may lie in quietly shifting the odds for millions, one early detection at a time.

Pancreatic cancer has a five-year survival rate of about 10 percent, largely because early detection is notoriously difficult; and mass screening is discouraged due to radiation risks and cost. China's experiment with "pancreatic cancer detection with artificial intelligence" or PANDA — an AI model trained to detect pancreatic cancer from low-radiation, noncontrast CT scans — does not defeat biology. It asks machines to notice sooner, and at scale, rather than asking doctors to see more.

At one hospital alone, the system analyzed more than 180,000 scans and identified roughly two dozen pancreatic cancer cases, more than half at an early stage. Published research suggests detection accuracy of above 90 percent in controlled settings. That is not perfection — but medicine has never been about perfection. It has been about moving the baseline.

China's advantage here is structural. Large patient populations, routine imaging, centralized hospital systems and increasingly mature AI research create conditions where algorithms can be trained, stress-tested and refined rapidly. A noncontrast CT scan in Ningbo, Zhejiang province, costs about $25. When affordability meets scale, the implications extend well beyond China — to countries facing specialist shortages, aging populations and uneven access to care.

None of this eliminates legitimate concerns about overreliance on technology. The developers themselves emphasize that AI cannot replace clinical judgment. But these are not reasons to retreat from medical AI.

At a time when AI is increasingly being seen through the lens of US-China competition — who leads, who controls, who wins — healthcare offers a corrective perspective. Cancer cells do not carry passports. Treating systems such as PANDA as geopolitical trophies would be a strategic mistake, and also a moral one.

What is needed instead is structured cooperation: shared datasets that reduce bias, joint clinical trials that improve validation, and common standards for safety, transparency and ethics. Collaboration is not charity; it is quality control.

The US Food and Drug Administration's decision to grant PANDA "breakthrough device" status last April is an encouraging signal that scientific merit can still cut through political noise. Parallel efforts in Europe and North America exploring AI-assisted cancer detection point in the same direction. Each system has blind spots. Together, they have fewer.

China's rise in medical AI is not a threat to global health. It is a test of whether global cooperation can keep pace with technological change. The tools are arriving regardless. The choice is whether they arrive fragmented — limited by distrust — or shared, shaped by collective oversight and common purpose.

People whose lives are saved by an algorithm may never know in which country the code was developed. And that anonymity would be a sign not of rivalry won — but of progress shared.

— ZHAO XU, CHINA DAILY

What They Say

Human capital investment critical economic booster

Editor's note: *China is placing increased emphasis on investment in human capital. Liu Ying, a research fellow at the Chongyang Institute for Financial Studies of Renmin University of China, spoke to China Daily on why investing in human capital is important for the country's future development, and how the government and the private sector must work together on this. Below are excerpts of the interview. The views don't necessarily represent those of China Daily.*

Investment in human capital aims to enhance people's capabilities and develop their potential throughout their life, thereby stimulating endogenous economic growth. Such investments cover projects to enhance people's education, skills and health, support childcare and elderly care services, boost employment, optimize the income distribution system and cultivate innovative and research talent.

Such investment helps unleash the potential of consumption, allows innovation to play a bigger role in economic growth and contributes to the country's efforts to achieve the well-rounded personal development of its population and common prosperity for all.

As China's economy enters a stage of high-quality development, consumption has become a major driving force for its growth. Final consumption expenditure contributed 52 percent to the country's growth in 2025, with total retail sales of consumer goods exceeding 50 trillion yuan ($7.2 trillion). In addition, consumption of services is gaining momentum.

Still, household consumption accounts for a relatively small share of China's GDP. Many people are inclined to save instead of spend. Insufficient consumer demand is a bottleneck for high-quality development, a challenge that should be addressed through investment in human capital.

As China's population gets older, labor supply has tightened. Also, the development of new quality productive forces requires new skills. Given these challenges, investment in human capital needs to be increased to turn China's waning demographic dividend into a waxing "talent dividend".

Investment in human capital is not a short-term stimulus but a strategic cornerstone for China's continued development. It is not only welfare expenditure, but also a means to increase consumption, support industrial upgrading and enhance total factor productivity.

Both the government and the private sector should participate in human capital investment projects. These projects generally have strong positive spillover effects, and tend to benefit a broad segment of the population. However, they usually require long-term commitment and don't offer significant returns in the short term. The government alone cannot undertake all these projects.

The private sector, which is highly efficient and innovative, could play an effective and complementary role in such investments. Sound mechanisms of policy guidance, risk sharing and profit distribution are necessary to encourage the private sector to participate in these projects, and to promote both public interests and sustainable business operations. In this process, the government should play a crucial guiding role by improving regulations and stabilizing policy expectations.

