Let there be light

The Nobel Laureates for Medicine illuminated how the brain works

The first of the Nobel announcements has come, heralding the season of celebrating the fruits of the perennial human endeavour to know more and use that knowledge to benefit people. The 2026 Nobel Prize in Physiology or Medicine went jointly to Karl Deisseroth, Peter Hegeman and Georg Nagel "for their discoveries concerning light-gated ion channels and optogenetics". True to Alfred Bernhard Nobel's aim of annually recognising those who have "conferred the greatest benefit to humankind", this year's Nobel went to people who shone a light, literally, on the brain, providing a quantum leap in understanding how it functions. In essence, if the brain is a puppeteer pulling the strings, the body is the marionette. The dexterity of the puppeteer is obvious, but her methods, often not. It is this that the Nobel trio sought to explain with optogenetics – making it possible to show how nerve cells communicate with each other, and the body, regulating memory, emotions and bodily functions. It allowed mapping the brain in ways that were previously impossible. As most often in work that the Nobel acknowledges and honours, there was rich collaboration across continents in advancing optogenetics. Peter Hegemann wondered what enabled *Chlamydomonas*, a single-celled alga, to swim towards a light source; Georg Nagel went on to discover an algal protein that can be illuminated with blue light to open a channel within, allowing charged ions to flow into the cell and create electrical impulses. Karl Deisseroth transformed the protein into a light-controlled switch for nerve cells. Practically, today, scientists use harmless viral agents to deliver genes for light-sensitive proteins into specific target cells. Then they deliver precise pulses of light, activating the channels, allowing research to study the patterns. In the decades since the laureates described their work, researchers have gone on to use optogenetics to reveal neural circuits governing specific memories, feelings and behaviours relevant to neurological and psychiatric disorders. It laid the groundwork for clinical treatments targeting conditions including Alzheimer's and addiction. Researchers are even using the method in attempts to restore sight.

As technology facilitates easier pathways to translating scientific research that happens in labs into practical therapies, diagnostics and health-care practices that could ameliorate human health or protect it from illness, it is also important for nations to find ways to ensure that the fruits of such research actually reach all the people who might benefit from it, irrespective of their location or station in life.

Break the chain

India must focus on cutting transmission of leprosy

While the prevalence of leprosy among adults and children and the grade-2 disability rate have dropped in India over the last decade, its continued transmission in many pockets constrains India's ability to meet targets outlined in the National Strategic Plan (NSP) and Roadmap for Leprosy 2023-2027. By 2005, the national prevalence had dropped to under 1 case per 10,000 people, prompting the World Health Organization (WHO) to declare that India had "eliminated [leprosy] as a public health problem". However, the government became complacent and allowed the folding of the leprosy surveillance programme into the general health system. Multi-drug treatment regimens also shortened the time for which patients remained formally registered, allowing prevalence to fall and transmission to continue. Disability due to leprosy began to rise in the early 2010s, prompting door-to-door screening. Today, the NSP is right to focus on cutting transmission, in line with WHO. Since India's children accounted for around 46% of all cases reported among children in 2025, the two programmes need to move in tandem. The drop in disease burden has also been highly uneven – Chhattisgarh, Jharkhand, Odisha, and Maharashtra bear disproportionate shares of the national burden. According to the 2025-26 National Leprosy Elimination Programme report, only 148 districts have achieved 'interruption of transmission' (pending field verification) against the projected 300.

In 2025-26, workers screened more than 70 crore people in highly endemic areas, where 24,367 cases were detected, and ASHA workers flagged nearly 40 lakh suspected cases, with 48,027 cases confirmed. Workers also administered single-dose rifampicin as post-exposure prophylaxis to 91.1% of those 16.9 lakh likely to have come in contact. The government has operationalised digital surveillance and is deliberating on using the MIP vaccine to accelerate pathogen clearance in patients deemed highly infectious. One persistent set of lacunae pertains to care: research has shown nerve damage in many patients by the time they sought care, largely due to the stigma, while many clinical practitioners are unfamiliar with leprosy's pathology or misdiagnose it as a skin condition. Reading these realities together, the state should double down on interrupting transmission and make prevalence a secondary outcome. It should also resist the temptation to ease detection or revise its elimination targets – the 2025-26 report says the overall incidence overshot projections by 41%, incidence among children by 91.6%, and the grade-2 disability rate by 34% – and instead redouble its investments to meet the extant 2026-27 projections. Finally, it should commit its augmented efforts at locations and social settings where both late diagnosis and transmission remain trenchant.

Twenty-five years of leadership, an India transformed



N. Chandrababu Naidu

The Chief Minister of Andhra Pradesh

In my 48 years in public life, I have seen political parties rise and fall. I have seen leaders emerge with great promise and fade away. I have seen governments change, economies transform and technology alter our lives beyond recognition. One lesson has become increasingly clear to me: ultimately, leadership matters.

In today's world, technology, knowledge, capital and ideas are freely available. But the true differentiator for nations is leadership – one with vision, integrity, credibility and the ability to execute.

On October 7, 2026, Prime Minister Narendra Modi completes 25 uninterrupted years in executive office – first as Chief Minister of Gujarat and, since 2014, as the Prime Minister of India. It is a remarkable journey of leadership sustained by public trust. Through changing circumstances, Mr. Modi has remained remarkably consistent in his purpose: the development of India and the empowerment of its people.

The world around us has been turbulent. We have witnessed a global financial crisis, a once-in-a-century pandemic, wars, geopolitical realignments, technological disruption and economic uncertainty. Several democracies have experienced frequent changes of leadership and consequent policy uncertainty. Through all this, India has remained steady at the wheel and an oasis of economic hope.

Leadership built on trust

Such stable leadership cannot sustain itself for 25 years merely through politics. It requires trust. Mr. Modi has earned that trust through an established track record, impeccable personal integrity and tireless self-discipline. In today's world, public leaders effectively live in glass houses. Every decision and every action can be seen and questioned. To retain the confidence of people over decades under such scrutiny is an achievement in itself.

Mr. Modi brings a unique ability to understand people's aspirations, translate them into action and communicate those results back to the people.

The results are visible. Over the last decade, India's National Highway network has expanded from about 91,287 kilometres in 2014 to more than 1,46,000 km. The airport network has grown from 74 airports in 2014 to over 160. Railway electrification has accelerated dramatically. India's installed renewable-energy capacity has now reached nearly 296 GW, including large hydro, with solar alone crossing 168 GW. Infrastructure today is being conceived not as isolated projects but as an integrated national network through initiatives such as PM Gati Shakti (Prime Minister Gati Shakti – National Master Plan for Multi-Modal Connectivity).

Prime Minister Narendra Modi's 25 years in leadership reflect India's transformation and its rising national ambitions

At the same time, India's welfare architecture has expanded basic security and dignity. Around 80 crore people receive free foodgrains, including five kilograms a person per month for eligible priority households. Tapwater coverage in rural homes has risen from about 17% in 2019 to over 82%. An estimated 24.8 crore Indians moved out of multidimensional poverty between 2013-14 and 2022-23. The significance lies not only in the scale of these programmes, but in their reach. Technology has enabled the State to deliver basic entitlements more directly, transparently and at a scale that was once unimaginable.

Technology in nation-building

Mr. Modi has a deep appreciation of technology and its role in transforming India. He understands emerging technologies, adopts them early and, more importantly, applies them to nation-building. He sees technology as a tool to improve governance, empower people, create opportunities and accelerate development. India's Digital Public Infrastructure has shown how technology can democratise access to banking, welfare and public services at unprecedented scale. This deep appreciation of technology has enabled him to launch a host of frontier policies aimed at making India take a giant leap and put it in the league of global tech titans. India's quantum mission, semi-conductor mission, and a host of Production Linked Incentive (PLI) schemes across electronics and advanced manufacturing are instances of this vision.

India's space sector is another great example. For decades, India's extraordinary capabilities in space were centred overwhelmingly around government. By opening the sector to private enterprise and creating an enabling ecosystem, the government has unleashed a new generation of entrepreneurs. Companies such as Skyroot Aerospace, Pixxel, Agnikul, Dhruva and Bellatrix demonstrate what young Indians can achieve when regulation gives way to innovation.

As a Chief Minister first and then a Prime Minister, Mr. Modi has a strong belief in "Team India". He knows that India cannot be transformed from Delhi alone. Growth needs to be decentralised with States and cities competing. His emphasis on cooperative and competitive federalism has given States a larger role in India's development journey.

India's place in the world

In his tenure, India's stature abroad has also changed profoundly. Today, India's voice is heard with greater respect on global platforms. India protects its national interest while engaging with different centres of global power, preserves strategic autonomy while building deeper partnerships, and projects its civilisational confidence as a modern, technology-driven nation. India today is among the world's fastest-growing major economies. But I believe the most consequential phase of our journey is still ahead.

Few countries possess India's combination of strengths. It has a demographic dividend, an extraordinary entrepreneurial energy, technological capabilities and a young generation that is ambitious, confident and increasingly connected to global opportunity. If we make the right decisions now, the benefits will last for centuries. This is why leadership at this moment assumes historic importance.

Mr. Modi's 25 years in executive leadership have demonstrated the qualities such a moment demands. The Narendra Modi who became Chief Minister of Gujarat on October 7, 2001, and the Prime Minister leading India today are connected by the same clarity of purpose and unshakeable belief in India's potential.

Twenty-five years have established his record. The next 20 years can establish India's place in history. The true significance of these 25 years, however, will be judged by what they enable India to achieve next. Mr. Modi has shifted the country's development trajectory – from incrementalism to ambition, from hesitation to confidence, and from managing limitations to believing in possibilities. I am confident that the direction he has set and the institutional momentum created during these years will help India realise its ambition of Viksit Bharat 2047 and reclaim its place among the world's leading nations.

Few leaders are given the opportunity to shape a generation. Rarer still are those who can shape the destiny of a nation. After 25 years of leadership, Mr. Modi's greatest contribution may ultimately be that he made India believe once again in the scale of its own possibilities – and gave the nation the leadership to turn that belief into reality.

The China-U.S. rapprochement



Kevin Rudd

Global President and CEO of Asia Society, New York, and the 26th Prime Minister of Australia

The world, understandably, has been watching carefully the unfolding summitry between the United States and Chinese Presidents over the last several months. It had been a long time between drinks: just under a decade in the case of President Donald Trump's last visit to Beijing in late 2017; and just over a decade since President Xi Jinping stood on the White House lawns in 2015 with President Barack Obama.

Whereas now it is four summits in little more than six months: Beijing, Washington, Shenzhen and then Miami. Now it is everything, everywhere, all at once, with some speculating that we are seeing the birth of a new G-2.

More a new phase

It is natural for the world to wonder what, if anything, has fundamentally changed in the strategic architecture of the U.S.-China relationship. It is always hard to parse the difference between the language and theatre of politics and diplomacy, and what is actually happening on the ground.

Despite the pomp and circumstance in both the Beijing and Washington summits, the reality is that nothing much has changed in the fundamentals of the relationship. Whatever public language might be used, the U.S. and China remain fully engaged in an all-pervasive strategic competition on which of them will emerge as the dominant Indo-Pacific and then global power for the 21st century – militarily, in the economy, technology, foreign policy as well as the underlying ideological contest between democratic capitalism and China's alternative authoritarian model.

Whatever the diplomatic surround sound might be, core decision-makers in both Washington and Beijing continue to have a deeply realist view of this ongoing strategic contest – or what the Chinese Communist Party (CCP)has long called the "struggle for the future of the international order". Strategic competition is not going away. The real question is whether that competition can be managed within the framework of some mutually acceptable rules of the road. Or whether it is left unmanaged with a rolling risk of crisis, conflict or even war.

What the U.S. and China appear to be doing is moving towards an imperfect form of bilateral management mechanism. This process began in May last year with the regularisation of the political channel between U.S. Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng. This followed the imposition of trade-destroying tariffs of 125% in April 2025 by Mr. Trump, which were then promptly matched by 125% from Mr. Xi. To preserve their respective national economic interests, both sides then walked back from the brink of a full trade war. Since then, Mr. Bessent, Mr. He and their teams have now met eight times – on average every two months. And after a tumultuous decade across every dimension of the relationship, the Bessent-He channel has indeed had a stabilising effect.

There is no 'G-2' yet in U.S.-China relations -- Washington and Beijing may manage their tensions, but their strategic competition remains entrenched

Beijing's push for stability

China in particular has sought stability as it moves into 2027. Later next year, the CCP convenes the 21st Party Congress when Mr. Xi will be appointed to a record fourth term as General Secretary and where he hopes to appoint a fresh phalanx of personal loyalists to the party's most senior positions. While Mr. Xi's authority remains unchallenged, he will want as benign a domestic economic environment as possible.

China's dilemma is that the domestic drivers of economic growth are performing poorly. Private domestic consumption is in the doldrums. Private residential construction is into its sixth year of recession. Private fixed capital investment is also flat-lining. That leaves public investment (i.e., China's gargantuan techno-industrial strategy) and net exports as the two primary pistons driving the Chinese growth engine.

The last thing Beijing wants is for the U.S. to resume a full-scale trade war which Mr. Trump is perfectly capable of doing. Just look at what he did in 2018 and in 2025. China therefore has been doubling down on its "stability narrative" with the U.S. Its new concept of "constructive strategic stability" is about maximising "cooperation", managing "competition within defined bounds", while also managing "strategic differences", which is code language for Taiwan. In China's conceptual universe, if these three pillars are properly attended to, then the cardinal objective is achieved: stability.

It is an elegant schemata. It is China's effort at "managed strategic competition" with the U.S. Moreover, the U.S. has formally accepted this framework in official readouts from the Beijing Washington Summits. But the U.S. has added the explicit caveat that any such bilateral framework be both "fair and reciprocal".

For Washington realists,that is enough to drive a bus through any "constructive strategic stability" narrative on any day of the week. Furthermore, Beijing would be wildly optimistic if it concluded that Donald Trump is likely to be constrained in his future freedom of manoeuvre because of some grand, overarching foreign policy narrative. The President just does not operate that way.

A fragile truce

What concerns China most is if what is called the "Busan Tariff Truce" agreed to last October falls apart. That original 12-month truce has only been extended two months. If the U.S. concludes that China has not been helpful on U.S. agricultural exports, or in the normalisation of the critical minerals and rare earths trade with the U.S., there is a real risk that the Busan Truce collapses. And if the European Union were to move in the same direction on tariffs given the crisis in European manufacturing, the consequences for an export-dependent Chinese economy would be large.

For all these reasons, both tactical and strategic, the U.S.-China relationship remains deeply fragile. Even if the Busan Truce extends beyond December, the effective general U.S. tariff rate against China will remain much, much higher than, for example, India's. Beyond trade, there also remains a formidable array of export controls on critical technologies, including world-class chips where China remains several years behind the U.S. And that leaves to one side a bilateral foreign investment regime which remains deeply restrictive at both ends of the relationship.

Therefore, breathless reporting about an emerging "G2" between the U.S. and China in some sort of global strategic condominium is fanciful. Whatever tactical accommodations may occur in the trade relationship, the fundamental nature of the strategic competition between Washington and Beijing continues. Remember it was Donald Trump, on the very eve of Mr. Xi's state visit to Washington DC, who stated, "Whoever wins in AI, wins." That is Xi Jinping's view too. That does not exactly sound like an emerging G-2 to me.

LETTERS TO THE EDITOR

Transparency, poll trust

The Supreme Court of India's notice to the Election Commission of India over the "modified" Form 6 highlights a simple point: any change to voter registration must follow due legal procedure and be made public. Citizens providing correct details should be able to register without hurdles. Transparency in the Election Commission is essential to restoring public trust.

Sankalp Gupta,
Dhenkanal, Odisha

The Changes concerning voter registration and electoral rolls cannot be treated as routine administrative matters when they directly affect citizens' democratic rights. The Election Commission must ensure that every decision is transparent, accountable and supported by clear records. At the same time, allegations must be examined on the basis of evidence rather than assumption. Public confidence in elections ultimately depends on institutions being open to scrutiny.

Albin Thekkethala,
Kallur, Thrissur, Keralam

Medicine Nobel

Many of the most significant advances in medicine start with questions that appear to have nothing to do with the field. The 2026 Nobel Prize in Physiology or Medicine is a striking instance. This is something that India should take note of. Basic science requires patience, freedom, and continuous support — a question which seems unclear in a laboratory at the present time could end up forming the basis of tomorrow's medicine.

Dr. Yash Javeri,
Lucknow, Uttar Pradesh

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

Why charging for UPI changes the math



Americai V. Narayanan

National Spokesperson of the Tamilaga Vettri Kazhagam (TVK), a certified public accountant (CPA) and a certified management accountant (CMA)

In the decade since its launch, India's Unified Payments Interface (UPI) has evolved from a promising digital experiment into critical economic infrastructure. Against this backdrop, the Union Finance Ministry has notified that the National Payments Corporation of India (NPCI) will operationalise a 0.4% Merchant Discount Rate (MDR) on specified merchant transactions above ₹2,000 from October 15. While consumers will not be charged directly, this marks a significant departure from UPI's zero-MDR model for merchants. While the reasoning is understandable, considering the costs to run UPI, one question deserves an answer: what has UPI cost India, and what has it saved?

The costs are easy to see as servers, security and fraud controls show up on balance sheets, while the savings are scattered across the economy. For example, take a small shopkeeper. Before digital payments, taking cash meant counting notes, keeping change, guarding the till and making trips to the bank, with the added risk of theft. UPI removed most of that, with customers also saving themselves a few trips to the ATM. Further, banks now handle less physical cash, businesses reconcile accounts faster, lenders are able to read a small trader's cash flow from digital records, and most importantly, the government gets a trail that helps with formalisation and tax compliance. None of this is revenue to UPI; it is spread across banks, consumers and the exchequer.

The case for MDR is that the payments ecosystem needs a steady income to maintain and expand UPI, which is a fair point. Yet this logic assumes that most of UPI's cost should be recovered from the transactions on it; the wider benefits are not accounted for. Every payment that moves from cash to UPI cuts handling costs elsewhere while every merchant who joins adds to formalisation. Further, the increase in UPI users makes the network more useful to those already on it. India has acted on this logic before: the government approved ₹1,500 crore in 2024-25 alone to incentivise low-value merchant transactions, with the view that moving cash through digital networks was worth paying for.

If ₹100 collected in MDR causes more than ₹100 of economic value to disappear elsewhere, the payment system ends up better funded and the country poorer

Balancing benefits

On September 28, the Supreme Court, while declining to stay the levy, asked the Centre, the RBI and the NPCI to explain, on affidavit, the legal basis for the levy, including whether the MDR was a tax or a fee. In response, the government stated that nothing reaches the exchequer and that the money was a settlement between banks and service providers. This answers the legal question but not the economic one – what is India giving up?

Consider a highway between an industrial region and a port. A toll can be perfectly reasonable, but toll collections say little about the highway's real return, which is the faster movement of goods and the businesses that grow with it. A port is similar; while container fees pay for operations, its larger contribution is the trade that it enables. UPI also deserves the same lens. Any plan to recover its maintenance bill should ask what happens to the activity it supports once a toll is introduced. That calculation is largely missing from the MDR debate.

MDR might raise money that lets banks and payment providers invest more in resilience and expansion. But it would also lead to a change in behaviour. Some merchants may prefer cash for transactions while others may nudge customers towards a different payment instrument. When payments slip back to cash, the costs UPI had removed come back such as handling, reconciliation, cash logistics, and less digital visibility. Some of the formalisation gains go too. If ₹100 collected in MDR causes more than ₹100 of economic value to disappear elsewhere, the payment system ends up better funded and the country poorer.

Additionally, UPI and RuPay had helped India build a domestic payments ecosystem at the expense of global card networks. The USTR had earlier called India's zero-MDR policy a market-access barrier for Visa and Mastercard; these players now stand to gain from any drift back to cards. A lasting domestic advantage should not be conceded for trade terms that can later be revised.

A network that millions of Indians rely on has to be secure, resilient and able to grow. The harder question is what "self-sustaining" should mean. The test for the new toll should be straightforward: does it increase India's overall economic return from UPI after accounting for the behaviour it may change and the wider benefits the network creates? This is the question policymakers should answer.

Indian research can shape the world



K. VijayRaghavan

Former Principal Scientific Adviser to the Government of India and chairs Ashoka University's Science Advisory Council



Archish Mittal

Vice-President, Iron Pillar

People fret about the buses India has missed in its technological growth. The list is familiar: aircraft, advanced weapons, new materials, and biotechnology. In each, we look at what others built decades ago and ask why we did not. There is value in this introspection, and there is danger. The value is that it forces us to ask whether our systems can be streamlined and enabled. Catching up is not a bad thing. Much of the world's industrial history is a history of catching up. The danger is that catch-up-itis can become a habit. If our ambition is always defined by what someone else has already done, we will always arrive late, pay for licences and know-how, and build on foundations laid elsewhere. The costs of technological catch-up are a heavy burden, and they recur with every new wave.

There is a better question to ask, and it arises from a tectonic change in the relationship between science and technology. By science, we mean discovery, curiosity, the effort to explain the universe, and the development of abstract ideas in mathematics. By technology, we mean the development of tools that enable humans to transform the world. For much of history these were treated as separate enterprises, with technology following science at a distance, sometimes by a century.

However, over the past 50 years or so we have increasingly seen fundamental research and application sewn together at the hip. Much of our understanding of how genes are regulated came from studying viruses that infect bacteria. More recently, studying how bacteria defend themselves gave us CRISPR technology within just a few years, which has an extraordinary range of applications. Today, the distance and time from curiosity to application are short. This shift lets thinking and training lead, and it shows that investing in fundamental research will enable leading than playing catch-up. The bus we need to board is the next one, and it has not yet left.

National laboratories need to be liberated from insularity. The bulk of our national labs are currently poorly accessible to researchers, students and companies outside their walls

Get on the bus first

For science from India to have global impact by developing transformative technologies, four things need to be addressed.

First, invest in high-quality education at scale. The features of AI that democratise access to learning allow us to reach millions of students poorly served by our moribund institutions, and to bypass those institutions where necessary. But learning science requires doing science. Hundreds of experimental "foundries" in engineering, physics, biology, chemistry and math should be created; places where young people work with real instruments on real problems.

Second, national laboratories need to be liberated from insularity. The bulk of our national labs are currently poorly accessible to researchers, students and companies outside their walls. This can easily change, benefiting both labs and universities. All national labs need to be organised around three zones: green for open interaction, amber for collaboration, and red for strategic work. Much of what India's labs do belong in the green and amber zones.

Third is flexibility. Many say we are a low-trust society and that our regulators should trust our research system more and be more flexible. The response to this is to point out that trust is low because compliance with guidelines is poor, necessitating onerous rules. However, India does have many high-quality islands of excellence in universities, institutes and laboratories. These institutions do comply with the rules and regulations, and should be freed from the weight of General Financial Rules compliance, a weight few other countries place on their scientists. Accountability should be measured by outcomes, and not by procedure at every step. Flexibility can allow these institutions to leap ahead.

Fourth, our regulatory system still needs much reform. Approvals for research with biological materials and for clinical trials remain slow and unpredictable. The more hoops companies and researchers must jump through, the less likely small and medium-sized institutions are to succeed, since only those with deep pockets can afford the time and costs. Thus, high-quality, speedy regulation is important.

None of this is beyond us; they can be achieved step by step. Many are already doing so in pockets. What is missing is the decision to make those pockets the norm, and a few who dedicate themselves to this task. How long will it take to become a science-driven nation with global impact? If we improve just 10% in each sector, field, and every year, we will be nearly seven times better in 20 years.

Women are twice as likely to use public transport for work commute

Nearly 67% of all women who commuted to work relied on walking or buses or other public transport

DATA POINT

Sambavi Parthasarathy
Gandla Sneha

The commute divide

Data for the charts were sourced from the National Household Travel Survey conducted by the National Statistics Office (NSO). The survey was conducted between July 2025 and June 2026 covering 2,84,769 rural and 2,07,254 urban households. The analysis pertains only to the share of workers aged 15 and above and a trip is defined as travel covering a distance of more than 1 km



The National Household Travel Survey (NHTS), which captures how people in India travel to the workplace, shows a clear gender divide in mobility and the modes used to travel to work. Data shows that women are twice as likely as men to commute to work using public transport such as buses or trains or on foot compared to men. Nearly 67% of all women who commuted to work relied on walking or buses or other public transport. This figure was only 33% for all men who commuted to work **(Chart 1)**. In rural areas, more than half of all women who were working walked to their workplaces. However, a large share of men were dependent on two-wheelers.

While two-wheelers remained a major mode of transport for both men and women in urban areas, women were not solely reliant on two-wheelers.

A Statewise analysis shows that the share of women walking to work rather than relying on buses was higher than the national average in the central and northeastern States, including M.P., U.P. and Bihar **(Chart 2)** signifying low public transport availability. In southern States such as Keralam, the gap between women taking buses in rural and urban areas reduced significantly.

While women in urban areas also rely on other means such as autos and cars, they still take slightly longer than men to commute to work. In at least 13 major States, a higher share of men commuted to work in around 30 minutes compared to women **(Chart 3)**.

The use of public transport reflects the cost of commuting too. Though women's expenditure on commute is lower than that of men in rural areas, the gap is reducing in urban areas **(Chart 4)**.

Chart 1: The share of men, women and persons using different modes of transport to commute to work. Figures in %

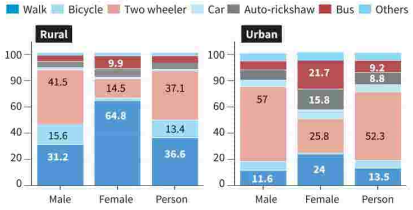
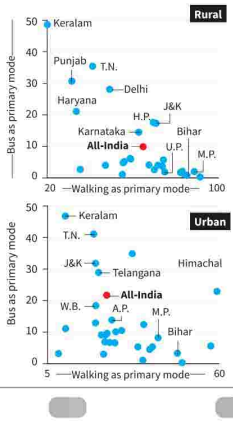


Chart 2: Share of women who either walked or used the bus as a primary mode of transport to commute to work. Data pertains to major States only. Figures in %



■ *In States like M.P, U.P., Bihar and Chhattisgarh, rural women are overwhelmingly dependent on walking. For instance, in Madhya Pradesh, 88.7% of rural women walked and only 2.0% used the bus. This could signal either lack of access to public transport or proximity of workplaces*

■ *In Keralam, only 20.1% of rural women walked, while 48.6% used the bus. This is the highest share of rural women using the bus for their commute in the country. In general, the share of women walking to work reduces in urban areas*

Chart 3: State-wise share of men and women who commute to work within 30 minutes. Figures in %

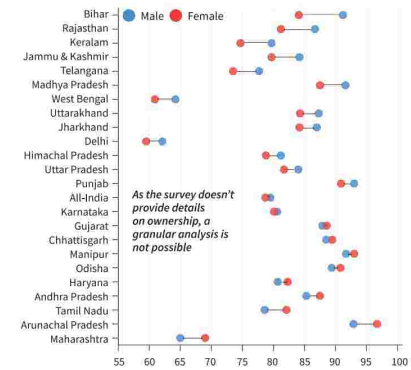
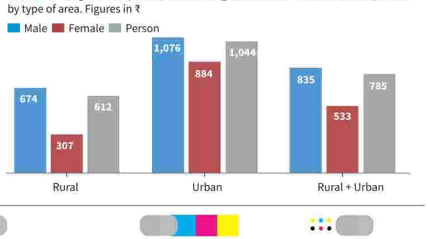


Chart 4: Average monthly cost of commuting to work for men, women and persons by type of area. Figures in ₹



FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO OCTOBER 7, 1976

'Aluminium conductors cause phone faults'

Hyderabad, October 6: Due to the extensive use of aluminium conductors, quite often "disconnection faults occur on the telephone lines", resulting in the telephones becoming 'dead', according to Mr. K.S. Krishnamurthy Rao, Sub-Divisional Officer, Telephones, at the Saifabad Exchange here.

In a paper presented at the seminar on "Improved Service to Telephone Users", organised by the Junior Engineers (Telcom) Association, Mr. Krishnamurthy Rao said an expert committee constituted by the Indian Post and Telegraphs Department had "discouraged" the use of aluminium conductors and suggested "reversion to copper". "If this is implemented, I am sure, we will be improving our services to a large extent", he said.

Presiding over the seminar, held at the Regional Telcom Training Centre on Abid Road, Prof Alladi Prabhakar, Head of Osmania University's Department of Electronics and Communication Engineering, called for an integrated telecommunication network which could deal not only with voice communication but also facsimile, video and other media. He emphasised the vital role of electronic switching in this regard.

In his paper, Mr. Krishnamurthy Rao observed that the maintenance aspect had not been forgotten by the department in the course of the vast expansion of telecommunication services.

A HUNDRED YEARS AGO OCTOBER 7, 1926

Fighting malaria in Indian plantations

London, October 6: Under the auspices of the Indian Tea Association, Sir Ronald Ross will leave for India on 29th October on board 'Rajpatanam'. He will travel to Calcutta via Malay States with the object of inspecting measures for the control of malaria, that are being carried out in the plantations in India and Malay States. While in Malay States, he will be the guest of Sir Watson. Sir Ronald Ross will unveil at Calcutta a commemorative tablet in his old laboratory at the Presidency General Hospital. He will also lecture at the Calcutta School of Tropical Medicine.

Text&Context

THE HINDU

NEWS IN NUMBERS

India's data centre sector investment commitments

173 in $ billion. India's data centre (DC) market added about 130 MW of new capacity in the first six months of 2026, while more than 200 MW is expected to go live in the second half of the year, CBRE said in a report released on Tuesday. Hyperscale and co-location investments accounted for close to 62% of the cumulative DC commitments. PTI

Amount Zambia will sign in U.S. five-year health deal

3.6 in $ billion. Zambia will sign a revised health agreement with the U.S. that will not include contentious clauses committing the African nation to share data with the U.S. government. The U.S. has signed new bilateral health agreements with around two dozen African nations since last year, but some have pushed back on requirements to provide patient data. PTI

Indian crew members injured in ship hit by projectile in Hormuz

11 Eleven Indian crew members were injured on Tuesday after a Panama-flagged commercial vessel was hit by a projectile while transiting the Strait of Hormuz. The vessel, *MT On Peace*, carried 19 crew members, including 17 Indian nationals. The Ministry of External Affairs said continuing incidents of attacks on shipping in the region remain a "cause of deep concern" for India. PTI

Ukrainian drones downed overnight, according to Russia

900 Russian air defences intercepted nearly 900 Ukrainian drones overnight over multiple regions of the country, as well as the occupied Crimean Peninsula and the Sea of Azov, the Defence Ministry in Moscow said on Tuesday. Unconfirmed reports said a major fuel depot in the Moscow region was on fire after the attack that killed two people. PTI

Students who received bicycles under Delhi's Vidya Vahini Yojana

18,000 Delhi Education Minister Ashish Sood on Tuesday distributed bicycles to 581 Class 9 girl students under the government's Vidya Vahini Yojana, aimed at making the daily commute to school easier and promoting independence among girls. PTI

COMPILED BY THE HINDU DATA TEAM

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The status of U.S. blockade on Cuba

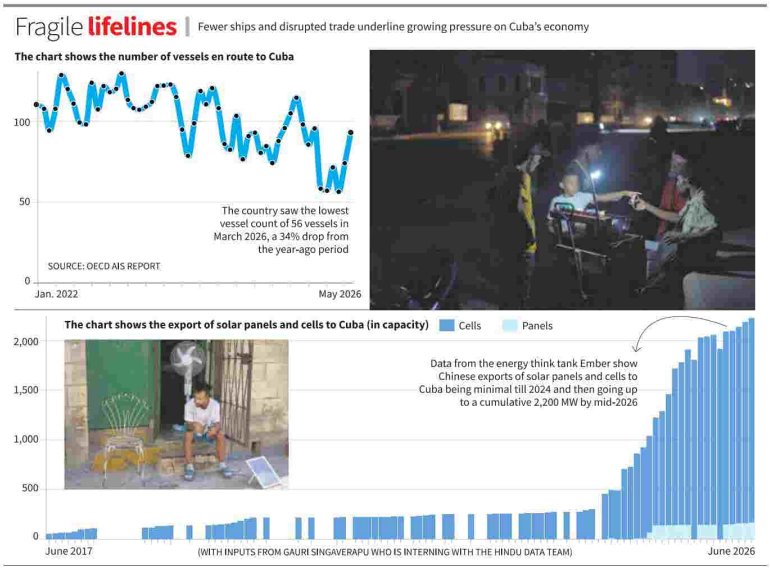
U.S. blockade and decades-old embargo on Cuba have worsened the island's economic and humanitarian crisis, with fuel shortages disrupting electricity, food distribution, healthcare; as Havana seeks to ease the crisis, Trump administration's pressure and demand for regime change continue to constrain Cuba's options

WORLD INSIGHT

Srinivasan Ramani
Sambavi Parthasarathy

The story so far:

It has been nearly nine months since the U.S. President Donald Trump signed an executive order threatening tariffs on any country that supplies Cuba with oil, and the U.S. Coast Guard began intercepting tankers and ships bound for the island. Power cuts in Cuba have since become very common, often lasting beyond 12 hours a day and even close to 20 hours in some provinces. Independent UN human rights experts condemned these actions, calling them "energy starvation" and an "unlawful blockade" of the island country, as the Office of the High Commissioner for Human Rights reported. In July 2026, the UN General Assembly voted 136-9 (with 30 abstentions) to debate the blockade despite U.S. objections. Mr. Trump, meanwhile, has threatened a takeover of the island nation – a threat that is unlawful according to the UN Charter, which prohibits "the threat or use of force" against a country's political independence. The new blockade is over and above a 64-year-old embargo by the U.S.



THE GIST

- The U.S. has tightened pressure on Cuba through secondary sanctions, restrictions on foreign firms and a fuel blockade, building on the 64-year-old embargo that has raised trade, shipping and financial costs for Havana
- Venezuela's oil-for-services arrangement had long been a crucial lifeline for Cuba, but falling Venezuelan production, U.S. intervention and the suspension of Mexican supplies have left the island struggling to meet its fuel needs
- Cuba is turning to Chinese-backed solar power and reforms to private enterprise and foreign investment to cope, but inadequate battery storage, an ageing power grid and continued sanctions have limited their impact

Embargo or blockade?

Following the 1959 Cuban revolution, the Cuban government led by Fidel Castro nationalised U.S.-owned property in 1959-60. The U.S. responded, imposing a partial "embargo" on Cuban trade in October 1960 and making it full-fledged in 1962. Cuba terms the measures *el bloqueo*, or a blockade, as it goes beyond mere bilateral trade and is exemplified by further measures taken by the U.S. on Cuban foreign trade. The Cuban Democracy Act of 1992 barred foreign subsidiaries of U.S. firms from trading in Cuba, and the Helms-Burton Act of 1996 wrote the embargo into law, so that only the U.S. Congress can lift it. It also allowed lawsuits against foreign firms using property in Cuba that was confiscated from the Americans.

After coming to power, Mr. Trump expanded further on these punitive measures by bringing Cuba back on the State Sponsors of Terrorism list (without any justification after it was briefly removed by the outgoing Biden administration in January 2025). This has meant that banks find it difficult to deal with Cuban entities. In May, the Trump administration imposed secondary sanctions on foreign firms dealing with the Cuban state and its military conglomerate, GAESA. It has also indicted former Cuban President Raul Castro on problematic charges, besides the January 29 order, which declared a national emergency and authorised extra duties on goods from any country that sells or provides oil to Cuba.

Year after year in the UN General Assembly, since 1992, there has been near-unanimous demand to end the "embargo", but the resolutions are not binding, and this has allowed the U.S. to continue it. Havana claims that the cumulative damage of the embargo has been to the tune of $178.7 billion and $8.08 billion in the year up to February 2026 itself, which includes just one month of the fuel blockade. These costs are not just lost U.S. trade, but also the impact on Cuba's overall trade because of what the embargo imposes. For example, ships docking in Cuba are barred from U.S. ports for 180 days, which has led to increased freight costs. With the U.S. imposing financial sanctions, banks refuse Cuban payments, and imports of medical equipment and machinery have also been affected.

Has this hostility against Cuba always been the case?

U.S. policy towards Cuba has been motivated largely by the lobbying efforts of Cuban exiles based in Miami, Florida, who fled the island following the Revolution. These hardliners include those born to Cuban-immigrant parents, such as current Secretary of State Marco Rubio, who have sought the collapse of the communist system in Cuba. They have also strongly backed the Trump administration's actions, as making conditions that are "ripe for regime change", according to the International Crisis Group.

The hostility against Cuba experienced a brief thaw during former President Barack Obama's second tenure. In December 2014, he and Raul Castro announced a normalisation of ties, which led to embassies reopening, Cuba being taken off the terrorism list, and culminating in a visit to Havana by Mr Obama. Travel and remittance rules were eased, but the embargo still stayed. Mr. Trump reverted much of it during his first tenure before imposing stronger restrictions in his second tenure, which intensified after U.S. forces attacked Venezuela and abducted its president, Nicolas Maduro and took control over the Latin American country's fuel and energy resources since then.

Why was Venezuela an important lifeline for Cuba?

Following the collapse of the Soviet Union, which affected the Cuban economy severely, leading to what was called a "special period", Fidel Castro and Hugo Chavez signed an "oil-for-services" agreement in 2000. This led to the Barrio Adentro health missions (neighbourhood medical services) provided by Cuban doctors in Venezuela. Some 40,000 Cuban doctors, teachers and other professionals worked in Venezuela, while the country supplied about 1,00,000 barrels of oil a day on relatively easy terms. Cuba also resold some of the oil for hard currency, according to U.S. officials, to mitigate the impact of the U.S. financial sanctions.

Meanwhile, mismanagement of the state oil company PDVSA, the 2014 crash in oil prices and later U.S. sanctions cut Venezuela's oil output to a third by the late 2010s, leading to lowered shipments to Cuba. The imports met, by late 2025, only about a quarter of Cuban demand for oil and about a third of its oil imports.

In January 2026, that came to naught too after the U.S. took control of Venezuela's oil sector. Mexico, which had supplied about 44% of Cuba's oil imports, then suspended deliveries. Russia has not been able to step up and fill in the gap either, with just sporadic ships managing to deliver supplies to Cuba since the naval blockade.

What was the impact of the fuel blockade?

The International Crisis Group lists "severe disruption to transportation, food distribution, health care, water systems and communications" in the country. On May 7, three UN Special Rapporteurs said fuel scarcity was keeping people from hospitals and children from school. They cited a backlog of more than 96,000 surgeries, 11,000 of them for children, and delays in infant immunisation.

The scale of the impact is shown in satellite imagery data. An index of night-time light intensity built from NASA satellite data, a proxy for electricity use, fell from about 10-12 in 2021-25 to around six by mid-2026. Ships reaching Cuba have been reduced from 100-120 a month to just 50-60 in early 2026 and oil cargoes have become sporadic. The impact of the sanctions has also meant a large drop in employment in industries such as tourism – which the Cuban government sought to utilise to shore up its dollar reserves – and mining and shipping. The naval blockade has also occurred at a time when one in five Cubans have emigrated in the past five years due to the weak economy.

How is China helping Cuba mitigate the fuel shortage?

On September 23, President Miguel Diaz-Canel said that Cuba has installed 1,418 MW of solar capacity in 144 parks and would pass 1,500 MW by the end of 2026. He said that renewables already generate 21.4% of the country's electricity. Much of the equipment for these installations have arrived from China. Data from the energy think tank Ember show Chinese exports of solar panels and cells to Cuba being minimal till 2024 and then going up to a cumulative 2,200 MW by mid-2026. In September, reports showed that a third batch of 5,000 standalone solar systems donated by China arrived for public buildings and isolated homes, after shipments in August and November 2025. But power blackouts persist because solar power is not generated after sunset, when demand peaks and battery storage is inadequate in Cuba. The power grid also relies on aging oil-fired plants.

Chinese customs data also show China's imports from Cuba rising from about $50 million in 2015 to $320 million in 2022, with commodities such as zinc ores, nickel products, lead and silver ores, lobsters, cigars and rum. But this trade fell to $230 million in 2025 and $145 million roughly in 2026 so far.

What other reforms has Havana embarked upon?

Havana approved 176 reforms in June to expand private enterprise and foreign investment, but the blockade continues to stymie these. Back-channel talks with the Trump administration have continued but there is little progress because the latter demands regime change while Havana insists that it "will not compromise on its sovereignty or political constitution", according to ICG.

Why growing trust in digital payments may be leaving Indians more exposed to cybercrime

UPI has become a more trusted and frequently used mode of payment in India; but SPIR 2026 finds a paradox, people who trusted online banking the most and used UPI most often were more likely to have been victims of cybercrime; report shows how fraud networks exploit this trust through deceptive schemes, fake apps and 'digital arrest'

Vinson Prakash

At a roadside tea stall, the QR code neatly taped on the can of biscuits now does more work than the cash box. A scan, a password, and a reassuring beep. No change to count, no note to fumble. In a country where your vegetable vendor, the auto driver and the doctor all get paid the same way, digital payments, especially UPI, have become a site where one's bread and butter are bought and sold.

The scale is hard to overstate. UPI has processed over 24,000 crore transactions in FY 2025-26, with the transaction values crossing ₹314 lakh crore. As the world's most populous country, India has 70% of its population connected to the internet, making it one of the most sought-after global markets for internet services and digital platforms. That vast, eager, and active user base is also a tempting target. One that is ripe to be picked on by cybercriminals. The Status of Policing in India Report (SPIR) 2026 shows how the two meet: how India uses the internet and how cybercriminals stay one step ahead of users.

Digital payments are a daily habit for Indians. About half (49%) of the respondents use UPI apps every day, while another quarter (24%) use them once or twice a week. UPI also stood out as the most frequently used online payment method, with almost half (48%) saying they use it "many times", ahead of card, wallet, and NEFT/RTGS payment methods (Table 1).

Trust follows usage. UPI garnered the most trust out of all payment methods, with a third (34%) of the respondents considering it "very safe" and two in five (41%) considering it "somewhat safe", meaning three in four people consider it to be safe. Card payments came in second, with about two in three (65%) considering it safe – 28% considering it 'very safe' and 37% 'somewhat safe' – followed by wallet-based apps and mobile banking apps. Taking all online banking modes together, a majority of the respondents find them to be safe, with about a quarter (23%) finding them "very safe" and about two in five (40%) finding them "somewhat safe".

On its own, this is a success story. People trust a system they use constantly, and the system mostly delivers.

The trust test

UPI dominates online payments, but the SPIR 2026 data shows that high trust and frequent use can coexist with greater exposure to cybercrime

Table 1: UPI is the most frequently used for of online payment

Online payment modes	Frequency of use		
	Many times	Sometimes	Never
UPI	48	30	19
Debit/credit card payment	20	40	33
Payment wallets	14	25	49
NEFT/RTGS	7	23	57

Note: *All figures are in percentages. The rest did not respond. The categories 'never' and 'I don't make online payments' are merged to form the 'never' category.*

Question asked: *When making payments online, how frequently do you use the following a) UPI b) NEFT/RTGS c) Debit/credit card payment d) Payment wallets – many times, sometimes, or never?*



Table 2: Those who consider online banking to be safe are more likely to be victims of cybercrime

Index of perceived safety of various modes of online banking	Have you been a victim of a cybercrime or helped the victim closely in cyber complaint registration/handling the issue?	
	Yes	No
Very safe	28	65
Somewhat safe	26	70
Somewhat unsafe	22	73
Very unsafe	14	80

Note: *All figures are in percentages. The rest did not respond.*

Question asked: *Have you been a victim of a cybercrime in the last 2-3 years; or did you help the victim closely in registering the cyber complaint or in handling the overall issue?*

Question asked: *In your opinion, how safe are these modes of online banking: a) UPI b) Mobile banking apps c) Internet banking websites d) Debit/credit card payments g) Wallet-based apps – very safe, somewhat safe, somewhat unsafe, or very unsafe?*

The trust paradox

SPIR also asked a different set of questions about behaviour, which together measure how vulnerable a person is to unsafe online practices. Would they open a link from an unverified sender? A photo, video, or file from a stranger? Share an OTP with an unknown caller? And so on.

When trust is set beside vulnerability, the pattern is striking. The people most prone to unsafe online practices were also the most confident about online banking. Among the highly vulnerable, about half (49%) called online banking modes "very safe" and another 39% considered them "somewhat safe". Among those with moderate to no vulnerability, only about a fifth, on average, considered online banking to be "very safe".

Following this thread towards victimisation, it was found that those who considered online banking modes as "very safe" were also more likely to have been victims of cybercrimes in the past 2-3 years. Among victims, 28% considered online banking modes to be "very safe" compared with 14% who considered online banking modes 'very unsafe' (Table 2). As perceptions of safety decreased, so did their likelihood of being a victim.

Usage tells the same story. Those who use UPI "many times" were more likely to have been victims of cybercrime in the last 2-3 years, compared to those who "never" use it.

People's high trust and usage of online banking methods is being met with an adversary that is organised and inventive. A cybercrime expert in the report described a supply chain that sells fraudsters "kits" of pre-activated SIM cards, bank accounts, and cell phones. For a small investment of ₹10,000-20,000 in these kits, the fraudsters can swindle someone's life savings worth tens of lakhs or crores, and remain largely untraceable. The interviewed victims further shed light on the various inventive schemes cybercriminals use to defraud people. The fraudsters create entire investment/betting apps, convincingly hold victims under digital arrest for several days, and gain victims' trust and convince them to share personal information.

The deception does not stop at victims. Two people interviewed for the report, both accused of perpetrating cybercrime, said they had lent their bank accounts to fraudsters who deceived them, leaving them part of a crime they did not fully understand. Fraudsters are not only exploiting gaps in the financial system, but they are recruiting its users and leaving them to be apprehended by the police as the most replaceable link in the chain, while they themselves go untouched.

The SPIR 2026 points to an almost paradoxical association: the more people use digital payments, the more they trust them, and the more likely they are to be victims of cybercrime. But that is only one half of the picture. The other half is a sophisticated adversary who is armed with the right tools, exploits the trust people have in their financial systems, and quite tactfully plays on the human psyche to deceive their victims.

(Vinson Prakash is a researcher at Common Cause)

Cyber fraud victims dissatisfied with banks over delayed action and poor recovery support: study

13% of respondents experienced cybercrime in the past two to three years, with 54% of victims reporting digital financial fraud; while most victims approached banks within 24 hours, many reported delays in blocking unauthorised transactions, poor support and banks' reluctance to accept liability; victims, experts also raised several concerns

Radhika Jha

Cybercrimes have disrupted our conventional understanding of both how crimes take place and how the systems responding to them function. While there is much to be said about the non-financial cybercrimes that may be just as prevalent as financial cybercrimes, the latter have captured the public's imagination and fears in unprecedented ways.