Greater efforts are needed to explore new business models that enable human capital investment projects to generate sustainable returns. At the same time, it's also important to foster a broad social consensus that values such investment. The government and enterprises should work together to promote the idea that "talent is the primary resource".

While China is emphasizing investment in human capital, investment in physical assets should not be ignored. It remains vital for the country's economic growth and transition. Investment in physical assets, including traditional and new infrastructure and the manufacturing sector, provides the material and technological foundation for the country's economy.

It is worth noting that the two kinds of investment are not mutually exclusive. Rather, they reinforce each other. Together, they form the driving force for the development of new quality productive forces.

Both kinds of investment are necessary for fully unleashing the potential of China's superlarge market. Increased human capital investments in education, healthcare, childcare and elderly care would help enhance the disposable incomes of people and their expectations, thus reducing the need for precautionary savings. On the other hand, higher investments in transportation, digital infrastructure, urban renewal projects and rural water supply projects would improve the quality and accessibility of services and help develop a unified national market.

VIEWS

Zhang Yuan

Maintaining peace key to Iran and beyond

As the United States ramps up its military presence in the Middle East, a parallel escalation is unfolding in cyberspace and the media. Speculation about an imminent war with Iran is being amplified daily, fueling anxiety across the region. Against this backdrop, Iran faces a dual challenge: navigating through the gathering storm clouds toward political negotiations that safeguard its interests, while addressing the economic distress facing its citizens.

Iran's resilience manifests in what can be described as "resistance economy" — a systematic economic self-preservation strategy to counter the unrelenting pressure from the US. The country counters US pressure by reducing reliance on oil revenues, expanding non-oil exports, strengthening domestic production capacity, supporting local industries via import substitution policies, enhancing economic self-sufficiency, creating jobs and developing payment systems that circumvent financial blockades.

This approach has made Iran's economy resilient. Despite prolonged sanctions and recurrent domestic economic shocks that sparked social unrest, the country managed to sustain basic operations, stabilize the political situation and gradually roll out multi-tiered internal reforms.

What prevented Iran's economy from collapsing was its domestic resource endowments, relatively complete industrial system, and substantial foreign trade. At the same time, the frequent social unrest in Iran points to an urgent need to reform economic policies.

Potentially meaningful nuclear negotiations, coupled with provocative and exaggerated threats in the same time, define the current complex situation in Iran.

Iran's woes are compounded by the propaganda and information warfare launched by the US and Israel. Iran's opponents are flooding the internet with disinformation, using fake news to propagate narratives that Iran's current situation is spiraling out of control. They disseminate signals worldwide that the Iranian government is teetering on collapse, and that Iran is unsafe and unfit for investment.

This aims to obstruct potential capital from entering the country, which would worsen its economic conditions, undermine national unity and erode external confidence in Iran's political stability. Iran needs to counter this psychological warfare to achieve domestic and international confidence in the government's ability to manage the situation.

A war hurts the interests of all parties. A full-scale war and interference in another country's internal affairs would violate international law, shatter regional stability and devastate livelihoods. An unstable and civil war-torn Iran would be disastrous for regional peace, global markets and the principles of global fairness and justice.

Iran's economic problems are primarily due to the US sanctions against the country and secondary sanctions imposed on related nations. Iran's inflation stems from currency devaluation caused by sanctions, triggering a livelihood crisis. While increased subsidies may temporarily alleviate social discontent, lifting sanctions remains essential to break free from the vicious cycle of inflation.

Iran is an ancient civilization with a rich history and illustrious culture, characterized by continuity in national character and cultural heritage. Iranians have a profound pride in Persian culture and the nation's glorious past. They consistently emphasize their people's history of defying hegemonic powers. This legacy fosters both a collective consciousness to unite against external threats and an enduring aspiration for national rejuvenation and strength.

Iran has a distinctly independent spirit within the Middle East, emphasizing self-reliance. Shared collective historical memory and cultural narratives have forged a powerful national cohesion, rooted in traditions of resisting hegemony and opposing foreign interference. This psychological foundation enables the people to unite with dignity against external threats. When faced with military encroachment, the specter of war only strengthens Iranian solidarity.

But while the cohesion stemming from opposition to hegemony enables the Iranian government to withstand the pressure of war clouds, the people's yearning for prosperity demands that the government swiftly revitalize the economy. Politically, Iran must embrace greater flexibility, persistently explore a development path suited to its national conditions, stabilize domestic governance, and consolidate diplomatic achievements. Economically, Iran must urgently alleviate unemployment and the brain drain to prevent deeper economic collapse.