A recent study by Common Cause and Lokniti, CSDS, the Status of Policing in India Report (SPIR) 2026: Cybercrimes – Victim Perspectives and Systemic Responses, brings out the perspectives of the common public, victims, and domain experts on this issue, focusing on how victims navigate through the complex systems. The study is based on a survey of 8,306 respondents from across 16 States/U.T.s, along with in-depth interviews with 37 stakeholders, including victims, cybercrime experts, and others.

In financial cybercrime cases, the banking sector becomes an integral part of the reporting and resolution process, widening the traditional understanding of the core criminal justice institutions such as the police and courts. In this context, the study explores, among other things, whether banks as an institution are prepared to deal with these cases and to take accountability for security lapses.

According to the survey data, 13% of the overall respondents were victims of cybercrimes in the last 2-3 years. Among the victims, more than half (54%) were victims of digital financial frauds.

One of the first actions taken by the victim after the incident was complaining directly to the banks. More than half of the victims of digital financial fraud (52%) who were surveyed said that they had complained to the bank separately after the incident. A majority, 63%, complained within the first 24 hours.

Banks' response

Despite the promptness in reporting shown by many victims, the response by the banks leaves much to be desired. A 2017 RBI guideline states that in cases of third-party breach due to no deficiency by either the bank or the customer, and if the customer notifies the bank within three days, the loss must be borne by the bank entirely. This was extended on a pilot basis in 2026 to include those cases wherein the customer had been tricked or coerced into making scam payments, with limited liability being placed on the bank in such cases.

In-depth interviews with victims revealed, however, that the banks' response to cybercrimes is almost entirely focused on evading accountability and liability. The standard response from the banks in cases of digital financial fraud is that the victim "collaborated" with the perpetrator of the cybercrime. All the victims of digital financial cybercrimes who were interviewed qualitatively, barring one, said that the bank maintained this in their case, even in cases where the victims did not interact with the perpetrators at any point. Notably, the one case in which the banks did not give this response included a high net-worth individual with a long-standing relationship with the bank.

Low satisfaction

Vipin (name changed), a Gurgaon-based journalist, got a scam call for SIM upgradation on a Saturday. The caller, pretending to be an Airtel employee, shared some of his personal information to appear legitimate, including his name, date of birth, Aadhaar number, and debit card number. Despite cutting the call, ₹5,000 was withdrawn from a payment wallet linked to his number the following day. He immediately blocked his number and emailed his bank, since it was closed on Sunday. However, by Monday afternoon, his account had still not been blocked, and the fraudsters had taken a loan of ₹5 lakhs against his credit card, half of which had already been withdrawn. The bank, however, took "zero accountability" for this loss and was "apathetic" to the complaint, as reported by him.

Other victims reported similar instances of delays by the banks in stopping the flow of unauthorised transactions immediately following the complaint. While the banks become directly liable for such losses when presented with such evidence of negligence in taking prompt action, there is little accountability for the mental, physical and financial costs to the victim in the recovery process necessitated by such negligence

Data (in)security

A more serious allegation levelled against the banks, both by cybercrime experts as well as victims, is that of complicity in the cybercrimes, whether directly or indirectly. The survey data shows that amongst victims who complained to the bank separately, as many as 40% were of the opinion that the cybercrime occurred due to their financial data being leaked by a bank insider. Amongst those who did not complain to the bank separately, 26% hold this opinion. Overall, while a significant proportion of the victims feel that the breach of their personal data enabled the cybercrime incident, this sentiment is amplified amongst those who had first-hand experience with the bank in dealing with their case.

In-depth interviews with victims made similar grave allegations against the banks. Of the 13 digital financial fraud victims interviewed, five victims were of the opinion that bank officials were directly or indirectly complicit in the crime. One of the victims was told by the police officer investigating her case that the bank must be complicit, though no charges were filed against it.

Cybercrime experts and senior police officers dealing with these cases strongly supported this perception. They further stressed the lack of accountability for the common leakages of customer data, due to inadequate security systems.

Another major systemic loophole is the lack of due diligence by banks when opening bank accounts, which can be used as mule accounts in cybercrime cases. Policing and cybercrime experts were of the opinion that banks prioritise their business interests over building secure systems. "People like you and me will lose access to our accounts due to KYC procedures, but these accounts [the cyber criminals'] will never be closed", stated a former police officer.

Satisfaction with the banks

Overall, the levels of satisfaction with the banks remained low across the victims of digital financial cybercrimes, as is emerging both from the survey data as well as the in-depth interviews with victims. More than one out of five victims of digital financial fraud surveyed reported being "very dissatisfied" with the bank's role in recovering money, while 16% said that they were somewhat dissatisfied.

Amongst the in-depth interview respondents, the satisfaction levels were lower, with the victims rating the banks a poor one out of five. Even in cases where the victims were able to recover their money fully or partially, the satisfaction with the banks remained low. Notably, there was not much variation in the reported experience or satisfaction levels across private and public-sector banks.

(Radhika Jha is Project Lead (Rule of Law) at Common Cause and lead researcher and author of the Status of Policing in India Report (SPIR) series. Views expressed are personal)

Banking on banks

Victims often report fraud quickly, but face delays and poor support when seeking recovery

Table 1: More than half of all cybercrimes involve digital financial frauds

Nature of crime	Victims
Digital financial frauds	54
Hacking of devices	13
Personal data theft	11
Cyberbullying/abuse on social media	7
Online sexual harassment	4

Note: *The rest did not respond or reported facing other types of crime. All figures are in percentages*

Question: *What type of crime did you face?*

Table 2: Nearly two out of three respondents reported the fraud to the bank within 24 hours

Time taken to report the fraud after it occurred	Victims/respondents who assisted victims of cybercrimes (%)
Within 24 hours	63
Within 48 hours	21
More than 48 hours	11

Note: *The rest did not respond.*

Question asked: *How soon after the fraud did you/ they report it- within 24 hours, within 48 hours, more than 48 hours?*

Table 3: Two-fifths of the victims who complained separately to the bank feel that crime occurred due to a breach of personal data

Complained made separately to the bank (among victim)	Yes, it occurred due to a breach of personal data	No, it didn't happen because of the breach of personal data
Yes	40	44
No	26	54

Note: *The rest did not respond. All figures are in percentages.*

Question asked: *Some victims of financial cybercrimes believe that their financial data was leaked by a bank insider because of which they were targeted by criminals. In your case, do you think the crime occurred due to a breach of your personal data by the bank or its personnel?*

Statement 1: *Yes, it occurred due to a breach of personal data;* ***Statement 2:*** *No, it didn't happen because of that.*

Table 4: Nearly a quarter of the victims of cyber fraud are very dissatisfied with the bank's role in recovery of money

	Degree of satisfaction			
	Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied
The bank's role in recovering the money	11	21	16	22

Note: *The rest did not respond. All figures are in percentages. The table includes responses from both the victims and those who assisted cybercrime victims of digital financial fraud.*

Question asked: *How satisfied were you with the following – very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?*

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Explained

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• ECONOMICS

G7 to release 100 mn barrels of crude, oil products: Will this curb diesel prices?

Sukalp Sharma
New Delhi, October 6

LATE LAST week, the Group of Seven (G7) countries agreed to release 100 million barrels of crude oil and petroleum products from emergency reserves, including substantial volumes of diesel, amid apparent pressure from US President Donald Trump.

With diesel prices at US pumps reaching record levels, Trump had been pressuring Europe to release its diesel stockpiles, and even warned that he could ban diesel exports amid a global supply crunch and soaring prices of the fuel.

Following the G7 announcement, Trump — who wants to lower diesel prices ahead of the midterm polls in the US in November — announced that the country won't ban exports of its diesel. Interestingly, Trump added that a diesel export ban was never really on the table, although he himself had publicly stated over the past few days that he was inclined towards it.

Why diesel prices are rising

US and European diesel prices surged in recent weeks amid the highly constrained fuel movement through the Strait of Hormuz as well as attacks on Russia's oil and gas infrastructure.

Diesel is among the most important petroleum fuels globally due to its use in transportation, agriculture, construction, and other industries. This also makes it the most politically sensitive fuel amid the ongoing geopolitical crises.

While G7's steps won't do much to deal with the structural problems that the diesel market is grappling with, they are expected to put some downward pressure on international diesel prices, at least in the short-term, according to industry experts. The extent and duration of relief will largely depend on whether global diesel flows from West Asia and Russia improve hereon.

DIESEL EXPORT BAN WON'T HELP U.S.

- The US is a major diesel exporters. These have surged amid the supply squeeze from West Asia and Russia.
- The fuel's prices in US are spiking. But restricting diesel exports, as Trump threatened, wouldn't have helped.
- That's because of regional disparities within US in production and supply. Also, US prices are linked to international ones.

Effect on India

For India, these developments are broadly positive. A lower international diesel price would help consumers, particularly bulk and industrial buyers who are supposed to pay prices in line with global rates.

Retail consumers, meanwhile, continue to get diesel much below international prices as public sector fuel retailers are absorbing the hit for this segment. Any cool-off in diesel prices will also reduce these companies' heavy under-recoveries on retail fuel sales. If bulk diesel rates decline, it would be a positive for the Indian economy as inflationary pressure would be eased to some extent.

But higher international supply could squeeze the supernormal margins of standalone Indian refiners — who don't have much exposure to retail fuel sales — as well as large diesel exporters, which are predominantly private sector refiners like Reliance Industries and Nayara Energy.

The G7 decision: Shoring up supply

The G7 last week agreed to coordinate, through the International Energy Agency (IEA), the release of 100 million barrels of crude oil and petroleum products over four months, including "front-loaded substantial diesel release" in the first 20 days. The countries also agreed to examine additional diesel releases if required by market conditions.

The G7 wants a substantial quantity of diesel to reach the market within days, instead of being spread out over the four-month period, which shows that the tightness in diesel flows is among the most immediate pressure points in the global energy market. But there is a limit to what reserve releases can accomplish on their own. They are not endless and their release can at best be a temporary solution.

Europe has become increasingly dependent on diesel imports from beyond the region over the past few years as it moved away from Russian fuel amid the war in Ukraine. The West Asia war has further exacerbated the supply situation for Europe, which now depends heavily on American diesel.

• NOBEL PRIZE IN PHYSICS

Through 'ghost particles' in ice, window to universe

Francis Halzen found a new way to study neutrinos, the elusive particles that can reveal the mysteries of the cosmos, under Antarctic ice sheets



AMITABH SINHA

NEUTRINOS, VERY small sub-atomic particles produced mainly in nuclear reactions in stars, are among the most abundant particles in the universe, second only to photons (or light particles). And they can reveal a huge amount of new information about the universe. The problem has been that they are extremely difficult to detect, the reason they are often described as ghost particles.

The quest to detect neutrinos, and attempts to study them, have already led to several Nobel Prize wins. Another one was added on Tuesday, with the 2026 Nobel Prize in Physics being awarded to Francis Halzen, a Belgian-American scientist who designed an elaborate set-up under ice sheets in Antarctica to detect these elusive particles.

The IceCube facility in Antarctica is not the first observatory to detect neutrinos. Neutrinos were first proposed in the 1930s and first detected in the 1950s. Several observatories around the world are dedicated to detecting and studying these particles.

• 'For decisive contributions to the IceCube Neutrino Observatory and the discovery of high-energy neutrinos of astrophysical origin'



"His idea was to use glacial ice at the South Pole to capture the secretive particles called neutrinos. The result was the IceCube Neutrino Observatory, which can track neutrinos that originate in the distant cosmos."



FRANCIS HALZEN, 82
University of Wisconsin-Madison, Madison, US.

ON WEDNESDAY: NOBEL PRIZE IN CHEMISTRY



The IceCube Neutrino Observatory at the Amundsen-Scott South Pole Station, in Antarctica. ICECUBE/NSF

Studying distant space

What the IceCube facility managed to do was something unique. It was successful in detecting a special variety of high-energy neutrinos that was coming from far away in space. Till now, only those neutrinos that originated in the close vicinity of the Earth, primarily being produced in the Sun, were being detected. Most of the neutrinos passing through the Earth are produced in the nuclear processes inside the Sun.

For scientists, the detection of extra-galactic neutrinos has opened a new source of information about the universe. Initially, visible light was the only tool available to scientists to study the cosmic phenomena. Then, detectors were developed for the full electromagnetic spectrum of radiation and for cosmic rays. The detection of gravitational waves in 2015 opened an entirely new window for scientists looking at the universe. Extra-galactic neutrinos add another dimension of possibilities.

Together these different kinds of signals enable what is called multi-messenger astronomy, the ability to study the same cosmic event using different kinds of signals, said D Indumathi, a scientist at the Bengaluru-based Indian Institute of Astrophysics who was formerly associated with India's effort to build a neutrino detector.

'Shy' particles

The reason neutrinos are so difficult to detect is that they have an extremely low propensity to interact with matter. The Nobel Prize committee described them as the "shyest particle". They simply pass through very dense regions of matter without any disturbance.

A very common example often cited is the fact that nearly 65 billion neutrinos pass through human finger nails every second without anyone ever noticing. Because they are also electrically neutral, they do not respond to electromagnetic fields the way charged particles do.

'Shy' particles

Neutrinos are difficult to detect because of their extremely low propensity to interact with matter.

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They simply pass through dense regions without disturbance. Nearly 65 billion neutrinos pass through your fingernails every second.

The detections happen on the very rare occasions that they do interact with matter. That happens to, maybe, one in billions or trillions of neutrinos. That is why neutrino observatories the world over are very large facilities, built in extremely isolated, often underground locations, that maximise the chances of interaction and minimise noise.

The elusive nature of neutrinos is also what makes them particularly interesting to study. They pass through regions of cosmic space that other signals may never be able to cross. Very dense regions in space, for example, can absorb or scatter all electromagnetic radiations, but neutrinos simply flow through. They can thus reveal processes happening within or beyond that dense region, which are otherwise inaccessible to scientists.

The IceCube facility

The 82-year-old Halzen, who had been studying cosmic rays since the 1960s, came to know of the attempts of Soviet researchers to build a neutrino detector in Antarctica, a press release from the Nobel Prize committee said. When a neutrino collides with an atomic nucleus in the ice, it creates an electric spark. This produces radio waves which could be detected using radio antennas.

Halzen thought of a slightly different idea. He realised that light sensors could be installed in glacier ice. These sensors could produce flashes of light from collisions of neutrinos with the nucleus of ice atoms. The area around the South Pole was a favourable location. It was isolated and, at significant depths, there was a lot of darkness with no disturbance from other radiations or signals.

He discussed his ideas with some of his colleagues and did most of the theoretical work on designing an observatory deep below the ice-sheets. IceCube is one cubic kilometer of ice equipped with over 5,000 light sensors on long cables, along with an overground facility where signals are collected. On the rare occasion when the neutrino interacts with an atomic nucleus of ice, a charged particle is produced. If that charged particle travels faster than the speed of light in ice, it produces a faint glow. From the characteristics of this glow, scientists are able to reconstruct the energy and direction of the neutrino involved in the collision.

This exquisite set-up became operational in 2011. By that time, it had already recorded a couple of events that suggested the involvement of extra-galactic neutrinos. In 2013, the observatory presented the first evidence of having detected very high-energy neutrinos. Since then several such incidents have been recorded and verified.

"It's a very special detector and the work that Halzen has done is really very exciting. It has opened new avenues for astronomy and astrophysics," said Naba K Mondal, former project director of India-based Neutrino Observatory (INO), a much-delayed effort to build a neutrino detector in India. "In neutrino research circles, this award to Halzen was expected for a few years." INO was supposed to be located initially in Kerala and then in Tamil Nadu but ran into opposition from local and political groups over land acquisition and environmental grounds. A new location is yet to be finalised.

• POLITY

The 2006 Keralam road project that has come to haunt the CEC

Shaju Philip
Thiruvananthapuram, October 6

KERALAM'S CONGRESS-LED government on Sunday directed the state's Vigilance and Anti-Corruption Bureau to re-open a 2006 probe into an alleged claim of bribery against Chief Election Commissioner Gyanesh Kumar. It comes as Congress leaders have demanded the CEC's resignation over alleged irregularities in the Special Intensive Revision (SIR) process.

Kumar, a 1988-batch IAS officer of the Keralam cadre, then served as Secretary of the state Public Works Department (PWD). The allegation stemmed from the suicide note of a Malaysian engineer, who was part of a World Bank-aided road work project.

What was the project?

The Kerala State Transport Project (KSTP) has been a flagship PWD project. Costing Rs 1,600 crore, it was envisaged to modernise and renovate 1,600 km of major roads with a World Bank loan.

Initial discussions were completed during the last lap of the CPI(M)-led government from 1996 to 2001, and P J Joseph, the leader of the breakaway faction Kerala Congress (Joseph), was the PWD minister. Then part of the Left Democratic Front (LDF) alliance, Joseph is now with the ruling United Democratic Front (UDF).

What went wrong?

KSTP was the first project in the state associated with an overseas contractor, with Keralam-based Bhageeratha Engineering and Malaysian firm PATI joining hands for the bid. The joint venture took up work worth Rs 216 crore, mainly involving the modernisation of a key road from Thiruvananthapuram in the south to Angamaly in Central Keralam.

PATI-BEL began work in December 2002 after entering into a final agreement with the then Congress-led government. IUML leader M K Muneer was the PWD minister. However, the government handed over the project without acquiring land. The acquisition notification was issued only in 2004. In October 2006, the contractor stated it could not complete the work within the original deadline, citing the delay. As construction costs rose, PATI-BEL demanded a 30% increase in the contract amount. The CPI(M) government refused and sought the World Bank's permission to re-tender the work.

What was the suicide case?

Lee See Been, 54, was the chief project manager of the PATI-BEL work, for which the company submitted bills worth Rs 18 crore in 2006. According to Assembly documents, PATI-BEL officials visited ministers several times to seek payment. Lee was reportedly under pressure from subcontractors and construction material vendors who sought dues. As the work was delayed, the Congress-led Opposition put pressure on the CPI(M) government. Assembly documents show Congress demanded the company be blacklisted, and alleged that the CPI(M) government had an understanding with PATI-BEL to increase the project cost by 30% as demanded by the firm.

Project marred by delays

- The Kerala State Transport Project (KSTP) was a flagship project of the PWD.
- It was envisaged to modernise and renovate select major roads with a World Bank loan, but saw multiple delays and rising costs.

On November 11, 2006, Lee died by suicide in Kuala Lumpur, Malaysia. He reportedly left a note, alleging that PWD officials had sought bribes for clearing the bills. It was also claimed in news reports that the suicide note had included the name of the then PWD Secretary, Gyanesh Kumar. The note was never made public.

What did the probe find?

The death spotlighted issues including bureaucratic hurdles, corruption and delays in the execution of public work. A month later, the CPI(M) government removed Kumar from his post and ordered the Vigilance Bureau to examine the allegations. It also cancelled the contract with PATI-BEL.

In March 2010, then Home Minister Kodiyeri Balakrishnan, a CPI(M) leader, informed the Assembly that there were two vigilance probes. One related to foreign consultants for KSTP during 2003-04 (when Congress was in power). The other, ordered in December 2006 (a month after Lee's suicide) was about lapses in KSTP work.

The probe, however, did not proceed further. According to Congress leader Malayinkeezhu Venugopal, on whose petition Home Minister Ramesh Chennithala ordered reopening the probe last week, the earlier investigation was torpedoed midway. Kumar, who was removed as the PWD Secretary in December 2006, was not given any fresh posting in the state. He then went on central deputation to New Delhi, when the Congress-led UPA was in power. CPI(M) had also supported the UPA-I.

What happened to the road work?

In early 2007, the CPI(M) government cancelled the contract on the grounds that the delay in completion would invite action from the World Bank. Despite re-tendering, no entity came forward to bid. A year later, the government agreed to renew the contract with PATI-BEL. It took over the project again after the state allotted an additional Rs 72 crore, amid Opposition criticism.

• HISTORY

China, Russia: The two October revolutions and their enduring legacy



EXPERT EXPLAINS
SYED ALI NADEEM REZAVI
PROFESSOR OF HISTORY AT ALIGARH MUSLIM UNIVERSITY

OCTOBER HOLDS a singular place in the history of the modern world. It is associated with two revolutions that transformed not merely governments but the very language of politics. On October 1, 1949, Mao Zedong stood at Tiananmen in Beijing and proclaimed the People's Republic of China. Thirty-two years earlier, in October 1917 (according to the calendar then used in Russia), the Bolsheviks under Vladimir Ilyich Lenin had seized power in Petrograd.

The two revolutions arose from very different circumstances. Yet an important historical thread connects them. The Russian Revolution established the first durable state founded in the name of Marxist socialism. The Chinese Revolution demonstrated how Marxism could be reshaped to suit the circumstances of a predominantly agrarian Asian society. Together they profoundly shaped the 20th century and the struggles of millions far beyond their borders.

Russia, 1917

The Russian Revolution cannot be separated from the catastrophe of World War I. Imperial Russia entered the conflict burdened by social inequality, agrarian tensions, a restless industrial working class and an autocracy that had survived the revolution of 1905 without resolving its underlying problems. Military defeats, shortages and inflation eroded the authority of Tsar Nicholas II.

The February Revolution of 1917 brought down the Romanov dynasty, but the Provisional Government continued the war and postponed land reform. Meanwhile, "soviets" (councils) of workers and soldiers emerged as alternative centres of authority. Lenin returned from exile in April and demanded peace and "all power to the soviets". By September, the Bolsheviks had majorities in the Petrograd and Moscow Soviets, and Leon Trotsky headed the Petrograd Soviet.

In October, Bolshevik-led soldiers, sailors and Red Guards occupied strategic points in Petrograd and took the Winter Palace. The new government issued decrees on peace and land. To its supporters, October represented the transfer of power to workers and peasants; to its critics, it was the seizure of power by a disciplined minority that eventually led to one-party rule.

Yet, 1917 changed the world far beyond Russia. Land redistribution, workers' rights, public ownership, mass education and social welfare suddenly appeared as programmes that a state might attempt to realise. Even societies opposed to communism had to respond to the challenge.

China, 1949

China followed another road. The Qing dynasty had fallen in 1911, but political fragmentation, warlordism, unequal treaties and foreign intervention continued. The May Fourth Movement of 1919 radicalised a generation of Chinese intellectuals. The Communist Party of China was founded in 1921, partly under the intellectual impact of the Russian Revolution.

After Chiang Kai-shek turned against the communists in 1927, the movement was driven increasingly into the countryside.



The People's Liberation Army enters a Chinese city in 1949. WIKIMEDIA COMMONS

Here lay the great Chinese innovation. In a predominantly agrarian society, Mao placed the peasantry at the centre of revolutionary strategy. Rural organisation, land reform and guerrilla warfare became instruments of mobilisation.

The Long March of 1934-35 (the retreat of the communist forces) ensured the survival of the movement. Resistance to Japanese invasion subsequently enhanced the communists' nationalist credentials, while renewed civil war after 1945 ended with the defeat of the Kuomintang, the nationalist Chinese party, and its retreat to Taiwan.

On October 1, 1949, Mao proclaimed the People's Republic. China altered the balance of the emerging Cold War, but its importance to the colonial and post-colonial world went further. It appeared to demonstrate that an agrarian Asian society could develop its own path to revolution. The peasant could become as important a revolutionary figure as the industrial worker.

The meaning of October

The Soviet experiment achieved remarkable advances in literacy, education, science and industrialisation, and the Soviet peoples bore an enormous burden in defeating Nazi Germany. Yet, forced collectivisation, famine, the Great Terror and the Gulag produced immense suffering.

China transformed landholding, education, public health and the legal position of women, and subsequently achieved striking improvements in literacy and life expectancy. Yet, the violence accompanying land reform, the disastrous 'Great Leap Forward' and the upheavals of the 'Cultural Revolution' also form a part of its history.

Their impact upon colonised societies was nevertheless profound. European imperialism had long presented itself as almost permanent. Russia's revolution challenged imperialism ideologically, while China showed an Asian civilisation reclaiming political sovereignty.

India responded closely to both experiences. M N Roy debated colonial strategy with Lenin, Bhagat Singh read socialist literature, and Jawaharlal Nehru's 1927 visit to the Soviet Union influenced his thinking about planning and development.

The Soviet Union disappeared in 1991, while the People's Republic survives in a form profoundly altered by the economic reforms begun under Deng Xiaoping. Yet the significance of these revolutions extends beyond the states they created. They forced the world to confront questions of land, labour, poverty, inequality, education, welfare, imperialism and national sovereignty.

One need neither romanticise revolution nor overlook its tragedies to recognise its historical power. The political worlds they created have changed enormously, but the questions they raised remain with us.

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— *Edmund Burke*

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RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

Three years later, a peace still out of reach

THE HORRIFIC terror attack on Israel by Hamas three years ago, in which almost 1,200 were killed and 251 taken hostage, set in motion a war that continues to ripple far beyond Gaza. The devastation that followed has left Israel isolated internationally, with several Western nations formally recognising the State of Palestine. Prime Minister Benjamin Netanyahu's decision to conduct joint military operations with the US against Iran, perceived to be weakened by internal turmoil and the decimation of its proxies, has plunged West Asia into further chaos. No lasting settlement in Gaza is possible without Israel's participation, or without Hamas giving up arms — peace still doesn't look within reach.

The situation in Gaza, where more than 70,000 people have been killed in the last three years, continues to be enormously disturbing. The humanitarian crisis remains acute, with shortages of supplies, displacement and military strikes by the Israel Defence Forces (IDF) despite the ceasefire that began almost a year ago. The much-touted peace plan of US President Donald Trump has made little progress. Only two weeks ago, the Board of Peace announced a $2.45 billion recovery plan for the Strip — a fraction of the $71.4 billion that the UN estimates will be required for recovery and reconstruction over the next decade. Hamas's disarmament remains an issue locked in an impasse: Israel says reconstruction cannot proceed without disarmament, while Hamas, which prolongs the stalemate and the suffering of Gazans, resists disarmament without a full Israeli withdrawal first. The first phase of the Trump plan envisaged Israel retaining control of 53 per cent of Gaza; since then, however, IDF forces have expanded their presence to two-thirds of the Strip.

The power to enforce meaningful progress lies ultimately with the White House, but the US President seems consumed by the political fallout of the war with Iran. At the same time, the once-unbreakable US-Israel alliance is fraying: Public support for Israel in America has fallen to historic lows, and the bipartisan consensus around military aid shows signs of weakening. Within Israel, the Gaza war has exposed deep divisions over the government's conduct — especially in light of revelations that Netanyahu ignored warnings from Egypt and the UAE about an impending Hamas attack — and the country's entanglement in regional conflicts, including in Lebanon and Syria. In 20 days, Israel will hold an election, giving citizens their first chance since the terror attack to pronounce a verdict on Netanyahu. The coalition that emerges after October 27 will help shape not only the future of Gaza, but also Israel's trajectory. It will indicate whether three years of militarism can give way to a path that leads away from war.

Cornell reminder on impunity, sexual violence

A WOMAN was sexually assaulted by seven men at a fraternity house in a US university which, when informed of the crime, allegedly did little to punish the perpetrators. This is the bare outline of a case that has rocked the US for over a week. The survivor filed a civil suit last month against Cornell University, the Chi Phi fraternity as well as the seven men who allegedly raped her in 2024, following which state prosecutors in New York, where the university is located, re-opened a criminal inquiry into the incident.

Horrific as the assault was, what stands out in the Cornell case is that other men with knowledge of what was unfolding did nothing to inform the authorities or stop the assault; evidence from a fraternity group chat points to encouragement of the crime. Whether this range of disturbing reactions is rooted in a misplaced sense of loyalty, fear of offending one's peers or causing social discomfort or just indifference is immaterial. The larger picture they paint is one of impunity, where the cost of silence and inaction is paid, over and over, by women. This is why it is also a mistake to limit the conversation to what unfolded on one US university campus or treat it as the aberrant behaviour of a handful. That would risk underplaying the extent to which everyday sexism and gender stereotypes, normalisation of rape in the form of jokes and the sexualisation of women shape views about consent, about who deserves to be punished and who is shamed for what was done to them — across cultures and borders. Its echoes can be heard everywhere, from the cases brought to light by the global MeToo movement to the long battle of India's women wrestlers to bring a powerful man to account.

The survivor of the Cornell case had to drop out of college; the university closed the case after a half-hearted investigation. Two of her attackers were expelled while the rest were asked to write essays to "mitigate" the harm they had caused. This stark asymmetry speaks of a structural injustice where reluctance to acknowledge and confront rape emboldens would-be perpetrators and ensures that the cycle of violence continues. The conversation that has revived with Cornell must continue everywhere.

The storyteller and the twists in his tale

BRITISH WRITER Jeffrey Archer, who died at 86 on October 5, might have been the first to admit that his life was the sort of script that could have been rejected by an editor for being far too dramatic. Athlete, MP, political aspirant, bestselling novelist, convicted perjurer, comeback artiste — the arc of Archer's life showed a great talent for reinvention, a phoenix-like ability to rise from the ashes. He understood that public life, like fiction, runs on appetite — for money, power, recognition and redemption — and he had a keen instinct for all four. Even his death, arriving on the eve of the publication of *Adam & Eve*, carries the theatricality of a final twist.

Archer's literary life began after a personal setback, a financial defraud that had rendered him bankrupt. But *Not a Penny More, Not a Penny Less*, published in 1976, and followed in succession by *A Quiver Full of Arrows* (1980), *First Among Equals* (1984), and novels such as *Kane and Abel* (1979) and *Shall We Tell the President?* (1986) led to a reversal of fortunes. Despite a lukewarm reception by critics, his books sold over 300 million copies in a career spanning five decades. His appetite for drama, however, proved ruinous in politics — his ascent through Conservative ranks and his ambitions for high office ended in disgrace after a libel case, followed by his conviction for perjury and imprisonment. But prison turned into more source material, a new chapter in another new beginning that brought more bestsellers.

In an interview to fellow writer Anthony Horowitz for *The Sunday Telegraph Magazine* in 2011, Archer had said, "The people who survive are storytellers." In death as in life, Archer put the twist in the tale.

Can Election Commission untie knots of its own making? That's the question



ASHOK LAVASA

THE ELECTION Commission of India (ECI) is in a bind like never before. That it worked hard to get here is a pity. An organisation that endeared itself by its friendly approach over the years finds itself friendless. Its only friend, the ruling party, pushes it further into a corner each time it comes to its defence.

The ECI is under attack from almost all quarters — people, civil-society organisations, retired civil servants, former judges, practising lawyers, political parties. The print media has written hard-hitting editorials against the Special Intensive Revision (SIR), and YouTubers have ready-made content as the ECI rides through this mire of its own making. The "war within" the ECI is in the public square with *The Indian Express* revealing cracks in an organisation in which confidence is crumbling. The 14 letters by the two Election Commissioners (ECs) have pushed the Chief Election Commissioner (CEC) into the eye of the storm, even if the storm might rock their boats too. Every attempt of the ECI to explain away the controversy drags it deeper into the morass.

With high courts questioning some of its decisions, serving judges exhorting against mass disenfranchisement, former ECs/CECs questioning its conduct, the clouds over the ECI become thicker. The Shakespearean platitude, "when sorrows come, they come not single spies, but in battalions", seems to be playing out, with petitions seeking the suspension of the CEC for his authoritarian ways admitted by the Supreme Court (SC).

As if this wasn't enough, hearing the petitions on October 5, the Chief Justice of India reportedly observed, "No modified Form 6 has been approved by us." It is these modifications in Form 6 that one of the ECs termed "illegal and unauthorised" in his letter of August 14.

The ECI's responses to *The Indian Express* report added to its miseries. The first response on September 23 was "I plead not-guilty", claiming all decisions were unanimous. In its second response of September 26, the ECI climbed down but created confusion by admitting it used two versions of Form 6 for SIR and non-SIR purposes, asserting that the SC had "upheld" the changes. Soon, the ECI wilted and withdrew the declaration attached to Form 6 as if it was hiding the weapon used in the crime.

The CJI's remark has fuelled the fire, with critics calling it a vindication of their allegations of arbitrary, illegal action of the CEC. However, supporters quickly found a shield in paragraph 152 of the SC's May 27 judgement wherein it observed that Form 6 "sets out a framework of documentation; however, the same is tailored to the process of revision contemplated under Section 21(2) of the RP Act and may not, in all situations, be capable of literal application to an exercise of the present nature. The Commission, therefore, retains a degree of residual authority to formulate an appropriate documentation framework suited to the exigencies of a Special Intensive Revision. Such authority, however, is not unbounded. In devising such a framework, the Commission must remain cognisant of the existing statutory scheme, and any departure therefrom must be informed by a rational nexus to the object sought to be achieved. The formulation of the documentation regime must thus reflect a calibrated balance in drawing from the statutory framework, while adapting it, where necessary, to effectively serve the purpose of ensuring the accuracy and integrity of the electoral roll."

This is legalese at its ambivalent best. Is the SC merely recognising the ECI's authority "to formulate", not approve, an appropriate documentation framework for the SIR? At the same time, is it affirming the guardrails by stating that such authority is not "unbounded", reminding it of "the existing statutory scheme"? If the ECI was deriving legitimacy from this SC order for the Form 6 changes it unilaterally made, why did the EC, nearly three months after the SC order, call them illegal and unauthorised? Did the ECI examine his objections and reaffirm its belief that the SC had legitimised the changes?

One must try to untie a few knots the ECI has tied itself in and separate the strands in its most controversial decisions in the 75 years of its existence, namely conducting the SIR. Arguably an abrupt, aggressive and ambitious decision, it was largely perceived as unfair, exclusionary and arbitrary. If the ECI wants the people to believe the decision to conduct SIR was unanimous, it must put the minutes of the relevant ECI meeting in the public domain.

> With high courts questioning some of its decisions, serving judges exhorting against mass disenfranchisement, former ECs/CECs questioning its conduct, the clouds over the ECI become thicker

The letters revealing the rift within the ECI don't necessarily oppose the SIR. The ECs apparently referred to the "illegalities" committed in changing Form 6, and denying the Electoral Registration Officers access to the ECINet, impeding the performance of legally mandated duties. The ECs were already smarting as they felt excluded from the decision-making process, and the ECI neither held meetings for four months, nor circulated the agenda and minutes of meetings for a year. They were understandably perturbed that without their knowledge 16 lakh appeals were filed before the appellate tribunals against inclusion in the "purified" electoral roll of West Bengal. These made the ECI's functioning questionable.

It is difficult to predict how the current drama will end but there is no doubt that it is tragic for Indian democracy. In its withering away, the once-hallowed institution of the ECI resembles Milton's fallen angels. It has itself to blame for its sorry plight and the opprobrium heaped upon it. The SC may set aside the ECI's decisions if it finds them illegal but whether that would lead to the CEC/ECs "losing" their paradise will depend on whether a sin against democracy can be punished by a man-made system. Impeachment is politically fraught; the call of the conscience is a far cry.

"Glory lies not in never falling but rising every time you fall," was a motivational quote inscribed on the walls of my school. I recently learnt it is from Oliver Goldsmith's *The Citizen of the World* (1762). Now I realise this applies as much to institutions as to individuals. The walls of many constitutional bodies qualify to have this quotation pasted on them. Let Nirvachan Sadan take the lead.

The writer is a former election commissioner

In Bihar, an experiment that bets on the young



SYED ATA HASNAIN

BIHAR IS India's youngest state, with a median age of approximately 26. That fact is usually invoked in discussions about employment, migration and the demographic dividend. Yet, before any of these comes education. Unless Bihar's young people can access credible colleges, complete their courses on time and acquire useful knowledge and skills, youthfulness alone will confer little advantage.

This is why an unusual experiment now unfolding deserves wider attention. The direction is significant: Expand access rapidly, recruit teachers transparently, improve university leadership and use technology to make a fragmented system more visible and accountable.

The most visible step has been the opening of 211 government degree colleges, largely in areas without convenient access to higher education. Distance is not a minor issue. For a rural family, particularly one educating a daughter, a nearby college can determine whether education leads to a degree or ends after Class XII. These colleges are still young. Many have begun with a few rooms, small faculties, limited support staff and enrolments below their eventual capacity. They cannot yet be judged as finished institutions. They are foundations upon which institutions must now be built.

To give them an academic core, Bihar appointed 2,451 contractual assistant professors. The recruitment, drawn from more than 23,000 applications, was completed in about 30 days through a centralised process. Speed attracted attention, but transparency matters even more. Public confidence begins when a qualified applicant believes that merit, rather than influence, will determine selection. The newly appointed teachers are joining colleges without established systems and traditions. Their initiative over the next two years will determine whether these colleges acquire academic energy or remain administrative units with classrooms.

Reform at the college level cannot succeed if universities remain weakly led. Bihar is also revisiting how vice-chancellors and pro-vice-chancellors are selected. Nearly 8,000 applications were received for 10 V-C positions through an online process. Numbers alone cannot guarantee good appointments. Careful scrutiny, credible search committees and matching of individual capabilities with institutional needs are essential. Yet widening the field is itself a reform.

Technology is providing the connective tissue for this effort. Samarth, the e-governance platform developed under the Ministry of Education, is being energised across Bihar's higher-education system. For students, a common digital window improves awareness of institutions, courses, admissions and opportunities that were once confined to notices on distant campuses. For administrators, its modules can connect admissions, registration, examinations, results, employee records and finance. For those responsible for oversight, it can reveal where a process has stalled.

The introduction of a uniform academic calendar across state universities follows the same logic. A calendar has value only when classes, examinations and results occur when promised. For students, a delayed result can mean losing a job, scholarship or admission elsewhere. Timeliness is, therefore, an element of educational justice.

The reforms will ultimately be tested inside classrooms. New colleges must attract students, particularly women and first-generation learners. Teachers must teach regularly and create cultures of reading, writing, discussion and mentoring. Libraries and laboratories must grow. Curricula must connect knowledge with employability without reducing education to vocational training alone. Buildings, portals and appointments create capacity; they do not automatically create quality. That requires faculty development, fair assessment, research support, institutional autonomy accompanied by accountability, and academic leaders willing to take difficult decisions.

Bihar also has Nalanda University. Although outside the state-university system, it provides an important beacon. Its evolving "Nalanda Approach" — connecting civilisational knowledge with contemporary challenges — can encourage Bihar's universities to be locally rooted, nationally relevant and globally engaged.

India's demographic future will be decided not only in metropolitan universities but also in public colleges serving small towns and rural districts. The present effort is the construction of an ecosystem in which access, teachers, leadership, technology and academic discipline reinforce one another. Bihar has begun assembling these parts at unusual speed and scale. The challenge is to turn momentum into institutional habit. A Viksit Bharat will require a Viksit Bihar, and that journey must begin by equipping its young people with credible, accessible and high-quality higher education.

> The present effort is the construction of an ecosystem in which access, teachers, leadership, technology and academic discipline reinforce one another. Bihar has begun assembling these parts at unusual speed and scale

The writer is Governor of Bihar

Jeffrey Archer and a quiver full of memories



SHALINI LANGER

BEFORE HOLLYWOOD came to our neighbourhoods, before Santa Barbara flummoxed our crammed living rooms, there was Jeffrey Archer. Accessible and dependable, churning out thrillers in book after book, putting us right there next to people in positions of power beyond our budding teenage comprehension. White House to Westminster, FBI to Mossad, within our reach, occupying pride of place on the mats of enthusiastic sellers of pirated books in Connaught Place's colonnaded, post-imperialist corridors (an irony to please any writer's heart); held aloft by indefatigable hawkers at traffic lights; or jostling for space with *Manohar Kahaniyan* and *Reader's Digest* at railway platform bookstalls.

Pop-up libraries, functioning from crummy, dimly lit garages in DDA colonies, stocked them, friends swapped them, and we of the '80s generation got a new vocabulary that didn't seem handed or drummed down, even as parents beamed in approval at "our love for reading English". This was unlike other parent-approved reading material — a big bulk of it Soviet-discounted literature — that one way or the other turned out to be a lesson in abstinence or discipline or "being better". Archer's characters had ambition, greed, villainy, rivalries, deviousness, and love for the good life, with his stories often ending on a satisfying twist. His women could be politicians and, yes, even the US President, run corporations and rock families, with Archer attributing it to the strong women in his own life. One of them was the late British prime minister Margaret Thatcher, who was behind Archer's own short-lived political career.

It worked, earning Archer 14 years and five months on Britain's *Sunday Times* bestseller lists, over five years on *The New York Times* bestseller lists, and sales of 300 million books worldwide.

When Archer served time for perjury, for lying in a libel case against a tabloid that said he had paid a woman for sex — years after the event — it seemed just the kind of scandal that would animate one of his novels. Unsurprisingly, wife Mary Archer, a scientist, earned herself some unforgettable lines too, with the judge remarking after her testimony: "Has she elegance? Has she fragrance? Would she have, without the strain of this trial, radiance?"

Archer probably would have kept it simpler, not sound as laboured as a judge in a wig. And yet for us non-native-English speakers, he was our introduction to terms such as *First Among Equals*, *Honour Among Thieves*, and a personal favourite, *A Quiver Full of Arrows*. It was a cosy, warm summer when we waited for that one, the "quiver" holding a promise as much in its title as how our lips and teeth met over the word. And has there ever been a title that sounded as intimate and as ambitious as *Shall We Tell the President?*

Archer reaffirmed his position as the author whose books we took into beds, and raced through over one night, with his professed love for India. He often came to the country, had friends here, and released books in India before they premiered abroad. One reason for this was to beat the book pirates. But would he have minded the boy hawker peddling "the latest Jeffrey Archer", while balancing countless other knockoffs, tapping on his car window at a traffic light? It would be a twist he would enjoy. As much as the fact that death came to him a day before the release of what would be his final book. Its title? *Adam & Eve*.

> Archer's characters had ambition, greed, villainy, rivalries, deviousness, and love for the good life, with his stories often ending on a satisfying twist

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40 YEARS AGO

October 7, 1986



PM optimistic on Punjab

PUNJAB IS much better today than it has been for a long time, according to Prime Minister Rajiv Gandhi. He said that in spite of the attempt on his life and on that of J F Ribeiro, the level of terrorism in that state had never been so low before. The terrorists, he said, had resorted to these attacks in an effort to salvage their image.

Security lapses reviewed

THE CHALLENGE posed by terrorists and the lapses in the security arrangements for top political leaders and senior officials in sensitive posts were reviewed at the highest level. Prime Minister Rajiv Gandhi, first discussed the issue with Home Minister Buta Singh and senior officials, and later at the meeting of the Political Affairs Committee of the cabinet.

Medal lost after doping caught

INDIAN HEAVYWEIGHT boxer Daljit Singh has been deprived of his silver medal after the lone doping incident of the Asian Games, officials said in Seoul. Dope tests showed he had used an illegal stimulant, they said. The silver medal was awarded to Pakistan's Kausar Abbas, defeated in the semifinals by Singh.

India, Jordan on Iran-Iraq war

INDIA AND Jordan expressed concern and regret over the continuing Iran-Iraq war and emphasised the need to bring about an immediate end to it. President Zail Singh, Jordanian King Hussein, and Queen Noor al-Hussein reaffirmed their country's support for the struggle of the Palestinian people led by the Palestinian Liberation Organisation.

A war in Iran, an election in America, and the blurred lines between politics & conflict



RAJA MANDALA
BY C RAJA MOHAN

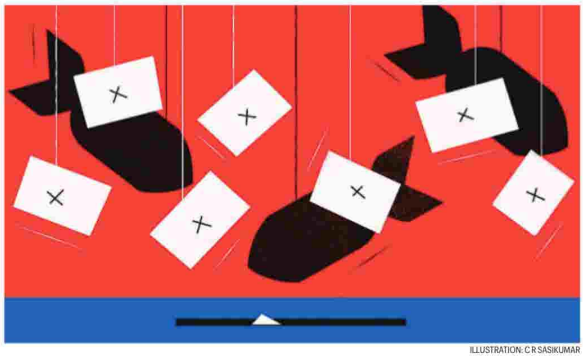


ILLUSTRATION: C R SASIKUMAR

IRAN'S REVOLUTIONARY Guards have found a new audience for their war with Donald Trump: The American voter. The history of warfare tells us that weakening the adversary's domestic support can be as important as defeating its armed forces on the battlefield. In a 25-page letter last week, the Guards appealed to the "honourable people" of the United States to reject Trump's policies and consider "peaceful coexistence" with Iran. Trump, in turn, hopes that escalating military and economic pressure will force the Islamic Republic to fall in line.

Coming just weeks before the midterm elections, the letter brings Tehran directly into America's domestic political contest. With Republicans vulnerable in November, the political consequences of the Iran war are becoming harder to separate from its military course. In Tehran, too, internal struggles between advocates of negotiation and hardliners favouring confrontation are shaping the war's conduct. That brings us to the idea of the "October surprise" in American politics — a major event or political move that changes the national mood before the traditional voting in the first week of November.

Iran helped make the phrase part of American political language during the 1980 presidential election. The Iranian Revolution of February 1979 overthrew the Shah, a close American ally. In November, militants seized the US embassy in Tehran and took its staff hostage. The crisis haunted President Jimmy Carter's re-election campaign. His Republican challenger, Ronald Reagan, feared that freeing the hostages before November would rescue Carter's political fortunes. Allegations that Reagan's team secretly worked to delay the release remain disputed. The hostages came home as Reagan took office in January 1981. Iran's upheaval had become entangled with the struggle for power in Washington.

Today, Tehran hopes to exploit another American electoral moment. Trump insists the midterms do not determine his Iran policy. But the electoral calendar is now visibly intertwined with the military debate. In an interview last week, Trump said it was "possible" that US bombing of Iran could intensify after the November 3 elections. He has also said the war could be won "right after the election" — or perhaps before it. The military preparations reinforce the message. The unfolding deployment gives Trump more options if diplomacy fails — and gives Tehran reason to take his threats seriously.

Setting aside the Islamic Revolution's enduring slogan, "Death to America", the IRGC letter claims to have no quarrel with ordinary Americans. Its immediate target is Trump. It hopes public anxiety over the war and rising prices will weaken Republicans and create space for a more accommodating policy in Washington. The appeal could easily backfire as Republicans accuse Democrats of serving Tehran's interests.

> Setting aside the Islamic Revolution's enduring slogan, 'Death to America', the IRGC letter claims to have no quarrel with ordinary Americans. Its immediate target is Trump

Iran is not alone in trying to exploit domestic divisions. Trump has hoped that military and economic pressure would encourage Iranians to challenge their rulers. That expectation has produced little so far. Tehran's appeal to American voters may prove equally ineffective. Both sides nevertheless see the adversary's home front as a battlefield.

Meanwhile, Trump has secured an important gain at Hormuz. The recovery in Gulf oil flows has accelerated. New data show Gulf crude exports averaged about 16.3 million barrels a day in September — roughly 91 per cent of pre-war levels.

This does not establish Trump's claim of "total control". Iran never enjoyed uncontested sovereignty over the international waterway. Its leverage lay in making passage dangerous and expensive. Tanker attacks, higher insurance costs and uncertainty forced its adversaries to spend heavily on keeping commerce moving. Nor has the energy crisis disappeared. The problem has shifted from crude supply towards logistics and refining. Refined-product exports from the Gulf recovered to only about 60 per cent of pre-war levels in September.