Iran's economic security is essential for the region's long-term stability. As a key node in the "Eurasian Land Bridge" and the East-West air corridor, Iran's geographical position makes it vital for regional trade. As one of the largest holders of oil and natural gas reserves, Iran's oil production and exports directly influence global oil prices. If economic and livelihood issues remain unresolved, Iran's social tensions will continue to erupt cyclically. The potential spillover crises from a turbulent Iran could pose systemic risks to the entire Middle East and even the world.

Potentially meaningful nuclear negotiations, coupled with provocative and exaggerated threats in the same time, define the current complex situation in Iran. US-Iran nuclear negotiations need more intermediary countries to guarantee rebuildable trust and convey accurate messages between Iran and the United States. A peaceful environment not only ensures Iran's sustainable economic development and its people's well-being, but is also a prerequisite for regional stability and prosperity. Therefore, maintaining regional peace, refraining from provoking unnecessary wars, and resolving differences through dialogue and negotiation should be the collective responsibility of all nations.

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The views don't necessarily reflect those of China Daily.

Yu Changhua

US fiscal deficit threat to global financial stability

MA XUEJING / CHINA DAILY

The United States is grappling with an unsustainable fiscal path that threatens global financial stability. With massive budget deficits persisting and Treasury debt rapidly climbing, the risks of higher borrowing costs, refinancing pressures, and disruptive spillovers to currencies, commodities and capital flows are mounting. Emerging markets and developing economies are especially vulnerable.

The country's mounting fiscal burden is starkly evident in the fiscal year 2025 federal budget deficit of $1.8 trillion, which is equivalent to about 5.9 percent of the country's GDP. Gross federal debt now exceeds $38 trillion, with debt held by the public nearly 100 percent of the GDP at the end of fiscal year 2025. Ongoing large-scale Treasury issuance and a relatively short average debt maturity amplify refinancing risks and push up interest costs.

Net interest payments on the public debt now surpass $1 trillion annually. Treasury yields have eased from mid-2025 highs. The 10-year bond yield hovered around 4.24 percent and the 30-year one near 4.85 percent in late January. The Congressional Budget Office projects debt held by the public will climb to 118 percent of the GDP by 2035, with interest consuming an ever-larger share of federal revenues. Research shows that a 1 percentage point increase in the debt-to-GDP ratio tends to push long-term interest rates higher by roughly 2 to 3 basis points, creating a self-reinforcing cycle of rising borrowing costs and ballooning interest payments.

Recent data also point to a diminishing foreign appetite for US debt. Foreign investors hold approximately 30 percent of US public debt, or about 24 percent of total gross federal debt. This share has edged down modestly as domestic holders — including the Federal Reserve, mutual funds, and pension funds — have expanded faster than foreign demand. Japan remains the largest foreign holder, with more than $1.2 trillion as of November 2025.

Political winds at the Fed are shifting in ways that heighten fiscal-monetary tensions. On Jan 30, US President Donald Trump nominated former Fed governor Kevin Warsh to succeed Jerome Powell as Federal Reserve Chair. Trump has pressed aggressively for lower interest rates to alleviate government borrowing costs amid the high deficits. Warsh, long regarded as an inflation hawk, has recently signaled greater openness to accommodation, citing productivity gains as providing policy room.

This dynamic raises legitimate concerns about fiscal dominance, where debt-servicing imperatives constrain monetary policy. Aggressive rate cuts or balance-sheet expansion could be perceived as monetizing deficits, eroding Fed independence. Markets might respond with a weaker dollar, reduced real yields, or doubts about safe-haven role — potentially triggering capital outflows from the US in search of higher returns elsewhere.

Global spillover effects are already emerging from these dynamics. A weaker dollar could narrow the US trade deficit but also spark capital outflows from the US. Recipient economies may see their currencies appreciate, undermining export competitiveness, inflating asset prices, fueling import-driven inflation, and heightening vulnerability to sudden reversals. Commodity volatility — exacerbated by tariffs, geopolitics, and dollar fluctuations — further strains both importers via higher inflation and exporters via instability. Softening foreign demand and shifts toward gold already question the dollar's entrenched dominance. Without US reforms, the risks include capital flow volatility, currency and inflation swings, debt distress and eroded monetary policy autonomy for emerging markets, potentially culminating in stagflation or global contagion.