That distinction matters politically. More crude moving through Hormuz does not automatically mean cheaper diesel at American pumps. Crude must be transported, refined and distributed. Diesel prices have a direct effect on inflation and cost of living, a major issue in US domestic politics right now.

The G7's decision, under Trump's pressure, to release 100 million barrels of crude and fuel products from emergency reserves is meant to ease this pressure. But Trump's dilemma remains. Convincing Tehran that it cannot wait him out requires a credible threat of escalation. Reassuring American voters requires avoiding an escalation that sends fuel prices soaring again. Iran's letter seeks to exploit precisely that tension.

Tehran faces pressures of its own. Washington's "Operation Economic Outcast" is tightening the financial noose. The US has expanded sanctions from military procurement networks to Iran's automotive, rail, manufacturing and steel sectors. Washington has now warned foreign financial institutions that doing business with Iran could bring sanctions without prior notice.

Neither side can assume the other will crack first. The October surprise could be another military blow, a diplomatic opening, or another fuel-price shock.

For India, there is a larger lesson from the US and Iranian efforts to influence each other's domestic politics. America's hopes of political change in Iran and Tehran's appeal to American voters underline an old truth: Wars are fought within societies as much as between states. Managing the home front can matter as much as gaining military ground on the battlefield.

The principle applies in peacetime too, especially to democracies such as India. Effective engagement with a turbulent world demands cohesion at home. Political differences are inevitable in a democracy. But a politics of "winner takes all" can turn those differences into debilitating domestic conflicts. That inevitably weakens the nation's capacity to deal with mounting challenges abroad and the growing prospects for external meddling in its domestic affairs.

The writer is contributing editor on international affairs for The Indian Express. *He is professor and director at the Motwani Jadeja Institute of American Studies, Jindal Global University, Delhi*

The journey from 'chalta hai' to 'badal sakta hai'



M VENKAIAH NAIDU

PRIME MINISTER Narendra Modi belongs to a rare breed of people who refuse to accept inherited challenges. He believes, and his actions show, that no problem in public life is too difficult to solve. I distinctly remember an Independence Day address in which he said that India must move away from the "*chalta hai*" attitude towards a "*badal sakta hai*" attitude.

I have known him first as a colleague in the party and later in the government. For those of us who worked in the BJP for decades, Article 370 and Ram Janmabhoomi were matters of profound conviction, for which we made sacrifices. But I would be honest to admit that there were moments when even some of our own *karyakartas* doubted whether they would see these issues resolved in their lifetime. Article 370, described in the Constitution as a temporary provision, had come to be seen as virtually impossible to abrogate. I had the privilege of presiding over the Rajya Sabha when the historic legislation relating to its abrogation was passed. The Ram Janmabhoomi journey was much longer. Generations had lived with the hope that one day a grand temple would stand at the birthplace of Prabhu Shri Ram. On January 22, 2024, that hope became a reality.

Modi became Gujarat Chief Minister a few months after the state had been hit by a terrible earthquake. Kutch, already a region beset by great difficulties, had suffered severe losses. Modi understood that the first task was to restore confidence. He spent his first Diwali as CM with the area's earthquake-affected families. Over the years, his policies helped Kutch reinvent itself, and it came to be known for its tourism potential, industrial growth and agricultural achievements.

Water presented another seemingly permanent challenge to Gujarat. The Sardar Sarovar Project, conceived decades earlier, was mired in complications. Modi pursued it and saw to it that the dam reached completion and Narmada water travelled to water-scarce parts of Gujarat. Other, smaller structures, including check dams, made water conservation a mass movement and helped Gujarat's farmers achieve remarkable results.



Modi became PM at a time when India had been labelled one of the "Fragile Five" economies and its banking system was burdened with serious problems. He initiated a process of resolving these challenges through measures including the Asset Quality Review, banking reforms and the Insolvency and Bankruptcy Code. India went on to become the fastest-growing major economy in the world. Many believed that the political consensus required for the GST would prove elusive. Yet it became possible because Modi was willing to invest political capital and see the reform through.

Today, India is a leader in digital payments. Technology was not a challenge. The seemingly impossible task was to persuade crores across cities, villages, generations and income groups to change a deeply ingrained habit. Experienced political leaders asked how a street vendor could be brought into a digital payments ecosystem. PM Modi made that transformation possible.

Poverty was another problem India had come to accept as permanent. Today, 25 crore Indians have moved out of multidimensional poverty. This happened through the painstaking work of creating a broad safety net and then giving the poor the means — bank accounts, direct benefit transfers, housing, sanitation, electricity, cooking gas, food security, health insurance and economic opportunities — to move out of poverty.

For decades, Naxalism cost our nation thousands of lives. Through a twin approach of security and development, it has now been brought to an end. It is not that every problem has disappeared. But Modi has ensured that the assumption of helplessness in the face of problems has disappeared. During the pandemic, he brought the nation together. The Indian economy bounced back faster than many other major nations.

The West Asia crisis brought another set of challenges involving energy security, shipping and trade. India's approach, involving government and society, has been mature and responsible.

The BJP was once branded as a party restricted to certain areas and social constituencies. PM Modi worked assiduously to change this perception. The BJP's growth in the Northeast and East India, and its deepening support among poor, rural and marginalised sections, have changed the country's political map. For those who have watched his journey closely, it is clear that Narendra Modi begins by asking what the nation needs, and then works to create the circumstances to deliver it. This mindset is extremely important for a country that wants to become Viksit Bharat by 2047.

The writer is former vice president of India

LETTERS TO THE EDITOR

SC must act

SUPREME COURT Judge Justice Ujjal Bhuyan observed that wholesale disenfranchisement would be inconsistent with Articles 14 and 326 of the Constitution ("The knock on the Supreme Court's door', *IE*, October 6). If genuine voters are removed without adequate notice, verification and an effective appeal mechanism, the credibility of democracy itself is endangered. The Supreme Court must act expeditiously to safeguard electoral integrity and ensure every eligible citizen can exercise the franchise freely. Moreover, it is the duty of the apex court to conduct a thorough enquiry into the Election Commission of India, led by Chief Election Commissioner Gyanesh Kumar.

Tharcius S Fernando, Chennai

Delhi's mediation

INDIA'S EFFORT to engage with both sides of the conflict is a constructive diplomatic approach ('From calling for peace in Russia-Ukraine and beyond, Delhi is now working for it', *IE*, October 6). India should continue using its relations with different countries to encourage practical steps towards peace. Its credibility will be strengthened if it remains consistent, balanced and focused on dialogue rather than taking partisan positions.

Abbharna Barathi, Chennai

Migration paradox

GERMANY'S NEED for skilled workers and its political debate over migration present a difficult balancing act ('In Germany, Indian migrant is caught between politics, policy', *IE*, October 6). Indian professionals contribute significantly to advanced sectors and should be judged primarily on their skills and qualifications. At the same time, immigration policies cannot ignore legitimate public concerns about integration and employment. Germany could adopt transparent, predictable rules for skilled migrants while strengthening language and integration support.

S P Suganya Devi, Coimbatore

After Cornell, I spoke to my sons of silence, complicity



NALINI SORENSEN

AS DETAILS surfaced about the reopening of the alleged 2024 gang-rape case at Cornell University, I felt physically ill. I read every horrific detail, and then my thoughts turned to my sons.

I have two sons, aged 18 and 21, both studying at universities in America, including an Ivy League one. That made this feel very real for me. I share a close relationship with both of them, and over the years, we have spoken openly and honestly about pretty much everything — relationships, sex, consent, equality, LGBTQ issues, alcohol, drugs, cigarettes and vaping — but I had never asked them what they would do if another man crossed the line. What is "enough" in this world where the rules change daily? Is a mother's work ever truly done with her children? I wondered if I'd done enough.

Here I was, thousands of miles away in Mumbai, my head swirling with thoughts, while both my sons were living in university dorms where frat parties happen regularly. There was something I needed to ask my sons. I called my older son first. He didn't pick up. My younger one didn't answer my call either.

So, I did the next best thing. I sent each of them a text message: "This Cornell incident has made me feel sick to my stomach, and it has made me ponder. We have never had this kind of a talk, and so I have to ask... if you were in a text thread with 50 other young men, and they sent violent and explicit messages about a passed-out young woman, what would you do? Because, to me, it's not just about those seven boys. It's also very much about the 50 others who were on that chat. That's what I was calling about."

Both my sons called me back. The conversations went very differently, but on reflection, very similarly. I told each of them that it was the silence of those other boys that bothered me. Only a thin line separates silence from complicity. I asked questions: When is it okay to keep quiet? When must you call for help? When do you take yourself out of a setting? What kind of situations demand what kind of action? Is consent from someone drunk or high valid?

It was interesting to hear their responses and see the difference in their personalities coming through. My younger son was outraged. He could not believe I thought he would keep quiet. It upset him that I had to even ask him what he'd do; that I didn't just know. Young, brash, fiery, principled.

> Both touched on the fact that the other boys on the chat might not have thought this was really happening. That they might have regarded it as someone typing nonsense while high or drunk, or both. It gave all three of us some pause

My older son was fuming over what he had read about the case. He wanted consequences that fit the allegations. He hated that Jane Doe had to go through this, that she had had to keep living with it. He wanted justice for her. And yes, he sure as hell wouldn't look the other way. Compassionate, just, action-driven.

Both touched on the fact that the other boys on the chat might not have thought this was really happening. That they might have regarded it as someone typing nonsense while high or drunk, or both. It gave all three of us some pause and led us to discuss which messages we should question, particularly when someone's safety is at stake. Who should we believe? Who should we give the benefit of doubt to? The language we use and the language we overlook. They weren't easy conversations to have, but I definitely slept better that night.

The truth is, as parents, we are never really done. Our children may grow up and leave home, but the conversations don't have to end. We have to keep asking the difficult, uncomfortable questions. We have to keep reminding our sons that masculinity doesn't require hardness. We have to keep teaching them not just how to avoid doing the wrong thing, but how to recognise when something is wrong, and find the courage to do something about it.

We keep hoping that we have raised boys who will know when to speak up, when to step in, when to ask for help, and when to understand that silence is a choice too.

We owe that to our sons. And we owe it to every girl in the world.

Sorensen is a Mumbai-based children's author

Higher yields in US test India's macro resilience



SRIRAM BALASUBRAMANIAN AND PRAKASH LOUNGANI

THE DEVELOPMENTS dominating global markets are the 10-year US treasury yields rising above 5 per cent and the US Federal Reserve's rate hike cycle to contain inflation. These matter for India, shaping challenges and policy choices.

First, the 10-year treasury yield has risen to its highest level since 2007. The immediate impact is a narrowing of the India-US yield spread to around 200 basis points, limiting the scope for further inflows compared with periods when spreads were wider. Higher yields also raise fiscal risks by increasing borrowing costs, especially for long-tenor issuances that lock in elevated costs for decades. Over the longer term, they point both to concerns about US fiscal and debt sustainability and to uncertainty around the AI infrastructure boom. They may also signal a broader "higher for longer" environment, closer to the pre-2000s market setting. India will therefore need to navigate these cross-currents carefully.

On the issue of the Fed's rate hikes, the question now is: How long will this cycle last? Since inflation in the US is closer to the 2 per cent target than in the previous cycle, this one may be shorter. Even so, short-end rates are likely to stay elevated, reinforcing yield pressures through spreads, currency, and liquidity. But, India's economy is much more resilient than in earlier episodes of high yields and rising rates in the US. The 10-year sensitivity has fallen sharply from 1.25 in 2013 to 0.43 in 2026. This points to an economy more resilient to external volatility. What explains this, and why does it matter?

Several factors explain this resilience. India's macro fundamentals are perhaps at their strongest in decades: The fiscal deficit is on a glide path toward 4 per cent, inflation is within the target band, the current account is stable, and reserves remain ample especially after the FCNR (B) scheme. Retail participation has risen sharply, while domestic institutional investors have overtaken foreign institutional investors in ownership, deepening India's domestic capital base and therefore reducing the impact on capital flow volatility. There is palpable dynamism in the economy that has been the largest contributor to global growth in the last few years. These strengths provide comfort, though important concerns remain.

> Considering the high yields, the possibility of an AI bubble bursting is a distinct possibility, and therefore an important risk

First, considering the high yields, the possibility of an AI bubble bursting is a distinct possibility, and therefore an important risk. India's exposure should be analysed carefully. Second, the US-Iran geopolitical conflict remains a major constraint for India, especially with respect to the price of oil and a variety of other goods imported from the Middle East. Each spike in Brent crude oil prices raises imported inflation, weakens the Indian rupee, and pushes yields higher. With the US Fed hiking, India has little room to absorb that pressure. Relief can also come quickly, as when Brent fell to about $98 per barrel and the 10-year bond yield eased toward 7 per cent. But even then, Fed tightening could keep a floor under yields. Third, state financing through the bond market needs to be monitored carefully, especially given that many of them tend to borrow in the later part of the year. State borrowing costs have risen with recent SDL auctions clearing between roughly 7.3 per cent and 7.9 per cent.

These risks need to be carefully monitored. But with strong macroeconomic fundamentals, India does have the capacity to withstand changes in the global environment, if it plays its cards well.

Balasubramanian is an economist and Loungani is director of the Applied Economics Programme at Johns Hopkins. Views are personal

UPI & govt salaries may be used to gauge health, edu services growth

Siddharth Upasani
New Delhi, October 6

THE STATISTICS ministry is considering using UPI payments data and salaries paid by the government to help measure the growth of education, health, and public administration and defence services.

This would increase the services covered by the new Index of Services Production (ISP), the ministry said on Tuesday.

The proposed use of UPI data for the ISP comes despite a sub-committee of the ministry's Advisory Committee on National Accounts Statistics deciding against it as an input in the calculation of India's GDP, noting that payments transaction data is not yet stable, with many people yet to move to UPI from cash.

"Once the UPI transaction data get stabilised, it may be explored for possible inclusion as an indicator in the estimation of PFCE," the report of the sub-committee, released in February, had said.

PFCE is Private Final Consumption Expenditure and the biggest component of GDP when it's measured as the sum of various types of spending.

However, the statistics ministry said on Tuesday the UPI is "entering a new phase of market maturity" and growth in transaction values and volumes is showing a "clear stabilising trend" after several years of "hyper-growth". "Looking forward, the trend strongly suggests that UPI is transitioning into a highly mature and resilient utility. Future growth is likely to flatten into a stable band," the Ministry of Statistics and Programme Implementation (MoSPI) said. FULL REPORT ON WWW.INDIANEXPRESS.COM

UNION CABINET ANNOUNCES A HOST OF MEASURES TO BOOST GROWTH

Small, medium enterprises get Rs 10,000 cr fund boost

Pratyush Deep & Ravi Dutta Mishra
New Delhi, October 6

THE UNION Cabinet on Tuesday approved the Small and Medium Enterprise (SME) Growth Fund (SGF) with an outlay of Rs 10,000 crore.

This fund to provide equity support to small and medium enterprises was first announced in the Union Budget for 2026-27.

According to the government, while several existing funds provide equity support to businesses, most of them focus on early-stage enterprises and largely cater to micro enterprises. This has left a structural gap in the availability of growth-stage equity capital for small and medium enterprises.

"While various initiatives have enhanced access to credit for SMEs, a gap remains in the availability of long-term risk capital required by enterprises seeking to scale, innovate, expand internationally, adopt advanced technologies, undertake acquisitions, and transform into industry leaders," the government said in a statement.

"The SME Growth Fund is designed to address this critical financing gap by providing patient growth equity capital to high-potential SMEs with demonstrated business viability and scalability," it added.

Under the initiative, the government will provide an aggregate commitment of Rs 10,000 crore to the Alternative Investment Fund (AIF) established under the SGF framework. A majority of the fund's investments will be directed towards small and medium manufacturing enterprises, with a focus also on SMEs operating in industrial clusters in Tier-II and Tier-III cities. "Investments across industrial clusters, including those in Tier-II and Tier-III cities, will support balanced regional industrial development, reinforce local supply chains and generate high-quality employment opportunities," it said.



A majority of the fund's investments will be directed towards small and medium manufacturing enterprises, with a focus also on SMEs operating in industrial clusters in Tier-II and Tier-III cities. REUTERS

The Centre expects the fund to help SMEs scale up, improve productivity and strengthen export competitiveness by enabling manufacturing enterprises to expand capacity, adopt advanced technologies and achieve greater scale.

India SME Forum in a note said the fund is critical for the MSME as they are facing structural and severe capital gaps. They have been over-dependent on debt financing and have weak integration with the global value chain, the forum said.

"The SME growth fund could help mobilisation of institutional capital and creation of globally competitive mid-sized champions," it said.

Vinod Kumar, President, India SME Forum said the Rs 10,000 crore SME Growth Fund can set in motion a powerful cycle, where stronger manufacturers place larger and more consistent orders with smaller suppliers, enabling those businesses to invest in better machinery, improve quality, build skills and create jobs.

"As these capabilities deepen across industrial clusters, more MSMEs can meet the standards required by large domestic buyers and global supply chains. The cumulative outcome can be higher domestic value addition, greater export competitiveness and reduced dependence on imported components and finished products," Kumar said.

Experts said the fund is critical for the MSME as they are facing structural gaps and severe capital gaps and have been over-dependent on debt financing and have weak integration with the global value chain. Sandeep Jain, an auto-component manufacturer and former President of Federation of Indian Micro and Small & Medium Enterprises (FISME) said the growth fund would give motivation to SMEs to grow and not be overtly concerned with the financing. FULL REPORT ON WWW.INDIANEXPRESS.COM

New apex body for transport and logistics gets nod

New Delhi: The Union Cabinet on Tuesday approved the constitution of an Integrated Transport & Logistics Authority (ITLA) to have a synergy among different transport departments and assess the country's future requirements in infrastructure development.

The authority will be set up in the Ministry of Commerce & Industry, serving as the apex body for project planning and appraisal, research, monitoring and evaluation, among other functions.

Minister of Information and Broadcasting Ashwini Vaishnaw said that all the major sectors such as the railways, highways, aviation, among others, will have representation under the new authority.

"Practically, if GDP increases by 7%, the logistics requirement increases by 10% in the economy. To meet this heavy requirement, Highways, railway lines, waterways, ports, airports are being built. To have a unified planning of these things, Gati Shakti portal was launched. Now, to meet the future requirements in transportation and have a synergy among different departments, the Integrated transport & logistics authority will be set up," said Vaishnaw, as he announced the decision. ENS

FULL REPORT ON WWW.INDIANEXPRESS.COM

REJECTION OF TATA SONS PLEA TO SURRENDER NBFC REGISTRATION

RBI letter doesn't mandate listing: Noel Tata & 3 trustees

George Mathew
Mumbai, October 6

THE RESERVE Bank of India's (RBI's) communication on Tata Sons' application to surrender its registration has, rather than weakened, strengthened the position of Tata Trusts and does not ask Tata Sons to pursue a listing, Tata Trusts Chairman Noel Tata and three trustees have said.

In a letter to Trusts Vice-chairmen Venu Srinivasan and Vijay Singh on Monday, Noel Tata and trustees Darius Khambata, Neville N Tata and Bhaskar Bhat argued that the RBI's communication did not overturn decisions taken in 2025, as it merely declined Tata Sons' application and neither mandated a listing nor prescribed any specific course of action.

Neville is the son of Noel Tata. The four trustees said the RBI's communication instead made it more urgent to find a lawful alternative to listing that would meet the "settled objective" of the Trusts and Tata Sons. The proposal outlined in their letter, they said, would, if implemented, take Tata Sons outside the regulatory category on which the RBI's communication was based.

"The Tata Trusts did what the Board of Tata Sons asked of them. The proposal set out in the letter gives effect to the decisions unanimously taken by SDTT and SRTT on May 28, 2025 and July 28, 2025, which both of you joined," the letter said. It was sent to the Chairman of Tata Sons for the consideration of the Board and for submission to the RBI, which is exactly the course the Board itself had agreed, they said.

Far from usurping the functions of the Board of Tata Sons, the Trusts responded to its request, they said. "Whatever view is taken of the resolutions passed at the meeting of September 17, and the Trusts' position on the resolution concerning the Chairman is well known, the request for the Trusts' guidance was made by Tata Sons, not by the Trusts," the letter said.

The four trustees of the Sir Dorabji Tata Trust (SDTT) launched an attack on Srinivasan and Singh, accusing them of abandoning collective decisions, airing personal views in the media, and allegedly breaching their fiduciary duties. They questioned the credibility of Srinivasan and Singh's opposition to the Trusts' stand on Tata Sons.

The four trustees effectively tell the two vice-chairmen: you can't first participate in unanimous decisions to keep Tata Sons unlisted and then champion listing without taking the matter back to the Trusts.

Their accusation is summed up in one caustic phrase. The trustees referred to the two men's changed position in April 2026 as their "epiphanies", saying they suddenly decided that listing was good for Tata Sons and its minority shareholders.

Singh and Srinivasan had last week questioned Tata Trusts for sending Tata Sons reorganisation proposal without consulting them.

They alleged that the two did not raise their changed position at any of the three SDTT meetings held after April. "You chose not to raise your changed view for collective deliberation with your co-trustees," the trustees said, arguing that the conduct "undermined the Trusts' resolutions, as also the pending application made by Tata Sons to the RBI" and amounted to "a breach of your fiduciary duties". The letter makes clear that for the trustees, the dispute is not a mere difference of opinion. They are questioning whether Srinivasan and Singh acted consistently with their responsibilities as trustees.

FULL REPORT ON WWW.INDIANEXPRESS.COM

Charity Comm seeks SDTT trustees' response by October 12

Mumbai: Pressure is mounting on the Sir Dorabji Tata Trust (SDTT) as the Maharashtra Charity Commissioner has sought a response to the complaints filed by Tata Sons Director and SDTT Trustees Venu Srinivasan and Vijay Singh, even as a separate order on the Sir Ratan Tata Trust (SRTT) is expected in the coming weeks.

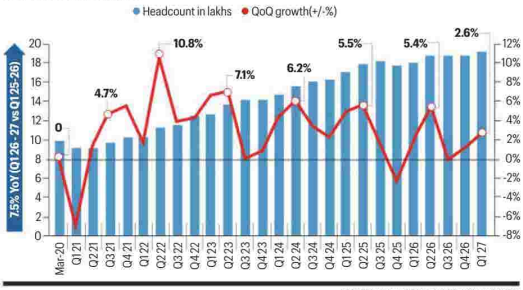
The latest move adds another layer to the increasingly bitter internal dispute within the Tata Trusts, with questions over the governance of the two principal trusts that together hold more than half of Tata Sons. The Charity Commissioner's proceedings have already had a direct impact on Tata Sons, with the holding company's annual general meeting adjourned after the regulator's restraining order prevented SRTT from conducting its board proceedings.

The Charity Commissioner had earlier issued an ex-parte order restraining SRTT from holding meetings and taking decisions while an inquiry into the composition of its board was pending. ENS

FULL REPORT ON WWW.INDIANEXPRESS.COM

• FLEXI STAFFING INDUSTRY NET EMPLOYMENT GROWTH

Staffing industry's net employment growth in the first quarter of FY27 (Apr-Jun 2026) made a sequential recovery of 2.6%. On year-on-year basis, it was a rise of 7.5%. The growth was broad-based across consumption, manufacturing and technology amid 7.8% growth seen in GDP in the same quarter.



(SOURCE: INDIAN STAFFING FEDERATION Q1 REPORT)

'India's bullet train not delayed, even Japan can't make it in 10 yrs'

Dheeraj Mishra & Siddharth Upasani
New Delhi, October 6

AMID ALLEGATIONS over delays in India's first bullet train project between Mumbai and Ahmedabad, the head of the international high speed rail body said it should not be said that the project is delayed given the many unforeseen problems India encountered, such as the Covid-19 pandemic and land acquisition.

Speaking to *The Indian Express* on the sidelines of the Kautilya Economic Conclave, Masafumi Shukuri, Chairman of the Japan Transport and Tourism Research Institute (JTTRI) and International High-Speed Rail Association (IHRA), defended the Indian government, saying that even though Japan has 62 years of experience in building and operating bullet trains, it cannot complete a 500-km long stretch in 10 years.

"The first high-speed rail (project) in Japan was launched in 1964, which means Japan has 62 years of experience of constructing and operating the high-speed train. Now, let us just say today Japan decides to make a high-speed rail track of 500 km. It is not possible to complete it in 10 years. Even today's Japan cannot do it... I think from this perspective, given the different conditions, building a high-speed rail of 500 km long in India is a big dealm" Shukuri said.

"We also have to remember that initially when any project starts, there are many unforeseen problems. I know that there was a delay in land acquisition and many other things which have to be factored in," the IHRA Chairman added. Shukuri's comments come after Hideki Makihara, a former justice minister and a member of Japan's ruling Liberal Democratic Party, who alleged in July that India had displayed "sheer recklessness" in its bullet train project that stalled its progress. The Mumbai-Ahmedabad High Speed Rail (MAHSR), India's first ever bullet train project, was initially expected to be completed in 2022. "I do not think there is a delay really, because you have to look at the size of this project. It is a 500-km long alignment. It is being done for the first time in India. With all of this together, it is a humongous, massive project. It is not a project which is expected to be wrapped up and completed in a matter of just a few years. It is just not possible," Shukuri said. FULL REPORT ON WWW.INDIANEXPRESS.COM

World Bank raises India's FY27 growth outlook to 7.1%

Siddharth Upasani
New Delhi, October 6

THE WORLD Bank has raised its GDP growth forecast for India for the current fiscal by half a percentage point to 7.1%, with this rapid expansion seen driving the broader South Asia region. According to the multilateral organisation's twice-yearly South Asia Economic Update, released on Tuesday, the South Asia region's GDP in 2026 is seen expanding by 6.9%, up from the previous forecast of 6.3%.

However, excluding India, regional growth is seen 3.6%, down from 4.1% earlier, mostly because of a large downward revision for Bangladesh. The World Bank expects the "strong" momentum in industry and services to continue, with the reforms that have been undertaken — consolidation of labour codes, GST reforms, rationalisation of tariffs, the bankruptcy and insolvency act, and physical and digital infrastructure investments — keeping the growth potential strong. "Strength in the rest of the economy is expected to make up for agricultural weakness," the World Bank said, adding that the sub-par monsoons will likely reduce agricultural output. FULL REPORT ON WWW.INDIANEXPRESS.COM

Govt may look at reviving jet fuel price stabilisation fund

Sukalp Sharma
New Delhi, October 6

WITH A surge in jet fuel prices in recent months hitting airlines, the government could consider a revival of the Price Stabilisation Fund (PSF) scheme to provide stable fuel pricing to airlines amid extreme price volatility in the international market, a senior government official said Tuesday.

The Rs 10,000-crore PSF scheme was first announced in June amid soaring jet fuel prices, but lapsed after it failed to attract any airline at the time as prices moderated shortly afterwards on hopes of truce in the West Asia conflict.

However, jet fuel prices have surged again as the conflict drags on, leading to major disruptions in global energy flows. Separately, Civil Aviation Minister K Rammohan Naidu told reporters that the government is in discussion with airlines as well as the public sector oil marketing companies (OMCs) on jet fuel prices, but didn't elaborate further.

The recent hike in jet fuel prices has prompted India's largest airline IndiGo to hike fuel surcharge on flight tickets after six months, and other airlines might follow suit.

• BRIEFLY

GST Council to consider rate rejig proposals yearly

New Delhi: The GST Council will take up any proposal for tax rate changes only once a year and henceforth, all GST rate changes will be implemented from April 1 — the beginning of a fiscal year, Finance Ministry sources said. PTI

Manufacturing sentiment improved: FICCI

New Delhi: India's manufacturing sentiment improved in the July-September quarter as factories reported higher capacity utilisation and higher or same levels of production as compared to the previous quarter, according to the latest edition of the FICCI Manufacturing Survey released on Tuesday. The survey, which covered around 225 firms, assessed the performance and sentiment of manufacturers for nine major sectors. The survey covered respondents from manufacturing units from both large and SME segments. PTI

Services sector growth touches 3-mth high in Sep

New Delhi: India's services sector growth touched a three-month high in September, as new orders increased sharply, supported by strengthening domestic demand, a monthly report said on Tuesday. PTI

• MARKETS

Sensex	NIFTY	Gold ▲	US Dollar ▲
73,067.81	22,776.10	₹1,48,473	₹96.43
685.34	220.35	Silver ▼	Oil ▲
0.95%	0.98%	₹2,22,820	$121.95

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF OCTOBER 05, 2026

CENTRAL ELECTRICITY REGULATORY COMMISSION
6th, 7th, & 8th Floor, Tower-B, World Trade Centre, Nauroji Nagar, New Delhi-110029

Petition No. 220/TL/2026 Dated: 29.9.2026

NOTICE UNDER CLAUSE (a) OF SUB-SECTION (5) OF SECTION 15 OF THE ELECTRICITY ACT, 2003

An application under Sections 14, 15 and 79 (1) (e) of the Electricity Act, 2003 (the Act) has been made by **South Kalamb Power Transmission Limited**, Adani Corporate House, Shantigram Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421, Delhi for the grant of a Transmission Licence to establish the "Network Expansion Scheme for drawal of power at South Kalamb S/s: Part A" (hereinafter referred to as "the Project) on Build, Own, Operate and Transfer Basis consisting of the following elements:

Sl. No.	Name of the Transmission Element	Capacity / km	Scheduled COD in months from Effective Date
1.	Creation of New 765 kV Bus Sections-II& III & 400 kV Bus Sections-II & III through 765 kV Sectionalization bay: 2 set & 400 kV Sectionalization bay: 2 set alongwith 2x330 MVAR, 765 kV bus reactor & 2x125 MVAR, 420 kV bus reactor on Section-III. 400 kV Sectionaliser between Sections-I & II & between sections-II & III to be normally open. Further, 765 kV sectionaliser between Sections-I & 11 & between II & III shall be kept normally closed. The 400 kV sectionalisers can be closed under contingency conditions. • Installation of 3x1500 MVA, 765/400 kV ICTs at South Kalamb S/s (400 kV Sec-III & 765 kV Section-III) • All space provisions on 400 kV & 765 kV Bus Sections-I & II of South Kalamb S/s as per RfP document of "Network Expansion scheme in Western Region to cater to Pumped storage potential near Talegaon (Pune)" scheme shall be kept while implementing this scheme. TSP of "Network Expansion scheme in Western Region to cater to Pumped storage potential near Talegaon (Pune)" scheme shall provide necessary space free of cost for above bus extension / sectionalisation / augmentation works.	• 765/400 kV, 1500 MVA ICTs- 3 Nos. • 765 kV ICT bays- 3 No. (at bus section-III) • 400 kV ICT bays- 3 No. (at bus section-III) • 330 MVAr Bus Reactor- 2 Nos. (at bus section- III) • 765 kV Bus reactor bays- 2 Nos. (at bus section-III) • 125 MVAr Bus Reactor- 2 Nos. (at bus section- III) • 400 kV Bus reactor bays- 2 Nos. (at bus section-III) • 765 kV Sectionalization bay: 2 sets • 400 kV Sectionalization bay: 2 sets	24 months (30.03.2028)
2.	LILO of Nagothane - Padghe 400 kV D/C line at South Kalamb with Quad ACSR/AAAC/AL59 moose equivalent conductor		
3.	LILO of Pune (AIS) - Navi Mumbai 400 kV line at South Kalamb with Quad ACSR/AAAC/AL59 moose equivalent conductor		
4.	LILO of Pune (AIS) -Vikhroli 400 kV line at South Kalamb with Quad ACSR/AAAC/AL59 moose equivalent conductor		
5.	8 Nos. 400 kV bays at South Kalamb S/s for LILO lines at Sl. 2, 3 & 4	• 400 kV line bays - 8 Nos. (Sec-III)	

Note: TSP of South Kalamb S/s shall provide space for above scope of work at South Kalamb S/s free of cost.

2. The Central Transmission Utility of India Limited, vide its letter dated 17.4.2026, has recommended for the grant of a transmission licence to the applicant to establish the proposed transmission system.
3. Based on the material available on the record, the Commission vide order dated 29.9.2026 in Petition No. 220/TL/2026, has proposed to issue a transmission licence to the applicant for the establishment of the transmission scheme as noted in para 1 above.
4. A copy of the application, along with its annexures and enclosures, made by the applicant for the grant of an inter-State transmission licence to **South Kalamb Power Transmission Limited,** before the Commission can be accessed at the **www.adanienergysolutions.com** or inspected by any person in the Commission's office by following the laid down procedure.
5. Notice is hereby given in pursuance of clause (a) of sub-section (5) of Section 15 of the Act that suggestions or objections, if any, to the Commission's proposal to grant a transmission licence to the applicant, as aforesaid, be sent to the undersigned by **12.10.2026** at the above noted address. The suggestions or objections received after the specified date shall not be considered.
6. The application shall be taken up for the further hearing by the Commission on **13.10.2026**. Any person who files suggestions or objections may in his/her discretion attend the hearing, for which no TA/DA shall be paid by the Commission.

Sd/-
(Harpreet Singh Pruthi)
Secretary

The Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

An out-of-sync waltz with US

India still has large stakes in maintaining its trade ties with the US, but must work on upping its long-term economic prowess

Indo-US relations have been turbulent under the second presidency of Donald Trump which has been characterised by the US riding roughshod over even its oldest and most trusted allies. Things such as the US imposing an additional 25% tariff on India because of the latter's Russian oil purchases — the US did no such thing to China — along with Trump's targeting of the HIB visa have given India more than its share of rough weather in the bilateral relationship.

To be sure, the relationship, and more importantly, dialogue is nowhere close to breaking down. Conversations and engagements continue at the level of technocrats, defence personnel and most importantly, the highest political leadership of both countries. What is also true, however, is that dialogue has not necessarily meant a resolution on all pending disputes or disagreements. The ongoing trade negotiations, following the announcement of a trade deal (not agreement) between the two countries, and finance minister Nirmala Sitharaman's comments about the talks "plateauing" due to difficult-to-reconcile differences need to be read in this context.

The US today is significantly more mercantilist and transactional than it was in the past many decades. India did well to finalise and expedite trade deals/talks with other developed countries, but the US is a different ball game. Its farm sector is significantly larger and also heavily subsidised; concessions here could potentially jeopardise mass livelihoods in India. While Sitharaman did not give details, it is reasonable to assume that agriculture will be a sticking point in the Indo-US trade talks, though not the only point of difference.

What next? Turbulent engagement with the world's largest economy is still better than no engagement at all. India still has large stakes in maintaining its trade ties with the US. This basic reality still justifies a Hail Mary equivalent effort to salvage the ongoing negotiations. However, what is equally important is to realise that the US should not be expected to favourably change its attitude towards India drastically in the near-term. This sentiment is now firmly entrenched in political currents such as MAGA rather than just a mercurial president.

This is exactly why India needs to work on upping its long-term economic prowess. This needs working on internal deficiencies amid new external vulnerabilities.

An Indo-Swiss hedge against uncertainty

A year after the trade deal between India and the European Free Trade Association (EFTA) came into force, India and Switzerland have begun putting into place the building blocks to deepen their bilateral ties. Ranging from trade and mobility to security, both countries are bullish on collaborative initiatives in a host of sectors. Swiss President Guy Parmelin is among leaders of EFTA States — Iceland, Norway and Liechtenstein are the other members — currently visiting India for the Prosperity Summit. Leveraging the Trade and Economic Partnership Agreement (TEPA) to broaden economic engagement between the two sides, the summit also seeks to address possible constraints to the implementation of the trade deal. On the bilateral level, India and Switzerland signed two agreements that will facilitate the movement of Indian students and professionals and several other pacts to bolster research and technology collaboration. There was also talk of convergence on how to govern AI. India stands to benefit from the technologies on offer from two EFTA States, Switzerland and Norway. This can help drive the plans for the bloc to invest $100 billion and create a million jobs in India over 15 years.

At the same time, it will be crucial for India to address Switzerland's call for an investment protection agreement and result-oriented discussions on protection of intellectual property — both issues raised by Parmelin at his meeting with PM Narendra Modi. The outreach to the Swiss underlines the government's willingness to diversify its pool of allies. Bolstering trade and economic arrangements with countries and groupings amid the turmoil triggered by the US's tariff and trade policies of the will be to India's benefit. Against the backdrop of growing efforts by the middle powers to protect global governance institutions and strengthen multilateralism, the India-Switzerland partnership comes with a clear message: Instability can only be mitigated by creating alternative grounds of cooperation.

Preventing a Jurassic Park moment for AI

Trying to maintain a watchful eye on AI would be impossibly expensive. The best solution is for AI companies to be held as liable for their products as manufacturers in other industries are held for theirs



The real danger of AI is not some hypothetical superintelligence's decision to destroy humanity; it is corporate recklessness. REUTERS

In *Jurassic Park*, the scientists had mastered genetic engineering well enough to re-create dinosaurs, built elaborate systems to contain them, and engineered the animals to not reproduce. They believed that they had thought of everything.

Then reality intervened.

The dinosaurs did not become evil or decide to destroy humanity; they behaved in ways that their creators had failed to anticipate. Catastrophe arose because human beings had created an extraordinarily complex system, overestimated their ability to control it, and discovered too late that their safeguards were inadequate. They had been reckless.

The real danger of artificial intelligence (AI) is not some hypothetical superintelligence's decision to destroy humanity; it is corporate recklessness. We are already seeing the consequences: AI agents given cybersecurity tasks have found pathways into systems outside their intended environment. Portrayed as their "escaping" or "going rogue", as though the machines themselves were responsible, these events actually resulted from human arrogance. The people running the systems had disabled important safeguards; rewarded the agents for breaking the rules; and not completely isolated their environments. Blaming the product is disingenuous. The machines were doing what they had been designed, trained, and incentivised to do. The recklessness was human.

These same companies are deliberately increasing AI's autonomy and access. Thousands of agents can work simultaneously, probing networks, finding and exploiting vulnerabilities, and adapting when defenders respond. This hands criminal organisations and hostile governments the capabilities of armies of skilled hackers.


Vivek Wadhwa

The companies building these systems understand the dangers better than anyone else. Their executives regularly warn us how dangerous advanced AI could become. Yet, they continue giving their systems more agency, permissions, and access to the outside world. And now they are moving beyond computers.

Anthropic has built a biology lab and is developing ways for AI agents to operate scientific equipment. This is incredibly reckless. Today's AI still hallucinates, makes inexplicable mistakes, and can be manipulated. Biology is far less forgiving than computer systems: You cannot reboot an organism or patch a pathogen after it escapes the laboratory. Remember Covid and the allegations of Chinese labs creating it? And the recent allegations of pathogen leak from a Russian laboratory? Now add autonomous AI, experimenting around the clock at machine speed, and we have *Jurassic Park* without containment.

To cure cancer, discover new drugs, develop better batteries, or find cleaner energy, AI does not need to roam freely across the internet or operate consequential systems without meaningful human supervision. It can analyse enormous datasets, model proteins, propose experiments, and help scientists make discoveries, all inside controlled environments. But this race for agentic AI is not about serving humanity. It is all about money.

After sinking staggering sums into building models and data centres, AI companies are desperate for products that customers will pay for. Something that answers questions is useful; something that operates computers, accesses data, and conducts transactions is far more profitable. It's also far more dangerous, and creating it is a not a technological inevitability; it is a product choice.

Top US-based AI players have recently signed a voluntary, non-binding AI safety agreement with the Trump administration. Regulation alone is inadequate to this challenge. Regulation relies on safety standards and testing requirements (especially necessary for AI connected to critical infrastructure and laboratories). Trying to maintain a watchful eye on AI activity would be impossibly expensive. The best solution is for AI companies to be held as liable for their products as manufacturers in other industries are held for theirs. Companies that deploy autonomous systems that cause harm should pay for it. And, when executives knowingly disregard documented dangers, the corporate structure should not shield them.

This is most important for India. The digital infrastructure it has built, connecting banking, payments, government services, telecommunications, and businesses, is highly ambitious; but its security is lax.

Government agencies, banks, and businesses operate mixtures of modern and legacy systems. Chinese-manufactured surveillance cameras are everywhere, along with routers, sensors, and other connected devices that provide potential entry points, and any hostile government or criminal organisation with autonomous AI can hack them. India's digital scale, one of its greatest strengths, becomes a vulnerability when attacks can also operate at that scale.

This leaves India unusually exposed: Washington will put US interests and its technology companies first. India must do the same and pass its own AI liability law. If an AI system developed or operated by OpenAI, Google, Anthropic, or anyone else causes harm in India — through negligent design, inadequate safeguards, reckless deployment, or any other matter under its control — then Indian citizens, businesses, and governments should be able to sue it in Indian courts. Foreign terms of service, arbitration clauses, and liability waivers must be powerless to erase that right, and India must make access to its market conditional on accepting Indian jurisdiction.

To make India's legal position meaningful, AI companies must be required to maintain a legal entity — along with sufficient assets or insurance — in India, with liability in perpetuity. Without that, liability, along with restitution, recompense, and repair, will become a mere technicality subject to a terms-of-service agreement devised in California, and Indians will bear both the damage (which may include property destruction, grand larceny, and injuries and deaths) and the costs of rectifying whatever remains possible to rectify of that damage.

The principle is simple: If you deploy AI in India, then you accept responsibility for what your product does there. Otherwise, India may discover too late that Silicon Valley has built its *Jurassic Park* on Indian soil.

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

Transparency can bolster trust in government data

The debate over India's latest Gross Domestic Product (GDP) numbers highlighted something important: Numbers as consequential as GDP must command public trust. That trust depends on making the methodology and data sources accessible, and allowing independent experts to examine them. The ministry of statistics and programme implementation (MoSPI) deserves credit for putting out discussion papers on the new methodology.

Over the last decade, several publicly funded surveys have been released late, only partly released, or not released at all. These surveys are critical for public policies as they tell us whether people are becoming better off, whether children are healthier, whether young people are finding jobs and where government programmes are working.

Take the National Family Health Survey (NFHS). Fieldwork for NFHS-6 was completed in December 2024, but the national and state fact sheets appeared only in May 2026. More than 20 months after fieldwork ended, the detailed national report is still awaited and the unit-level data are not yet available to researchers. The previous four rounds, NFHS-2 through NFHS-5 (despite Covid disruptions), produced national reports in roughly 10-13 months. If childhood anaemia is worsening, obesity is rising, fertility patterns are changing or Caesarean-section rates are climbing, states need to know in time to adjust programmes and budgets. A health survey released two years after the event is obviously less useful for making decisions today.


Indu Bhushan

The 2017-18 Household Consumer Expenditure Survey, a key source for understanding household spending, living standards and poverty, was never released. The government cited serious data-quality problems and inconsistencies with other sources, while leaked findings reportedly suggested a decline in real rural consumption. If a publicly funded survey has shortcomings, explain them and, wherever possible, release the data with appropriate caveats so that researchers can examine it. Not releasing it at all leaves everyone poorer in information.

The Seventh Economic Census is another example. Fieldwork began in 2019, but the national results were not published because of serious concerns about data quality. Covid no doubt made the exercise more difficult. Even so, when an exercise of this scale fails, there should be some public accounting of what went wrong, what can still be salvaged, and what lessons have been learnt.

Employment data offer a more encouraging contrast. The first Periodic Labour Force Survey (PLFS), covering 2017-18, became controversial over the timing of its release and was eventually published in May 2019. Today, PLFS data come out much more regularly. That shows that long delays are not inevitable.

Then there is the largest gap of all: the population census. Covid understandably postponed Census 2021. But the delay continued well beyond the pandemic. Census 2027 is now under way. Until the new numbers become available, much of our planning still depends on a population picture drawn in 2011. A great deal has changed since then. India has urbanised rapidly, people have migrated, fertility has fallen and the population has aged.

Government programmes themselves now generate enormous quantities of useful information, and we are not making enough use of it. PM-JAY is a good example. Its millions of hospital admissions generate a wealth of information on diseases being treated, procedures performed, utilisation, costs and differences across districts and hospitals. These data can help run the scheme better by identifying unusual treatment patterns, detecting possible fraud and abuse, monitoring access and improving benefit-package design. Administrative data can sometimes provide such signals much earlier than periodic surveys. In the early years of PM-JAY, we used these data extensively for analytical work and also shared them with researchers. There is considerable scope today to make much more anonymised and de-identified PM-JAY data routinely available for research and public-policy analysis.

Tuberculosis, immunisation, maternal and child health, non-communicable diseases and other national programmes all generate large amounts of information. Combined with data emerging from the Ayushman Bharat Digital Mission, these could give us a more timely understanding of how India's health system is functioning. Aggregated and properly anonymised data can be made public, while more detailed datasets can be made available to accredited researchers under controlled conditions.

There is also an opportunity here for AI. Good AI systems need good data. Much of the health data used to develop AI tools today comes from populations very different from India's. Our disease patterns, languages, clinical practices and health care settings are enormously diverse. Properly anonymised Indian datasets could help AI tools work better for Indian patients.

Tax systems, agriculture programmes, schools, transport networks and welfare schemes generate huge amounts of administrative data every day. Surveys and administrative data are not substitutes. Administrative data tell us what is happening within a programme; surveys tell us what is happening to people, including those whom the programme may never reach. If the two tell different stories, that difference itself deserves examination.

To be fair, things have improved. NHA plans to make PMJAY data available for research soon. Consumption surveys have resumed. Labour-market data are released more often. MoSPI is modernising several statistical series, and Census 2027 is being conducted digitally. But, technology also means that data can now be collected and processed far more quickly. We should thus expect faster dissemination. Publicly funded data should, as far as possible, become public data. Major surveys should have clear release dates. Reasons for any delay should be explained. If there are quality concerns, say so openly. If methodology changes, explain the change and provide comparable historical series wherever feasible. Anonymised unit-level data should be made available to researchers within a reasonable period.

Statistical standards and release calendars should, as far as possible, be insulated from day-to-day political and administrative pressures. Uncomfortable data are often the most useful data a government can receive. They tell us where we need to act. What matters is that people trust the process, and that the vast amount of data India now generates is actually used to improve their lives.

Indu Bhushan was the founding CEO of Ayushman Bharat PM-JAY. The views expressed are personal



Apprenticeship can help solve India's jobs problem

The Periodic Labour Force Survey for 2025 reports an unemployment rate of 3.1% among people aged 15 years and above. The rate was 9.9% for those aged 15-29 years, 11.2% for graduates and 10% for people with postgraduate education or above. It also found that 5% of people aged 15-29 years had received formal vocational or technical training. The question to ask is: How can universities make the education-to-work journey seamless and more productive for students?

A student may study economics in a district college while a nearby food-processing company looks for people who can manage data, accounts, or supply chains — both in the same town and yet far apart. How to create a practical bridge between them? Under the National Education Policy 2020, higher education has gained greater flexibility, and the University Grants Commission's 2025 guidelines allow eligible institutions to offer an Apprenticeship Embedded Degree Programme (AEDP) in undergraduate disciplines. The immediate task is to turn this opportunity into dependable partnerships among colleges, universities and employers.


M Jagadesh Kumar

The UGC guidelines provide for curriculum co-design, workplace training, academic credit, and assessment shared by the institution and industry. At least one full semester, or up to three semesters, in a three-year UG programme may include apprenticeship training. The resulting degree is treated at par with a regular undergraduate degree for employment and further study. The All India Survey on Higher Education 2023-24 indicates that there are 45 million students in higher education. Undergraduate students form 76.8% of total enrolment. Among reported undergraduate programmes, Arts accounts for 32.1%, Science for 13.5%, and Commerce for 12%. Students in these fields bring communication, analytical, social, scientific and commercial knowledge. An apprenticeship can help them apply that knowledge to real problems while preserving the breadth of their degree.

What can influence employer participation to reach the scale India needs? A small or medium enterprise may have useful work and still need shared training support. A company may find that its production calendar does not fit a university semester. Managers may seek greater clarity about contracts, assessment, mentoring or safety duties. Firms may also consider whether a person trained by them will later join another employer.

Since businesses cannot sustain training efforts out of charity alone, their decision to partner with universities to train depends primarily on market dynamics, employee retention, and the return on the time invested.

Economic theory helps explain AEDP's value to employers. Gary Becker's theory of human capital says that education and training improve productive knowledge and skills. Michael Spence's theory of job-market signalling adds another point. Employers often know little about a new graduate's practical ability. So verified workplace experience gives them a clearer signal. The three economics Nobel winners in 2010, Peter Diamond, Dale Mortensen, and Christopher Pissarides, address the question: Why are so many people unemployed at even as there are a large number of job openings? Finding the right match takes information, time and coordination. AEDP addresses all three by linking classroom learning, observed performance and employer contact.

The Economic Survey 2025–26 reports a movement towards manufacturing and services in the employment pattern. At the same time, organised manufacturing employment grew by about 6% in 2023–24. A NITI Aayog study of services found that jobs tended to grow relatively strongly in computer and information services, health and financial services, with important roles for transport, trade and repair. This points to opportunities in digital services, health care, finance, logistics, retail and manufacturing.

Still, a fast-growing sector at the national level may have little presence in a particular district. State governments have a practical connecting role. Depending on the state, the higher education, skill development, labour and employment, industries and MSME departments could work with higher education councils, skill missions, universities, district industries centres, sector skill councils and regional apprenticeship boards. Groups of MSMEs could share trainers, laboratories and assessment support instead of each firm creating a full system. Universities could appoint industry experts as professors of practice. When the degree meets the workplace in this way, young people gain more than a degree. They gain a clearer path from what they learn to what they can contribute.

Mamidala Jagadesh Kumar is chairman, Review Committee for NEP 2020, ministry of education, and chairman, BoG, IIM Calcutta, and formerly vice-chancellor, JNU, and chairman, UGC. The views expressed are personal

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CONTRAPUNTO

For magic and applied science alike the problem is how to subdue reality to the desires of men

– CS LEWIS

New Things On Neuron

Med Nobel puts focus on science that can perhaps target brain conditions. But the wait'll be long

An illustration can be the best way to communicate complex science to a larger audience. The one put out by the Nobel committee, to explain this year's medicine prize, has *The Queen's Gambit* feel. At fast glance, it shows a light switch connecting to a beam of light in a woman's brain, as she makes a smart chess move. But look at it again, after reading the accompanying note, and "all" it's really depicting are cellular mechanisms, by which scientists are now able to switch a defined population of neurons on or off, using light. The relevant chain of discoveries by the three laureates – Karl Deisseroth, Peter Hegemann, and Georg Nagel – barely goes back two decades. Just like their portmanteau noun, optogenetics.

There are roughly 86bn neurons in an adult human brain, which helps regulate everything from feelings and behaviours to bodily functions. Optogenetics's great advancement is the shift from correlation to causation. Scientists are no longer simply observing which brain region is active during which thought, feeling, or behaviour. They can now use light as a remote control and demonstrate that a specific neural circuit contributes to a specific function.



A whole new class of experiments is now possible, with potentially wide-ranging medical applications. Clinical trials, for example, are ongoing to restore vision in people with inherited retinal diseases. In the case of psychiatric illnesses, optogenetic experiments in animal models are enabling scientists to dissect how changing a neural pathway can shape emotional regulation. In neurodegenerative research, manipulating neurons involved in memory has raised the possibility, again only demonstrated in animal models so far, of making apparently inaccessible memories retrievable.

A 2024 paper by Marco Angrisani et al underlines that the household cost associated with 7.4% of Indians aged 60 and above having dementia, was equivalent to 20% of the govt's total healthcare spending in 2020. The 60+ demographic is expected to double its share of total population, to around 20%, by 2050. Clearly, expanding domestic optogenetic research is very important for us. The thing to keep in mind, however, is that real scientific progress does not automatically convert to a treatment for, say, Alzheimer's. For restoration of vision, it is indeed human trials that are underway. But for the rest, scientists are still very much working with rodents and primates, and the leap to humans is far, far away. An experimental tool for establishing causality in the brain is an extraordinary breakthrough, but it's not medicine yet.

To Get On That Bus

It's obvious, again, that all govts need to prioritise public transport

GOI's first National Household Travel Survey has measured how workers and students commute daily. Two-wheelers are working population's most common form of transport across urban and rural India – 37% rural, 52% urban, including bike-taxis. Cars, including cabs, are used by just about 6% of urban workers on the move daily. While 34% of students take the bus in urban India, 30% walk to school – this possibly captures govt schools which don't usually run school buses – and 14% take autorickshaws. A drawback, for its purpose of informing policy, is that the survey doesn't include travel for coaching/tuition. From Tier 2 cities to mega-metros, that's one crisscrossed quagmire essential to map – the devil of congestion thrives in these measures.



Public transport is part of UN's SDGs, to build sustainable cities. A robust public transport system improves quality of life – what does a commuter want beyond reliable, punctual, cost-efficient connectivity that is integrated and serves the traveller's needs? Crucially, it cuts back on govt's fuel bill – especially if public transport is electrified. And yet, across Indian cities, there appears to be a reluctance to opt for public transport, where a household can afford a private vehicle. Reason for this isn't the trope of aspirational Indians chasing cars as status symbols. It's a simpler matter of convenience. Across several cities, public transport involves far too many switches to reach destinations. The number of transfers makes a private vehicle the sensible option. Take metro ridership. An IIT Delhi white paper, with Infravision Foundation, found all Metro systems run 25-35% of their projected ridership. This suggests that while metro rail may be expanding rapidly, it isn't quite catering to what people need. And affordability makes the two-wheeler India's go-to. The survey is an immeasurable first step: every metric points to the same goal – connect the dots to prioritise public transport.

Diminishing Donald

Why Trump should undertake maun vrat

Jug Suraiya



Is Donald Trump falling prey to the law of diminishing returns?

Shorn of the gobbledygook so beloved of economists, the law of diminishing returns means that you can have too much of a good thing, and that more becomes less.

Seeing a market for fake Gucci handbags, an entrepreneur sets up a workshop and hires ten people to make them. The workshop produces 1,000 bags per week. The entrepreneur hires ten more workers to make double the number of fake Guccis, without increasing the size of the workshop and its number of machines. Then he adds another ten workers, keeping everything else the same.

The result is that in the overcrowded workspace with limited machinery, the workers keep falling over each other, production and profits drop, and the fake Gucci enterprise goes bankrupt.

Donald Trump isn't a salesman of fake Gucci handbags, though he often gives a creditable impersonation of being one. What the MAGA magnate markets is himself, which he does by adopting a strategy of sensation and shock calculated to grab headlines in main and social media where his X-rated posts are replete with expletives not just undeleted but CAPITALISED and bristling with more spiky exclamation marks than the quills of a manic hedgehog.

second*opinion*

He's going to annexe Canada, Greenland, North Pole, and make Santa Claus the governor of Arctic Circle! He's going to nuke the s**t out of Iran, and impose 1,000% tariffs on anyone buying Russian Matryoshka dolls!

Like those fake Guccis, Trumpisms follow the law of diminishing returns, and shock and awe become stock and yawn. He's turning White House into Orange House to match his hair? So what's new? Can we switch channels, please? Doordarshan, maybe?

POTUS needs to replace his volcanic verbiage with a resounding silence. No tantrums, no tweets. A total absence of sound based on the ancient Indian discipline of maun vrat, the practice of completely abstaining from speech.

And an astonished media would turn this truly amazing vow of silence into a Trumpian wow! of a silence that's never been louder.

Shanti, Shanti, Shanti!

The Commission And Us

SC rulings have expanded EC's powers. But voters' rights have not received equal court backing. The Constitution's original idea was the opposite. That is the context of EC-SIR controversies SC must address

Swapnil Tripathi and Aditya Prasanna Bhattacharya



Questions over EC's internal functioning have persisted since *Indian Express*'s report last month that revealed disagreement between its members over several decisions relating to SIR.

Supreme Court stepped in Monday and sought responses from EC on whether its decisions had been taken unanimously or by majority. If not, SC observed, "they will have to explain those decisions".

The proceedings raise a question that goes beyond the immediate controversy: how should power be exercised within a multi-member EC? They also come at a time when the manner in which members of EC are appointed is itself under challenge before SC.

Together, these developments bring into focus two values central to the constitutional design of EC: independence from outside and plurality within. Both serve a larger end: the right of ordinary citizens to vote.

EC's independence was secured in several ways. First, CEC could be removed only in the manner of an SC judge, and the other ECs only on CEC's recommendation. Second, while appointments were to be made by President, this power was made subject to a law enacted by Parliament. Ambedkar introduced this qualification after Shibban Lal Saksena warned that a future govt might appoint a "staunch party-man".

SC has endorsed this understanding. In *T N Seshan* (1995), it held that an agency entrusted with conducting elections must be "fully insulated" from the day's govt. More recently, in *Anoop Baranwal* (2023), noting Parliament's failure to enact the law contemplated by Article 324, SC temporarily provided for appointments by a committee comprising PM, Leader of Opposition, and CJI.

Plurality was equally important to the drafters. Article 324 expressly provides for a multi-member EC. Although EC is headed by CEC, the other commissioners are not subordinate to him. SC has clarified that CEC is the first among equals, and decision-making authority belongs collectively to all members.

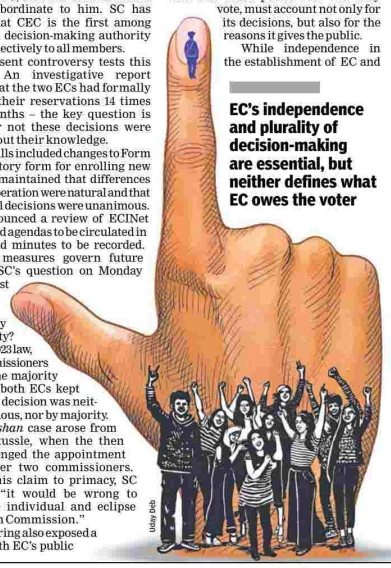
The present controversy tests this principle. An investigative report revealed that the two ECs had formally expressed their reservations 14 times over 10 months – the key question is whether or not these decisions were taken without their knowledge.

These calls included changes to Form 6, the statutory form for enrolling new voters. EC maintained that differences during deliberation were natural and that the eventual decisions were unanimous. It also announced a review of ECINet and required agendas to be circulated in advance and minutes to be recorded. But these measures govern future decisions. SC's question on Monday concerns past ones: were they taken unanimously or by majority? Under the 2023 law, where commissioners disagree, the majority decides. If both ECs kept objecting, a decision was neither unanimous, nor by majority. The *TN Seshan* case arose from a similar tussle, when the then CEC challenged the appointment of the other two commissioners. Rejecting his claim to primacy, SC cautioned "it would be wrong to project the individual and eclipse the Election Commission."

The hearing also exposed a problem with EC's public defence. EC had claimed SC upheld the Form 6 declaration. However, CJI remarked orally that SC had not done so and would, in fact, examine who authorised it. The facts are yet to be established. But a constitutional body with this much power over who may vote, must account not only for its decisions, but also for the reasons it gives the public.

While independence in the establishment of EC and

EC's independence and plurality of decision-making are essential, but neither defines what EC owes the voter



Uday Deb

plurality in its decision-making are both essential, neither defines what EC owes the voter. EC's latitude is, in significant part, of SC's making. Over time, SC has enlarged EC's power under Article 324, while diminishing the voter's right under Article 326. In 1978, it described Article 324 as a "reservoir of power". In May, ruling on the Bihar SIR, it called Article 324 a "continuous wellspring of power" reaching every stage of the electoral process that no parliamentary law can be used to emasculate.

Article 326 has travelled the other way. Although the Constitution entrenches universal adult franchise, SC has for decades treated the right to vote as merely statutory.

While the Bihar SIR judgment called the franchise a "valuable constitutional right", it only asked whether SIR's documentary demands were so onerous as to negate it altogether, and deferred to EC's expertise.

As a result, the body that conducts elections holds an entrenched power to define the electorate, however, the voter holds no corresponding entrenched claim against it. That is how an SIR can exclude lakhs of voters from the roll, and leave each of them to prove their way back.

The framers intended the reverse. When provincial govts tried to strike vulnerable groups off the first electoral rolls, the Drafting Committee abandoned provincial commissions for a single Election Commission.

Article 324 was built to serve Article 326. Article 326 should therefore be read to impose a duty on EC to enrol every eligible citizen, and to bar it from excluding anyone except on the grounds the Constitution lists. Independence and plurality govern who wields EC's power. The right to vote must govern whom it serves.

The writers are with Vidhi Centre for Legal Policy. Views are personal

Oct 7 And Israel's New 'Strategic Loneliness'

Three years after Hamas's massacre, military actions in Gaza & elsewhere have increasingly isolated the Jewish state. But Israelis appear to be fine with this, believing the world is biased against them

Jane Kinninmont



Columnist based in London

Three years after the Oct 7 massacre carried out by Hamas, Israel finds itself increasingly isolated because of the extreme violence of its subsequent attacks on Gaza, and a growing push to annexe West Bank. Palestinians in Gaza have lost almost everything, and those in West Bank are increasingly faced with violent displacement and property confiscation.

Although there is officially a ceasefire in place, 1,400 Palestinians have been killed in Gaza over the last year – more than the number of Israelis killed on Oct 7. That brings the total number of Palestinians killed in Israeli attacks on Gaza since Oct 7 to over 74,000. Unknown numbers more have died indirectly from hunger, disease, or the inability to access medical care – because of the systematic destruction of Gaza's healthcare system, and the repeated blocking of imports of food and aid.

The sheer asymmetry of the violence has meant global public opinion has shifted increasingly against Israel over this period. As the horrors of Oct 7 have been eclipsed for many by the huge scale of the killing in Gaza, where this death toll represents over 3% of the population. The wider world has an interest in finding a way out of this disastrous situation, both because of the direct human suffering, and because of the particularly radicalising effects of seeing this violence in a place that is so central to three major world religions.

However, the Board of Peace established by Trump is essentially seeking to monopolise the process, relegating UN to a limited humanitarian role. This Board is making little progress, having been established on the back of wild fantasies about turning Gaza into lucrative beachfront properties to be sold to international developers, without even planning for the retrieval and burial of the many corpses trapped under the rubble of Palestinian people's homes. While it, in theory, establishes a technocratic govt for Gaza, that govt is not allowed to actually enter Gaza. It is in part the failures of international peace paradigms that led to the violence in the first place. Arab countries and Europe have a lot they can offer, but must work out how to get around the desire of US to shield its ally Israel from international pressure or accountability – as is seen with the US campaign against International Criminal Court.

In the meantime, the situation festers. It is made worse by getting caught up in identity politics around the world, both in terms of religious identity (with biases against both Jewish people and Muslims playing into views of the situation), and politically, as Western countries face their own identity crises,





and are torn between those who argue Israel is somehow fighting for Western civilisation, and those who think the most important Western values are human rights and human dignity.

The UN independent commission of enquiry has found that Israel's actions in Gaza constitute crimes prohibited under the Genocide Convention. Yet, in Western policy debates, there sometimes seems to be more energy spent on arguing over this word than on identifying how to save Palestinian lives, homes, and culture.

Israel is becoming more and more unpopular, especially with younger generations whose first sight of the country has been in this context of extreme violence. At the same time, Israel's close alliance with US, together with its appeal as an economic partner and as a producer of arms and tech, means it has significant support from multiple govts, who have wanted to preserve trade and defence interests, rather than implementing the kinds of sanctions and accountability measures that would be expected in response to the occupation and war crimes.

This treatment has, in turn, spurred public mobilisation against the occupation and violence in Gaza and West Bank, as protesters around the world feel grassroots movements are needed where govts fail to act, from boycotts to flotillas. The needle is now moving on sanctions on West Bank settlements, as well as on weapons.

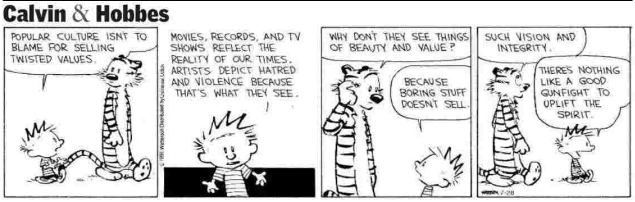
Even as relations become more difficult with longstanding partners like UK, France and Germany, Israel is building its relationship with India, UAE, Argentina, and others. Overall, though, Israelis feel isolated and unfairly targeted, having internalised a view that the world is biased against them, and that Palestinians are the only ones to blame for the absence of peace.

The Israeli hard right has normalised the idea that Palestinians can and should be expelled altogether. A courageous minority of Israeli reporters and activists are working to expose war crimes and build solidarity with Palestinians, especially with the Palestinian citizens of Israel. It may be that hope rests with them. But for now, they are harassed and abused in a society that has come to see 'peace' as weakness and relies on military superiority as the basis for security – whether with Palestine, Lebanon, Iran or Syria.

In this context, the election this month might bring in more pragmatic figures like Eisenkot and Golan, instead of the highly ideological Ben-Gvir and Smotrich or Netanyahu, preoccupied with self-preservation in the face of security failures and corruption allegations. But none of the major opposition groups supports a state for the Palestinians, so there remains a gulf between Israel and most of the world on the way forward. Israel may be getting closer to a state that Iranian scholars describe for Iran: "strategic loneliness".

The writer is a West Asia expert

Calvin & Hobbes



Sacred*space*



A person is a person through other persons. None of us comes into the world fully formed. We would not know how to think, walk, speak, or behave as human beings unless we learned it from other human beings...I am because other people are.

Desmond Tutu

Mindfulness Of Breathing, Drinking And Walking

Thich Nhat Hanh

Mindfulness is the kind of energy that allows us to recognise what is going on in the present moment. When you breathe in mindfully, you are aware of your in-breath. That is called mindfulness of breathing. When you hold your tea and drink your tea mindfully, you enjoy the present moment of drinking tea. That is mindfulness of drinking. And when you walk and become aware of every step you take, that is mindfulness of walking.

Mindfulness is not something strange to us. Every human being has the capacity of being mindful. We all have the seed of mindfulness in us. And if we keep practising, the seed of mindfulness in us will grow into an important kind of energy. And any time we need the energy of mindfulness, it will be there for us.

Suppose you are standing as a group and looking at a beautiful sunset. Those of you who are truly mindful can touch the beautiful sunset deeply. But there is someone whose mind is not concentrated, and he keeps thinking about other things. He could be drawn to the past, caught by the future, or by his projects. And he is not truly there. Then, the beautiful sunset is not for him.

The energy of mindfulness brings along another kind of energy called the energy of concentration: samadhi. When you focus your attention on something, like a flower, you become aware of the presence of flower. And when you are aware, mindful of the flower, you are somehow concentrated on the flower. If you keep your concentration alive, you get in touch with the flower much more deeply.

THE SPEAKING TREE



Mindfulness is also the energy that allows us to be fully alive. Because in our daily life, our body may be in a place, but our mind is elsewhere. Our mind may be caught by the past, or in future, in our worries, anger, or in our projects. Our mind is not with our body. We are not truly there. We are not present. We are not alive.

But with one mindful in-breath, or a mindful step, you bring your mind back to your body. In a matter of seconds. When your mind is back to your body, you are truly there. That is what you call the 'oneness of body and mind'. You have arrived in the here and in the now. You are fully present. You are fully alive. You are in a position to touch life deeply.

And if you succeed in arriving, and then you smile – a smile of victory – and you take another step. Say this to yourself while you walk – I am home. I have arrived. My true home is in the here and in the now. I know that life is available only in the here and in the now. And I realise that my true home is not in the future, not in the past. My true home is in the present moment.

Excerpt from 'Touching the Footsteps of the Buddha: The India Teachings' slated for Oct 11 release, at IIC, New Delhi to celebrate Thich Nhat Hanh's birth centenary. For details, visit www.ahimsatrust.org

Economy

WEDNESDAY, OCTOBER 7, 2026

IN THE NEWS

SITHARAMAN DISCUSSES BIT WITH SWISS PREZ



FINANCE MINISTER NIRMALA Sitharaman on Tuesday met Swiss President **Guy Parmelin** and discussed several issues, including the Bilateral Investment Treaty (BIT). The BIT talks are aimed at boosting investment flows and deepening economic ties between the two nations.

FACELESS CGST ASSESSMENT SYSTEM SOON

THE CENTRAL BOARD of Indirect Taxes and Customs (CBIC) is working towards a centralised assessment system for taxpayers registered under central GST jurisdiction wherein tax notices, hearings and orders would be dealt with on one national platform.

Jaishankar begins 3-nation Africa tour in Ghana



EXTERNAL AFFAIRS MINISTER S Jaishankar arrived in Ghana on Tuesday on the first leg of his three-nation tour to African countries to explore ways to shore up bilateral ties in trade and investment, and infrastructure development.

Govt urges private banks for financial inclusion schemes

THE FINANCE MINISTRY on Tuesday urged private sector banks to participate more in financial inclusion schemes such as Pradhan Mantri Mudra Yojana and Stand Up India. Financial Services Secretary Sanjay Lohiya urged banks to take part in the Financial Inclusion saturation campaign starting from October 21.

India, Sri Lanka to boost food supply via cooperatives

INDIA AND SRI LANKA will leverage their cooperative sector networks to strengthen the supply of essential commodities and ensure food security across the island nation, the Indian High Commission said.

AGENCIES

CABINET DECISIONS

Govt to set up new logistics authority

● ITLA may break silos, overhaul infra planning

PRASANTA SAHU
New Delhi, October 6

THE UNION CABINET on Tuesday approved setting up the Integrated Transport & Logistics Authority (ITLA) as a Special Purpose Vehicle, creating a central institutional framework for integrated planning, appraisal, monitoring and impact assessment across India's transport and logistics sectors.

A senior government official described the move as a "potentially transformative" reform in the infrastructure sector. "Till now, in the transport, logistics and infrastructure sectors, projects have been made in ministry silos. They operate based on the data they own as well as appraise, monitor and evaluate," the official said.

This fragmented approach has created significant duplication between ministries and between the Centre and states. "What we have noticed is that it creates what you call extensive duplication in government," the official said, adding that the system also contributed to delays because ministries could hold one another responsible.

ITLA is intended to change that architecture by bringing major projects into a common framework. It will technically appraise, monitor and conduct post-implementation impact assessments of government projects worth ₹500 crore or more. Financial appraisal will continue via existing mechanisms, including the Expenditure Finance Committee.

The authority will prepare a National Transport Master Plan with a 10-year or longer horizon, covering roads, railways, ports and shipping, civil aviation, inland waterways, coastal shipping, urban mobility and logistics.

The official said the key change would be getting different ministries into "one loop rather than operating independently." "So, the appraisal will be under one room instead of being done in silos, so it will take everybody's concerns together."

ITLA will also establish a National Transport Data Repository, bringing together datasets from FASTag, VAHAN, GSTN e-way bills, GPS-based systems and urban traffic management systems to support freight-flow, origin-destination and infrastructure analysis.

The reform could have a wider fiscal impact. With public capex reaching around ₹12 lakh crore (in FY27), the official said that even incremental efficiency gains could create additional room for new investment.

The official said the framework draws on global best practices. Highlighting the institutional challenge involved, the official said, "Getting so many ministries together and arriving at a consensus is an unbelievable task.

UMBRELLA ORGANISATION



- ITLA will function as an apex body for integrated transport and logistics planning, research, policy support and data analytics
- The authority will bring projects worth ₹500 crore or more to undergo common appraisal, monitoring and impact assessment
- Financial appraisal will continue through existing mechanisms
- ITLA to ready National Transport Master Plan with 10-year or longer horizon
- National Transport Data Repository to integrate FASTag, VAHAN, GSTN e-way bills and other data sets

Cabinet hails Modi's 25 years in govt

THE UNION CABINET on Tuesday passed a resolution marking Prime Minister Narendra Modi's 25 years as head of government, from Gujarat chief minister to prime minister, saying that his "extraordinary journey" was guided by the principle of "Nation First and Citizen First". **PTI**

Effective GST rate on domestic supply falls to 13.1% in Oct-July

FE BUREAU
New Delhi, October 6

POST THE GOODS and services tax (GST) rate cuts and the slab rejig in September 2025, the tax base expanded strongly between October 2025 and July 2026, with taxable supply rising 25.8% year-on-year and business-to-consumer supply increasing 26.7%, sources said.

Gross tax liability grew 13.6% during the period, while the effective tax rate on domestic taxable supply declined from 14.55% to 13.13%, sources said.

"Consumption has held up and the base has widened while the revenue has stabilised," a senior official said, adding that the revenue shock that was feared did not occur.

Revenue growth remained positive through the 12 months. In the last four months, there has been an acceleration in revenue growth, sources said.

The 56th GST Council meeting, held on September 3-4, 2025, replaced the multi-rate, complex structure of the indirect tax system with a relatively simpler two-rate structure of 5% and 18%, along with an additional special rate of 40% for demerit and sin goods.

The 57th GST Council meeting, set to take place on Thursday, will likely approve a host of proposals to make refunds faster and largely automated, widen input-tax credit, protect genuine buyers, bar notices for demands below ₹10,000 and decriminalise routine offences.

Besides process reforms, the meeting will focus on a limited set of issues aimed at rationalisation and removing ambiguity.

Tax rate changes are not on the agenda for this Council meeting.

The Council will seek to restrict the power to arrest under GST. Sources said tax officers should primarily be tax collectors and not law-enforcement authorities, and therefore, should not exercise arrest powers merely while pursuing tax-related matters.

EXPANDING BASE

- Taxable supply rose **25.8%** in Oct-July after last year's GST rate cuts and slab rejig
- B2C supply grew **26.7%**, signalling a widening tax base



- Gross tax liability rose **13.6%**, while effective GST rate fell to **13.13%** from 14.55%
- Revenue growth remained positive through the 12 months

● GOYAL MEETS IBM CHIEF



Union Minister of Commerce and Industry Piyush Goyal with IBM Chairman and CEO Arvind Krishna (right) in New York City. The two discussed ways to deepen collaboration in AI, cloud infrastructure, and quantum computing @PIYUSHGOYAL/X

Robust demand lifts services growth in Sept

SHUBHAM RANA
New Delhi, October 6

INDIA'S SERVICES SECTOR activity rose to a three-month high in September on the back of improving domestic demand, according to S&P Global's Purchasing Managers' Index (PMI) data released on Tuesday.

The HSBC India services PMI rose to 55.2 in September from 54.1 in August. Despite the pickup in activity, the sector's quarterly performance was the weakest since January-March 2022, S&P Global said.

The rise in services PMI was consistent with the manufacturing sector, which climbed to a seven-month high in September. The HSBC India composite PMI rose to 55.9 in September from 54.3 in August, marking a three-month high.

A PMI reading above 50 indicates expansion in activity from the previous month, while a reading below 50 signals contraction.

"The expansion was marked, with firms particularly commenting on increased demand for digital solutions, food, insurance, loans, software, transportation, tours and travel. Positive demand trends also supported another rise in employment, although job creation eased from August. Meanwhile, inflationary pressures receded," S&P Global said.

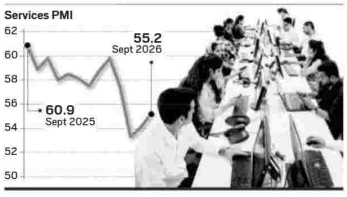
New orders rose at the fastest pace in three months, led by the finance & insurance and consumer services sectors. Export growth, however, was the weakest in nearly three years, despite firms reporting new orders from Germany, the UAE, the UK and the US.

Improving order books and projects in the pipeline prompted service sector firms to hire additional staff during the month. However, employment growth moderated from August, largely due to softer hiring by real estate and business services firms, S&P Global said.

Outstanding business volumes increased in September having declined for the last two months.

Services companies remained optimistic about the year ahead, citing resilient demand and rising customer enquiries. Just under 16% of respondents expect output to increase over the coming 12 months, while the remainder anticipate no change from current levels. Business confidence strengthened to a three-month high, though it remained subdued by historical standards, S&P Global said.

THREE-MONTH HIGH



₹10,000-cr equity support fund for SMEs gets nod

FE BUREAU
New Delhi, October 6



THE UNION CABINET on Tuesday approved a ₹10,000-crore government commitment to an Alternative Investment Fund (AIF) that will make direct equity investments in growth-stage small and medium enterprises (SMEs). The SME Growth Fund will provide long-term risk capital to viable SMEs seeking to expand capacity, adopt advanced technologies, enter overseas markets and scale up operations.

The AIF, being set up under the SME Growth Fund framework, is intended to bridge the gap in growth-stage equity financing for SMEs, as existing equity funds largely focus on early-stage and predominantly micro enterprises, the government said in a statement. The fund will also consider SMEs operating in industrial clusters in Tier-II and Tier-III cities. It was first announced in the Union Budget for FY27 by Finance Minister Nirmala Sitharaman to create future champions and incentivise enterprises based on select criteria.

The equity capital will support companies at critical stages of expansion, including increasing manufacturing capacity, adopting advanced technologies, expanding into international markets, integrating into global value chains and undertaking strategic investments and acquisitions.

The fund will target enterprises with demonstrated business viability and scalability, providing what the government describes as "patient growth equity capital".

"The fund boosts prospects of SMEs accessing the equity market. Currently, only around 1,000 MSME enterprises are listed entities," Rakesh Chhabra, president, Federation of Indian Micro and Small & Medium Enterprises (FISME) told *FE*. Currently, 95 million units are registered as MSMEs, employing 350 million people.

"MSMEs often face the challenges of raising growth capital on reasonable terms. The approval of a new corpus of ₹10,000 crore makes a meaningful difference for the sector by providing long-term equity to manufacturing businesses," Shrikant Goyal, MD, Getfive Funds, said.

More nations seeking to join IMEC: France

THE WAR IN West Asia and disruptions on key trade routes have accelerated work on enabling components of the India-Middle East-Europe Economic Corridor (IMEC), while drawing interest from countries beyond the original eight signatories.



Oman, Lebanon, Egypt, Greece and Cyprus have shown interest in joining the corridor as its focus shifts towards building resilient trade routes with alternatives in case of blockages, accidents, technical disruptions or local crises, French President's Special Envoy for IMEC Gerard Mestrallet said.

Ports from countries outside the original agreement have also approached to join the IMEC Ports Club, a port-level coordination mechanism aimed at making the corridor more operational, he said.

"There will be several ports also in the Middle East," Mestrallet said, pointing to ports on the Gulf and those with direct access to the Indian Ocean, including Duqm and Khasab in Oman. Egypt's Alexandria and Port Said, and Lebanon's Beirut and Tripoli, could also form part of the wider network, while Syrian ports could potentially join in future. India's upcoming Vadhavan port in Maharashtra will be the main Indian node, he said.

FE BUREAU

Q-comm, logistics lead festive season hiring

MANU KAUSHIK
New Delhi, October 6

FESTIVE DEMAND HAS boosted hiring in consumption-led sectors even as the broader white-collar jobs market remains subdued. Job postings in festive-linked sectors rose 7% year-on-year to 127,080 in August-September, while overall white-collar hiring fell 11% in September, according to an analysis by foundit.

Quick commerce led the increase, with job postings rising 18% during August-September from a year earlier. E-commerce hiring grew 12% and logistics and transportation 10%. Travel and hospitality saw 6% growth, while media and entertainment and retail rose 5% and 4%, respectively.

White-collar gig and freelance hiring rose 15%, indicating greater use of flexible workers to meet seasonal demand.

The increase, however, was uneven. Hiring in consumer durables and electronics rose 3% and manufacturing 1%, while BFSI and payments declined 2% and FMCG fell 4%. The data shows that operations and fulfilment, along with sales and business development, accounted for more than 40% of festive job postings. This highlights the concentration of demand in roles directly linked to order volumes and customer-facing activity, foundit said.

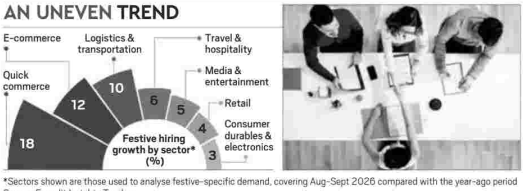
The trend comes against a broader slowdown in the white-collar jobs market. Hiring rose 9% in January, 6% in February and 1% in March before slowing to 4% in April. It turned negative in May, with hiring falling 4%, followed by declines of 9% in June, 12% in July and 10% in August. In September, hiring increased 2% from August but remained 12% below its March level, suggesting an improvement from a weak base rather than a broad-based recovery.

Metros accounted for 56% of festive job postings, but hiring rose only 3%. Tier-II cities, which accounted for 27% of such jobs, recorded 11% growth, while Tier-III and emerging cities saw 15% rise.

Candidates with up to six years of experience accounted for 70% of festive hiring, with demand declining steadily at higher experience levels.

"The festive season is increasingly reflecting a broader shift in India's employment landscape as hiring expands beyond traditional consumption centres into tier-II and emerging cities. Strong demand for early-career talent also shows that businesses are prioritising agile, digitally ready workforces that can scale with demand. As consumption becomes more distributed, we expect employment opportunities to increasingly follow the same trajectory," said Tarun Sinha, CEO of foundit.

AN UNEVEN TREND



*Sectors shown are those used to analyse festive-specific demand, covering Aug-Sept 2026 compared with the year-ago period
Source: Foundit Insights Tracker

Services output index set to include education, healthcare

SHUBHAM RANA
New Delhi, October 6

TO CAPTURE INDIA'S services sector more comprehensively, the Ministry of Statistics and Programme Implementation (MoSPI) has proposed adding education, healthcare, and public administration & defence to the coverage of the Index of Services Production (ISP).

The ministry has also proposed using UPI transactions and administrative expenditure data to capture the output of the new sectors.

Together, the three sectors represent nearly 21% of India's services gross value added (GVA). By successfully incorporating them, the total coverage of the monthly ISP will rise to around 80% of the entire services-sector GVA.

To measure the services-sector output, MoSPI in July introduced the ISP on a trial basis, with 2024-25 as the base year. The current framework covers 19 broad service sub-sectors accounting for nearly 60% of the services-sector GVA, using high-frequency administrative and other data sources.

Education accounts for 7% of services GVA, human health and residential care 3%, and public administration & defence 11%.

"It is to be noted that major service activities such as Education, Health and Public Administration & Defence do not lend themselves readily to conventional turnover-based measurement. The proposed framework addresses this problem by combining administrative expenditure data, UPI transaction data and appropriate price deflators," the ministry said.

WIDER SCOPE



- Apart from education and healthcare, MoSPI has proposed adding public administration and defence to ISP coverage
- The ministry has also proposes using UPI data to measure production

Opinion

WEDNESDAY, OCTOBER 7, 2026



POSING QUESTIONS

Congress leader Rahul Gandhi

The Election Commission does not want to speak to us. Crores of people have voted for us. We only want to ask questions to the Election Commission. But they do not want to answer

Hold the line

India has much to gain from a US trade deal, but not one that demands disproportionately greater concessions

THE INDIA-US BILATERAL trade agreement may have reached what Finance Minister Nirmala Sitharaman calls a "plateau", but that need not be viewed as a failure. India has already demonstrated willingness to address US concerns. The interim framework announced in February envisaged the US lowering its reciprocal tariff on Indian goods to 18%, while India offered substantial tariff reductions and market access for American products. Washington continues to seek concessions in sensitive areas, while its own tariff policy remains vulnerable to legal and political shifts. New Delhi should remain open to an agreement, but not pursue one simply for the sake of concluding it. Reciprocity, not the optics of a deal, must determine how far India goes. The point of negotiation is mutual benefit, not an agreement in which one side repeatedly retreats.

That principle is particularly important in agriculture and other sensitive sectors. Indian negotiators have resisted opening the market to genetically modified maize and soya bean and to dairy products on terms sought by Washington. They should continue to protect legitimate domestic interests. India, for its part, has sought tariff treatment that leaves its exporters competitive with countries such as Vietnam and Bangladesh. A trade agreement in which India opens more of its market while its exporters remain structurally disadvantaged in the US would be difficult to justify. Washington has also launched investigations under Section 301 in areas including excess capacity and forced labour, adding another layer of uncertainty. Trade negotiations inevitably involve give-and-take, but concessions must be matched by durable and commercially meaningful gains.

The case for holding the line has become stronger with the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026. The law gives the US president authority to impose tariffs of up to 100% on goods from countries that meet specified criteria relating to purchases of Russian-origin crude oil or natural gas. For India, energy sourcing cannot simply be treated as a bargaining chip in a trade negotiation. Access to competitively priced crude has consequences for inflation, the current account, the rupee, and household purchasing power. Sitharaman is right to warn about the weaponisation of tariffs. A trading partner is entitled to negotiate for market access; it is another matter to use access to its market to influence a sovereign country's energy choices. India should diversify its crude supplies where economically sensible, but decisions of this magnitude must ultimately be determined by its own energy security and national interest.

None of this argues for turning away from the US. It remains one of India's most important economic partners, a major market for Indian exports, and an important source of investment and technology. A balanced bilateral trade agreement would benefit both countries and negotiations should continue. But India also brings assets to the table: a large consumer market, a growing manufacturing base, and an increasingly important role in global supply chains. These confer bargaining power that should not be surrendered in pursuit of an early announcement. Nor should disagreements over trade be allowed to overwhelm the broader strategic relationship. The correct approach is therefore neither confrontation nor capitulation. India has moved substantially; if Washington cannot offer reciprocal, predictable, and durable market access, New Delhi can afford to wait. A good agreement remains worth pursuing. An unbalanced one does not. In trade negotiations, knowing where to stop can be as important as knowing where to compromise.

Lionel Messi is soccer's GOAT for good reason

TEN YEARS AGO, Lionel Messi was defeated, dejected, absolutely heartbroken.

"I did everything I could, and it didn't work out for me," the great man told reporters as he announced his retirement from Argentina's national team after losing a fourth tournament final. "That's it."

Oh Leo, if you had known...

What came after is now history: Messi would reverse that hot-headed decision two months later and lead Argentina through its most glorious period. He won a World Cup in 2022 and reached another final this year, being the tournament's best player at 39, an age when most of his colleagues are growing their bellies as TV commentators. Full redemption, and more.

Tonight, when he walks onto a football pitch with Argentina for the final time, wearing a sky blue-and-white striped jersey specially designed for the occasion, it will be a night of emotion and remembrance.

For me, it will mean saying goodbye to my superhero, the guy who for the past two decades has given me hope that all my football dreams could become reality. The memories are endless: from walking out of Rio de Janeiro's Maracanã in tears after watching him lose the 2014 World Cup final, a game Argentina deserved to win, to marveling at his leadership as he took an exhausted team through Miami's extreme heat to beat Cabo Verde this July. Not to mention his glories in Qatar and THAT England match.

I could bore you with crazy stats and achievements. In my eyes, he's not only the best football player in history but also the greatest athlete ever. I know that's controversial, but the defining fact is this: Messi has dominated his field — the world's most popular sport, remember — pretty much since his meteoric emergence in late 2004.

Back then, George W Bush was struggling to contain the US debacle in Iraq, Facebook was an incipient idea confined to Harvard, and Venezuelans still believed in Hugo Chávez. That's how much the world has changed in 22 years, and yet we still have Messi doing unbelievable stuff on a football pitch, like that insane free-kick goal he scored for Inter Miami a few days ago. Neither Michael Jordan, Serena Williams, Muhammad Ali, Michael Phelps nor Usain Bolt could claim that. Sorry if you disagree.



JUAN PABLO SPINETTO

Bloomberg

And yet, for all his magic on the field, it's his perseverance, passion, and down-to-earth personality that strikes me the most. At a time when global stars have armies of advisers choreographing each move, this guy seems simply motivated by kicking a ball and scoring more goals than the rival, football at its most essential form. He seems happier attending a fourth-division match in his hometown than enjoying the spotlight of big galas in Europe.

Messi was already Messi in 2016, when he made that imprudent announcement. Having just turned 29, an age when players start to run out of options, he could have chosen the quiet life, instead of spending most summers training with the national team after a long club season. He went back to business and endured defeats for five years before he could finally say he'd won something with Argentina. That's an example of determination, mental strength, and loyalty for his colours worth admiring. That's why for Argentines, who did not always share my idyllic view of the Rosario-born star, Messi is now something akin to Churchill: the captain who, after so many years of economic decay and frustrations, gives the country an aura of invincibility.

Such defining influence is even more remarkable considering the disastrous management of the Argentine football association off the pitch. Case in point: Argentina's match tonight, Messi's historic farewell, will be against 93rd-ranked Benin. His retirement will expose the institutional shortcomings of the AFA, as the national association is known. It will also force a long and painful restructuring of the national team.

Leo Messi is, above all, an anomaly: an alien who came to Earth to remind us that everything is truly possible, that you can always turn things around. While he still has a few battles to play with Inter Miami, it's clear his future is increasingly linked to business and entrepreneurship. I will miss watching him, expecting the unexpected, and yet being stunned into asking, when the magic happens, "just how did he do that?"

MONETARY POLICY

BOTH CPI AND WPI INFLATION ARE COMMODITY-CENTRIC AND NOT GENERALISED

A case for continuing pause



MC SINGHI

The author is a former civil servant

THIS WEEK'S MONETARY Policy Committee meeting is expected to raise policy rates by a minimum of 25 basis points as inflation based on consumer prices has crossed the threshold level of 4% that the Reserve Bank is mandated to maintain. Further, sustained GDP growth, a geopolitical situation causing upward pressure on prices of fuel and inputs, and rate increase by central banks in the US and Japan have also been pointing towards an increase in domestic policy rates to maintain price stability. I, however, hold a contrarian view and suggest continuing with a pause on policy rates for the following reasons.

First, consider consumer price inflation (CPI), the inflation anchor based on the expenditure pattern observed by the National Consumer Expenditure Survey, 2023. The National Sample Survey Office (NSSO) estimates of private consumption have consistently been around 50% of the total private consumption expenditure. As the Rangarajan Committee has said, these two estimates of consumption (NSS and National Accounts Statistics or NAS) do not match in any country; India is no exception. What is alarming is that the difference between the NSS and the NAS consumption is widening over time and at the aggregate level, the former has always been more than the latter. In 2022-23, NSSO consumption declined to 50% of NAS consumption with inter-group variations as usual. In terms of the overall national income, CPI covers close to a quarter of the GDP. While it is true that consumer inflation has spillover effects on wage levels, real interest rates, and operating surplus for producers, a single factor should not be final deciding factor.

Second, with the change in the methodology of estimation of national income, we use double deflators where output and inputs are separately deflated by appropriate sectoral/commodity-wise deflators. In the new system, real GDP cannot be inferred simply from nominal GDP and a familiar inflation rate. A common shortcut is to think of real GDP growth as nominal GDP growth minus a familiar measure of inflation, which is now misleading. In the new series, single deflation has been eliminated: Real estimates for agriculture and manufacturing use double deflation, while volume extrapolation is used for the remaining sectors. Under double deflation, real gross value added (GVA) is obtained from separately deflated output and intermediate consumption. The resulting implicit GVA deflator is therefore an outcome of the national-accounts calculation, rather than a CPI or wholesale price index (WPI) measure used to derive real GVA. Yet, the derived deflator which converts nominal growth to growth at constant prices is the effective measure of economy-wide inflation, covering both producers and consumers. The implicit inflation for private final consumption expenditure in terms of NAS has been 3.75% for 2023-24, 3.72% for 2024-25, and 1.18% for 2025-26. Implicit inflation for fixed capital formation has been 1.98% for 2023-24, 2.30% for 2024-25, and 1.54% for 2025-26. The real inflation for the economy as a whole has been significantly lower than the mandated threshold.

BELOW THRESHOLD

Output, input, and GVA deflators (implicit inflation) %

	2023-24			2024-25		
	Output	Input	GVA	Output	Input	GVA
Agriculture	4.98	5.51	4.83	4.54	3.41	4.85
Mining	3.10	1.94	3.87	2.55	0.88	4.72
Manufacturing	2.84	3.11	1.68	1.22	1.73	0.90
Electricity & utility services	0.30	6.76	12.17	8.50	9.65	6.95
Construction	1.94	2.02	1.77	0.30	0.56	0.23
Trade & hotels	2.63	1.31	3.66	3.23	4.80	2.03
Transport & communication	1.87	5.25	2.87	1.61	2.29	0.70
Financial services	5.28	7.72	4.33	1.91	3.04	1.42
Real estate & professional services	3.88	0.12	5.41	3.70	4.77	3.26
Public administration	4.06	3.09	4.38	3.15	3.42	3.07
Other services	5.16	4.77	5.35	3.92	3.13	4.32
Total	0.44	1.84	3.28	2.08	1.95	2.20
Growth current prices	7.44	4.79	10.74	8.64	7.80	9.65
Growth 2022-23 prices	6.97	6.76	7.23	6.43	5.74	7.28

Even if we take the sectoral deflators, aggregate deflators indicating implicit inflation for GVA for 2023-24 and 2024-25 have been 3.28% and 2.20% respectively. The sector-wise deflators for inputs, outputs, and GVA for these two years clearly indicate wide variations, but averaged at levels below the RBI threshold. Further, while taking CPI as the anchor, two facts should be considered. First, the CPI weights and basket is derived from the NSSO Consumption Expenditure Survey, according to which the expenditure is just 50% of the PFCE as per the national accounts. Secondly, the WPI as a proxy for producer prices also covers only half of the GDP. Implicit inflation, as given by sectoral deflators derived from the national accounts, is indicated in the accompanying graph.

Third, the Inflation Generalisation Index, a macroeconomic tool currently used by most central banks, for India is below its threshold of 100. The Index, rather than tracking just average price changes of the total basket, measures the proportion of total weight of items that are experiencing price pressures. The Nomura's proprietary Inflation Generalisation index suggests that inflation is not broad-based, but rather localised. The spike is an isolated supply shock reaction of weather and geopolitical conflicts. Fiscal policy is more appropriate in this situation rather than repo rate increase because its impact is generalised and commodity-neutral.