The US should prioritize fiscal reforms, including extending debt maturities to reduce rollover risks, curbing structural deficits, and stabilizing yields to ease global rate pressures. Critically, preserving the Fed's independence is essential to avoid perceptions of monetization, dollar depreciation, and destabilizing capital flow swings. It is essential to address the underlying imbalances through spending discipline and revenue measures.

Emerging economies can mitigate risks from currency appreciation and volatile capital flows with targeted measures. Macroprudential tools, such as higher bank reserve requirements, loan-to-value or debt-service-to-income caps, and restrictions on foreign-currency lending, can prevent credit booms and excessive leverage. Capital flow management, used judiciously, may include taxes on short-term inflows, quantitative limits on portfolio investments or minimum holding periods. Stronger banking supervision, ample foreign-exchange reserves and tighter rules on external exposures of banks are critical, as are efforts to diversify funding sources, promote local-currency bond issuance and reinforce regional financial safety nets or swap arrangements. These policies and sound domestic fundamentals together offer emerging markets a stronger buffer against external volatility.

Broader global cooperation remains critical as well. Multilateral institutions such as the IMF and G20 should facilitate debt restructuring, enhance safety nets and promote policy coordination. Innovations such as blockchain-enabled cross-border payments and greater internationalization of the yuan could gradually lessen dollar dependence, but these must be embedded within strong regulatory frameworks and international standards.

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Michele Ferrero

Being a 'Chinese' in Italy, and a *laowai* in China

The first time I went to China was in 1996. I stayed in Hong Kong for a few days, then moved to Taipei to study Chinese and later earned a doctorate at Fu Jen University. Since then, I have studied and worked in China for almost 30 years, with one break of four years when I taught in Jerusalem, Israel.

So it is not surprising that every time I return to my small town in northern Italy, my friends and relatives refer to me as "the Chinese". "The Chinese is back" or "the Chinese is here" are common expressions I hear whenever I return to Italy.

How did I become "Chinese"? Someone once told me: "You behave in a Chinese way."

What does that mean?

For example, in Chinese tradition it is considered good manners not to offer direct observations or criticism, but instead to focus on the other person rather than on oneself. While Italians would have no problem saying, "It's time for me to go," I now prefer to say, "Maybe you are busy? I don't want to take too much of your time."

Italians also have no hesitation in saying a loud and clear "no". I now find that quite rude, having grown used to the Chinese "yes" which often actually means "no" but in a very indirect way.

I am also surprised by how Italians can hold conferences or meetings with very little organization.

Similarly, I often forget that in Italian, "please wait a moment" usually means that something will be done a little later, not that the person is politely saying, "sorry, it's not possible."

Sometimes I also like to eat in a "Chinese" way. It is not about the food — Italian food is as good as Chinese food — but about feeling uncomfortable when everyone orders individual portions instead of sharing dishes placed in the middle of the table.

I often look at Italy with Chinese eyes. For example, in China, before making a decision, people usually refer to someone in a higher position. But in Italy it seems everyone — from the cleaning lady to the restaurant waiter — decides on the spot, without any need for consultation.

Another way in which I have become more "Chinese" is my discomfort with how much Italians love to argue, hold different opinions, and express them freely without fearing that this might affect friendships or relationships. I now feel uneasy when surrounded by too many conflicting opinions and heated discussions.

What also surprises me is how Italians do not care where they stand in a group photo or who stands in the middle. It simply does not matter. In China, before a group photo, people can spend up to 10 minutes jostling and tugging to persuade others to stand in the middle or stay away from it.

I can now leave a room without telling everyone "I'm leaving" — something that is considered impolite in Italy but seen as a sign of humility in China.

I also feel uneasy in summer when I see how little some Italian girls wear and notice with disapproval when people offer gifts using only one hand.

When I was more "Italian", I used to say, "This is a wonderful place — look, there's no one here!" Now, places without crowds make me uncomfortable.

I am also surprised by how Italians can hold conferences or meetings with very little organization.

In Beijing, people queue up in an orderly manner at metro stations and public offices. I often wish people in Italy could import this nice habit.

The first time I gave red envelopes to my nieces, they were puzzled. But now they have learned what these red envelopes mean, and always look forward to receiving them.

I study Confucianism and often talk about it, and I see that its wisdom is appreciated in Italy as well.

I speak Chinese in local Chinese shops — famous in Italy for being open 24 hours a day, seven days a week — as well as in Chinese restaurants and laundries, always receiving a mixture of surprise and suspicion.

So yes, I have become a little Chinese.

And like many other foreigners, in China I will always be a *laowai*, and in Italy "the Chinese".

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