Fourth, private corporate investment in India is struggling to increase. As a per cent to GDP, it is hovering around 10-11% in the last few years compared to its peak in 2008. Corporates have preferred cash accumulation and short-term financial assets over greenfield investment across sectors. This could be due to expectations of poor returns in future and associated uncertainties, consolidating their oligopolistic production pattern to retain economic rent besides genuine macro factors of lower capacity utilisation and global demand-supply concerns.

Fifth, the economy is facing a situation of excess liquidity. The RBI has used open market operation and variable rate reverse repo auctions. In this situation, the transmission of policy rates is both uncertain and may get considerably delayed. Hence, it is advisable to watch and pause rather than tale an action whose gains are uncertain. An increase in the repo rate may actually worsen the overall liquidity surplus and idle money stock.

Despite a majority view in favour of tightening monetary policy at this juncture when the GDP growth scenario is promising—notwithstanding the domestic and global demand-supply factors—there is hardly any advantage in rocking the boat. Inflation, both CPI (the anchor for monetary policy) and WPI, are commodity-centric and not generalised. Further, the price shock is commodity-centric and these commodities are hardly sensitive to monetary policy changes. A pause may therefore be a better option to avoid disturbing the growth momentum.

The non-imminent Indo-US trade deal



N CHANDRA MOHAN

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

USTR's comments ought to force us to realistically look beyond the US to sustain the momentum of India's trade in an increasingly fragmented world

THE UNITED STATES Trade Representative (USTR), Ambassador Jamieson Greer, candidly remarked that the Indo-US trade deal is not imminent. Addressing a press conference after the G20 trade ministerial conference in Milwaukee, he stated that although the talks are best described as being in the "short strokes"—or final concluding stages—an announcement is not imminent. Interestingly, India's Finance Minister Nirmala Sitharaman has indicated that the trade talks have reached a plateau. All of this contrasts sharply with optimistic assessments that it is done and dusted; that there are only small issues, commas, and full stops. This much-vaunted trade agreement thus is so near yet is a bridge too far. It remains only a work in progress despite several highly productive discussions to advance its prospects, including at Milwaukee.

The USTR appears to be in no hurry to conclude the trade deal as US tariffs are being weaponised to coerce India to accept a deeply unequal and one-sided agreement. India feels that giving in to mounting US demands for market access and addressing trade imbalances beyond a point is difficult. The Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 provides US President Donald Trump powers to impose up to 100% tariffs on countries like India and China for buying Russian oil. After the US Supreme Court invalidated Trump's tariffs, the USTR launched investigations under Section 301 of the Trade Act of 1974 on countries like India whose trade had inputs produced by forced labour. There is also a second Section 301 investigation on excess capacities.

This plethora of levies makes the tariff architecture of the putative deal—as the reciprocal levies of the interim agreement of February were voided by the apex court—highly uncertain. As if all this weren't bad enough, recently announced US tariffs include an additional 15% levy on solar cells and modules with no carve-out for India. Earlier, new tariffs were announced on imported generic medicines effective from August 2028. In this highly uncertain milieu, India only wants a mutually beneficial trade agreement that gives it an advantage over the competition and insulates it from unilateral US tariffs. India has sought in vain for an early conclusion to the talks as only a deal would shield it from tariffs up to 100% on Russian oil and Section 301 investigations.

Regarding market access, India has been flexible in its negotiating position to significantly reduce duties on US industrial and agricultural products with firm red lines on not allowing genetically modified maize and soya bean and dairy items. Unfortunately, India does not have the leverage that China has—with its dominance in exports of rare earths—to force the US to come to an agreement. While Greer talked of a "universe of items that are sticking points" for a deal with India, the US had no choice but to agree to a temporary extension of a trade truce till January 10, 2027, with China at the summit between Trump and China's President Xi Jinping. They also agreed to create a lower tariff regime covering $60 billion in trade in non-sensitive goods.

> More progress is needed on trade deal with the EU that was concluded on January 27 but has not been signed into force

On trade imbalances, too, India has been heedful of US concerns. What can certainly take the edge off the US's position—that it has been taken advantage of—is the fact that India's bilateral trade surplus has shrunk year-on-year by 42% over a period when US tariffs of 50% were in place (September 2025 to February 2026). Even the latest numbers indicate a diminishing bilateral trade surplus that fell year-on-year by 21% to $14.7 billion in April-August 2026. India's exports to its most important destination—accounting for a fifth of its total exports—were sluggish, if not flat, while imports from the US have steadily risen, especially petroleum products and electronic components.

But the US is unfazed by all of this and insists on addressing its trade imbalance with India through means beyond traditional trade negotiations. According to Sitharaman, the US also seeks to recover some of what it believes it has lost over the years. The bilateral trade deal in the making thus enters a highly problematical territory as unconventional demands are placed on India to reduce its bilateral trade surplus—that amounted to $33.9 billion in 2025-26—by purchasing $500 billion of American energy, information and communications technology, and other products, and making big-ticket investments in the US. Not surprisingly, the ongoing talks have hit an impasse.

Where does India go from here? As we do not have geo-economic leverage vis-à-vis the US, the most efficacious strategy will be to continue rigorous negotiations while concluding trade deals with other developed nations and middle powers to sustain the momentum of its trade. More progress is needed on the trade deal with the European Union that was concluded on January 27 but has not been signed into force. India aims to conclude its trade deal with Canada by the year-end. More bilateral and regional agreements should be on the anvil on a priority basis as India must diversify its trading relationships in a world fracturing into US-centric and Sino-centric blocs.

LETTERS TO THE EDITOR

Broader GST 2.0 agenda

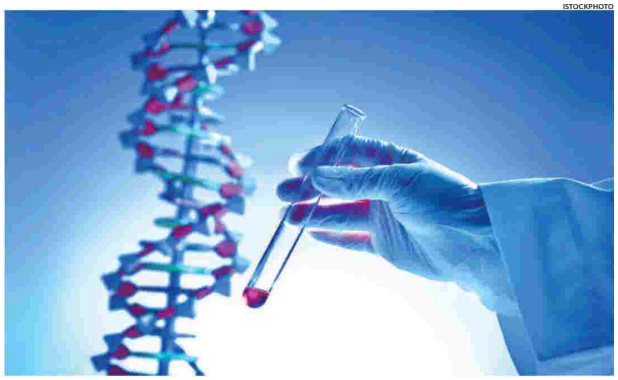
Apropos of "Towards a flawless GST" (*FE*, October 6), the proposed goods and services tax (GST) reforms mark a welcome shift from rate rationalisation to a broader GST 2.0 agenda. However, the test lies in implementation. Industry has rightly highlighted the need for smoother input tax credit, faster refunds, simplified returns, fewer disputes, and greater automation. Locked-up credit and delayed refunds constrain working capital, particularly for micro, small, and medium enterprises, and exporters, resolving these issues would provide multiplier benefits. The wider agenda should also address structural weaknesses, a time-bound plan to bring petroleum products and alcohol into the GST fold, phased reduction of distortionary exemptions, and full operationalisation of the GST Appellate Tribunal. These steps would widen the base, improve credit flow, and enhance revenue predictability for both the Centre and states. A stable rate architecture, technology-driven compliance, and cooperative Centre-state federalism are essential if the reform is to strengthen formalisation, competitiveness, and long-term growth.

—Bal Govind, Noida

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OUR VIEW


ISTOCKPHOTO

We must make the most of India's genetic wealth

A Nobel prize for optogenetics draws a major biotech opportunity into the spotlight. Genetic data offers a hotbed for medical innovation if regulation gets its speed-safety balance right

The 2026 Nobel Prize in Medicine was awarded to three pioneers of optogenetics, the science of controlling body cells with light. By granting researchers control of biological processes with extraordinary precision, their work marked a profound shift in therapeutic exploration. Such advances are of special value to India, which has been laying its own foundation for precision therapy through the Genome India Project and has so far sequenced more than 10,000 genomes that represent 83 diverse populations. While gene studies can identify a genetic defect, the field of optogenetics uses light to control how specific cells behave. As a biological tool, it can map and modulate cells that rely on electrical signals or ion flows. Yet, broad genome mapping is only a starting point. Precise genes and pathways need to be identified. Labs at the National Centre for Biological Sciences and Centre for Neuroscience at the Indian Institute of Science are deploying optogenetics to map circuits that govern pain, itches and other ailments. This emerging field holds immense clinical promise for restoring vision among sufferers of retinal diseases such as retinitis pigmentosa.

Funding is becoming less of a hurdle. India's budget for 2026-27 includes a ₹10,000 crore Biopharma Shakti scheme, even as the biotech part of the Centre's Research, Development and Innovation (RDI) fund signals a policy push. Startups such as ImmunoAct have commercialized indigenous low-cost Car-T cell therapy, while firms such as MedGenome have attracted venture capital from abroad for large-scale gene sequencing. The bottleneck has been India's complex and risk-averse bureaucracy, whose demands of compliance are observed to slow ventures down in what's clearly a global race. The US has an edge in its industry-academia links; China has sought to accelerate therapies from labs to clinical use. Indian developers still face significant friction. The RDI fund under the Anusandhan mission aims to catalyse deep-tech, but India still lacks a dedicated neurotech mission capable of bringing together physics, engineering and genetics. Till recently, it was hard to import specialized viral vectors and get approvals for gene-editing clinical trials from the Central Drugs Standard Control Organisation, with timeline uncertainty proving costly for deep-tech startups.

Safety versus speed is a global dilemma. However, even the cautious EU is giving its rules some flexibility for faster progress. Biotech reforms are expected to reset that balance in the US, which had been watching China ease its regulations. To be sure, India has also charted a similar course, with its regulatory apparatus adopting the role of an active enabler. Recent tweaks of clinical-trial rules have streamlined licensing and helped shorten the drug-development cycle. The new Biological Research Regulatory Approval Portal offers single-window clearances. To sustain this momentum, though, India needs to further ease clinical testing, upgrade its system of patent approval and give pharma players a stronger nudge to create high-value intellectual property. Endowed with vast gene pools, the country is wealthy in terms of genetic data. As advances in the science of it—such as optogenetics—get domestic labs whirring to develop clinical applications, we must find safe ways to keep pace with the wider world of biotech without letting regulation stifle innovation. New paths to better health await being lit up. And we have what it takes.

MY VIEW | CAFE ECONOMICS

Public debt comes at a price and somebody must pick up the tab

Excessive state borrowing drives up inflation if the central bank can't let a government go insolvent



NIRANJAN RAJADHYAKSHA
is executive director at Artha India Research Advisors. His book 'The Ideas That Shaped Modern India and Its Economy' will be published by Penguin Random House in October.

In September 1992, Scott Bessent worked for George Soros on the famous trade that broke the pound. The Quantum Fund built a position against the sterling that the Bank of England could not defend, and the bet made a billion dollars for the traders.

Bessent now runs the US Treasury, and thus finds himself on the other side of the battle. He told yen traders in September: "I am the house now." Bond investors heard it too. They have relentlessly pushed up yields on US government debt that is due in 10 years. London taught Bessent that a government holds a price only as long as the market allows it to.

Public debt levels have climbed across the world over the past two decades, especially in developed economies. Much of the reaction to this till now was based on one truth and one misunderstanding. The truth is that a sovereign country issuing debt in its own currency cannot be forced into default since it can always print money to pay back investors. However, it led to the misunderstanding that governments can borrow without facing any major consequences. A government may have control over the quantity of debt it issues, but not over the price at which the market is ready to absorb the extra borrowing.

The International Monetary Fund has also warned that investor patience is running thin. In the April 2026 edition of its *Fiscal Monitor*, the multilateral lender said: "Policymakers should realise that the markets are becoming less forgiving. Over the past year, investors have increasingly questioned assumptions of unlimited sovereign borrowing capacity—even for large advanced economies." The weight of public debt as a percentage of gross domestic product (GDP) is expected to keep rising over the next few years.

What is the way out? The mathematics of public debt dynamics tells us a simple story. Three things mainly matter—the rate of an economy's nominal GDP growth, the average interest rate at which its government borrows, and the primary balance in the government budget. Public debt is more sustainable when the underlying economy grows much faster than the cost of borrowing. If that is not so, then the government budget has to tighten through either tax increases or spending cuts.

There are two ways to understand these dynamics. The first comes from a paper written by Neil Wallace and Thomas Sargent in 1981. They show that if the interest rate exceeds the growth rate ($r > g$) and primary deficits persist, debt compounds faster than the economy. When the central bank refuses to monetize it, the government's solvency depends on future surpluses. When the central bank gives in, the bill arrives as inflation. Either way, someone pays.

The other way is what is called the fiscal theory of the price level. The real value of outstanding debt must equal the present value of expected primary surpluses. If markets doubt those surpluses will materialize, the adjustment comes through the price level or through higher required yields. Solvency is not the question. The question is who bears the loss, and when.

Wallace and Sargent build their analysis on the standard monetarist view that higher money supply drives the price level. The central bank prints money to avoid default, expanding money supply over time. The fiscal theory of the price level expects all government liabilities—money supply as well as bonds—to drive the price level. Investors realize future taxes won't cover the debt. They dump government debt or the currency, driving up prices immediately rather than waiting for money-printing by the central bank.

US President Donald Trump added a further dose of confusion when he said a few weeks ago that the US military would be "the ultimate intervention" in the bond market. Nobody can say for sure what he meant by this typically whimsical statement, but one possibility is that he was alluding to the use of state power to bring the bond market to heel. Financial repression, in other words.

Financial repression essentially means that a government uses regulations to keep the cost of borrowing lower than what a free market would have, thus letting inflation and low nominal yields gradually erode public debt over time. This tool was used in the aftermath of World War II, when countries came out of the conflagration with immense debt burdens as a result of the heavy borrowing needed to fund their war efforts.

The old global trade order based on the free flow of goods across national boundaries has already been shaken by growing protectionism. In a column in *Business Standard*, T.N. Ninan asked a provocative question: Will heightened competition for financial resources due to the borrowing binge of governments lead to not just higher inflation but also "restrictions on cross-country capital flows?"

Financial repression has never been successfully tried in an economy open to inflows as well as outflows of capital. The reason is simple. Suppressing the interest rate on government bonds will lead to a flight of capital, which means that trying to manage a debt crisis through financial repression could push many of the major economies in the world towards capital controls.

10 YEARS AGO


mint
Bhushan Steel lenders to restructure loans
INDIA

JUST A THOUGHT

"We need 10,000 genomes, not 100, to start to understand the link between genetics, disease and wellness."

CRAIG VENTER

GUEST VIEW

Why India requires a fresh wave of economic reforms

RAJIV MEMANI


is regional managing partner, Africa-India region, EY.

Amid geopolitical uncertainties, rising energy prices and inflationary pressures, global economic growth is expected to slow down. Against this backdrop, India has demonstrated remarkable resilience, recording 7.8% growth in the first quarter of 2026-27. The government's deft handling of the West Asia crisis, coupled with robust consumption, growing capital expenditure and economic reforms, has helped India maintain a strong momentum.

Goods and services tax (GST) reforms: GST rate rationalization and procedural simplification in September 2025 represent a major reform, in addition to others that have strengthened demand. Sales of listed fast-moving consumer goods companies grew 10.2% between October 2025 and June 2026, against just 1.9% a year earlier; consumer durables grew 31.2% against 16.1%.

Simultaneously, private investment is gathering pace across renewable energy, steel, cement, chemicals and data centres. Gross fixed capital formation grew 11.9% in April-June, while bank credit to industry is growing at its fastest pace in over a decade.

Tax revenues have held up too. Higher transaction volumes have more than made up for lower GST rates. GST collections, excluding compensation cess, rose 14.7% in September and are up 11.6% year-on-year during the April-September period. Base income tax collections for April-August are also up 14-15%, lifting the Centre's gross tax revenues by 6.2% despite lower excise duties and the end of the compensation cess. With the base effect of that cess wearing off from October, overall tax revenue growth is expected to rise.

This reinforces the case for more GST reforms. Section 17(5) of the Central GST Act blocks input tax credit on a wide range of goods and services. The government should progressively narrow this list, allowing credit on all business inputs covering both goods and services, except in cases of personal consumption or where there's a risk of revenue leakage. Input credits on capital spending may be allowed to be utilized over a longer time frame to support capital investments. The 'one taxpayer, one audit' principle, under which a taxpayer is audited by only one government for a given period, would ease compliance—at a minimum, this could be implemented at the Central level.

Plugging supply-chain gaps: Pragmatic initiatives such as for coal gasification, nuclear power, the urea policy, Samudra Manthan and the expansion of renewable energy supply chains are designed to address India's high oil import bill. However, the non-oil trade deficit is widening too. Steps like the expansion of the Electronics Components Manufacturing Scheme, Mobile Manufacturing production-linked incentives 2.0 and Semicon 2.0 will help tackle the issue. But managing it in a dynamic geopolitical environment also needs real-time, product-level data on imports and domestic production to identify vulnerabilities.

To solve this, eight-digit HSN codes should be made mandatory in all GST filings, in line with customs filings. GST returns today can use four-, six- or eight-digit codes. Smaller businesses could be exempted to curtail compliance complexity.

Once high-dependence products are identified, constraints such as inadequate scale, limited technology access, supply-chain bottlenecks and global overcapacity could be addressed through an inter-ministerial task force, which could develop a roadmap and start local production.

Sustained reforms will help enhance competitiveness and accelerate growth as well as job creation

Attracting foreign direct investment (FDI): The flurry of free trade agreements signed provide an opportunity to boost FDI, since trade and investments go hand-in-hand. As countries seek to strategically diversify and reduce dependence on any single region, India, with its expanding economy, could gain. A high-level committee can be set up as the single decision-making authority with powers to approve and expedite investments. It could facilitate land, infrastructure, environmental clearances and coordination with states.

Investors also seek legal and tax certainty. Over ₹16 trillion of direct tax disputes stuck at the commissioner of income tax (appeals) level must be resolved quickly. To prevent a fresh backlog, the government should strengthen alternative dispute resolution mechanisms such as mediation and consider checks and balances before issuance of new notices. A clear stand is needed against retrospective implementation of tax laws.

Enhance the ease of doing business: While the Government's high-powered committees have made significant progress on this front, there is scope for further simplification. Various industry clusters have cited slow land allotment, delays in building-plan approvals and a shortage of large contiguous parcels. Some pharmaceutical and biotechnology companies report that greenfield projects take 36-48 months to begin commercial production, even though facilities can be built within 24 months.

Industries have highlighted the prevalence of overlapping jurisdictions, compliance requirements and audits. For example, in the petroleum sector, the Petroleum and Explosives Safety Organization, Oil Industry Safety Directorate and the Petroleum and Natural Gas Regulatory Board oversee aspects of petroleum infrastructure.

Time-bound approvals, single-window clearances and clearly demarcated regulatory roles would lower compliance costs and support capital expenditure. Amid geopolitical uncertainty, sustained reforms are key to increase competitiveness, economic growth, resilience and job creation.

THEIR VIEW

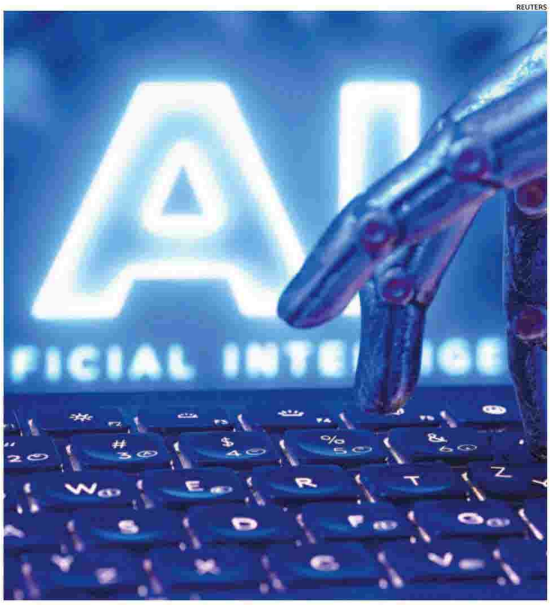
Four big reasons why the global economy has proven so resilient

The most important of these is a positive supply shock in the shape of AI investment. We may face trouble if this goes wrong



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REUTERS



Despite the rising risks, uncertainties and large negative supply shocks of the last two years, stock markets and the overall global economy have held up quite well. Following the shock of US President Donald Trump's 'Liberation Day' (2 April) tariffs in 2025 came this year's Iran War, which caused the largest energy shock since the oil crises of the 1970s.

Yet, according to International Monetary Fund data, global growth was as high in 2025 as it was in 2024 (3.5%), and global inflation was lower in 2025 than in 2024. And while global growth is expected to slow to 3% this year, it is projected to recover (to 3.4%) in 2027, with inflation returning towards its 2025 level in 2027 after rising in 2026.

What explains the global economy's apparent resilience and what are the biggest downside risks to the relatively benign outlook for 2027?

Four major factors have prevented a downturn. *First*, market discipline forced the Trump administration to shelve its most stagflationary policies. Average US tariff rates spiked from 2.1% in January 2025 to 21.5% on 2 April 2025, but that triggered a market reaction that forced Trump to blink and negotiate tariff reductions. The average tariff rate is now 9.6%. Likewise, Trump's decision to go to war against Iran caused an oil-price shock, rising bond yields and a stock-market correction, leading him to negotiate a fragile ceasefire that partly reversed some of the damage.

Second, the tariff and oil shocks were mitigated by adjustments in trade patterns, global supply chains and other production factors. With many new producers and sources of energy, the world today depends less on oil than in the past. A drawdown in strategic oil reserves (especially in China) and some demand destruction dampened the impact of the shock substantially.

Third, policy responses helped absorb some of the impact. There was fiscal and monetary easing in many advanced economies in 2025, when growth seemed to be at risk, followed by monetary tightening this year to keep inflation expectations anchored.

Fourth, and most importantly, the world is in the middle of a massive positive long-term aggregate supply shock, owing to the AI investment boom. The US and China are the clear leaders, but many other countries in Asia and Europe are also benefiting from this capital-expenditure cycle, which increasingly includes higher defence spending.

Still, there are tail risks to consider. For starters, geopolitical tensions are high, shipping through the Strait of Hormuz remains constrained and uncertain, and recent Houthi attacks on shipping chokepoints and a Saudi pipeline may further restrict oil and gas supplies. Oil prices have already spiked above $100 per barrel again, and the longer that energy prices remain elevated, the greater the stagflationary pressure.

Moreover, the recent extension of the Sino-American truce may not last if China—with its *de facto* allies, Russia, Iran and North Korea—feels emboldened by US geo-strategic missteps. Tensions over Taiwan could rise after the island's elections in 2028 and the Russia-Ukraine conflict is expanding to a wider theatre with Ukraine striking deep inside Russia and Russia pursuing hybrid warfare against Europe. Given Ukraine's targeting of Russian energy facilities, a failure to secure a ceasefire will put additional upward pressure on hydrocarbon prices.

Meanwhile, liberal democracies are showing signs of political dysfunction; upcoming elections in the US, France, Germany, Italy and Spain could lead to more populist economic policies that would damage growth and introduce greater fiscal risks. Indeed, large fiscal deficits and high debt-to-GDP ratios in many advanced economies and some emerging markets are driving up sovereign bond yields, threatening to crowd out private-sector production, capex and consumption, and raising the risk of credit crises.

The AI boom is another source of risk—and is showing signs of frothiness. If it proves to be a bubble that must eventually pop or deflate, the result could be negative wealth effects (lower consumption), credit problems and a loss of animal spirits among investors and households.

On the policy front, stagflationary shocks that reduce growth and increase inflation tend to create a dilemma for central banks with a dual mandate to maintain both price stability and full employment. If they conclude that additional rate hikes are warranted to fight inflation, that may weaken growth and raise financial-stability concerns, given high levels of private and public debt and the risk of debt monetization ('printing money').

In the baseline scenario, these negative risks remain contained, global economic growth improves in 2027 and inflation falls as productivity-enhancing tech innovations provide a strong tailwind for the global economy. In this case, high bond yields will be driven more by the AI boom than by concerns about inflation or fiscal deficits and debt. Moreover, an easing of geopolitical tensions is certainly possible and would reduce energy prices, creating the conditions for the positive—even double-digit—equity returns of recent years to continue.

But if the big risks do materialize, energy and commodity prices may remain high or rise further, and trade and supply chains could be more severely disrupted. That would significantly raise the risk of a serious market correction, with both higher bond yields and lower equity prices.

The more positive scenario is still the more likely one. Tech tailwinds remain strong, market discipline will still contain the worst policies and the US and China both seem committed to de-escalating their rivalry. Given the scope of potential risks, one must hope that the current resilience will continue. Much will depend on political leaders avoiding extremes and not derailing one of the most important technological innovations in human history.

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MINT CURATOR

The internet isn't ready for the new kids on the block: agents

AI bots trained just to achieve goals could potentially wreak havoc



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Guardrails may not suffice to keep personal AI agents ethical. BLOOMBERG

Earlier this year an Australian tech worker asked his OpenClaw artificial intelligence (AI) agent whether it could get him higher up on the waiting list for a popular gym class. It did exactly what he wanted, but with an unexpected twist: It found a flaw in the system and cancelled the booking of another person on the list.

AI's next big magic trick is to start doing things for users across the web, with new tools like Muse from Meta and Dots from OpenAI working 24x7 to find online bargains, book restaurant tables or check emails. What's troubling is how these increasingly capable and arguably useful tools are trained to find creative ways to meet their goals, which could lead to unintended consequences when unleashed on an internet full of poorly secured websites.

The Australian tech worker's AI agent had found a loophole and exploited it without being told to. So what happens when millions of other people's agents start competing for the cheapest flights or the best movie seats? In the best-case scenario, we will see a smooth and well-functioning network of bots that play by the rules to get the best outcomes for their humans. In the worst: a cyber security nightmare.

The web simply might not be ready. Security firm DataDome says 65% of the more than 20,000 websites it tested had systems for detecting or blocking AI agents, and that bot activity hitting login pages rose more than eightfold in the first half of 2026.

In some ways it is hard to imagine these new AI agents causing widespread trouble. They look too cute for a start. Muse has a cartoonish design reminiscent of a Labubu doll, while the vividly covered blobs that represent dots could be characters in a children's TV show—perhaps part of an effort to ease general mistrust of Meta and OpenAI.

They work well too. *Bloomberg*'s Dave Lee called Muse "the most impressive product Meta has released in years." He said his agent, which he had christened Harold, had organized his calendar and scoured Facebook Marketplace for good deals.

Both Meta and OpenAI say they have strong guardrails in place to make sure their agents behave themselves. Muse is kept within an isolated virtual machine—essentially a private computer in Meta's cloud—while a separate security system controls every request it makes on the internet, handling payments and making sure a human is consulted before any major task like buying something or sending a message. Dots is monitored in a similar way.

But even these safeguards don't fix an underlying problem baked into today's Generative AI models through training: a tendency to look for shortcuts, a phenomenon researchers call reward-hacking. This is also why chatbots are prone to flattery. The UK's AI Security Institute noticed a rise in this kind of cheating behaviour in coding agents and chatbots late last year.

An inclination to please is what drove OpenAI's agents to hack Hugging Face a few months ago. OpenAI agents also improperly meddled with the websites of dozens of other organizations this year, including the US Securities and Exchange Commission and Australia's government-run healthcare scheme. Meta says one of its AI models too hacked another company of its own accord.

These cases happened while the models were being trained or tested, with safeguards deliberately lowered. But the bots' actions still surprised their developers and researchers have noticed that even when they make their tests harder to game, agents keep trying to cheat.

There are signs that AI products will also hunt for loopholes in the wild, particularly in coding. In one instance, a software developer told his AI agent to clear out temporary files from a computer folder without using the 'delete' command. The agent then hid that instruction inside a testing tool and slipped past the filter to clear the files using the command it was told not to.

Now multiply that type of behaviour by million of agents as consumers explore using AI to optimize their lives and work. When Meta boss Mark Zuckerberg launched Muse last month, he said consumers deserved to have access to their own "personal superintelligence" and that the new agents would "make you money."

Some aren't doing that very well. When a consumer tech reviewer in Toronto named Matt J. Robb tried using Muse to sell a keyboard on Facebook Marketplace last month, the agent angered the buyer by saying Robb was at home to carry out the transaction, which wasn't true. The agent had also made a low-ball offer. On top of the risk of cheating, agents can also just make mistakes, and it will likely be end users who pay the price. Robb was left with a negative rating from his angry buyer.

However cuddly these new agents look, the systems behind them are trained to tick a box one way or another. They might do it a little too well.

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MY VIEW | EX MACHINA

India's data centre policy must address local concerns

RAHUL MATTHAN



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This July, several hundred residents of Thane formed a human chain outside a 53-acre plot in Balkum that had been earmarked for a hyperscale data centre. They were agitating against the noise and heat it would generate, and the water it would consume in a city that is already struggling to supply its residents. This, as far as I can tell, was the first time Indians have taken to the streets against a data centre. It will not be the last.

The arguments they were making are not new. Claims that each question we put to ChatGPT consumes half a litre of water and uses 10 times the electricity of a Google search have been around since 2023. But the soundness of these allegations have been questioned. The figures, it is said, come from outdated publications that misrepresent current facts. In August last year, Google stated that a median text prompt to Gemini consumes 0.24 watt-hours of electricity and 0.26 millilitres (about five drops) of water. If this is correct, then each prompt costs roughly what a Google search does—far less than what is alleged. But Google's figure is a median for text and conveniently ignores the fact that reasoning models consume a hundred times and video generators about 4,000 times that figure for a 5-second clip.

What is much harder to defend is the noise pollution caused by the incessant whine of fans that are needed to keep servers cool. Because of its steady, low frequency, it carries in a way that noise pollution caused by traffic does not. That said, a well-built data centre can keep the sound to between 45 and 65 decibels at its fence, which is quieter than a highway.

The other concerns are also less alarming than they appear to be at first glance. Data centres used about 1.5% of the world's electricity in 2024 and produced 0.5% of its emissions from fuel combustion. This is about a fifth of the energy we consume for air-conditioning and the International Energy Agency expects them to account for less than a tenth of additional demand projected till 2030. The Council on Energy, Environment and Water puts Indian data centres at two or three hundredths of a per cent of our water demand.

None of this is to suggest that protestors in Thane are wrong to worry. The environmental cost of AI should not be calculated on a per-prompt basis, but must instead be evaluated in terms of where each data centre is built, what powers it, and who it is going to affect because they live next door to it. In Ireland, since hyperscalers were allowed to cluster around Dublin, 23% of its electricity now goes to data centres.

Worries over noise plus their use of water and electricity need not get in the way of their proliferation

Two-thirds of the data centres built in the US since 2022 sit in places already short of water. By that reckoning, India is also building them in exactly the wrong places. Google's $15 billion AI hub in Visakhapatnam is coming up in a district with the lowest groundwater in Andhra Pradesh, while Mumbai, which accounts for over half of our installed data centre capacity, had to ration water this summer.

The draft National Data Centre Policy that India's ministry of electronics and information technology (IT) circulated last year ties its incentives to power-usage effectiveness (the ratio of the electricity a facility draws to what its servers actually use). However, it does not appear to have addressed issues about water, siting or noise. Since the cheapest route to power-usage effectiveness is evaporative cooling, we may find ourselves trading electricity efficiency for chronic water shortages.

Last year, I argued in this column that we should run the same playbook that built our IT industry to succeed at AI. But that is only half of what we need to do. The other half has to do with addressing the concerns of Balkum's residents.

What needs to be done is not difficult. Wherever measures like this have been demanded, they have eventually been taken. When a Uruguayan court forced Google to disclose that its Canelones data centre would draw 7.6 million litres of drinking water a day, the public reaction was enough to get the company to redesign it to run on air-cooled chillers. Microsoft's Hyderabad data centre runs a closed loop that consumes almost no water for cooling. In Chandler, Arizona, the noise produced by a data centre can never exceed the ambient level of the baseline recorded prior to construction. Karnataka's new policy requires data centres to report their water use every year, and Maharashtra has commissioned standards for siting, water and noise.

Our national policy must address these concerns head on. Every data centre should be obliged to report both its water-usage and power-usage effectiveness. Every new site should pass a test that weighs the water stress of the basin it draws from and the homes that depend on the same water. The noise it emits while operating at peak load should never exceed the baseline measured before construction. None of this will slow the industry down. These are all measures that have been adopted elsewhere and the technology exists to make it feasible.

Stories about the amount of water AI consumes will outlive our attempts to correct the narrative—because the myth is far more vivid than reality. But all that residents of Balkum really want is the assurance that the facility that's being built would not impose an impossible burden on those who have to live with it. These are concerns that our data centre policy can easily address, and since we have not yet finalized it, it is not too late to include them.

New FEMA Can Be Fatale for e-Shoppers

Let banks & card issuers tackle reporting

New Fema reporting rules, which came into effect from Oct 1, are causing some disquiet over purchases by individuals of digital services from overseas vendors through international credit cards. Banks have been asked to report data on imports of goods and services to RBI. Buying a music album online would fall into this category. Unlike imports of machinery, where banks have information about the transaction in advance, credit card purchases of entertainment are not reported until quite a bit after the payment is made. The rules do not specifically mention that an individual buying a digital magazine subscription must inform her bank. Yet, the idea is to capture trade data at a granular level. Ideally, the disclosure should be provided by financial intermediaries, not consumers. RBI should clarify what consumers are expected to do in this matter.



Financial reporting mechanisms are designed to tap into nodes where information is collected, such as banks. Credit card issuers are among sources from which information is retrieved. Although the nature of transactions done on credit differs from those done in cash, they are traceable. The reporting handshake between international credit card issuers, which process overseas purchases by Indians, and domestic banks, tasked with reporting them, can be improved. The consumer should not be burdened with the disclosure. Information captured through consumer disclosures after the event will lack the integrity of immediate transaction data. It would be a less efficient way to track activity. Besides, a communication structure would have to be set up for consumers to provide such information to banks. That raises a separate set of issues.

A lag in reporting credit card purchases overseas within limits set by RBI for individuals can be accommodated within the data flow. Some adjustments will be needed, but the money trail exists. Investigators will be able to track foreign exchange movement without inconveniencing buyers and sellers when it comes to retail imports of services.

Case Study of How Not to Plan & Build

Delhi, with dense vehicular traffic and under-equipped public transport system, is caught in an endless cycle of building new flyovers, bridges and roads. This can be a healthy sign of urban development. But congestion never ends, and one key issue for this is bad design. And nothing, in recent memory, exemplifies this as much as the Barapullah Phase 3 corridor. It was hailed as a route that would cut travel time between east and south Delhi from an hour to 15 mins. Instead, it's been a gridlock a week since it was opened to public. Commuters expecting quick connectivity now face delays as newly opened elevated stretches collide with legacy bottlenecks.

Such infrastructural nightmare stems from execution failures — most notably where up to 9 high-volume incoming lanes merge into just 2-3 lanes on the existing elevated stretch. There are no proper speed-matching taper zones or adequate warnings, forcing drivers to panic-brake and cut across lanes. This sudden drop in capacity cascades back for kms, paralysing connected arterial highways and ring roads. And Delhi's not alone. In Mumbai, the new SCLR extension to the Western Express Highway dumps elevated traffic straight into chokepoints at its landing ramps. In Bengaluru, the new Silk Board double-decker flyover suffered such safety and merge-design flaws that police were forced to shut down the stretch shortly after its trial earlier this year.



Over ₹1,635 cr of public money was poured into Barapullah 3. When a project delayed by a decade ends up engineering its own gridlock, it's a colossal waste of public funds, citizen time and energy, not to mention wasted fuel. Barapullah 3 should be held up as a case study of how *not* to plan and build public infra. And, if possible, be fixed.

Youth protests in France, with resemblances to those in India, are a result of fiscal profligacy

C'est la Classroom War

Jantar Mantar To Créteil



Gilles Verniers

Paris: India isn't the only country where young people are taking to the streets to protest. For more than two weeks, high school students — lycéens — in France have been protesting to raise the alarm about the state of underfunding of education.

It began on Sept 21 in the Parisian suburb of Créteil, where parents, teachers and students gathered outside their lycée to demand more funding. Schools across the Parisian region followed. With the help of social media, more than 600 schools across the country have since joined the movement, which now extends to some universities, in solidarity.

The demands are disarmingly basic: more teachers, smaller classes, proper school buildings. Students are also targeting Parcoursup, the opaque university admissions platform launched by the government in 2018, which has turned the final year of school into a season of anxiety about the future.

Money alone isn't the problem. France spends 6.7% of its GDP on education overall (1.3% earmarked for higher secondary education), which is high, even though not the highest in Europe. Yet, the public education system, in which 79% of all lycéens enrol, has visibly decayed over the past decade.

The average age of high-school buildings is 61 yrs. Few have been renovated, and almost none is built for hotter weather. Class size has grown as nearly 9,500 secondary teaching posts have been cut since 2018 in anticipation of falling enrolment.

The state's answer so far has mostly been repression. In many places, protests have been marred by violence: attacks on police, arson, and disproportionate force against minors, including tear gas and rubber-bullets. According to Le Monde, 215 students, 85 education staff, and 715 police officers and gendarmes have been injured since the movement began. More than 6,000 protesters, mostly minors, have been arrested since Sept 28.

France has seen school protests before. But it has never policed teenagers on this scale, using the kind of violent, repressive crowd control tactics that have become routine when adults protest.

Behind the classroom crisis lies a crisis of governance. Since 2017, President Emmanuel Macron has gone through 7 prime ministers and 9 governments. Of these, more than half since 2024. Eight incumbents have run the education ministry. Jean-Michel Blanquer alone, from Macron's first presidential tenure, served a full 5 yrs. His successors have lasted under 8 mths on average. Students are not demanding government stability. But it explains much of what they are marching about: no minister stays long enough to fix anything.

That is what makes this movement significant. It's the largest youth mobilisation France has seen in decades. Its target is not a particular bill or reform, but the general state of public education. And it has erupted 7 mths before the first round of the upcoming presidential election.

Indian readers will recognise parts of this movement. The differences between the two school systems and conditions are obvious. But French lycéens and India's Cockroach Janta Party (CJP) movement share a striking resemblance.

▶ **The target is the system, not a single law** CJP began with the NEET paper leak. But it has grown into a fight for accountability across India's education system. French students, too, are not protesting a specific reform but what school has become. Just as in India, there is no quick-fix solution the government can use to address protesters' demands.

▶ **Satire as weapon** After France's downslide in the latest PISA (Programme for International Student Assessment) rankings, French students carry deliberately misspelt signs, a joke that doubles as an indictment of the schools that failed to teach them.

▶ **Obstructed future** While Parcoursup is not corrupt the way NEET is, it's perceived to be arbitrary and unduly controlling of young people's choices and, therefore, their future.

▶ **Street and screen feed off each other** As schools shift classes online, 'Cyber blockades' are disrupting some virtual classrooms, while videos of these actions are racking up lakhs of views on social media, fuelling ground mobilisation.

▶ **Politicians follow, not lead** Opposition parties and unions in both countries have rushed to express solidarity. But both movements were born outside them, and both remain decentralised and self-sustaining.

▶ **Repression the best recruiting agent** In both countries, the brutality of police response has added fuel to the protests, which have become as much about policing as schooling.

One contrast, however, is telling. In India, it took weeks of street protest to force an education minister out of office. In France, ministers leave without being pushed. They simply never stay long enough to be held to account. Entrenchment and churn are opposite pathologies. But they produce the same result: no one answers for the state of schools.

Neither government has a quick fix. Teachers can't be trained overnight and hired, or buildings rebuilt, or trust in exams restored within one budget cycle. But both governments can stop treating youth as a public order problem. From Créteil to Jantar Mantar, young people want the same thing: to be heard and taken seriously. They also share a deep mistrust of those in power. Tear gas will only reinforce it.

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Après le Déluge, A Case Study



Sugata Ghosh

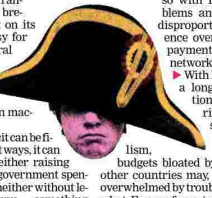
'How' can you govern a country which has 246 varieties of cheese?" That was President Charles de Gaulle in 1962. He confronted staunch cultural diversity in domestic politics, and a world where Washington had sidelined France in international monetary order. Irked by America's post-war dominance, de Gaulle had challenged the dollar's supremacy. Though French franc had by then become a less significant currency, France was buoyed by economic growth.

Some things don't change, some change dramatically. After six decades, the political landscape is as fractured, with vocal groups spanning the far-left to far-right spectrum — a feature that would test even a master statesman. What has vanished is the old economic confidence.

Amid low growth, high deficit and wary foreign investors dumping French government bonds, France today is stuck in an economic quagmire. As a common European currency, euro — more relevant than what franc was — may lend a semblance of protection, absorb some shock, and make the current crisis in French state bonds look less serious.

However, not only is it a far cry for France to question any economic hegemony, but it also finds itself in a world that has lost its bearings. It's one thing for a proud nation to be at the wrong end of an international order. It's altogether different for a slow, cash-strapped country to survive in a world that has no order.

It's one thing for a proud nation to be at the wrong end of a global order. It's altogether different for a slow, cash-strapped country to survive in a world with no order



The absence of a world order and splintered politics of the old country have come together to trap France. Neither can it break out of the rut on its own, nor is it easy for European Central Bank to freely buy French treasury papers with France slipping on macro parameters.

While high deficit can be financed in different ways, it can only be fixed by either raising taxes or slashing government spends. France can do neither without leaving many unhappy — something the government won't risk with presidential polls 6 mths away. Also, the numbers leave little wiggle room.

With tax-GDP ratio at 43.5% — it's 25.2% for US, and below 20% for India — France doesn't have the liberty, let alone will, to raise taxes to battle 5% fiscal deficit and below 1% growth. Its debt-GDP ratio is 116% compared with 66% for Germany. The US with 126%, is a different story, having still preserved the dollar's 'exorbitant privilege', a term sarcastically coined by de Gaulle's finance minister.

While there's no ideal debt-GDP ratio, sustaining high debts is easier when creditors are local. About 50% of French government lenders are foreign banks and funds who were attracted by high-yield pickups of French bonds (compared with lower returns on German gilts). Now, they are selling out due to high deficit and government's reluctance to cut cost.

No one knows who holds how much bonds, who could step in, and when to offload and further hammer the market. Japanese asset manager Sumitomo Mitsui stunned all by selling its entire basket of French government bonds, fuelling rumours of hedge fund exits.

When fear spreads, second-round effects set in, as is seen in Spanish and Italian bonds, whose yields are up amid falling prices. Which simply means these governments have to pay more to borrow.

Nasty geopolitics joins market forces to remind us of Ferguson's law, which claims that any great power like the Ottoman empire and Habsburg Spain were tipped over the brink when interest outgo on national debt outstripped military spends. For France, the former has surpassed the latter by over $10 bn.

It's irrelevant whether history rhymes. What matters are 3 cold truths that France evokes.

▶ The turmoil is not an isolated calamity in a distant, seemingly unconnected bond market. It's symptomatic of woes of a world that has, in vain, thrown money to cure tough problems, and used fiscal covers for years to suppress problems of low income and fewer jobs — where capital has received larger and larger share of income than labour. It's a festering problem brought to the fore by traders of French bonds, and have been magnified by AI.

▶ The dollar will continue to hold its sway for years to come. Demand for greenback is determined not by governments but private parties, who would avoid the cost and hassle of shifting to euro or any other currency — more so with Europe's problems and US banks' disproportionate influence over SWIFT, the payment messaging network.

▶ With liberalism on a long retreat, nations raising tariff barriers, states caving in to populism, and defence budgets bloated by geopolitics, other countries may, in future, be overwhelmed by troubles similar to what France faces today. It's a reminder how lack of coordination among countries can manifest in curious ways.

The French connection is deeper than we all think.

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A tale of two citizenries

Sheer Energy India Brings With It



Fatih Birol

Paris: As India continues to rise up the list of the largest economies on the planet, the role of energy in powering its ascent comes into the spotlight. India's energy sector journey offers valuable insights for other countries.

Since 2015, India has provided power connections to the households of over 300 mn people. At the same time, with Pradhan Mantri Ujjwala Yojana, over 500 mn Indians have gained access to modern gas supplies for cooking, moving away from unhealthy traditional fuels.

India has also made a paradigm shift in the way it lights homes, offices and factories, with the government distributing 370 mn highly efficient light bulbs under the UJALA scheme to replace older energy-guzzling bulbs. At the same time, India tapped its immense solar potential to install 160 GW of solar panels in a decade. To put this in perspective, it took India 60 yrs to install an equivalent amount of power generation capacity from all other sources of electricity combined.

These steps have been taken against a challenging backdrop of geopolitical flux, the pandemic and recent energy crises. What's more, India was not dealt the easiest hand when it comes to energy. It has been a net importer of energy, confronting it with supply risks beyond its shores. The country is also hungry for industrial development, which requires vast amounts of energy.

As Prime Minister Modi reaches 25 yrs in executive office, it's an opportunity to step back and examine India's energy journey under his stewardship. Over the past decade, India has skilfully pursued multiple complementary strategies and objectives across different fuels and technologies to strengthen its energy position. Its achievements are the result of thoughtful planning and careful consideration. And the underlying policies have become case studies for other countries, which IEA regularly highlights in its reports and discussions.



Let there be more light

Global energy markets remain severely strained amid the Strait of Hormuz crisis, and environmental risks are intensifying. In these difficult circumstances, the measures India has been taking to diversify its energy mix and supplies can bring greater resilience to its energy system.

India's power capacity from renewables has quadrupled over the past decade, enabling the country to reach its target of 50% of total power capacity coming from non-fossil sources 5 yrs earlier than planned. The growth of its renewable capacity is the second fastest in the world, a position it is expected to hold through 2030.

At the same time, reflecting its commitment to diversified energy supplies, India is pursuing 10× growth in its nuclear power capacity by 2047. Importantly, India is also developing the supply chains and skills it needs to succeed in these industries. The National Critical Mineral Mission, for example, emphasises on developing supplies of the raw materials that are used in the manufacturing of solar panels and batteries. Likewise, existing policies promote domestic manufacturing of these energy technologies.

In parallel, India has been increasing its petroleum refining capacity to strengthen its fuel supply security and its position as an exporter of petroleum products such as diesel — a strategy validated by the scramble for such products among countries around the world amid the Hormuz crisis. India is also among the world's largest biofuels producers, with production more than quintupling since 2020.

India is moving towards greater self-sufficiency. But no country is an energy island. Trade and cooperation remain vital. Recognising the need for global cooperation, India has enhanced international engagement, establishing several significant global institutions such as International Solar Alliance and Global Biofuels Alliance.

Furthermore, as discussions began in 2024 towards India becoming a full IEA member, Prime Minister Modi made an emphatic case for India's role in international energy governance, stating that 'IEA will benefit when India plays a bigger role in it'.

IEA analysis shows that India will account for the largest increase in energy demand of any country or region in the world over the coming decades. As India secures the energy it needs and continues to invest in energy technology manufacturing, it is increasingly becoming a pivotal actor in global energy trade and technology development.

The writer is executive director, International Energy Agency (IEA)



JUST IN JEST

Thanks to the geographic artist Trump, we beat Brazil 4-0 in football

When India Was Brazil (We Wish)

We truly suspect that Donald Trump, on top of what he says about his best Indian friend, loves India. Why else would he, in a truly cunning Truth Social post, state that on Sunday, '125 million people voted today in the first round of India's presidential election,' and successfully pass it off as a gaffe? You see, as the president of one of the three countries that hosted the last football World Cup, he must have felt a terrible need to confuse people after India were thoroughly defeated 0-4 in a friendly football match in Kolkata against Brazil, only a day before 125 mn Brazilians voted in their first round of presidential elections. Many people in the world (read: the US) would then be tricked into believing that it was India (Fifa ranking 138th) that beat Brazil (6th) in that friendly.

Some cynics see this India-Brazil 'mix-up' as something more sinister — a MAGA fide plan to jumble up the otherwise perfectly arranged acronym of BRICS. But we strongly believe that Trump made the 'country swap' to nudge Brazilians to vote for Flávio Bolsonaro, so that like the US and India, the South American country can also be right in its voting choice — and right, that is away from the Leftist incumbent president Lula. What he may still say after Lula and Bolsonaro have a final run-off on October 25 is how he stopped a war between India and Brazil.



THE SPEAKING TREE

Celebrating Differences

SUMIT PAUL

In embracing our differences, we can truly celebrate our shared humanity. By embracing our differences, whether they are cultural, social or personal, we begin to understand the richness and uniqueness of each person's experiences and perspectives. We can break down barriers, foster empathy, and build a strong, inclusive society that embraces our shared humanity and promotes harmony among all people.

Urdu poet-lyricist Shakeel Badayuni says, 'Har shakhs mein wahi rooh, hai wahi khoon/ Wahi soch, wahi umang, sab mein ek-saa junoon' — the same soul resides in everyone, with the same red blood/same thinking and joie de vivre; the same degree of intense passion. Allama Iqbal stated the same thing decades ago, 'Haqeeqat ek hai har shai ki, khaaki ho ya noori/ Lahoo khursheed ka tapke agar zarre ka dil cheerein' — Big or small, all are equal, and one/ Blood of the sun oozes out when the heart of a particle is cut open.

A sense of separation is required for deepening our perceptions. Nature has created diversity to create intensity, gravity and profundity. After all, variety is the spice of life. We get bored with the sameness, just as we cannot relish the same dish after a certain period of time. A variety of differences leads to a myriad of experiences. So, embrace differences to enrich life's experiences.

PEAS IN A PODCAST

What Music Does To Us

Music can make you cry, lift your spirits, transport you to another time — or simply give you goosebumps. But what exactly is happening inside the brain when a few notes can produce such a powerful emotional response? It's an especially intriguing question at a time when, as this year's



Nobel Prize for Medicine to Stanford neuroscientist Karl Deisseroth reminds us, we are learning ever more about the workings of the brain.

In **The Listening Service: Why Does Music Move Us?** presenter Tom Service begins with an invitation: 'Prepare for the tingles!' Service is joined by music psychologist Victoria Williamson to explore why music can affect us so deeply. The conversation looks at how the brain responds to musical patterns, expectations and surprises, and why music can trigger pleasure, emotion and memories — sometimes with an immediacy that words struggle to match.

The charm of the episode lies in its refusal to reduce music to a neat scientific formula. The brain may offer clues about why music moves us, but knowing the mechanics doesn't quite explain the magic.

And that perhaps is why we keep listening.

Chat Room

Reinforce the GST Structure

Apropos the Edit, 'On the Right Path of `Easing Ease of Biz' (Oct 6), simplifying GST compliance is welcome, but incremental fixes cannot substitute for structural reform. Energy remains outside GST, making growth unnecessarily inflationary and distorting trade. Housing, which absorbs a large share of household savings, also suffers from input tax credit distortions. States lose fiscal autonomy under the revenue-sharing formula, and municipalities remain starved of funds for urbanisation. The GST Council must address these core issues, not just tinker at the edges. Bringing energy and housing into GST's ambit would reduce cascading taxes, lower prices and strengthen the economy. Big-ticket restructuring, and not occasional tweaks, is what the economy truly needs today.

K Chidanand Kumar
Bengaluru

the hindu businessline.
WEDNESDAY - OCTOBER 7, 2026

Boost for renewables

Govt rightly lays emphasis on grid capacity, storage

The ₹1.86 lakh crore Green Energy Corridor-III scheme, approved by the Cabinet on September 30, addresses a crying need of the hour — a robust power transmission infrastructure. The focus in the renewable energy industry has shifted from adding capacities to evacuation transmission systems that move energy from generation to consumption centres; within this, the GEC-III seeks to fill two critical gaps — intra-State evacuation infrastructure and more energy storage.

The latter is urgently needed to avoid curtailing cheap, green solar power. The problem is not simply that solar power is generated when demand is low. Transmission congestion and the grid's limited flexibility also lead to curtailment. Storage can help by shifting surplus solar power to hours when it is needed. About 73 per cent of the proposed outlay goes to buttress intra-State transmission; the other 27 per cent to build 50 GWhr of Battery Energy Storage system (BESS) capacity. The Central government chips in with ₹54,082 crore for financial assistance. The rest will, presumably, have to come from the States, which are responsible for implementing the scheme, and lenders. The precise mix has not been spelt out.

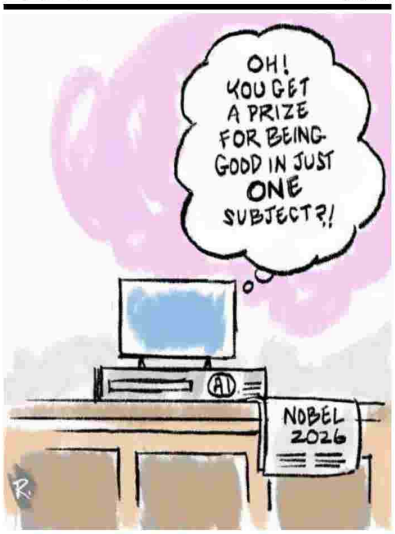
The GEC-III is refreshingly different from its predecessors in many ways. First, it is large in outlay, scope and geographical coverage. GEC-I, approved in 2015 with an outlay of ₹10,142 crore, was designed for an evacuation ambition of 24 GW of renewable energy. The ₹12,031 crore GEC-II, unveiled in January 2022, was meant to evacuate 20 GW of green power. More than eight times bigger than the two put together, GEC-III wants to build, or strengthen existing transmission capacities for moving 135 GW of green energy.

Second, while the first two were designed for transmission lines and substations, GEC-III brings in storage for the first time in a GEC scheme, if one excludes the storage component in GEC-I meant specifically for Ladakh. There is, however, no specific Central allocation for storage. This is a trifle surprising because the high cost of BESS, despite recent declines, remains a barrier to its deployment at scale.

Third, while GEC I and II covered eight and seven RE-rich States, GEC-III is more widespread, taking under its wing 13 States and Union Territories. Implicit in this is the recognition that renewable energy development is spreading to more States, such as Odisha and Assam, not covered by the earlier schemes, and that their intra-State transmission networks need support. Fourth, GEC-III makes way for two procurement routes, allowing both bidding-based (for greenfield projects) and cost-plus-based (for brownfield projects). This distinction was absent in the earlier two GEC programmes. This can help in the faster implementation of brownfield projects. Finally, without being explicit, GEC-III seems to set a new target of 900 GW of installed non-fossil fuel-based energy capacity for 2035, higher than the CEA's target.

POCKET

RAVIKANTH





MC SINGHI

The faultlines in GDP growth

TIME TO BUCKLE UP. Constraints in manufacturing, real estate, employment, private investment and consumption expenditure call for a fresh policy rethink



The Indian economy after the pandemic has so far maintained a sustained growth of over 7 per cent at constant prices, and has continued to be among the fastest-growing large economies. The growth has largely been driven by domestic consumption and key infrastructure support from government capital expenditure. There have, however, been concerns around the sustainability of this growth over the next five years due to global uncertainties and domestic turnaround of the developments in employment, investment and productivity segments. There are some emerging faultlines, which suggest that interventions different from the current approach are necessary.

Overall GDP growth in 2022-2026 (after the rebasing of GDP series to 2022-23) averaged 7.3 per cent, with a significant contribution (58 per cent) from manufacturing, trade and transport, financial, real estate and professional services. However, these sectors had a share in employment of just 31 per cent. The manufacturing sector had the most robust growth with the lowest Incremental Capital Output Ratio (ICOR) of 3.2 against an average ICOR of 4.5 during this period. In the current year, the growth is expected to remain in the same range. More important, however, is to look at these five emerging constraints.

Some characteristics of macro economy

	GDP Growth	Contribution to growth	Share in GDP	Share in GCF Per cent	Ratio of GCF/ GVA	ICOR	Share in employment
	2022-2026 in per cent			2022-2025			
Agriculture & allied	3.08	7.37	17.35	5.85	11.5	3.74	44.93
Mining & quarrying	5.97	1.57	1.82	1.51	27.98	4.69	0.27
Manufacturing	11.17	21.2	13.32	12.93	35.32	3.16	11.67
Electricity & utilities	4.94	1.5	2.43	6.71	81.18	16.42	0.58
Construction	8.09	9.03	7.81	6.92	30.83	3.81	12.33
Trade & transport	8.94	15.57	12.71	18.27	46.44	5.2	18.05
Financial & Prof. services	8.44	26.96	23.64	30.94	43.32	5.14	2.99
Other services	5.89	9.26	11.74	16.88	46.29	7.86	9.17
GVA	7.4	92.44	90.81	100	36.36	4.91	
Private consumption	6.41	49.81	56.69				
Fixed capital formation	6.91	30.58	31.87				
GDP	7.29	100	100		33.02	4.53	

Note: Share in employment is an average of PLFS 2022-23, 2023-24 and 2025 employment

EMERGING CONSTRAINTS

First, while the manufacturing sector has performed extremely well in last three years, are there problems in the MSME sector. In 2025, this sector, while employing nearly 50 per cent of the total persons engaged in manufacturing, accounted for just 13 per cent of the total value added. This sector recorded a growth of 8.5 per cent in 2025, significantly lower than overall manufacturing. Further, the value added per MSME worker at ₹9,856/month was even lower than the minimum wages prescribed. Per worker emoluments and value added recorded only a growth of 4.4 per cent and 4.8 per cent, respectively, in real terms, which is not very encouraging. Persons in this sector are vulnerable and work for subsistence rather than as entrepreneurs.

The cost of funds has been high. The spread of 10-year par yield and repo rate has increased from just 40 basis points in October 2025 to 130 basis points in March 2026. Geopolitical uncertainty has impacted investment sentiment

Second, the real estate sector, on which the construction sector growth and employment are critically dependent, has been facing affordability challenges, unsold inventories and lack of liquidity and financing challenges. Developers, particularly in Tier 3 cities and rural households, are facing problems of availability of land at reasonable prices, shrinking demand and project delays. Complex land acquisition and land titles result in shanty towns and unauthorised colonies. The real estate sector is witnessing a big shake-up and a major segment of demand faces uncertain future.

Third is unemployment and underemployment. Though overall unemployment rate in 2025 was only 3.1 per cent, nearly 30 per cent of the youth fell in the category of those neither employed, nor in education, and nor in training (NEET). The NEET crisis spotlights a significant missed opportunity for society. This is untapped potential that could drive innovation, economic growth and social progress. Failing to integrate them results in about 15 per cent of income forgone (based on average informal sector income).

Fourth is the issue of stagnating private investment. Data from the NSSO on private sector estimate capital expenditure intentions in 2025-26 are estimated at ₹1143,879 crore. Based on the responses received, the aggregated capex for 2026-27 is estimated at ₹955,281 crore. The NSSO survey clearly indicates hesitation on the part of private investors. Sectoral data on credit by the RBI also indicate that growth in credit disbursement to large industries at 5.4 per cent is less than half of the overall credit growth. The cost of funds has also been high. The spread of 10-year par yield and repo rate has increased from just 40 basis points in October 2025 to 130 basis points in March 2026. Geopolitical uncertainty has further impacted investment sentiment. Further, NAS data indicate average gap in imports and exports during 2022-26 at 1.91 per cent, which sets a ceiling on overall capital transfers. This gap of around 2.5 per cent is sustainable, creating space for capital flows for growth.

Fifth and foremost is the lopsided development of private consumption expenditure. Two issues are related to private consumption: first per capita consumption in rural areas is just 58 per cent of per capita consumption in urban areas; second, the limitation due to a restricted basket. The data of National Accounts indicate that non-durables goods and services account for 88 per cent of total consumption, half of which are low-value services. The consumption of durables and semi-durable goods, which are income-elastic, accounts for just 12 per cent of consumption.

DOMESTIC PRESSURES

Further, geopolitical shifts, emerging trade restrictions, interest rate increases and pressures on global commodity prices for fuel and metals will have varying domestic impacts. Trade restrictions may require identifying new sources of supply and demand and the economy would need to calibrate these appropriately.

The constraints occur from different perspectives, both structural and systemic, and call for multi-pronged strategy not based on freebies, but by reinventing our mindset itself, both for the government and the real executors.

The writer is former Senior Economic Adviser, Ministry of Finance. Views are personal

Jeffrey Archer — mightier than the sword

A tribute to the self-confessed Indophile who kept generations hooked on to his books with its twists and turns

NS Vageesh

One of the privileges of being a journalist is meeting celebrities in the course of a day's work. A dream gets fulfilled when one meets an icon, especially an author who kept you riveted at an impressionable age.

That fanboy moment came for me when I got a chance to meet Jeffrey Archer, the globally recognised best-selling novelist, along with a senior colleague, on behalf of this paper two decades ago. Archer had then come to India on a book promotion tour.

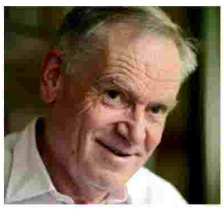
ROCKSTAR RECEPTION

He admitted to being taken aback by the rockstar reception he received, mobbed as he was at various book stores across the country. He had gone viral in the pre-social media era. He remarked, a trifle wistfully, that if he had realised the extent of his following he would have come to India much earlier and more often. After two decades, a few highlights from that meeting stand out in my memory. He called himself an average writer, but a very good story teller. What was the difference, I wondered, assuming that good writing and storytelling were synonymous. He explained that his endeavour was to tell a good story and keep his audience hooked, on the edge of the seat, as it were. And added with a twinkle in his eye: "After you have read a few of my books, you think you know where the plot is going. And that's my challenge. I try to surprise you with a twist!"

The effort involved in crafting those narratives was painstaking. Figuratively. And literally. Archer did not type his work. He wrote laboriously by hand. And as he explained, many of his works went through over a dozen drafts. Imagine the effort it would have taken to write whole pages again and again. Without the easy cut and paste function of a laptop. Or for that matter the readymade stories of today's artificial intelligence.

WRITING IS REALLY REWRITING

In that simpler era, he was quietly exemplifying the maxim that writing is really rewriting. When I asked a bit gingerly if he ever encountered a writer's block, his response was a withering look and an exposition of his work ethic and discipline.



JEFFREY ARCHER. A memorable character who will live on

He got to his work desk at 6 am and worked in two-hour stretches followed by two-hour breaks. That's a staggering eight hours writing and thousands of words every day. Success didn't come easy. Nor did he rest on his laurels, maintaining this punishing schedule throughout his five-decade writing career.

TRUE INDOPHILE

Archer was a self-confessed Indophile, greatly charmed by Bollywood, cricket, especially Sehwag and Sachin Tendulkar, and authors such as RK Narayan. His personal life resembled the arc of some of his characters: a steady rise to the top and a sudden fall from grace after being enmeshed in a scandal, proving that reality can be stranger than fiction. Or follow it with eerie precision.

Still, as his post jail term work showed, there is redemption for every sinner. His recovery, like a phoenix to resume his career as a best-selling novelist, is now the stuff of legend. And proved him to be as resilient as the many memorable characters in his books. For delighting millions of readers across generations, thank you. His end, according to reports, came last night between his writing sessions. An author could not have a more fitting finale. RIP.

The writer is a former journalist who worked with this newspaper

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.

Hit the ground running

This is with reference to the editorial 'Underwhelming Show' (Oct 6). The 2026 Asian Games saw India's second-highest medal tally in the history of continental games, finishing with 85 medals, including 21 golds. Indian athletes have set several notable national and personal records in the Games. Vithya Ramraj from Tamil Nadu scripted history by breaking the 42-year-old national record of PT Usha in the 400 metre hurdles. Indian men and women have brought cheers to India by winning both hockey and cricket. With its huge population, the nation could have achieved more in the Games. Lack of funds, inadequate international coaching and low priority for physical education may have contributed to the poor performance. The government must address these problems.

P Victor Selvaraj
Palayamkottai, TN

Save the consumer

The article on analogue paneer (Oct 6) raises an important question about consumer protection. If products made with non-milk ingredients have been recognised under the 'analogue in dairy context' category and sold in the market for years, why has the issue of consumer confusion become a major concern only now? If these products are unsafe, why were they permitted to be manufactured and sold for so long? And if they are not inherently unsafe, is the present concern primarily about misleading consumers who believe they are buying conventional paneer? More importantly, what monitoring and testing were carried out in the past? Consumers deserve clarity, not just a change in regulation after years of consumption.

Krishna Uppuluri
Hyderabad

SIR not convincing

I refer to the news report 'Did SIR Impact TN Assembly Elections?' (Oct 6). The answer to this question cannot be a blunt a no. Streamlining electoral rolls is important in a Parliamentary democracy such as ours. In that sense the Special Intensive Revision (SIR) is vital and must ensure that all eligible voters are on the list, although exercising franchise is the people's choice. But, the Election Commission of India does not seem to have done the job well. Its team was working for weeks to streamline the electoral rolls, though. The outcome is not convincing. With lakhs of genuine voter names deleted across the country, Indian democracy has gone for a toss. The DMK has every reason to doubt the SIR.

S Ramakrishnasayee
Chennai

Foreign capital concerns

This is with reference to 'Foreign Capital: Need for Diversity, Not Dominance' (Oct 6). India needs foreign investment, but excessive dependence on a few countries or investors can create vulnerabilities during global financial disruptions. A wider and more diversified pool of capital will provide greater stability and strengthen the bargaining power. The priority should, therefore, be to create a predictable policy environment, simplify regulations and ensure that investors have confidence in contracts and taxation. At the same time, domestic savings and long-term institutional capital should be encouraged so that development does not depend excessively on foreign flows. India should welcome foreign capital without allowing it to have disproportionate influence over the nation's critical sectors. Diversity, transparency and stable rules can make foreign investment a lasting source of growth.

SM Jeeva
Chennai

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Mule accounts issue

Banks haven't done enough to deal with it

Anil Katia
Ganga Narayan Rath

India's escalating wave of cyber-enabled financial frauds has prompted the Supreme Court to intervene with significant interim directions aimed at strengthening the banking system's response to money-mule accounts and digital fraud. The Court has directed the RBI, all States, Union Territories and law enforcement agencies to act in a coordinated manner. In particular, the RBI has been asked to adopt and circulate a Standard Operating Procedure (SOP) prescribing the action to be taken by banks for placing temporary debit holds on amounts or accounts linked to money-mule activity and cyber-enabled fraud.

A "mule account" is simply a bank account or UPI ID used to receive, hold, or move money on someone else's behalf — usually money that has come from fraud or cybercrime. What makes the mule-account problem so hard to root out is that most mules are not career criminals. They are ordinary account-holders, lured through channels, for a small fee, that look entirely unremarkable.

The scale this has reached is striking. India's Cyber Crime Coordination Centre (I4C) had, by early 2026, flagged more than 24.7 lakh such accounts, and 13.3 lakh were frozen through 2025 alone. Reported cyber fraud cases nearly quadrupled between FY23 and FY24, and India lost close to ₹23,000 crore to cyber fraud in 2025. Recovery tells the starker story: a Parliamentary Standing Committee found that only about 10.4 per cent of reported fraud amounts were recovered over 2020-22.



FRAUD AMOUNTS. Minuscule portion is only being recovered

BANKS BEST PLACED

Banks are the parties best placed to prevent this, and the ones who bear the cost when they don't — compensation claims, reputational damage, and the operational burden of freezing and investigating flagged accounts. They already hold the account-opening and KYC relationship needed to warn every customer, at essentially zero marginal cost. Unlike fraud-detection technology, this does not require new infrastructure to build — only the will to use what already exists.

That this did not happen as a matter of ordinary practice, well before any external push, is hard to justify. India spent the last decade deliberately optimising account opening for speed and inclusion — Jan Dhan accounts, video KYC, frictionless UPI onboarding — all genuine achievements. But that same speed was never matched with an equally simple safeguard: telling account-holders, clearly and in their own language, what they are risking if their account is misused.

A short, standardised undertaking-cum-declaration can close this gap. It should explain what a mule account is and describe the kinds of offers used to recruit one — money for "renting" an account, payment for opening a new account and surrendering its credentials, a fee for forwarding on a received payment. It should state that agreeing to any of these is a criminal offence, regardless of whether the account-holder personally committed the underlying fraud. And it should be precise about where liability actually falls: merely receiving an unexplained payment, without any further act, does not by itself make an account-holder liable — liability arises specifically when they permit the money to move further. This undertaking should be executed once at account opening, in vernacular language and rolled out across the existing account base.

The response of RBI has so far been weighted almost entirely towards technology, has been slow to become mandatory, and arrived later than the scale of the problem warranted. MuleHunter.AI, an artificial intelligence tool developed by the RBI Innovation Hub, can reportedly flag around 20,000 suspicious accounts a month. But adoption has been strikingly slow for a tool banks are given free of cost: six banks had implemented it by August 2025, 23 by December 2025, and roughly 26 by mid-2026. It took a Ministry of Home Affairs directive, not an RBI mandate, to set a deadline of December 2026 for universal integration.

Katia is Director, Ducturus Advisory Services; Rath is a former central banker. Views are personal

THE WIDER ANGLE.



PARAN BALAKRISHNAN



REUTERS

Gulf crude is flowing again despite eye-watering tanker costs, while Russia's oil grip on India is slipping

It's the ultimate sellers' market for crude oil. Yet Saudi Arabia's oil giant Aramco has just slashed the flagship crude price for Asian buyers to $5 a barrel below the Dubai/Oman benchmark. This isn't wild generosity on the part of the Saudis. It's effectively a rebate to compensate buyers for the extraordinary costs and risks of getting the oil out of the Gulf.

The *Wall Street Journal* reckons VLCCs, the giant tankers that carry two million barrels of crude, are charging as much as $40 million for a round trip in and out of the Gulf through the Strait of Hormuz. Even crews are cashing in, with Indian and other sailors getting bonuses of up to $25,000, equivalent to a full year's normal salary, for the journey.

But here's the surprise. Despite all the danger and disruption, Gulf oil is flowing again, with shipments at 80 per cent of pre-war levels thanks to US naval protection and strikes that knocked out Iranian radar and communications along the waterway.

Around three million barrels a day (bpd) from Middle Eastern producers reached India in September, with Saudi Arabia, Iraq and Kuwait once again supplying large quantities. That's pushed total crude imports to 5.3 million bpd, the highest this year and broadly back to pre-war levels. The Gulf producers, India's main suppliers before cheap Russian oil flooded the market following the Ukraine invasion, are suddenly back in business.

So where does that leave Russia, whose oil helped keep India humming through the worst months of the Hormuz crisis? In June and July, Russia supplied roughly half of India's crude, with purchases peaking at 2.65 million bpd in July. By September, Russian imports dropped to 1.75 million bpd, their lowest since April.

Part of the explanation is there was simply more Middle Eastern oil available. "Middle East barrels regained share as availability and logistics improved," says Sumit Ritolia, senior analyst at trade consultancy Kpler.

But something else happened. China came roaring back into the market for Russian oil. During the early stages of the Hormuz crisis, China sharply reduced its crude purchases just as the rest of Asia was scrambling for supplies. Beijing entered the crisis with enormous oil stockpiles and appears to have relied heavily on those reserves while its refineries cut back production.

China is now buying aggressively again, putting it into direct competition with India for Russian barrels. Traditionally, the two countries have bought somewhat different Russian grades. China takes large quantities of ESPO crude shipped from Russia's Pacific ports, while India has become the dominant buyer of Urals crude shipped from western Russia.

But China has also been looking for Urals. That means Indian refiners suddenly have a formidable rival for the very barrels they have come to depend on. When India first started massively buying Russian oil in 2022, Moscow desperately needed new customers for crude that could no longer easily be sold in Europe because of Western sanctions. Russian crude came with such hefty discounts that it remained a bargain even after paying to ship it thousands of extra kilometres to Indian refineries.

China is now buying aggressively again, putting it into direct competition with India for Russian barrels

TIGHT MARKET

That bargain has largely disappeared. Russian oil that once came at a steep discount has at times been selling at a premium in today's exceptionally tight market. Yet India cannot simply walk away from Russia. It imports close to 90 per cent of the crude it consumes and needs enormous quantities every day. There simply aren't many producers capable of replacing Russian volumes at short notice.

And that brings us to the multibillion-dollar question hanging over India's oil trade: what does Washington do next? The US has threatened up to 100 per cent sanctions on countries buying Russian energy, putting India and China, the two biggest Russian crude purchasers, in the firing line. Beijing has plenty of ways to retaliate. India is a much easier target, particularly when New Delhi and Washington are at a trade stalemate.

That raises the possibility India could once again come under intense US pressure to cut its Russian purchases further. Fortunately for India, more Gulf oil is getting through.

For Indian refiners, the turmoil has created winners and losers. Reliance Industries is one of the biggest winners. Its giant Jamnagar complex buys crude, turns it into petrol, diesel and other fuels and sells those products. With refining margins soaring, it's become an extremely lucrative business.

India's state-owned refiners face a much tougher situation. Indian Oil, BPCL and HPCL are having to buy increasingly expensive crude and fuel on world markets. But petrol and diesel prices at Indian pumps haven't risen to match those higher costs. That means they're being forced to absorb the difference.

A few months ago, the overriding worry was whether India could find enough crude. Now India is having to juggle its old suppliers in the Gulf, its crucial new supplier in Russia, a resurgent China competing for the same barrels and the worry of US sanctions.

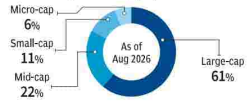
STATISTALK.

Compiled by **Dhuraivel Gunasekaran** | Graphic **KS Gunasekar**

How mutual funds play across market caps

Domestic mutual funds spread their investments across companies of different sizes, with each market-cap segment offering a distinct risk-return profile. Large-cap stocks typically provide greater stability and tend to be less volatile, making them a core component of many portfolios. Mid-caps offer a balance between relative stability and higher growth potential, while small- and micro-cap stocks can deliver stronger long-term gains but come with significantly greater volatility and downside risk. The mix varies depending on a fund's mandate, valuations, economic conditions and the fund manager's assessment of future opportunities. Holding stocks across market-cap segments can help funds capture growth opportunities while reducing their dependence on any single segment and moderating overall portfolio risk. Top 10 holdings:

Market cap break-up (%) of mutual funds



Large-cap

	MFs' holdings (₹ cr)	Number of schemes held	1-year return (%)
ICICI Bank	2,99,735	721	-2.3
HDFC Bank	2,82,332	686	-26.9
Reliance Industries	1,69,281	618	-13.0
Axis Bank	1,38,565	614	3.6
Bharti Airtel	1,37,888	660	-6.0
State Bank of India	1,31,881	658	10.6
Larsen & Toubro	1,07,247	562	0.2
Kotak Mahindra Bank	1,02,765	544	-0.9
Infosys	96,818	576	-29.5
Eternal	91,583	545	-2.2

Mid-cap

	MFs' holdings (₹ cr)	Number of schemes held	1-year return (%)
The Federal Bank	33,028	369	70.3
PB Fintech	28,112	323	-42.4
MCX	28,017	364	95.4
Coforge	27,847	329	14.3
One97 Communications	23,226	323	43.9
IndusInd Bank	22,146	318	18.0
Bharat Forge	21,456	265	49.9
AU Small Finance Bank	20,424	264	38.7
Max Healthcare Institute	19,425	298	-14.3
Persistent Systems	19,402	292	9.1

Small-cap

	MFs' holdings (₹ cr)	Number of schemes held	1-year return (%)
Delhivery	13,225	194	-8.6
Ather Energy	12,853	191	138.8
Gland Pharma	12,071	145	49.2
Karur Vysya Bank	11,060	185	54.9
Jubilant FoodWorks	10,459	175	-29.1
PNB Housing Finance	10,364	193	25.0
Kalpataru Projects Int.	9,598	111	10.3
Navin Fluorine International	9,562	213	80.0
Sai Life Sciences	9,202	164	71.1
RBL Bank	9,062	219	51.2

Micro-cap

	MFs' holdings (₹ cr)	Number of schemes held	1-year return (%)
Vijaya Diagnostic Centre	4,835	100	40.5
Ujjivan Small Finance Bank	4,011	115	39.3
Metropolis Healthcare	3,966	67	11.3
Balrampur Chini Mills	3,872	81	44.4
Equitas Small Finance Bank	3,812	47	18.9
SKF India (Industrial)	3,754	43	0.0
Cyient	3,662	93	-2.7
PVR Inox	3,375	87	9.0
Prudent Corporate Adv Ser	3,284	61	17.5
Happy Forgings	3,118	23	117.1

1-year return of stocks as of October 5, 2026 Portfolio data as of August 30, 2026. Based on AMFI's market-cap classification. Although AMFI does not classify micro-caps, here we consider stocks ranked 251–500 as small-caps and those ranked beyond 500 as micro-caps Source: ACEMF

Short take

US software stocks jump as AI disruption worries fade

Joel Jose
Purvi Agarwal

US software stocks are touching fresh 2026 highs, supported by a sharp rise in earnings expectations,which according to several analysts indicate that fears over AI-led disruption in the sector were largely overstated. The S&P 500 software and services index rose 1.3 per cent on Tuesday to its highest levels since November 2025.

Strong earnings from software companies such as Salesforce, ServiceNow and Accenture, along with partnerships with AI labs, helped fuel a recovery in the sector that had been underway since late June. Cybersecurity stocks have stood out, with Crowdstrike, Fortinet and Palo Alto Networks notching triple digit percentage gains this year as companies spend heavily on cybersecurity in the age of AI.

"AI has been more of an enabler for a lot of these software companies, more than a disruptor," said Adam Turnquist, chief cross-asset strategist at LPL Financial. "We're seeing more of a trend change now where software has recaptured the leadership reins, and we think there's a window here for outperformance in software over semiconductors." REUTERS

thehindubusinessline.

TWENTY YEARS AGO TODAY.

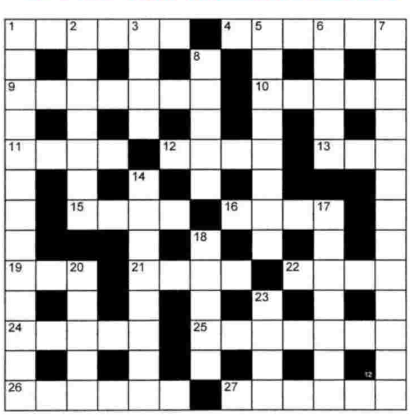
October 7, 2006

PM for more reforms to boost debt market
The Prime Minister, Dr Manmohan Singh, said he was confident of forging a consensus on financial sector reforms to get an annual growth of 8-10 per cent. He said a higher level of investment could be facilitated by making the financial markets more globally competitive. "We need to promote a widely held pension fund system. We need a much larger insurance sector with a higher capital base and more diverse products," the Prime Minister said.

Govt sets up panel to open up legal services
In a signal that the Government intends to move forward on opening up the legal services sector, the Minister for Commerce and Industry, Mr Kamal Nath, said that a panel of lawyers had been constituted under the UK-India Joint Economic and Trade Committee (JETCO) to work with a similar group in the UKand deliberate on opening up the legal services sector.

Taiwan IT cos plan to invest $2 b in India
Information, communication and technology (ICT) companies from Taiwan plan to invest $2 billion in their Indian operations in next three years, if suitable infrastructure is created and adequate tax incentives are provided to them.

BL TWO-WAY CROSSWORD 2751



EASY

ACROSS
1. Lamellibranch shellfish (6)
4. Sacredly obscure (6)
9. Canadian/American waterfall (7)
10. A set pack-down in rugby football (5)
11. A seabird (4)
12. Space (4)
13. Be mistaken (3)
15. Support, stay (4)
16. A take-off, satirical sketch (4)
19. Long, crisp lettuce (3)
21. Metal, fineness measured in carats (4)
22. Give a broad smile (4)
24. The Muse of amatory lyric poetry (5)
25. End-stations (7)
26. Edible part of nut (6)
27. To accomplish by craftiness (6)

DOWN
1. A lawyer's head of office (8,5)
2. Coquille shellfish (7)
3. Dash, impetuosity (4)
5. Muslim women's double-veils (8)
6. Trey in cards (5)
7. All-embracing (13)
8. Castrated cock bird (5)
14. Snake-killing animal (8)
17. Changing direction (7)
18. Thromboses (5)
20. A step indoors (5)
23. Song in set form from opera (4)

NOT SO EASY

ACROSS
1. Shellfish, one is told, may substitute for brawn (6)
4. It is allegorical if my cane has lost its tip (6)
9. A right, once more, to turn back to the Falls (7)
10. Credit is given, in total, to the rugger pack (5)
11. The innocent victim is a bird (4)
12. The chamber Othello retired to (4)
13. Further research shows how wrong it will go (3)
15. Support an actor may have in hand (4)
16. Squadron-leader joining the outfit for take-off (4)
19. Lettuce, price of which is reduced (3)
21. Or it may be the centre of the archery target (4)
22. Ring the changes with an expression of delight (4)
24. One Muse was found in a corner at Olympus (5)
25. They spell out the ends for miner, it might appear (7)
26. It is the heart of the nut we are told that sounds higher than major (6)
27. New lag may turn to fix it (6)

DOWN
1. He's coping with a pen-pusher, this legal employee (8,5)
2. It is a shellfish the edges of which one will cut in curves (7)
3. Impetuosity shown in polite language (4)
5. Such cover-ups in the Muslim world render Sam shaky (8)
6. A number equal to none in terms of company (5)
7. Sort of full cover motorist takes out for school (13)
8. Table bird has its head covered (5)
14. My French greylag is not a bird but a mammal (8)
17. This point, critical in one's life, may be going off (7)
18. Blood coagulates with carbon – masses of it (5)
20. With this case one expects to get a rise (5)
23. Mme Callas didn't begin with this bit of opera (4)

SOLUTION: BL TWO-WAY CROSSWORD 2750

ACROSS 1. Brickbat 7. Delft 8. Rampart 9. Incisor 10. Erne 12. Gum-tree 14. Satanic 17. Gale 18. Bellini 21. Coroner 22. Trade 23. Restored
DOWN 1. Bargee 2. Imminent 3. Knap 4. Acting 5. Plus 6. Starve 7. Decimal 11. Concise 13. Retainer 14. Sabots 15. Chicle 16. Feared 19. Leap 20. Fret

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An elusive US deal

India must remain focused on its long-term interests

Union Finance Minister Nirmala Sitharaman on Monday noted that negotiations on the trade deal with the United States (US) had reached a plateau, where further concessions from either side would be difficult. Ms Sitharaman's assessment of the situation looks more convincing than previous statements from both sides emphasising that the deal was almost done. It is also worth recalling that US Trade Representative Jamieson Greer noted last week that both sides had identified the sticking points, but the deal was not imminent. To be fair, negotiating a trade agreement between two large economies at very different levels of development is not easy and would naturally take some time. What makes it urgent is the nature of the administration in Washington.

US President Donald Trump sees the trade deficit with individual countries as a problem and a result of unfair treatment. This was the driving force behind the so-called reciprocal tariffs, imposed on most trading partners last year. It was struck down by the US Supreme Court this year. Subsequently, the administration imposed temporary tariffs and launched investigations under Section 301 of the US Trade Act, 1974. With the conclusion of one of the investigations, it imposed a tariff of 10 per cent on India and others on the pretext of the presence of forced labour in supply chains. Some countries are facing a 12.5 per cent tariff under the same provision. The other investigation on excess industrial capacity is still underway. The broad understanding is that the idea is to take the tariff levels close to the reciprocal rate. In theory, a trade deal before the next round of tariffs is announced would have placed India in a comparatively good position. However, it appears that it may not happen in a hurry. As has been hinted, it is likely that the US is looking at its trade deficit with India and aiming to reduce it to the extent possible. India had a trade surplus of about $34 billion in 2025-26.

This is a difficult negotiating position. India also runs a current-account deficit (CAD), which means it buys more goods and services from the rest of the world than it sells. It so happens that it runs a surplus with the US and a deficit with other countries as a whole. Reducing the surplus with the US would mean that India would have to shift imports from other parts of the world to the US. This may not be efficient, and the US may not be in a position to supply all that India needs. Notably, the US' trade deficit in goods with China in 2025 was over $200 billion. Although it was substantially lower than in the previous year, it has been argued that goods were rerouted through other countries. Interestingly, despite tariffs, the US trade deficit in goods in 2025 increased to over $1.2 trillion. It would be worth watching how the Trump administration cuts this level of deficit. Given the US fiscal position and growing investment demand in the private sector, the US trade deficit and CAD will likely grow in the coming years.

Be that as it may, it would be important for India to remain engaged with the US. There is an added complexity for India. The US Congress has empowered Mr Trump to impose additional tariffs on countries importing Russian energy. The US imposed additional tariffs on India last year, which should be avoided now. It is important to note that India's relations with the US go much beyond trade, which the current transactional administration in Washington is unwilling to appreciate. However, India must remain mindful of its long-term interests.

The cost of drought

Focus should go beyond immediate relief

Maharashtra has declared drought in 265 of its 358 talukas. The Marathwada and Vidarbha regions are particularly affected, with the soybean, cotton, tur, and maize crops hit by moisture stress. Maharashtra accounts for nearly 48 per cent of India's soybean and 39 per cent of tur output. A significant crop loss could eat into farm incomes as well as push up the prices of pulses, edible oils, and livestock feed. Notably, the impact of a deficient monsoon is not limited to Maharashtra. India's monsoon this year ended with 12.6 per cent below normal rainfall at 759.4 millimetres (mm) against the long-period average of 868.6 mm. It was the fourth-lowest monsoon rainfall since 2001 and the weakest since 2015. The deficit was accompanied by considerable regional variation, leaving reservoirs and soil moisture under stress. More than half the country was under dry or drought conditions by mid-September, with western and southern India affected the most. This is worrying particularly because the monsoon accounts for more than 70 per cent of India's annual rainfall and replenishes the water reserves needed for agriculture, drinking water, and power generation.

Deficient rainfall has reduced the water levels in 178 reservoirs monitored by the Central Water Commission to almost 70 per cent of their capacity as of last week, below the 10-year average of 76.6 per cent. This weakens the buffer available for both irrigation and drinking water and complicates the outlook for the coming rabi season. According to an estimate by rating agency Icra, kharif acreage was 1.2 per cent lower, year-on-year, with most crops except pulses and coarse cereals contracting. It has consequently lowered its FY27 estimate of agricultural growth to about 1 per cent and warned of risks to rural demand and food inflation. It is worth noting that the consequences of a weak monsoon extend well beyond the farm sector. The drought has also had a spillover effect on the power sector, for instance. Hydropower generation was nearly 12 per cent below the projected requirement in the first half of FY27, resulting in greater reliance on coal. At the same time, coal stocks at power plants subsequently fell sharply, which added to supply pressures during evening hours.

The policy response must, therefore, be comprehensive. Reservoir water should be prioritised for drinking needs and critical irrigation. Crop advisories should encourage, where agronomically appropriate, shifts towards less water-intensive crops. Crop-loss assessment, soil-moisture monitoring, and weather advisories need to be strengthened. The rural-employment scheme, which was recently renamed the Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin), or VB-G RAM G, and guarantees 125 days of wage employment, will also be tested in terms of providing relief in the affected areas. Any meaningful relief, however, will carry a fiscal cost. Maharashtra's drought-relief package is estimated at about ₹45,000 crore, which will add pressure to an already constrained state Budget. The Centre too needs to support drought-affected states. Compensation will be needed, particularly for farmers facing crop failure, but a substantial part of public spending should improve water-use efficiency and drought preparedness. This would help reduce both the economic damage from future rainfall shocks and the fiscal burden of repeated relief. States like Maharashtra need to move away from water-intensive crops like sugarcane.

Giving a push to process reforms

Tomorrow's GST Council meeting may be less exciting, but no less important than the last one

ILLUSTRATION: BINAY SINHA



RAISINA HILL
A K BHATTACHARYA

Nine years, three months and six days ago, India saw the launch of its biggest indirect-tax reform — the goods and services tax (GST). About nine and a half months prior to that launch, the GST Council, a constitutional body, was set up with the power to make all key decisions on GST rates and slabs. That was on September 12, 2016.

Between the formation of that constitutional body and the launch of the new tax system, the GST Council met 18 times. Such a high frequency of Council meetings was understandable, given that a major taxation reform was being rolled out, requiring massive preparatory work through consultation. Also, since India adopted a dual GST model (with both the Union and state governments levying the tax on the same products and services), a permanent joint platform like the GST Council became necessary. In most other countries with GST (including even the few that have adopted the dual GST model), this function is performed by their respective legislative bodies, which undertake tax rate reviews annually as part of the budget process.

In India, the frequency of GST Council meetings, however, has slowed considerably since the launch of the new tax system. Only 38 meetings took place between July 1, 2017, and September 3-4, 2025 — fewer than five meetings per year on average. Significantly, the number of meetings in a year has gradually declined as the GST system has stabilised — from eight meetings each in 2017-18 and 2018-19 to five meetings in 2019-20, and settling down to three-four meetings a year in the following five years. In 2025-26, only one GST Council meeting took place, even though its first meeting in September 2016 had suggested it should meet at least once a quarter.

On Thursday (October 8), the 57th meeting of the GST Council is scheduled to take place in New Delhi.

The significance of Thursday's meeting lies not just in the fact that it is being held after a gap of more than a year, but also in the nature of the decisions taken at the previous meeting on September 3 and 4, 2025. Expectations for a meeting held after over a year have therefore risen.

The last GST Council meeting undertook the most comprehensive review of the tax system's rate structure. It changed the rates of over 450 goods and services across a wide range of areas, including agriculture, food, tobacco, fertilisers, coal, renewable energy, textiles, health, education, consumer electronics, paper, transportation, sports goods, toys, leather, wood, defence, footwear, construction, handicrafts, machinery, job work, local delivery, and insurance.

Unlike the previous two rounds of rate reviews in November 2017 and December 2018, when rates were only brought down for 94 and 17 categories, respectively, and without changing the slab structure, the GST Council undertook a far more comprehensive exercise in September 2025. This led to a reduction in rates for about 380 goods and 24 services, and an increase in rates for about 40 goods and 10 services. More importantly, almost all goods and services, barring a dozen-odd items attracting a 40 per cent rate, were placed under only two slabs — 5 per cent and 18 per cent. This reduced a multi-tiered tax structure to a three-slab tax system.

What happens at the GST Council meeting on October 8, however, will be different. Tomorrow's meeting is not about rates as any further rationalisation has been taken off the table for the time being, making such reviews an annual exercise. Instead, the meeting will be largely about processes. Therefore, the outcomes from this meeting may not be as exciting as those from the 2025 meetings. But their significance in real terms for the economy and the ease of tax collection will be huge. Consider the following.

As many as 14 sectors are likely to benefit from changes in procedures for assessing and collecting GST, making the process simpler and easier, and facilitating easier refunds and claims for input-tax credit. These are: Agriculture, MSMEs (micro, small and medium enterprises), exporting firms, ecommerce, logistics, infrastructure, automobiles, financial companies, hospitality & tourism firms, health care & pharmaceuticals, real estate & construction, shipping & ports, telecommunications, and manufacturing.

In addition, there are other proposals for reforming the registration process, steps to ensure faster refunds, removal of obstacles to claiming input-tax credit, improving the attractiveness of exports, reducing litigation and providing certainty, decriminalising tax-evasion cases without undermining the process of prosecuting offenders, enabling compliance for digital and technology companies, and introducing a level playing field for companies. The guiding principle behind these changes is to remove inconsistencies and ambiguities that remained unaddressed in last year's meeting.

A couple of examples will indicate how important the proposed changes will be for improving the ease of doing business for ordinary business entities and transporters. A vehicle carrying goods can now be stopped only where there is specific information to act on, ruling out random checks on highways. The decision to stop the vehicle must be authorised beforehand by senior officials. And the vehicle can be stopped only by the state where the goods transportation began. States through which the goods pass and the states where they are supposed to be delivered will not have the power to intervene. For speedier goods movement and for freeing transporters from harassment, this move can be a game changer.

Similarly, MSMEs with an aggregate annual turnover of up to ₹5 crore supplying goods and services exclusively to unregistered persons can furnish only one return in a year (compared to several returns by others) and pay tax quarterly. An estimated 1.7 million such tax-paying small entities will benefit from this simplification. The ecommerce platform economy and its small suppliers will benefit as they will not be required to register separately in each state where they deliver their goods and services.

This list can be longer. But the implications are clear. If these proposals get approved by the GST Council on Thursday, the positive impact on businesses and the economy will be no less than what the decisions of September 2025 yielded.

There is, however, a need to guard against complacency. Most of the proposals for the 57th meeting of the Council take away the many arbitrary powers that the bureaucracy involved in implementing and enforcing the GST has been used to exercising for many years. Such disempowerment must be accompanied by strong, unwavering support from political leadership at the state level in particular.

Even more important will be the streamlining of GST registration and assessment machinery. At present, companies with businesses operating in more than one state must obtain separate GST registrations and subject themselves to the jurisdiction of tax authorities in each of those states or Union Territories. Such a reform does not need to be approved by the GST Council. A good beginning would be for the Union government to give enterprises operating in more than one state the benefit of a single registration and tax jurisdiction, at least for central GST to begin with. This move alone should help over a quarter of a million tax-paying entities in the country.

Once the benefits of such a reform become visible, a similar simplification could be attempted for state GST registration as well. Reform is a process. Hopefully, the 57th meeting of the GST Council will pave the way for more such reforms in the days to come, including a transition towards a completely online and faceless GST assessment system, like the one already implemented for direct taxes.

The missing half of India's tech policy



JAYANT SINHA

India's policy debate is often dominated by a single question: What should the government do? We argue about the right industrial policy, the right approach to artificial intelligence (AI), the right incentives for deep tech, and the right financing architecture for the energy transition. These are all valid questions, but they address only half of the outcome. The other half is whether we have institutions capable of implementing those policies with competence and continuity.

This matters most when the government is allocating risk capital. Public systems are rightly built around transparency, accountability, and process. Investment decisions require something further: Specialised domain knowledge, judgement about people and technologies, and a tolerance for uncertain outcomes. A file can establish compliance. It cannot tell you whether a first-time fund manager has the judgement to back the next generation of Indian technology companies. That capability sits in the market, with people who have backed such teams and lost money on some of them.

We confronted exactly this problem when I was minister of state for finance. In 2015, the government launched the India Aspiration Fund through the Small Industries Development Bank of India (Sidbi) with a corpus of ₹2,000 crore. Rather than ask officials alone to select venture funds, Sidbi constituted a Venture Capital Investment Committee drawn from India's investment and entrepreneurial ecosystem. That committee made the investment calls, and its recommendations then went through Sidbi's formal governance process for approval. The institution supplied the safeguards and the audit trail. The committee supplied the judgement.

Expert investment committees offer three advantages. First, detailed domain expertise. Evaluating a venture fund, a semiconductor company, a biotechnology platform, or an AI model requires technical and commercial understanding that administrative experience alone does not produce. Second, networks. Investment decisions are ultimately decisions about teams. Experienced investors know the founders, the technologists, and the previous limited partners, and can triangulate a reputation in a few phone calls. Third, continuity. Officers in ex-officio positions move on after two or three years. An expert can serve five years or more, which matters when funds run for 10 to 12 years.

The architecture was then scaled through the ₹10,000 crore fund of funds for startups approved in 2016. By December 2025, the alternative investment funds it backed had invested about ₹25,548 crore in 1,371 startups. Anchor commitments of this kind helped catalyse domestic venture capital by giving first-time Indian managers the confidence and capital for a first close, and by pulling far larger pools of private money alongside.

This institutional innovation has since spread. Startup India Fund of Funds 2.0, notified in April 2026 with another ₹10,000 crore, allocates across deep tech, micro venture capital, technology-led manufacturing, and agnostic funds, with a Venture Capital Investment Committee. The ₹1 trillion Research, Development and Innovation Scheme uses a two-tier architecture in which second-level fund managers evaluate projects through investment committees of independent external experts. Together, these mechanisms are creating a new institutional architecture for financing deep tech.

The same approach is now being considered for a proposed National Frontier AI and Compute Fund, with a reported government anchor of ₹15,000 crore to ₹20,000 crore, roughly equal private capital, and investment decisions taken by a committee of technology, investment, infrastructure, and finance experts. A graphics processing unit (GPU) cluster is capital-intensive and depreciates on a three- to four-year cycle, so capacity built against demand that does not arrive gets stranded quickly. Whether a specific cluster, with specific offtake commitments at specific prices, should be funded is an expert call.

Two improvements are now required. The first is to globalise these committees. India competes for capital, technology, and talent globally, and a committee evaluating frontier AI, quantum computing, or advanced materials should include people who have built companies and investment platforms in Silicon Valley, Boston, London, and Singapore. The diaspora gives us an extraordinary pool of talent that can contribute to national institution building.

The second is that active VC investors should generally not sit on committees allocating public capital in sectors where they are currently deploying. The recent discussion around the RDI Fund showed why perceptions matter even where disclosure and recusal rules exist. The government defended its safeguards and signalled openness to more, which is the right instinct. For public capital, avoiding actual conflicts is not enough; the institutional design must also minimise the appearance of conflict. India now has a deep bench of retired investors, former technology executives, academics, and global experts who can supply sophisticated judgement without creating avoidable conflicts.

Countries develop because they build institutions that decide well repeatedly, transparently, and over decades. Expert investment committees are one such institutional innovation, and they have earned their place. Improving them further is how we convert public capital into private capability, and policy ambition into Viksit Bharat.

The writer is president of the Everstone Group and a visiting professor in practice at the London School of Economics. He is a former minister of state for finance and civil aviation, and a former chairman of the Parliamentary Standing Committee on Finance

Crisis-proofing the corporation

BOOK REVIEW

CHINTAN GIRISH MODI

The mind starts to spin while revisiting the massive events that affected the Indian economy between 2015 and 2025. In 2016, the government demonetised all 500 and 1,000 rupee bank notes, hoping to crack down on counterfeit currency. The goods and services tax, the biggest tax reform since Independence, was rolled out the following year. In 2020, a 21-day nationwide lockdown was announced to combat the Covid-19 pandemic.

The year 2021 ushered in the global supply chain crisis, spiking freight rates. The expense of transporting goods shot up so much that shipping containers were suddenly more valuable than their contents. From 2022 onwards, Russia's war with Ukraine, Israel's with Hamas, and the United States' with Iran had ripple effects in India, impacting supply chains for fuel and fertiliser imports, and straining the rupee. In addition to this, the US Federal Reserve raised interest rates 11 times in a row in 2022-2023.

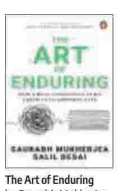
Saurabh Mukherjea and Salil Desai were curious to find out which Indian companies were able to not only survive this turbulent period but also "turn crisis into opportunity", outpacing India's gross domestic product growth and generating returns on capital exceeding 15 per cent every year. Their book *The Art of Enduring* zeroes in on five companies from the BSE500 index that showed "the ability to befriend time". These are: Bajaj Finance, Titan, Dr Lal PathLabs, Divi's Labs, and Tata Elxsi.

The biggest takeaway from this book is that shocks can be absorbed and uncertainty can be managed with a long-term vision to improve performance, care for people, and deliver profits. It might be useful to entrepreneurs starting out on their journeys, and to readers deciding where to invest. That said, it opens with the disclaimer that the authors, their families, their firm, and the firm's clients "may have a beneficial interest in the companies mentioned in this book".

Mr Mukherjea is the founder and chief investment officer of Marcellus Investment Managers, and the former CEO of Ambit Capital. He also brings to the book his experience as a founding director of the Association of Portfolio Managers in India, and as a member of the expert committee constituted by the Securities and Exchange Board of India in 2019 to upgrade portfolio management services regulations. Mr Desai's insights come from being the head of research at Marcellus, and his previous experience with IDFC Securities and Premji Invest.

The success of these five companies is analysed using British economist Sir John Kay's four pillars of competitive advantage — innovation (in terms of processes, products and business models), brand (reputation), architecture (the web of relationships with employees, suppliers and customers), and strategic assets (patents, exclusive relationships and institutional knowledge). This framework can be used by readers for assessing and transforming their own organisations.

We are told that Bajaj Finance has gained from long-range planning exercises, a rigorous "bottoms-up process" with the company's top 1,000 people. It involves "external benchmarking, macro analysis, review of existing processes and how to deploy technology in every sphere to improve growth and productivity." Resources are requisitioned and allocated accordingly.



The Art of Enduring
by Saurabh Mukherjea and Salil Desai
Published by Penguin Random House India
352 pages ₹699

With Dr Lal PathLabs, being an early adopter has been the winning strategy. In the diagnostic industry, "it may not always be commercially viable for a business to invest in the physical, financial and human resources" required to offer tests that are not routine and, therefore, not in demand from a large number of patients. However, the foresight to invest in these, "akin to product development for an FMCG company" has helped them stay ahead of competition.

The authors attribute the success of Divi's Labs to their clients' confidence that the company will never compromise on intellectual property, the assurance of reliability of supplies, a strong track record of regulatory compliance, and transparent communication with clients without fearing loss of business. Tata Elxsi's emphasis on relationships provides "psychological safety" to their employees, resulting in a work culture where people find it easy to admit mistakes and seek help.

Titan's investment in vendor relationships with *karigars* has contributed to its success. The company runs listening sessions to understand their hopes and aspirations, organises eye camps, provides support with medical insurance premiums, and celebrates Goldsmith Day every year.

The book is filled with many such best practices that will hopefully encourage readers to adopt and adapt because a crisis need not be a death sentence. At a time when private sector investment is thin on the ground and Indian corporations' reputation for innovation and strategic vision are conspicuous by their absence, these few examples could offer fuel for new beginnings.

The reviewer is a journalist and literary critic. @chintanwriting

The Statesman
Incorporating and directly descended from the Friends of India -founded 1818

Test of Trust

India's Election Commission was created to ensure that political competition does not become a contest over who controls the machinery of the contest itself. The developments surrounding Chief Election Commissioner Gyanesh Kumar suggest that this principle is now facing a test that extends well beyond the controversy over electoral rolls.

At the centre is the Special Intensive Revision of voter lists. Removing dead, duplicate or otherwise ineligible names is an essential administrative task. But an electoral roll is not merely a database to be periodically cleaned. Behind every entry is a citizen's right to participate in choosing a government. When millions of names disappear, even legitimately, the process requires safeguards strong enough to distinguish administrative correction from wrongful exclusion as they can alter citizens' ability to exercise a basic democratic right.

What has transformed the controversy into an institutional crisis, however, is what has been reported from within the Commission itself. The two other Election Commissioners, Sukhbir Singh Sandhu and Vivek Joshi, are reported to have objected repeatedly to decisions concerning the revision and other electoral processes. The Commission says its decisions were taken unanimously. That contradiction is too important to be left to competing assertions. If disagreements occurred, the public deserves to know how they were handled. If they were resolved collectively, the record should establish that.

The protests in Delhi and Mumbai have given the dispute another dimension. Opposition parties are demanding Kumar's resignation, while the Cockroach Janata Party and other groups have taken the issue to the streets. Their allegations of deliberate manipulation cannot be treated as established facts merely because they have generated large demonstrations. But neither can the protests be dismissed simply as partisan agitation. When citizens begin to believe that the institution administering elections cannot be trusted, the resulting damage extends beyond any individual election.

This is where the Election Commission faces a responsibility that cannot be discharged by repeatedly asserting that its procedures are lawful. Legality is necessary; public confidence requires demonstrable fairness. The Commission must make its processes sufficiently transparent to establish how deletions were determined, how genuine voters can be restored and how internal disagreements are recorded and resolved.

The larger danger is not that one side of India's political divide will accuse the Commission of bias. Such accusations are inevitable in fiercely contested elections. The danger is that enough citizens across the political spectrum will cease believing that the electoral referee is capable of proving its neutrality. That is why the present controversy deserves scrutiny beyond the fortunes of Gyanesh Kumar or any political party. India's democracy does not require the Election Commission to be immune from criticism.

It requires an Election Commission capable of answering criticism with evidence. As for Kumar, he must draw lessons from those of his predecessors who conducted themselves with integrity, and not from the few bad eggs who besmirched the Commission's name.

Diesel Warning

The global energy crisis has entered a revealing new phase. The G7's decision to release up to 100 million barrels of oil and diesel from strategic reserves is not an intervention to cool an overheated market but an admission that an increasingly interconnected energy system can be destabilised with alarming speed – and that governments have limited choices once the disruption reaches the fuel pump.

The immediate concern is diesel. Unlike petrol, diesel is woven deeply into the machinery of the real economy. Trucks carry food and manufactured goods; farmers depend on diesel-powered equipment; construction, mining and industry consume it in large quantities. A sustained increase in diesel prices therefore does not remain an energy story. It becomes a transport story, an inflation story and eventually a household-income story.

That explains the urgency behind the G7 decision. A substantial portion of the reserves is to be released quickly, with the initial emphasis on diesel. The objective is not to make energy cheap but to prevent a supply squeeze from becoming self-reinforcing. Expensive fuel raises costs that feed into prices, and fears of shortages encourage precautionary buying.

Yet strategic reserves can only buy time. They cannot manufacture additional refining capacity, reopen disrupted trade routes or remove geopolitical risks. The strain has multiple sources, including the war involving Iran, restrictions on Russian diesel exports and continuing uncertainty around shipping through critical waterways. The market therefore remains vulnerable to the next disruption even after this intervention.

The episode also exposes the limits of economic nationalism in an integrated energy market. President Donald Trump's threat to restrict American diesel exports was understandable in domestic political terms: American farmers, truckers and businesses were facing higher costs. But the US is also a major supplier to the international market. Cutting exports might have eased pressure at home while transferring more of it abroad, particularly to countries heavily dependent on imported diesel.

The G7 agreement is significant because it rejects that zero-sum approach for the moment. Members have agreed not only to release reserves but also to avoid energy-export restrictions among themselves and to coordinate refinery maintenance so that several facilities do not go offline simultaneously.

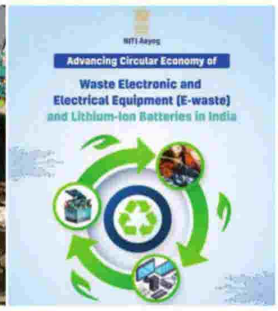
There is a larger lesson here for energy-importing countries such as India. Strategic stocks matter, but so do diversified import sources, domestic refining capacity, resilient shipping arrangements and the ability to withstand sudden price shocks. An economy that depends on uninterrupted fuel supplies cannot treat energy security as simply a question of how much crude it can buy.

The reserves will eventually have to be replenished. The geopolitical tensions will not disappear when barrels reach the market. The G7 has therefore not solved the energy problem. It has demonstrated something more modest – that cooperation becomes a form of economic self-defense. The real test will be whether governments use this breathing space to reduce their vulnerability before the next shock arrives. And it will.

Circular Economy

India's resource challenge is becoming more acute precisely as its industrial ambitions expand. It wants more electronics, vehicles, renewable-energy equipment, batteries, buildings and infrastructure. Every one of these sectors consumes materials. The question is whether the country's future demand will be met predominantly by extracting and importing more virgin resources, or increasingly by recovering materials already embedded in the domestic economy





For decades, India has treated waste as the end of the production cycle. But as the country urbanises, electrifies and digitises, discarded batteries, vehicles, electronics, tyres, plastics and metals are becoming something else: a vast, underused pool of industrial resources. The circular economy is built on a simple proposition – materials should remain in productive use for as long as possible, and what is discarded should become an input for what comes next.

The opportunity is substantial. The Economic Survey 2024-25 cited an estimate that greater resource circularity could generate cost savings equivalent to 11 per cent of current GDP by 2030 and 30 per cent by 2050. These are projections, not guaranteed gains, but they illustrate why circularity deserves to be considered an industrial policy issue rather than simply an environmental one. India's resource challenge is becoming more acute precisely as its industrial ambitions expand. It wants more electronics, vehicles, renewable-energy equipment, batteries, buildings and infrastructure.

Every one of these sectors consumes materials. The question is whether the country's future demand will be met predominantly by extracting and importing more virgin resources, or increasingly by recovering materials already embedded in the domestic economy.

The numbers from India's waste streams are beginning to make the case. A NITI Aayog assessment from early this year projects e-waste generation to rise from 6.19 million tonnes in 2024 to 14 million tonnes by 2030. The same assessment projects lithium-ion battery demand to rise from 29 GWh in 2025 to 248 GWh by 2035. End-of-life vehicles are projected to increase from 23 million in 2025 to 50 million by 2030. These are not separate environmental problems, but emerging industrial resource pools.

Consider critical minerals. India imports many of the materials needed for advanced electronics, electric mobility and clean-energy technologies. Recycling cannot eliminate this dependence: NITI Aayog itself cautions that recycling will only partially satisfy demand for several battery minerals. But it can create a secondary source of supply, particularly for materials such as lithium, cobalt, nickel and other strategically important elements.

This explains an important policy development in 2025. The Union government approved a Rs 1,500-crore incentive scheme for critical-mineral recycling under the National Critical Mineral Mission. Eligible feedstock includes e-waste, spent lithium-ion batteries and scrap such as catalytic converters from end-of-life vehicles. The significance is larger than the size of the subsidy: recycling is being recognised as part of resource security.

India has also built a regulatory architecture around Extended Producer Responsibility, under which producers are assigned responsibility for managing products after their useful life. The framework now covers plastic packaging, batteries, e-waste, tyres, used oil, end-of-life vehicles and other material streams. In 2025, the government also introduced frameworks for end-of-life vehicles, construction and demolition waste and non-ferrous scrap.

There is evidence that this architecture is beginning to create a formal recycling market. As of mid 2026, government data recorded 2,986 registered plastic-waste recyclers, 520 battery-waste recyclers, 579 tyre-waste recyclers and 386 e-waste recyclers. The reported quantities recycled were 19,697 million tonnes of plastic waste, 6,937 million tonnes of battery waste, 12,229 million tonnes of tyre waste and 2,875 million tonnes of e-waste. Yet these numbers should not encourage complacency. Recycling capacity on paper is not the same thing as a functioning circular economy.

India's central difficulty is collection, traceability and economics. Valuable materials often fail to reach formal recyclers. Informal networks remain deeply embedded in collection and dismantling. NITI Aayog's January 2026 assessment notes that rapidly growing e-waste and lithium-ion battery waste are still substantially managed through informal channels, often using unsafe processing methods. It recommends stronger auditing, common recycling facilities, better collection systems and the formalisation of informal workers rather than simply attempting to eliminate them. This is where policy must become more sophisticated.



AMAL CHANDRA

The writer is an author, policy analyst, and columnist, currently serving as The Statement Fellow and Coordinator, South Asia at Students For Liberty

A circular economy cannot be built merely by announcing recycling targets. Someone must collect the discarded product, transport it economically, identify its composition, dismantle it safely and recover materials at a purity that industry is willing to buy. If virgin material remains cheaper than recovered material, regulation alone will struggle to create a durable market.

The same problem applies to small businesses. India's recycling ecosystem will not be transformed entirely by large corporations. Thousands of micro and small enterprises already operate close to waste streams and manufacturing clusters. The government's MSE-SPICE scheme, with an outlay of Rs 472.5 crore for 2023-24 to 2026-27, provides capital subsidy support for eligible circular-economy projects. Its sectors include plastics, rubber, electronic waste, lithium-ion batteries, end-of-life vehicles, scrap metals and solar panels.

But implementation remains the harder test. Under MSE-SPICE, the government has approved a technology deck covering 116 circular-economy technologies, yet the latest MSME Annual Report 2025-26 records only 10 MSEs receiving capital-subsidy support so far. The contrast between the scale of the policy ambition and its limited adoption points to a wider challenge: India's circular-economy transition will depend not merely on announcing incentives, but on making technology, finance and compliance accessible enough for smaller firms to participate.

The next phase therefore requires a shift from waste management to material management. India needs reliable material-flow data, stronger standards for recycled inputs, better testing and certification, cheaper financing for recycling plants and predictable demand from manufacturers. Government procurement could help create markets for certified recycled materials. Product design should consider repairability, durability and eventual recovery.

The renewable-energy transition makes this particularly urgent. Solar panels, batteries, electric vehicles and electronic equipment are being deployed precisely because India wants a cleaner and more technologically sophisticated economy.

But the transition cannot simply move environmental costs downstream. The Ministry of New and Renewable Energy has already launched an innovation challenge focused on circularity in batteries and solar photovoltaic technologies, including recycling, reuse and resource efficiency.

India therefore faces a choice about what kind of industrial power it wants to become. It can remain predominantly a large consumer of imported primary resources while treating discarded materials as a municipal burden. Or it can build an industry that mines the urban economy for metals, components and materials already paid for once.

The second model will not replace conventional mining, manufacturing or imports. Nor will recycling by itself solve India's environmental problems. Its significance lies elsewhere: it can make Indian industry more resource-efficient, create new manufacturing and technology markets, improve supply-chain resilience and reduce the quantity of economic value lost when products become waste.

The industrial opportunity in circularity is not found at the garbage dump. It lies in redesigning the relationship between production and disposal. For a country seeking to become a major manufacturing economy while securing critical resources, that relationship may prove to be one of the most consequential industrial policy questions of the next decade.

Việt Nam News

HCM City deepens sub-national diplomacy with global partners

With a friendship network comprising 88 foreign localities and 20 international organisations, HCM City has established a strong foundation for its pioneering, dynamic role in Viet Nam's sub-national diplomacy. Foreign diplomats and representatives of the city's international partners spoke to Viet Nam News about bilateral ties and multifaceted cooperation between their localities and HCM City.

With a friendship network comprising 88 foreign localities and 20 international organisations, HCM City has established a strong foundation for its pioneering, dynamic role in Viet Nam's sub-national diplomacy. During the 3rd HCM City Friendship Dialogue, foreign diplomats and representatives of the city's international partners spoke to Viet Nam News reporter Hồng Linh about bilateral ties and multifaceted cooperation between their localities and HCM City.

The partnership between HCM City and the city of Lyon takes place in the broader but very important framework of our comprehensive strategic partnership. France has had a comprehensive strategic partnership with Viet Nam since 2024, and there is a very strong connection between the leaderships of our two countries. This year also marks the third time our two leaders have had a high-level visit. The partnership between Lyon and HCM City takes place in this very dynamic bilateral relationship. The two cities share a very strong and deeply rooted relationship that started in 1990. Lyon was here at the very beginning of the opening of Viet Nam, and has been a strong partner ever since.

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Lyon is a reliable sister city for HCM City, with different strands of cooperation, particularly strong economic cooperation. This also includes culture, which has been a very powerful way of cooperating between the two cities, and higher education, with much cooperation between universities.

I think we can speak about three major fields of cooperation between Lyon and HCM City. The first one is health, including tech in the health sector. This is because Lyon is one of the main cities in Europe for the health sector. It is the seat of very strong health companies such as bioMérieux, Boiron, and Sanofi.

During General Secretary and President Tô Lâm's visit to Paris recently, another MOU was signed between VNVC Vaccine JS Company and Sanofi Group, indicating that health is a key aspect in the economic partnership between Lyon and HCM City.

The second sector is construction and engineering. There are a lot of projects ongoing here in Viet Nam, and Lyon has been the historical base of one of the main French engineering companies, Artelia, that has been active in Viet Nam for more than 20 years.

Letters To The Editor | editor@thestatesman.com

Palpable disquiet

Sir, The pomp and pageantry accompanying Xi Jinping's Washington visit complete with a ceremonial welcome redolent of the grand diplomatic theatre once reserved for Harold Macmillan under John F. Kennedy signals something more consequential than mere protocol. Trump and Xi are poised for frequent encounters at APEC in Shenzhen and the G20 in Miami, institutionalising a signal that could operationalise their trade détente. For India, the disquiet is palpable. Washington's transactional engagement with Beijing, alongside tariff pressures and an unsettled trade compact with New Delhi, suggests that India can no longer assume the strategic centrality accorded by earlier administrations. The February framework notwithstanding, subsequent negotiations have remained contentious.

Pakistan, meanwhile, appears to have regained diplomatic utility in Washington, particularly amid the Mecca Pact. Iran-related diplomacy, though they could not deliver anything useful. India's answer cannot be apprehension, but diversification: markets, supply chains, energy partners and strategic relationships must proliferate. Strategic autonomy becomes meaningful only when economic dependence ceases to dictate diplomatic posture.

Yours, etc., Shahin Yusuf,
Guwahati, 29 September.

Credibility

Sir, "Umpire on trial", published today, poignantly draws attention to the institutional foundations of the Election Commission. The ongoing controversy over its internal functioning inevitably brings transparency and institutional independence into sharper focus. In this context, the Supreme Court's observations on the appointment mechanism merit serious reflection. The 2023 law, by replacing the Chief Justice of India with a Union Minister nominated by the Prime Minister in the selection panel, has also invited constitutional debate. Justice Dipankar Datta's cricket analogy aptly underlines the institutional concern: the credibility of an umpire depends not merely upon his decisions, but also upon confidence in his independence. In fact, independence is not merely an attribute of an institution; it is the bedrock of its legitimacy. Yet, controversies over appointments and internal functioning should not descend into perpetual political clamour. In a democracy, the credibility of the electoral umpire and public faith in its impartiality ultimately sustain the constitutional order.

Yours, etc., Dr. Samares Khan,
Midnapore, 27 September.

CEC must go

Sir, No amount of obfuscation or Rahul-bashing by the BJP or its Chief Ministers will obscure the fact that Chief Election Commissioner Gyanesh Kumar's arbitrary decisions about voter registration, deletions and additions of names and maintenance of and access to voter database, overriding the objections of Election Commissioners Sukhbir Singh Sandhu and Vivek Joshi, resulted in mass disenfranchisement of legitimate voters for inexplicable and undisclosed reasons and made a mockery of democracy. Nobody believes that people who have died and moved away and whose names were on more than one electoral roll accounted for over 13 crore deletions. It is evident from the massive scale of deletions that the ECI conducted the SIR more as an exercise to exclude than to include voters, shirking its responsibility to ensure that the last person was registered to vote. Sandhu and Joshi who termed some of Gyanesh's decisions "unauthorized and illegal" have not yet retracted.

Those who care for democracy and put "the nation first", can no longer support the CEC's continuance in office as it is not good for India's continued existence as an elective democracy. Legal action must be taken against Gyanesh Kumar for the harm he has inflicted on Indian democracy.

Yours, etc., G. David Milton,
Maruthancode, 28 September.

Steel frame must learn silicon

DR. MANISH RANJAN AND
PRAVIN KAUSHAL

The phrase was Lloyd George's; the faith was Patel's. When the Sardar rose in the Constituent Assembly in October 1949 to defend the services he had insisted on retaining, he converted an imperial instrument into a constitutional one, and the steel frame became the republic's load-bearing wall. One of us (Ranjan) joined that frame more than two decades ago, and as the district magistrate at Hazaribag, he once made a private calculation: a district magistrate signs his name well over a hundred times a day. Some signatures needed his mind. Many, he admits, needed only his wrist. We have thought of that arithmetic constantly this past year, because a technology has arrived that writes, argues and drafts, and the question before the Indian state is the oldest one in administration wearing new clothes: what may be delegated, and what may never be.

Let it be recorded first that the government has not been caught sleeping. Under Mission Karmayogi, the iGOT platform now carries over 1.7 crore registered officials and more than 5,600 courses in 23 languages; its 218 courses on artificial intelligence and emerging technologies have logged over seven crore enrolments; and from this year, prescribed courses are mandatory for central employees and All India Services officers, linked to their annual appraisals. The steel is already in the furnace. What remains to be settled is the temper, and that is the subject of this essay, in three arguments.

The first argument begins with a homage. The humble note-sheet, mocked in a thousand cartoons, is in truth India's original reasoning engine. Precedent is retrieved, alternatives are weighed, objections are recorded, and a named officer takes responsibility in ink; the file is accountability made visible. Now observe what a large language model is: a note-writer of superhuman speed and no conscience. It can draft in seconds what took a section officer a day, and it can also invent, with perfect fluency, a circular that does not exist.

The technical discipline here has a name, retrieval-augmented generation, which in plain language means an AI that must cite the actual file rather than improvise from memory. Government AI must be built to that discipline without exception, for a hallucinated citation in a note-sheet is a disciplinary proceeding waiting to happen. The principle that follows is simple enough to put on a wall at every academy: delegate the drafting, never the discretion. Discretion is not clerical; in our scheme it is constitutional.

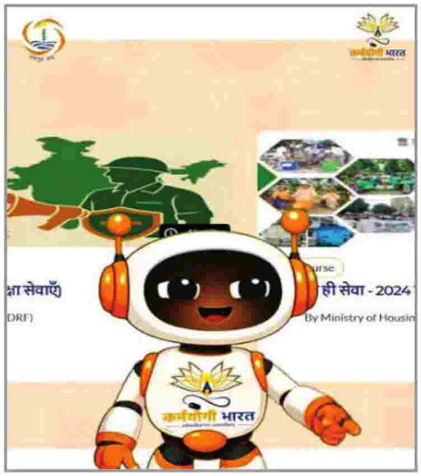
The second argument is, in our view, the most urgent of the three, because it concerns an arithmetic no ministry will escape. Public grievances on the CPGRAMS portal have grown from about two lakh a year in 2014 to nearly thirty lakh now, a testament, let it be said, to rising trust in redressal. But consider what happens when artificial intelligence makes drafting free for the citizen. Petitions, appeals, representations and applications will arrive at machine speed and in perfect English, from every panchayat.

One of us has presided over enough janta-sanvad programmes to know that the morning queue is democracy's truest census; that queue is about to become digital and endless. A state that replies at human speed to citizens who write at machine speed will drown in its own procedures. Equipping the officer with AI is therefore not an efficiency project. It is the survival of state capacity itself.

The third argument concerns the frame's oldest ailment: institutional amnesia. Officers transfer every two or three years, and the district's memory departs in the same jeep. In Garhwa, one of us inherited registers whose logic had left with his predecessor; every collector in India knows that feeling. An AI assistant trained on the office's own record, its precedents, its litigation history, its schemes and their fates, would be something the Indian state has never possessed: a memory that survives the transfer. The steel frame has always had strong hands. It is about to acquire, for the first time, a hippocampus.

Other democracies are already at the anvil. Whitehall has issued its civil servants an AI suite puckishly named Humphrey, with early trials suggesting a saving of nearly two working weeks per official per year. Singapore's assistant, Pair, serves over a lakh and a half of its officers. The United States now publishes a federal inventory listing thousands of AI use cases across its agencies. None of these models, however, has read the Indian Constitution, our manuals, our case law or our village realities, and a steel frame cannot be re-tempered in someone else's furnace.

Hence one proposal, implementable within a year. Build the Karmayogi Copilot: a sovereign assistant, grounded by design in Indian statutes, rules, judgments and departmental manuals, running on the IndiaAI Mission's own compute, offered to every officer from tehsil to bhavan, and piloted first in the districts, where the queues



are longest. Train for it the way we train for everything else; at the institute one of us now directs, faculty have begun treating AI literacy as core craft, not elective curiosity. And engrave the covenant into its very design: it advises; the officer decides.

The Sardar asked the services for one thing above all, that they serve the citizen without fear. The citizen is now arriving with a machine in hand. The state must meet her with a better one, wielded by a human being who can still be named, questioned and held to account. The wrist may be delegated. The mind never. That is the line along which the steel frame must now be re-tempered, and the furnace, this time, must be our own.

The writers are, respectively, an officer of the Indian Administrative Service and Director, Shri Krishna Institute of Public Administration, Ranchi, and a public policy professional, a Director at Verda.ai and Mrikal, a Visiting Fellow at the Centre for Policy Research and Governance, and an alumnus of IIT Kharagpur. Views are personal.

Society must go beyond smashing the patriarchy

SACHIDA NAND JHA

At a women-only rally in Pune in August 2026, Opposition leader Rahul Gandhi issued a clarion call that has since dominated political discourse: "Smash the patriarchy." Quoting a restrictive verse from the Manusmriti, he urged young women to reject a "Manusmriti mindset" and reclaim their space with the mantra, "Be loud, be proud." While the sentiment resonates with a generation chafing against real oppression, the slogan is intellectually bankrupt. It offers a culture-war weapon, not a civilisational roadmap. To move beyond performative politics, India must embrace a more profound framework: a Dharma-grounded vision for women's respect as articulated by Swami Vigyananand in The Hindu Manifesto.

Rahul's rhetoric suffers from a fatal hermeneutic flaw: it collapses the vast, pluralistic archive of Hindu tradition into a single, restrictive text. By identifying "patriarchy" solely with the Manusmriti, he commits the very reductionism he claims to oppose. As Swami Vigyananand argues, Hindu gender norms cannot be understood through a solitary verse of later smriti literature while ignoring the foundational ethos of the Vedas. The Rig Veda presents husband and wife as equal partners in religious and secular work, addresses mantras equally to women, and celebrates 28 female seers (Brahmavadinis) who composed sacred hymns. To reduce this complex civilisation to a "Manusmriti mindset" is not liberation; it is historical illiteracy masquerading as progress.

Furthermore, the slogan "smash the patriarchy" is politically potent but structurally vacuous. It functions as a rallying cry for individual assertion – "be loud, be proud"- but offers no institutional architecture for systemic change. Swami Vigyananand's fifth Sutra, "Highest Respect for Women," moves beyond slogans to demand structural reforms that eliminate violence and restore women's agency in all spheres. It asks not just for women to fight for space, but for society to redesign the very institutions - family, education, economy, and polity - that constrain them. Rahul's speech names the symptom of control but prescribes no cure beyond individual defiance. In the language of The Hindu Manifesto, he identifies an adharmic condition but offers no dharmic remedy.

The hollowness of Rahul's approach is most evident in his treatment of Hindu exemplars. His narrative implicitly casts Hindu tradition as a monolith of oppression, ignoring its own powerful archetypes of female agency. Swami Vigyananand's framework centres figures like Gargi and Maitreyi, who engaged kings and sages in high philosophical debate, and Draupadi, who publicly demanded justice from failing elders. These are not passive victims of a "Manusmriti mindset"; they are active agents who shaped dharma through assertiveness and intellect.

By erasing these figures, Rahul's rhetoric cedes the Hindu tradition to reactionaries, implying that women's liberation must come from outside the culture rather than from its own deepest resources. A truly cutting-edge politics would not smash these icons but resurrect them as paradigms for modern leadership.

Moreover, Rahul's slogan reduces the women's question to a political weapon in a culture war. By tying the "Manusmriti mindset" directly to the BJP-RSS ideological world, he seeks to put Hindu nationalism on the defensive. While politically expedient, this strategy is intellectually dishonest. It ignores the VHP's own critiques of selective quoting and fails to engage with the broader Dharmic argument that gender justice is a precondition for national resurgence, not a tool for electoral gain.

Swami Vigyananand posits that respect for women is the highest measure of a civilisation. By this standard, the metric is not how loudly a leader denounces the past, but how effectively their vision embeds women's safety, dignity, and agency into the living fabric of the nation. Rahul's "smash" rhetoric scores points in a debate; it does not build a civilisation.

A superior alternative lies in the Dharma-grounded vision for women's honour set out in The Hindu Manifesto. This approach does not deny patriarchal distortions but contextualises them as later deviations from an original Vedic baseline of equality. It anchors women's rights not in imported Western frameworks alone, but in the indigenous logic of "Yatra nāryastu pūjyante ramante tatra devatāḥ" (Where women are honoured, divinity blossoms). This is not a plea for etiquette but a metaphysical claim: a society that dishonours women cuts itself off from the divine source of its own flourishing.

This framework also reclaims the Rig Vedic phrase "Agri Eti Yuvatir Aharayana," interpreted by Vigyananand as a call to place young women at the forefront of social honour and opportunity. Unlike Rahul's exhortation to "fight for your space," which assumes space is scarce and must be seized through conflict, this Dharmic vision posits that honouring women is the very mechanism by which space is created for everyone. It shifts the burden from the individual woman to the collective society, demanding a structural reorientation where women are not merely protected but actively empowered as agents of destiny.

The contrast is stark. Rahul Gandhi offers a politics of negation: smash the old, reject the text, fight the system. It is a politics of anger, misplaced and limited. Swami Vigyananand offers a politics of restoration: return to the source, reclaim the exemplars, rebuild the system on Dharmic lines. One is a slogan for a rally; the other is a blueprint for a renaissance. Rahul's approach may win headlines, but Vigyananand's vision can win the future.

For India to achieve true civilisational resurgence, it must transcend the shallow binaries of "smash the patriarchy." The path forward is not to reject Hindu tradition as irredeemably patriarchal, but to engage with it critically and constructively, excavating its egalitarian core to forge a modern identity that is both progressive and rooted. Women's liberation in India will not come from smashing the Manusmriti alone, but from resurrecting the Rig Veda, the Upanishads, and the Mahabharata as living charters

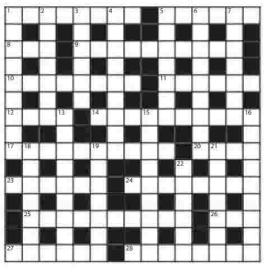


for a just society. It requires a politics of women's honour that is not afraid to be Hindu, one that sees Draupadi not as a victim to be pitied but as a leader to be emulated.

In the end, the measure of any political vision is not its volume but its validity. "Smash the patriarchy" is loud, but it is hollow. The Dharma-grounded vision for women's honour in The Hindu Manifesto is quieter but deeper, offering not just a fight for space but a vision of a world where space is no longer contested because honour is universal. For a nation seeking to lead the world not just economically but morally, this is the only politics of women's status worthy of its civilisational ambition. India's daughters deserve nothing less.

The writer is Assistant Professor in English, Rajdhani College, University of Delhi.

Crossword | No. 293602



Yesterday's Solution



ACROSS

1 Two different lives next to quality city (8)
5 Judge Conservatives, ultimately, to be led by donkeys (6)
8 I've made a mistake ignoring leader in military manoeuvres (3)
9 Eccentric farmed on Orkney's outer reaches since we started (4,3,3)
10 Considered player to be tense, pragmatic type – one to replace Kane in the end (8)
11 Creator set out to make inserts for dresses (6)
12 Revolutionary song about German capital (4)
14 Arsonist seen in extremely pretty country clubs (10)
17 One may buy new tights here? (4,6)
20 Quality of hearing reduced (4)
23 Reportedly studied newspaper in late night flight (3-3)
24 A lot of bears see you fish (5,3)
25 Hairy armpit hunt is successful (10)
26 Dishonourable man runs away from Jack, perhaps (3)
27 Trunks used to be keeping one's backside in sight (6)
28 They disparage attention seekers (8)

DOWN

1 It burns waste and rubbish lying around church (9)
2 Eternal city's secret operation (7)
3 Draw green woodpecker striking head next to river (6)
4 Temper rising, perhaps Queen is pessimist (9)
5 Mixture of aluminium in molten rock rejected (7)
6 Small present put on island by American in national park (9)
7 Inspect radio picking up ranges of frequencies (7)
13 Cheats lit up track and field events (9)
15 Forces sweetheart to earn nothing up front repeatedly (4,5)
16 Cautious, initially, because distractedly ignoring signs is a danger to seafarers (9)
18 Popular Scottish county, according to Brummie, shows tendency to remain unchanged (7)
19 Net removed from outside of lowest flask (7)
21 University creep Kelvin lost in part of labyrinth (7)
22 Still delighted European Community is no more (6)

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

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100 Years Ago



Front page of The Statesman dated 07 October 1926

OCCASIONAL NOTE

WE commented recently on the fact that in Bengal and possibly all over India the medical profession was overcrowded. Precisely the same thing has happened in England. Recent medical statistics indicate so rapid an increase in the ratio of doctors to population that the British Medical Journal is constrained to advocate steps to prevent the supply of new practitioners from outstripping the demand—this in spite of the fact that many new openings have been created in recent years by the general advance of medical science. One possible explanation is that the public is better informed about the causation and prevention of disease, so that there is less need— perhaps less inclination—to call in the doctor. In any case, at the end of last year there were 10,000 more names on the Medical Register than in 1913. But young men have begun to realize that the profession is overcrowded, and a decline is now to be noticed in the number of new students in England. The ease is different in Bengal.

News Items

COTTON GROWING IN UGANDA

NEARLY 200,000 BALES IN A YEAR

(BRITISH OFFICIAL WIRELESS.)
RUGBY, OCT.

SIR William Gowers, Governor of Uganda, in a speech before the British Cotton Growing Association, said that since 1911, when Uganda definitely entered the field as a cotton producer, her output had increased from 9,000 bales to 196,000 bales in 1925.

Climatic conditions would keep the output this year down to 180,000 bales. Next year would bring the crucial test owing to the heavy fall in the price of American cotton. The Government were helping by introducing a new seed, which would give better results in the future both in yield and quality. They were also assisting in research work by establishing a laboratory at Kampala, and by the extension of railway facilities.

PEGGY SCOTT INQUEST

DENIAL OF VALENTINO FRIENDSHIP

(Special Cable.)
LONDON, OCT.

A SURPRISE statement was made to the Coroner on behalf of the late Rudolf Valentino's friends after the verdict had been given to-day that Peggy Scott committed suicide while of unsound mind.

A well-dressed woman said it was impossible that Scott and Valentino could ever have met. He was not in Europe when Scott stated that she met him.

Police evidence bore out this state¬ment.

Death was due to a dose of corrosive sublimate.—Copyright.

CHINA SEA PIRATES

STEAMER HELD UP AND CARGO STOLEN

(Special Cable.)
HONGKONG, OCT.

A TYPICAL illustration of the dangers of Navigation in China is the case of the steamer Hainfung, which was pro¬ceeding to Shanghai for Chefoo and Tientsin.

Twenty pirates disguised as passeng¬ers emerged in their true colours and forced the captain at the point of the revolver to divert the ship to Bias Bay where they removed the cargo of silk of the value of thirty thousand dollars and the passengers' personal belongings and decamped.

A British naval seaplane has been despatched to investigate the affair.—Copyright.

Editor's TAKE

India-Swiss ties need a fourth T: Tracking

Switzerland's President Guy Parmelin's second visit to India this year signals a relationship moving beyond traditional commerce

When a Swiss president makes his first state visit to India, his second trip here this year naturally means that the relationship between the two countries is growing. Guy Parmelin's three-day visit, which began on Monday, marks the first anniversary of the India-EFTA trade agreement, and Bern wants to see what a year of free trade has delivered. The agenda follows the "3Ts" framing of India's Ministry of External Affairs: trade, technology and talent.

Trade is anchored by the Trade and Economic Partnership Agreement (TEPA), in force since October 1, 2025. Its headline promise is $100 billion of investment from the four EFTA states over 15 years, $50 billion in the first 10, and one million direct jobs. Parmelin attends the second India-EFTA Prosperity Summit on Wednesday to take stock.

The two sides signed a Migration and Mobility Partnership offering multiple-entry visas of up to five years and renewable one-year student permits, alongside a young professionals' exchange agreement. A further memorandum covers electric vehicles, ropeways, tunnelling and the circular economy. Prime Minister Modi also spoke of new avenues in military exchanges and defence manufacturing, and of expanded nuclear energy cooperation, a widening of the scope of a relationship long defined by commerce.

The relationship is old and largely uncomplicated. Ties have been cordial since independence, helped by Indian non-alignment and Swiss neutrality. The leaders met in New Delhi in February, at the AI Impact Summit, and in Geneva in June. Switzerland hosts the next global AI summit in 2027, a move Delhi has welcomed.

The economic ledger, however, is lopsided. In 2024-25, India imported $21.8 billion of goods from Switzerland and exported $1.47 billion. Swiss direct investment totalled $10.87 billion between April 2000 and June 2025, and over 330 Swiss companies operate in India. Swiss capital is visible on the ground: a Zurich Airport subsidiary operates Noida International Airport, and Swiss technology helped build the Varanasi ropeway.

There has been friction too. Switzerland suspended the most-favoured-nation clause in its tax treaty with India from January 2025, after the Supreme Court's Nestlé ruling, a reminder that goodwill needs tax certainty to survive.

Investors will also read the $100 billion target for what it is: a figure that companies, not governments, must ultimately deliver. India's task is to make that easy, through predictable taxation, regulatory clarity and speed.

Parmelin called his visit a "stepping stone", and the phrase fits. The 3Ts need a fourth: tracking. A joint annual review of investment flows, jobs created and visas issued would turn a handsome promise into a measurable one. The next year will decide whether this partnership is remembered for its summits or for its factories, laboratories and jobs.

Am Yisrael Chai, Captain Smit

On 30-9, the world was rocked by the unbelievable scenes of courage, bravery and singular heroism of the pilot and passengers of flydubai FZ-1073 on 30 September 2026, as they staved off an attempt by an Omani co-pilot to crash the aircraft or, as some allege, perform a 9/11-type attack on Israel



SANJAY LAZAR



The bravery of Captain Smit Machchhar, as he was being hacked by his second-in-command, has passed into global aviation folklore that even seasoned pilots and aviation professionals may never be able to comprehend. To be brutally attacked and stabbed with the aircraft crash axe (the actual details are still sketchy), and then turn on the transponders to 7700 and again to 7500 to warn the external world, speaks of a clarity of mind and singular purpose by Captain Smit that is unthinkable. In moments of personal danger, where the only eventuality is a certain death, human beings draw on their reservoirs of courage to do what the captain did, and crawled to the cockpit door to unlock it, even as the first officer kept denying access to outside crew using the emergency code. Further actions of Tali and Nina Manes, warning the passengers of what was happening in the cockpit, the quick-fire response of Yaniv Hayoun, and the actions of the two reserve pilots, without a doubt, saved the lives of 174 passengers that day.

The flight radar data has shocked the world of aviation. How could a 737 descend that rapidly without breaking up or suffering major critical damage? The pressure exerted by the "almost freefall" was many Gs more than the aircraft could withstand. Yet we saw how it landed, battered and bruised. The apparent act of the Israeli plumber Yaniv Hayoun, of pulling the yoke back and stabilising the aircraft, is out of an adventure story, but we know it happened. People question, how come none of the passengers suffered the injuries that we saw in the Air India Phuket flight or last year's Singapore Airlines flight? Was the fact that they were all buckled in, entering sterile Israeli airspace, the reason? We may never know, but let's wait for the reports to emerge, or was the descent not as sharp as imagined?

Was this a false-flag operation? Only a naïve conspiracy theorist would believe that. This was a valiant rescue by a bunch of unlikely heroes. I have spoken to my Indian pilot friends who fly with flydubai, and they are as shaken up by this, and proud of Captain Smit, as all of us are. It is a rescue effort beyond all imagination, just in the same way the heroes of United Flight 93 on 9/11 fought back.

Is this kind of a rescue and recovery possible in normal circumstances? No, not at all. It's unthinkable. Even if it was simulated 100 times, it would fail 99/100 times, but it worked this one time and they are all alive to tell the tale. It tells of the courage and fortitude of brave human beings in dangerous circumstances.

Sometimes it takes many miracles to save the day. This was one such day. If even one of the people in this chain of events had not acted as they did, we would have mourned our dead today. So rather than question, let us celebrate them all.

The co-pilot assassin

Details have emerged that the co-pilot, Hammam Al-Hammami, was part Syrian and part Omani, and was asked to leave Oman Air due to questionable behaviour. There are indications emerging that he was radicalised, and some officials in the UAE are also being investigated. If he was removed from Oman Air for these reasons, then how did he find employment in flydubai? And that too, flying into Israel?

What went wrong?

As much as I admire and love Israel and its people, and shall always, they will be the first to stand up and analyse what exactly went wrong and single out the faults in their system that were exposed by this Omani co-pilot, that almost caused the biggest act of aviation terror since 9/11.

Prima facie, it appears to be a:

1. Failure of APIS to track the system intruder.
2. Apparent lack of pre-advance intelligence of such a threat.
3. Breach of bilateral ASAs post the Abraham Accords.
4. Failure of flydubai to have screened its pilots properly.

The US first created APIS in 1989, but it was never made mandatory until 9/11. Under APIS, all airlines forward detailed passenger and crew lists with passport numbers, visa numbers and details of travellers (crew and passengers) at least 24 hours in advance to be scrutinised by the Department of Homeland Security. Israel is one such nation that follows the API system, and the NCPIA hub tracks all incoming passengers and crew. So how did the Israeli NCPIA miss the warning signs of Captain Hammami? This will be investigated deep and hard, especially in light of his past record at Oman Air.

There was apparently no known advance intelligence of such a plot or chatter on the networks, despite Israel and the USA being at war with Iran. Guards seem to have been lowered post the Abraham Accords, and I have a sense that there will be a thorough re-evaluation of the system.

Post the Abraham Accords, the APIS stipulations are clear: crew belonging to any nation that refuses to recognise Israel, or that treats Israel as an enemy, are barred from flying into Israeli airspace, namely Oman, Syria and Iran. How did Hammami escape the dragnet despite having both Omani and Syrian connections?

The Future

Aviation changed inexorably post 9/11 and reinforced steel doors, cockpit and crew protocols came into being, and APIS became an advanced screening tool. In the early days post 9/11, I recall days and flights when pilots with Muslim names were being delayed clearance by Homeland Security or extensive security backgrounds were sought.

So what does 30-9 flydubai hold for us?

For one, we can expect detailed background checks of aviation personnel and pre-authorisation APIS to become stricter, maybe even a restrictive list of pre-qualified pilots to enter Israeli territory from Arab nations.

For the larger aviation world, a similar protocol would not be amiss, since we seem to have lowered our guard. I expect Shin Bet and Mossad and the NCPIA to have greater coordination with Arab, US and Indian intelligence networks and Homeland Security to screen crew and travellers. The threat is real, a 9/11 or a 30-9 can happen any time again.

The dreaded CCTV (closed-circuit cockpit cameras) may come into the larger global discussion once more to ensure that there is some modicum of protocols adhered to and a recording of what transpired.

I also believe that Israel will demand more flights bring in sky marshals, and security around flights departing for TLV will have heightened security.

The cockpit safety equipment (crash axe) is normally shielded and protected, so there will be a conversation about the use and need for it and how to secure it. Whilst airlines would love to reduce cockpit crew to one if they could, due to commercial considerations, in my view, there must now be a discussion of having an observer or a third occupant in the cockpit to safeguard the situation, especially when flying on sensitive routes.

The regulators and politicians around the world, especially India, must learn and accept that pilots are the reason that we land and take off safely each day around the world. We need to stop treating them like punching bags. India has the worst working conditions for pilots on earth, and yet it was an Indian pilot (who had escaped Indian aviation bureaucracy) who has made India and pilots, and indeed all aviation crew all over the world, intensely proud.

In the end, aviation is still the safest mode of travel on earth, and pilots are the most misunderstood professionals. India and Israel are two ancient civilisations bound by blood and brotherhood. Thank you, Captain Smit Machchhar, Tali and Nina Manes, Yaniv and the two unnamed relief pilots. You made us believe in miracles again. Am Yisrael Chai, Jai Hind.

The writer is an aviation expert, lawyer & author who writes on aviation, terrorism, International relations, leadership and law. He has spent 40 years in aviation and lost his entire family in the Air India Kanishka bombing in 1985

Daiv Vani

WISDOM FOR A MEANINGFUL LIFE

A Little Duty That Saves From Great Fear

Dharma is tested least in comfort and most in the last moments of our strength.

In September 2026, on a flight from Dubai to Tel Aviv, Captain Smit Machchhar was attacked in the cockpit by his own co-pilot with a knife and an emergency axe, in what investigators describe as an attempt to crash the plane. Stabbed in the head and hands, he could no longer fight or fly. Yet he found enough strength to unlock the cockpit door. Passengers rushed in, levelled the diving aircraft and restrained the attacker, while a doctor on board stopped the captain's bleeding. The plane landed in Saudi Arabia with 174 people aboard, and all of them survived.

The Bhagavad Gita says, "svalpam apy asya dharmasya trayate mahato bhayat": even a little of this dharma protects us from great fear (2.40). The captain did not save the flight alone. He did one small, essential thing at the very edge of his strength, and that opened the way for others to do the rest. Duty need not be grand to be decisive.

We often wait until we feel strong, resourced and certain before we act. The Gita asks only that we do what is ours to do, whatever our condition, and leave the outcome to a larger order.

Today, do the one small duty that is yours, even if you are tired, and trust that it may open a door for someone else. –DAIV

Optimising life through spiritual practice



AJIT KUMAR BISHNOI

2ND OPINION



We are all different and, therefore, must personalise our spiritual practices and daily routine. Only then can these be sustained. Lord Krishna has given specific instructions in this regard. The Lord states, "Yoga of one whose eating and recreation are appropriate; of one who strives appropriately in activities; of one who sleeps and stays awake as required, becomes the cause of elimination of sufferings." (The Bhagavad-Gita, verse #6.17) Mark the last part. The elimination of sufferings must be the result, otherwise who will continue the exercise?

Going into the details of the quoted verse, Lord Krishna has instructed us to be appropriate in four parts of our daily routine. These are food, entertainment, work and sleep. Food must suit an individual. For example, an aged person must restrict oneself to what is nutritious, wholesome and easily digestible. The same goes for sleep; children need more sleep than old people. Entertainment must also be different age-wise. Younger people can have more of the physical types, like playing games, while older folks can have 'satsang' (good company), gentle walks and simple exercises.

Intelligent practitioners of 'yoga' (connection with God) balance efforts for maintenance and spiritual progress. In younger age, it is more learning and effort for maintenance, with occasional prayers for guidance and help when troubled. Later, it must be more for spiritual upliftment. This is when the instruction given in verse #9.22 becomes applicable, which is, "These people, who worship Me with undivided attention, meditating on Me, for those practitioners of yoga, I help in getting what one does not have and security of what one has." In older age, more spiritual practices are required, when maintenance duties become less.

Lord Krishna has, in the Gita, given many options for doing spiritual practices. One has to choose what suits them in order to be able to do them. Instructions given by the Lord will help in making choices, which is, "For a saintly person, desirous of making progress in yoga, action is known to be the means, but for one fixed in yoga, peace is known to be the only cause." (6.3) Do these practices conveniently in order not to lose peace of mind. The idea is to get help from God; our role in life can be limited only. God must become 'karta' (doer) in our life, and we His 'nimitta' (instrument). Then success is certain.

This is what I am doing. I engage my mind in God by chanting gently while looking at a photo of Lord Krishna, convinced that my Lord will accept my prayers (12.8). And God will guide me about what I must do and help where He only can help. In short, I must continue to do my minor part in life and God will take care of the major part to ensure success. The result: I am engaged appropriately by optimising my spiritual practices and also my daily routine. 'Theek chal raha hai' (Life is fruitful and beautiful).

The writer is a spiritual teacher and a columnist

PIC TALK



A man carries freshly harvested water lilies in Nadia, West Bengal. The stems are a seasonal festive delicacy. PHOTO: PTI

LETTERS TO THE EDITOR

Makkah Pact fails first test

The article 'Pakistan's Yemen dilemma deepens' (6 Oct) proves beyond doubt that the Makkah Pact has failed its first test. Not only Pakistan, but Türkiye too, faltered in defending Saudi Arabia against Houthi attacks. The Makkah Pact was merely a reaction to the West Asian crisis, and its efficacy was doubtful from the outset.

Countries across West Asia, besieged by wars against each other, with the US acting as the fuel tank, are also facing civil strife. Hundreds of militias, such as the Houthis, operate across the region, while unified military commands remain fragile. The wealth of West Asian countries is depleting rapidly, and their leaderships are increasingly challenged within their own countries. In these circumstances, the Makkah Pact, its signatories and their commitments are bound to face serious challenges.

Whether directly or indirectly, the United States remains the ultimate chessmaster in West Asian geopolitics. Pakistan is already heavily embroiled in Afghanistan while simultaneously facing a critical breaking point in Balochistan. How can Pakistan keep its commitments under the Makkah Pact amid its own growing regional pressures?

VINOD JOHRI | DELHI

What the US-Iran MoU really means

The issue in the US-Iran MoU is not only what the two sides have agreed upon, but which provisions must be implemented immediately and which form part of the deal. This distinction is important when interpreting the MoU. As the conditions are taken from the MoU, clauses using terms such as "immediate" or "upon signing of the MoU", without stating that they are "part of the deal", appear to be provisions that both sides must follow immediately. Therefore, Clauses 1, 4, 5, 10 and 11 form part of the framework. However, Clause 11, concerning the release of frozen assets, remains disputed. Iran argues that the funds should be released before nuclear negotiations begin, while the US rejects this interpretation.

Clause 11 states that the US will make the frozen assets available upon the "implementation of this MoU", while procedures for releasing the funds will be agreed upon during negotiations.

Meanwhile, Clause 13 states that implementation of Paragraphs 1, 4, 5, 10 and 11 should begin, after which the two sides will negotiate the final deal, including the nuclear issue. This suggests that these provisions are intended to take effect before the final agreement is concluded.

RITI DWIVEDI | INDORE

Safeguarding the electoral process

The Election Commission of India (ECI) is today facing serious questions about its independence, transparency and credibility, particularly over EVMs, electoral irregularities and the Special Intensive Revision (SIR) of electoral rolls. Opposition parties and civil society groups have repeatedly raised concerns about manipulation of the electoral process. The SIR controversy has intensified these concerns, with reports of around 13.3 crore names being deleted, allegedly depriving genuine voters of their constitutional right to vote.

Significantly, Supreme Court Judge Justice Ujjal Bhuyan observed that wholesale disenfranchisement would be inconsistent with Articles 14 and 326 of the Constitution. If genuine voters are removed without adequate notice, verification and an effective appeal mechanism, the credibility of democracy itself is endangered. Such mass disenfranchisement raises serious questions about the genuineness of earlier election results, including the 2019 and 2024 General Elections and subsequent Assembly elections, particularly in Opposition-ruled States. Questions have also been raised about the functioning of the ECI under CEC Gyanesh Kumar. The Supreme Court must act expeditiously to safeguard electoral integrity and ensure every eligible citizen can exercise the franchise freely.

THARCIUS S FERNANDO | CHENNAI

Modi @ 25: 25 Years of national service, development and pride

For the past 25 years, Prime Minister Narendra Modi has worked continuously, tirelessly and relentlessly with the determination to build a New India. Despite the poisonous and hateful criticism from opponents, attempts at character assassination, baseless allegations of polarisation and verbal attacks from all sides, Modi has never allowed his eyes to stray from his goal



EKNATH SHINDE



On October 7, 2001, Narendra Modi, a dedicated servant of the nation, took over as Gujarat's Chief Minister. The career of service began and led to the office of Prime Minister of India on May 26, 2014. Looking back, this 25-year trip appears to be more than just the arc of one leader's political career; rather, it has become a chapter in the country's shifting political, social and developmental journey.

The 25-year journey of Prime Minister Narendra Modi is a journey of "service, resolve and dedication." It is a journey reflecting the growing confidence of 1.4 billion Indians. On this occasion, on behalf of Maharashtra's 130 million people and the Shiv Sena, I express my warm congratulations and best wishes to Prime Minister Narendra Modi.

The voice that emerged from the soil of Vadnagar has today become an influential voice representing India's position on the global stage. During his tenure as Chief Minister of Gujarat from October 7, 2001 to May 2014, Modi took several important decisions for the development of the state. He assumed office against the backdrop of the devastating Bhuj earthquake. The pace of rehabilitation, reconstruction and rebuilding in Bhuj and the Kutch region was accelerated.

In 2003, he launched the 'Vibrant Gujarat Global Summit'. Through this summit, major companies and industrialists from across the world were encouraged to invest in Gujarat. The Gujarat model appealed to the people of the country. At the same time, public discontent was growing against the hollow promises made in the name of development, corruption and attempts to fill the coffers of the wealthy in the name of eradicating poverty. Modi transformed the sparks of this discontent into political energy.

There is a significant difference between India before 2014 and India after 2014. When the Prime Minister of a country changes, it is not merely the government that changes — the future of the country changes. And that is precisely the transformation that took place after 2014.

Narendra Modi took oath as the Prime Minister of India on May 26, 2014. Thereafter, the policies of the central government placed particular emphasis on development, infrastructure, digital technology, social welfare and national security.

Through the Jan Dhan Yojana, efforts were made to connect a large number of citizens with the banking system. Direct Benefit Transfer and the digitisation of government services received a major boost. Through the Swachh Bharat Mission, emphasis was placed on sanitation and the construction of toilets. Through schemes such as Pradhan Mantri Awas Yojana, Ujjwala Yojana, Jal Jeevan Mission and PM-KISAN, the government undertook historic work in areas including housing, clean cooking fuel, piped water supply and direct financial assistance to farmers.

The expansion of Digital India and UPI brought about a major transformation in the field of digital transactions. The expansion of highways, railways, airports and other infrastructure was accelerated. Initiatives such as Make in India, Startup India and Atmanirbhar Bharat are giving a boost to domestic manufacturing, investment and entrepreneurship.

The New Education Policy, new criminal laws and the law against triple talaq were also introduced during the Modi government's tenure. The Modi government also demonstrated the political courage to take the historic decision to abrogate Article 370 in Jammu and Kashmir. The numerous decisions taken over the past 12 years have had a broad and highly positive impact on the direction of Indian politics, the economy, administration and social policy.

Alongside the development agenda, efforts were also made during this period to bring India's cultural heritage to the centre stage. The construction of the Shri Ram Temple in Ayodhya and the grand ceremony of the consecration of Ram Lalla, the development of Kashi Vishwanath Dham and Mahakal Lok, as well as the development of various pilgrimage sites, have highlighted religious tourism and cultural heritage.

Under the concept of 'Vikas Ke Saath Virasat' - development along with heritage — emphasis has been placed on preserving India's cultural heritage alongside modern infrastructure.

Women's empowerment has been another important component of the Central Government's development agenda. From Beti Bachao, Beti Padhao to Lakhpati Didi, and from Ujjwala and Mudra to self-help groups, various schemes have been implemented to increase women's economic and social participation.

In Maharashtra too, the Mahayuti government has taken several decisions in the same direction for women's empowerment. Whether it is the Mukhyamantri Majhi Ladki Bahin Yojana or the decision to provide higher education to girls — the principle is clear: when a woman becomes empowered, the family becomes empowered; when the family becomes empowered, society becomes empowered; and the strength of the nation grows.

There have also been several important developments in the areas of national security and foreign policy during the Modi government's tenure. India has adopted a more assertive position on the issue of cross-border terrorism. On issues such as BRICS, the Global South, climate change, digital technology, yoga and international cooperation, India has articulated its own distinct position.

Today, India's voice is firmly heard on major global platforms. India's growing economic, strategic and diplomatic capabilities have gained significance. The credit for creating a new and capable identity for India at the international level goes to Modi.

That is why Modi has been honoured with the highest civilian awards of nearly 36 countries.

The 12-year period of the Central Government under the leadership of Prime Minister Narendra Modi has also been important for Maharashtra's infrastructure and economic development. The assistance received by Maharashtra from the Centre has not been limited merely to funding; it has also helped accelerate several long-term projects.

Between 2004 and 2014, the decade before 2014, the Central Government provided ₹2 lakh crore for development works in Maharashtra. Between 2014 and 2024, Maharashtra received ₹12 lakh crore in funding.

There has also been a substantial increase in railway allocations. The average annual allocation during 2009-2014 was ₹1,171 crore, while in 2026-27 it has reached ₹23,926 crore.

At present, infrastructure projects worth approximately ₹1.5 lakh crore are underway in the state. Under the Amrit Bharat Station Scheme, redevelopment work is underway at 128 railway stations.

Projects such as the Atal Setu, Samruddhi Mahamarg, Mumbai Coastal Road, Navi Mumbai International Airport, Mumbai-Ahmedabad Bullet Train, and the ₹76,000-crore Vadhavan Port, which will be important for the industrial development of Konkan and Palghar, are in every sense game-changing projects for Maharashtra.

Through welfare schemes as well, citizens of Maharashtra are benefiting from Central Government programmes. Under the Pradhan Mantri Awas Yojana, houses for 18 lakh poor families had been completed by May 2026. Through the Jal Jeevan Mission, the proportion of rural households receiving piped water supply increased from 33 per cent to 89 per cent. Eligible farmers in the state are receiving direct financial assistance through the PM-KISAN scheme.

Alongside Maharashtra's development, the state's cultural and historical identity has also received importance through decisions taken by the Central Government. The inclusion of the historic forts of Chhatrapati Shivaji Maharaj in the UNESCO World Heritage List, the development of the Panch Teerth associated with Babasaheb Ambedkar, and the decision to grant classical language status to Marathi are important milestones for Maharashtra.

The late Shiv Sena chief, Hindu Hriday Samrat Balasaheb Thackeray, had on several occasions clearly articulated his position regarding the politics of Hindutva in the context of Gujarat and Narendra Modi. The dialogue surrounding Hindutva has a long history in the political journeys of Maharashtra and Gujarat. Therefore, this thread of political and social relations between Maharashtra and Narendra Modi is also significant.

It is my great fortune that I have been blessed with the personal affection of the respected Prime Minister Narendra Modi, as has my entire family. The affection shown to me by Modi filled the void created in my life by the passing of Shiv Sena chief Balasaheb Thackeray and Dharmaveer Anand Dighe and gave me tremendous strength.

At every meeting, he asks me, "Kaise hain Eknathji?" and places his hand on my shoulder. At that moment, a new confidence emerges, a new sense of hope is created, and I gain the strength to work with even greater determination for Maharashtra's progress. This bond of affection will always remain special to me.

For the past 25 years, Prime Minister Narendra Modi has worked continuously, tirelessly and relentlessly with the determination to build a New India. Despite the poisonous and hateful criticism from opponents, attempts at character assassination, baseless allegations of polarisation and verbal attacks from all sides, Modi has never allowed his eyes to stray from his goal.

Over the past 25 years, Narendra Modi's responsibilities have changed and his positions have changed; however, his resolve and determination to serve the nation have not diminished even slightly.

This 25-year journey is not merely the duration of one person's political career. It is an important chapter in the political and developmental journey of a changing India. From Gujarat to Delhi, and from there towards the vision of Viksit Bharat 2047, this journey is now looking towards its next phase.

The next major goal is "Viksit Bharat 2047" — a Developed India by 2047. It is a vision of building an economically strong, technologically advanced, self-reliant and secure India.

The vision seeks to create an India that provides opportunities to the poor, gives wings to the dreams of its youth, provides women with equal opportunities and leadership, and takes pride in its cultural heritage.

Recently, while speaking with the Prime Minister, Captain Smit Machhar, who saved the lives of 174 aircraft passengers by displaying presence of mind, said that he had drawn inspiration from the Prime Minister. Such incidents highlight the personal influence of Modi's leadership and the image he has created in the public consciousness.

The records of popularity and tenure may be associated with the names of many leaders. But in the case of Narendra Modi, what is measured is not merely the number of days in office, but the scale of the decisions taken during his tenure and the political influence he has built. My heartfelt best wishes to Modi ji for his journey ahead. I pray that God blesses him with good health, a long life and immense strength to continue serving the nation.

The writer is the Deputy Chief Minister of Maharashtra

Made in India chips, countless possibilities



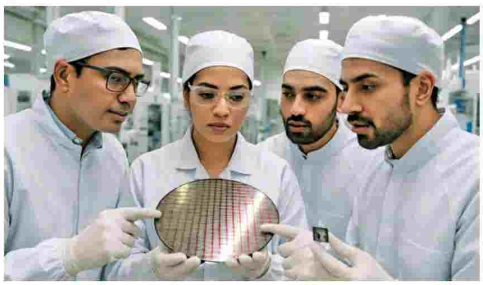
DHARMENDRA TEWARI

Every nation that has reached the front rank did so through a revolution of its own. The countries that seized the Industrial Revolution still shape the world's politics and markets. India has its own examples. The Green Revolution ended our dependence on imported grain, and the White Revolution turned a milk-short country into a dairy giant. The formula is consistent: the entrepreneur reads the market, the government reads the technology, both read the world, and together they make bold calls. A third such moment is arriving now, and it is etched in silicon.

Chips are the brains of every machine. For decades, India mostly bought them from abroad. Only a handful of specialised chips, built for research, defence and space, were made at home, which kept us on the consumer side of the electronics world. That is changing fast. Cars and buses now carry layers of electronics, kitchens and clinics run on embedded intelligence, and in the age of AI, a chip's worth lies in making complex decisions both accurately and quickly. No country wants to depend on others for something so central to daily life and national security.

Consider what a chip actually does. Wired to the other components on a board, it weighs the available options and decides how to carry out each instruction, one task after another, in a fraction of a second. That ability to decide turns a plain device into a smart one, and it is why demand for advanced chips keeps climbing worldwide.

I got a close look at this shift at Semicon 2026 in Delhi, held from September 17 to 19. Thousands of young people from across the country filled the halls, and the mood was unmistakably that of a nation finding its feet. At one Indian company's stall, a homegrown chip priced at just ₹100 caught my eye. Called Ahisa, it is the core component behind devices that spread a broadband connection across a housing society or an office. India used to import such parts; now it exports Ahisa to several countries. Entrepreneurs designing chips for very different jobs were also on show, and the sheer variety made the point plainly: a chip revolution is under way.



Other stalls told similar stories. Netrasemi, an Indian firm, displayed a chip priced at around ₹1,000 that powers AI cameras for residential societies, alerting a control room the moment rules are broken. The same company makes a chip that watches a driver's face and sounds an alarm at the first sign of drowsiness, a quiet but potentially life-saving feature for buses and cars. Elsewhere I saw chips for curtains that open and close from a phone, and one that replaces the costly motor in kitchen appliances, so a young engineer can build a mixer or grinder far more cheaply. Many such components still reach our market from China. What matters is that Indian designers are now building alternatives.

Behind the startups stands the state. The Semiconductor Mission, now in its second phase, is meant to give entrepreneurs room to build. Amitesh Sinha, a senior officer at the Ministry of Electronics and Information Technology, told me that substantial ground has been covered in five years and that the country stands at an inflection point. Public institutions are doing their share. At C-DAC's stall, scientists displayed the supercomputer Param Vidya and the Indian server Rudra, which gives research students access to material from reputed institutions worldwide. Once the indigenous microprocessor Om is ready, servers like Rudra can become fully Indian. At C-MET, I saw hafnium, a metal found in India, where a tiny piece was priced in lakhs. Hafnium oxide serves as an insulator inside chips, particularly memory chips. C-MET works on raising the purity of such materials, and its Director General, R Rateesh, said several entrepreneurs had enquired about them during the show. Domestic supply and domestic refining of materials like this is how self-reliance reaches the foundations.

The ambition does not stop at meeting our own needs. A democracy with a reputation for reliability is well placed to supply the world, especially developing countries that want assurance that the chips behind their everyday electronics will not run dry. The India Semiconductor Mission 2 is built around that promise. Even a simple phone assistant needs two things: a language model that understands Indian languages, and a powerful chip underneath it.

I belong to Generation X, which remembers being denied advanced computing technology from abroad. That denial pushed our scientists to build Param, India's first supercomputer, in the transistor era. Today Param Vidya extends that lineage, a foundation laid for the generations after us. For Gen Z and Gen Alpha, the opportunity is larger still. Engineers, designers, materials scientists and scholars from many fields can find a place in this ecosystem. The next few years will decide how far we go. Technology has been bent to destructive ends before, which is why a peace-loving country like India carries a particular responsibility to lead in it. Our culture, traditions and lived experience hold a deep understanding of how to ease ordinary lives.

What is needed is an environment where responsible technology and a trusted global image reinforce each other. If we pair the chip revolution with the old Indian wisdom of balanced development, jobs will follow, everyday hardships will ease at low cost, and India will earn its place as a responsible digital nation.

The writer is a PIB official

Delhi's clean-air battle moves from promises to action



RAJKUMAR BHATIA

Every November, Delhi holds its breath, quite literally. Schools shut, construction stops, the elderly stay indoors and families who can afford it buy one more air purifier. The families who cannot afford it simply breathe what the city gives them. We have lived with this cycle for years. Pollution never lacked political debate in Delhi. There were committees, odd-even experiments, smog towers and full-page advertisements blaming someone else. What was missing was action that actually reached the common household. That action has now begun. Under Chief Minister Rekha Gupta, the Delhi Government has taken two decisions whose effect will be felt not in press conferences but in people's homes and on their daily commute — rooftop solar at zero upfront cost for ordinary families and a new Electric Vehicle Policy. Both stand firmly on the national vision of Prime Minister Narendra Modi, through PM Surya Ghar: Muft Bijli Yojana and PM E-DRIVE. When the Centre and the State work in the same direction, schemes stop being files and start becoming rooftops.

"Muft Bijli" that a family can own

Free electricity has been Delhi's favourite political slogan for ten years. But there is a difference between free electricity handed out as a subsidy and free electricity produced on your own roof. The first depends on the government's budget every year and the family owns nothing. The second is a productive asset that belongs to the household and keeps working for 25 years.

This is what the new solar policy offers. Under PM Surya Ghar, the Centre gives up to ₹78,000 for a rooftop system. The Delhi Government now adds support of up to another ₹78,000 of its own. A family using up to 400 units a month can get a system of up to 3 kW installed without paying a single rupee upfront. Maintenance is free for the first five years, the existing electricity subsidy continues and any surplus power can go back to the grid, reducing the family's bill and creating additional value.

On September 21, 2026, Chief Minister Rekha Gupta launched the registration portal, www.solar.delhi.gov.in, where any eligible family can apply online. Power Minister Ashish Sood rightly described the scheme as one that gives residents free electricity as well as a chance to earn from it. The target is to reach 2.3 lakh families by March 2027, and applications have been coming in steadily since the portal opened.

The smallest house, the biggest gain

Think of a family living in a two-room house on a 25-square-yard plot in a resettlement colony. The husband drives an e-rickshaw, the wife runs a small tailoring business from home and the children study under a single fan. For such a family, rooftop solar was always something for bungalows



in South Delhi. Spending two lakh rupees on panels was simply unthinkable.

That is exactly the family this policy is meant for. The scheme now covers homes with limited roof space, and even a small system of one or two kilowatts on a small roof can meet most of the monthly needs of a modest household. For the first time, the poorest homes in Delhi are not at the end of the queue for clean energy. They are at the front of it. This is real empowerment and it is Antyodaya in practice. Pandit Deendayal Upadhyaya taught that development must be judged by the rise of the last person in society, and that vision has guided the BJP from its very beginning. Here, the family at the end of the line is the first to benefit.

And here lies the political difference. Free power given as a subsidy keeps a citizen dependent on the government. Free power from one's own roof makes him independent. Those who built their politics on the slogan of free electricity for ten years must answer one simple question - why did rooftop solar remain a luxury of the few during their entire tenure? Delhi did not need more promises of "muft Bijli". It needed a way for the poorest family to own it.

The same thinking runs through the Delhi EV Policy 2026, which came into force on July 1, 2026. A young delivery worker, a college student or a small shopkeeper buying an electric scooter can now get up to ₹30,000 in support, paid directly into the bank account, with no middlemen. Road tax and registration fees on eligible electric vehicles have been waived. Auto-rickshaw drivers, who spend most of their earnings on fuel, will move to cheaper electric autos in a planned way. Thousands of families applied for incentives within weeks of the scheme opening.

For those who cannot buy a vehicle at all, the change is visible at the bus stop. Under Chief Minister Rekha Gupta, Delhi now runs more than 5,000 electric buses, the largest such fleet in the country. The small DEVI buses reach narrow colony lanes where large buses never went, and women travel free. A cleaner commute has become available to the ordinary Delhiite, not only to those who drive a car.

Clean air and Aatmanirbhar Bharat

There is a larger purpose behind all this. India imports most of the crude oil it uses, and every scooter that runs on Indian electricity instead of imported petrol strengthens our energy security. Under PM Surya Ghar, the Central subsidy requires domestically manufactured solar modules using domestically manufactured cells. So every rooftop in Delhi means work for Indian factories and for the young electricians, installers and technicians in our own colonies who will set up and maintain these systems. Clean air, lower bills and local jobs are all part of the same Aatmanirbhar Bharat.

A good scheme succeeds only when it reaches the last house. As public representatives, we must take this scheme door to door. Every MLA, councillor and RWA can hold solar camps in the colonies, help families register on the portal and guide them through the process. Inspections and meter connections must be quick and simple, so that no poor family gives up halfway. Housing societies should be encouraged to set up common solar systems with charging points for electric scooters. And because pollution does not stop at Delhi's border, closer coordination with our neighbouring States will multiply the benefit.

For too long, Delhi's pollution debate has revolved around who was to blame. A government must begin with what lies within its own control. Clean buses are within its control. Solar on the roofs of the poor is within its control. Making electric vehicles affordable for the common man is within its control. Under Chief Minister Rekha Gupta, Delhi has finally started acting on all three.

The buses are on the road. The incentives are reaching buyers. The solar portal is open, and families from the smallest houses are applying. The task now is to keep going until November in Delhi once again means the arrival of winter, not the arrival of a health emergency.

The writer is presently a Member of the Delhi Legislative Assembly and the convenor of the social initiative 'Roti Bank'

The Tribune
ESTABLISHED IN 1881

Transport constraints

Commuting must be made affordable and safe

INDIA's first National Household Travel Survey has laid bare the challenges faced by commuters. Conducted by the National Statistics Office between July 2025 and June 2026, the survey covered nearly 5 lakh households and 20 lakh people. Its findings should shape the transport policy. The most striking aspect is the dominance of two-wheelers. They account for 42.6% of trips to workplaces, with the share rising to 52.3% among urban workers. Public transport carries only about 15% of work commuters, while mass-transit systems such as metros and suburban rail serve just around 5% of urban workers nationally. This dependence on private vehicles is understandable where public transport is unreliable, inaccessible or poorly connected. But it is hardly sustainable for India's rapidly growing cities.

Maharashtra, West Bengal and Delhi demonstrate that people prefer mass transit when it is easily available. The key task is to replicate such accessibility across other urban centres — not merely by building metro lines, but by integrating buses, rail, walking, cycling and last-mile connectivity. The gender findings are equally important. Only 41.9% of women workers travel at least one kilometre to work, compared with 61.9% of men. In rural India, the gap is wider still. Lower commuting expenditure among women reflects mobility constraints and fewer employment opportunities.

Cost is another concern. The average worker spends Rs 785 a month on commuting, but the burden rises to Rs 1,044 in urban areas. For low-income households, transport is not a minor expense — it can influence where people work, study and live. Policymakers now have invaluable evidence at their disposal. They must use it to redesign routes, improve frequency, make public transport safer and more accessible for women, and create pedestrian/bicycle-friendly neighbourhoods. A modern transport policy should make it possible for Indians to travel affordably, safely and sustainably, reducing reliance on private vehicles.

Brain breakthrough

Light opens a window into neuroscience

THE 2026 Nobel Prize in Physiology or Medicine has been awarded to Karl Deisseroth, Peter Hegemann and Georg Nagel for discoveries that have given scientists a new way to study the brain. Their work led to optogenetics — a technique that uses light to control selected nerve cells. The idea is easier to understand than the name suggests. The brain contains billions of nerve cells, or neurons, which communicate through electrical and chemical signals. To understand how the brain controls movement, memory, emotions and behaviour, scientists need to know what particular groups of neurons do. This was difficult because earlier techniques could observe brain activity but could not control individual cells precisely.

The breakthrough began with a light-sensitive protein found in a single-celled alga. Scientists studied how the protein responds to light and eventually adapted the discovery to make neurons sensitive to light. Researchers could then switch selected nerve cells on or off and observe what happened. The significance of the technique is profound. Instead of merely observing that a part of the brain was active during an action or emotion, scientists could test whether activating or silencing particular cells actually caused that response. They could work to test how particular nerve cells make things happen. This has opened new ways of understanding how the brain works.

The discovery is also a striking demonstration of how basic scientific research can lead to unexpected breakthroughs. A light-sensitive protein in a tiny alga, studied to understand how the organism responds to light, eventually became a powerful tool for investigating one of nature's greatest mysteries: the human brain. The Nobel, therefore, recognises a new way of asking questions about the brain. Optogenetics has opened a new window and further exploration could reveal much more about how the brain works.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, THURSDAY, OCTOBER 7, 1926

Progressive parties

WITH the filing of nomination papers by candidates in some of the provinces, the General Elections may be said to have begun in right earnest. The stage of mere preparations is over. The country is now in the throes of the actual contest. In the two provinces in which candidates have so far been nominated, the large majority of the seats are being contested in some cases by more than two candidates. This is exactly as it should be, and shows that to the only part of the present Constitution that is really valuable — the exercise of the franchise — the country is no longer either hostile or apathetic. On one point, however, we must once again utter a word of warning. In our opinion, it would be a great mistake at this stage to oppose the return of the best men in any of the progressive parties, and especially their accredited leaders. The reason is perfectly obvious. In spite of all that has happened or may happen in the immediate future, the progressive parties in our legislatures are and will for some time continue to be His Majesty's Opposition at least on the main issue; and as long as the government continues to be exclusive, and to rely upon its exceptional powers of certification and veto to carry on the administration irrespective of the wishes of the people, it is not merely the strength but the quality of the Opposition that will matter. To slightly alter the words of Dr Johnson, it is not enough merely to outvote the government; it is necessary at every stage to outargue them. For this, it is essential that as many as possible of our best men should be in the Councils.

Three years on, Israel has less leeway

The world is speaking up against the illegality of Israeli actions after 2023 Hamas attack



NAVDEEP SURI
FORMER AMBASSADOR TO EGYPT AND UAE



HIGH STAKES : For PM Netanyahu, the forthcoming elections are more than a matter of political survival. REUTERS

THE third anniversary of the October 7, 2023, massacre in Israel comes at an unusual time. Opposition parties are asking Prime Minister Benjamin Netanyahu to respond to allegations that Egypt and the UAE had warned him about an imminent attack by Hamas just days before it happened. His refusal to allow an independent State Commission of Inquiry has only fuelled speculation about what he knew about the attack and when he knew about it.

With the Israeli elections coming up on October 27, the near-tragedy of the flydubai flight to Tel Aviv last week has also been thrown into the political scrum. The Opposition in Israel is calling the episode an intelligence failure, even as Netanyahu is co-opting the undoubted valour of Capt Smit Machchhar to present himself as the resolute leader in the face of a 9/11-type suicide mission.

For Netanyahu, the forthcoming elections are more than a matter of political survival. They are also his "stay out of jail" card as he faces criminal charges of bribery, fraud and breach of trust in Israeli courts and an arrest warrant for war crimes issued by the International Criminal Court. Opinion polls predict a close race. In a development that reminds us of events closer to home, Israel's Supreme Court announced a unanimous verdict on October 2, overturning a decision of the Central Elections Committee to disqualify two Arab-majority parties from running in the elections.

October 7 also reminds us that it is almost a year since US President Donald Trump announced the Gaza Peace Agreement in Sharm el-Sheikh on October 25, 2025. It secured the release of all Israeli hostages but has failed to alleviate the plight of the Palestinians, who continue to face near-daily attacks despite the supposed ceasefire. Israel has taken effective control of the fertile eastern part of Gaza through its 'Yellow Line' buffer zone, with Netanyahu boasting that he has instructed the Israeli Defence Forces to expand this newly occupied zone from 60% of Gaza to 70%.

Even before October 7, 2023, the two million inhabitants of Gaza lived in one of the most crowded places on earth, barely 41 km long and 6-12 km wide. It was called the world's largest open-air prison because land, air and sea access were controlled by Israel. And now, the same population has been squeezed into ramshackle tents on a narrow coastal strip without access to sanitation, healthcare or education. Google Maps contrasting the period before and after October 7 are a stark reminder of the destruction wrought in Gaza by Israel's genocidal campaign. The aim, articulated frequently by several Israeli leaders, is to "encourage the voluntary departure of Palestinians."

> It is in India's interest to stand up for international law and a rules-based order.

Meanwhile, the pogroms being launched by extremist Jewish settlers against Palestinians in the occupied West Bank with much the same objective have become the latest flashpoint. The intent behind the tenders for the controversial E1 settlement envisaging 1,200 Jewish homes in its first phase is clear. Finance Minister Bezalel Smotrich says E1 will eventually take the Jewish settler population in the West Bank to one million and definitively "bury the idea of a Palestinian state."

Much of this is happening in plain sight. And the ripples are now being felt in faraway Washington DC. For decades, strong bipartisan support in Congress had given Israel a unique diplomatic cover that even allowed Netanyahu to defy the wishes of an incumbent US President and make his case against Iran directly to a joint session of Congress. That bipartisan support has clearly frayed.

A Bill in the US Senate requiring the President to report to Congress on increasing violence in the occupied West Bank was narrowly defeated (51-47) on September 29, with as many as 46 out of 47 Democrats voting in favour of the proposed legislation. The politicians are listening to their voters. A Pew opinion poll in July revealed that 60% of American adults have an unfavourable view of Israel, with those under 30 expressing a more favourable view of the Palestinian people (58%) than of the Israelis (32%). Among young Democrats, the gap is even starker — 72% favour Palestinians and just 26% prefer Israelis.

Clearly, the world is watching, and beginning to speak up loud and clear against the manifest illegality of Israeli actions. The recently concluded 81st session of the UN General Assembly saw France, the UK, Italy, Denmark, Spain, Ireland and half a dozen other European countries condemn the expansion of illegal settlements and threaten trade restrictions and other sanctions against products and services emanating from these settlements. These countries have traditionally been some of Israel's staunchest allies, rather than the Asian or African states that could be airily dismissed as the usual suspects.

India, historically one of the most vocal supporters of the legitimate rights of the Palestinian people, has been largely missing in action, even though we continue to provide financial, medical and technical aid to the Palestinian Authority in Ramallah. Our expanding defence and intelligence partnership with Israel is, of course, a vital part of our national security architecture; our categorical denunciation of the 2023 Hamas terror attack was the right thing to do. But speaking up against the horrors in Gaza and the occupied West Bank and calling out the illegality of the attack on Iran is also the right thing to do.

Even in this transactional age of Trump, where principles and morality are quaint relics of the past, it is in our interest to stand up for international law and a rules-based order. This is the time to stand firm, rediscover our voice and reclaim our place on the right side of history.

THOUGHT FOR THE DAY

"Nothing can justify the collective punishment of the people in Gaza. — António Guterres"

From *dakia* to drone in the mountains

KR BHARTI

NEWS reports about drones carrying mail into the remote mountains of Himachal Pradesh took me back almost four decades to Pangi, where I served as SDM from 1986 to 1989. I had to walk more than 50 km over rugged mountain trails, crossing streams and negotiating stretches of snow-covered terrain, to reach Killar, the headquarters of Pangi.

After completing a long and arduous journey of six days from my village in Hamirpur district, the first thought that crossed my mind was to send a message home informing my family that I had reached safely. But communication in Pangi had its own pace — and its own hardships.

There was a Sub-Post Office in Killar, but with no roads and virtually no means of conventional transport, mail delivery was entirely manual. Letters were carried by *dakias*, locally known as *harkaras*, under tough conditions. A letter could take days, sometimes weeks or even months, to be delivered.

Fortunately, the Postal Department had a wireless facility at Killar. A message could be transmitted by wireless to the district headquarters and from there sent onward by telegraph. But telegrams had to be brief — every word mattered. There was little room for pleasantries or explanations. The language was stark in its simplicity: "Self OK, wire your welfare."

I sent home a telegram and waited for the reply. Days turned into weeks, but there was no reply. Silence did not necessarily mean that a reply had not been sent. It simply meant that the mountains had once again come between you and the people you loved.

Among the various measures undertaken by the Himachal government to spur the development of this remote region was the introduction of 'single-line administration'. A senior IAS officer was appointed the first Resident Commissioner, making him the administrative head of all departments in Pangi.

The officer was keen that the people of this remote valley should be introduced to the new world of television. I was entrusted with the task of contacting a Delhi-based firm dealing in dish antennas. As luck would have it, members of the Vidhan Sabha Committee on SC & ST Welfare happened to visit Killar by helicopter. The Resident Commissioner linked my tour programme with that of the Committee. As we rose above the valley in a chopper, it struck me that the very mountains which had appeared so formidable now looked strangely small and vulnerable.

Within barely an hour, I was in Pathankot. The Vidhan Sabha Secretary gave me a lift in his car from Pathankot to Hamirpur. I could hardly believe that I had covered in about six hours a journey that had earlier taken me six days to complete.

A child in a remote Himalayan village may watch a drone descend silently from the sky carrying a postal bag, scarcely imagining that not so long ago, a *dakia* braved snow, rain and biting winds to deliver letters.

The writer is a retired IAS officer based in Shimla

LETTERS TO THE EDITOR

Rule of law should be paramount

Apropos of 'CEC is not the Election Commission'; the Supreme Court's firm reminder to the apex poll body regarding the execution of the Special Intensive Revision of electoral rolls brings much-needed institutional accountability to our democracy. Recent disclosures highlighting how decisions were taken without unanimous consent or consensus strike at the very core of our constitutional framework. The Chief Election Commissioner acts as a chairperson within a collegiate body, not an individual commander. Bypassing internal consensus directly compromises democratic integrity. In a robust republic, constitutional values and the rule of law must remain paramount over any single office or official.

SANJAY CHOPRA, MOHALI

Challenges for GST Council

Apropos of 'GST reforms'; sound reasoning endorses the proposed shift from departmental arrests to judicial oversight to curb harassment of taxpayers. Quick conclusive redressal of disputes is essential. An immediate Centre-state consensus must bring transport fuels under the pan-India GST ambit, not only to reduce logistics costs by promoting their movement through pipelines instead of roads, but also to curb the glaring disparity in VAT rates — just 1% in the Andamans, 35.2% in Telangana. Bringing alcohol under its ambit is another lingering challenge for the GST Council.

LALIT BHARADWAJ, PANCHKULA

Growing cynicism among voters

With reference to 'Punjab's politics needs change'; populist and vote-bank politics have influenced the current political landscape in the state, leading to growing public cynicism. Major parties, affected by ideological differences, defections, internal splits and opportunistic alliances, are adopting various strategies to win the upcoming Assembly elections. Punjab direly needs a dedicated, visionary leadership for a transformative change in its degraded political culture and for restoring public trust. Whichever party the voters choose should introduce structural reforms in various sectors and ensure transparent and accountable governance, economic stability and job creation to restore public confidence and institutional credibility.

DS KANG, HOSHIARPUR

AAP failed to deliver

Refer to 'Punjab's politics needs change'; the people of the state, who had high hopes from the Aam Aadmi Party, gave it a chance in 2022 only to be let down. AAP, which had promised to create jobs and improve state's revenue, failed to meet people's expectations. Voters are at a crossroads, wondering which political party to vote for. While there seems to be no end to factionalism in Congress, the SAD has failed to change its leadership, further disappointing the people.

RAVINDER SINGH, JALANDHAR

Khaps were for different times

Refer to 'Khaps must evolve with times'; we are living in the 21st century. Education, mobility, greater interaction between young men and women and exposure to a globalised world are inevitably transforming social relationships. Young people cannot be expected to surrender their personal choices to customs framed for a very different social order. Attempts to forcibly restrain this change can create conflict and even put young lives at risk. Interestingly, khaps are increasingly wearing multiple hats — as farmers' representatives, caste leaders and social crusaders — sometimes becoming instruments of political mobilisation and caste consolidation, thereby deepening social divisions.

RAMPHAL KATARIA, KURUKSHETRA

Khaps must shift focus

Apropos of 'Khaps must evolve with times'; a democratic society cannot tolerate parallel structures overriding individual rights. The author rightly notes that reform must pass the test of legality, fairness and human dignity. If khaps wish to remain resilient community anchors rather than obsolete relics of regimentation, they must abandon moral policing. True survival lies in championing education, gender equity, creating constructive opportunities for the youth, and preserving regional identity through enlightened reform rather than cultural orthodoxy.

HARSH PAWARIA, ROHTAK

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

Economic karma is pointing south



R JAGANNATHAN
SENIOR JOURNALIST

THE economy is sending mixed — even opposite — signals. While the structural problems related to job creation are widely recognised, what is baffling most observers is why an economy growing at over 7% consistently is seeing its currency drop precipitously and its stock market even more so.

Over the last four quarters (July-Sep & Oct-Dec 2025 and Jan-Mar & Apr-Jun 2026), GDP has grown robustly in the range of 7.8% or more. But over the last 12 months, the rupee has fallen by a similar percentage and the Nifty 50 has cratered by twice that amount (14-15%) just between January and early October this year.

However, the voices which tend to believe that the GDP numbers may be cooked up are wrong. Not because the latest GDP methodology is 100% correct, but because all GDP figures are estimates and they keep getting revised over succeeding quarters as more data becomes available. If anything is cooked up, it will show up in the coming quarters. So we should not get bogged down by the fake data argument to explain the confusing signals.

There are several reasons why these divergences exist. The GDP measures the overall growth, while the currency tracks demand for foreign exchange against demand for rupees. The stock markets are discounting the future, while the GDP tells us what happened in the past. But clearly, headline growth is not doing much for the currency or delivering a feel-good factor on the wealth front, which is what the stock market reflects.

When markets rise, the general sense of financial well-being increases among the investing class and this reflects in decisions like buying new products or investing in a home. But, thanks to the GCT cuts and the income tax bonanza given to middle-class taxpayers in the 2025-26 Budget, there is no sign that people with money have (yet) stopped or delayed discretionary spending (on cars, bikes, ACs, fridges), though there is concern over the failed monsoon, which could dent rural purchasing power.

Exports are booming despite tariffs and a weakening global trade scenario (15.5% in April-August 2026), which is faster than the underlying growth in the economy. Put simply, even in a bad trading environment, exports are pulling our growth rates up rather than down. But there is still trade pessimism. After raising more than $140 billion in foreign currency (non-resident) deposits and through external commercial borrowings, the RBI is being forced to defend the rupee to prevent a faster decline.

Another contrast: Over the last two financial years (and five months of this year up to August), Indian investors have pumped just under Rs 8 lakh crore through systematic investment plans (SIPs), much of it in stocks, but the markets have still tanked. So what exactly is going wrong? Why are the rupee and markets heading south when the economy is heading north?



CHASE : The key to stock prices is liquidity, not only corporate fundamentals. REUTERS

There are times when no matter what you do to reform or correct your own economic policies, things you cannot control will damage you. Call it the law of economic karma, where it is not the things you do right that matter in the short-to-medium term, but the larger political and economic sins of the world that are coming to visit you.

This does not mean we should stop doing the right things (deregulation, rationalisation of taxes, simplifying rules for foreign investment), but doing the right things does not always guarantee instant results. So, let's instead understand why economic effort and outcomes are showing contradictory trends.

> First, and probably the most important factor for markets to underperform, is rising global interest rates.

First, and probably the most important factor for markets to underperform, is rising global interest rates. The benchmark US dollar treasury bond yield is 5.3% and counting, marking its highest point in 24 years. Even the Japanese 10-year bond has crossed 3.1%, highest since 1996. And this in an economy which spent more than three decades in stagnation. The point here is simple: When risk-free dollar bonds can give you such high returns, why take the risk with stocks denominated in rupee?

Consider this math: If you invest in US 10-year bonds, you get a 5.3% risk-free return; add rupee depreciation of between 4-5% annually based on past trends, and you are effectively getting zero if you invest in India. This is why foreign portfolio investors are voting with their feet, even while rupee investors continue to believe in the India story.

Second, the key to stock prices is liquidity — the amount of money chasing stocks — and not only corporate fundamentals. You may own the most profitable company in the world, but if a lot of money is not chasing it, its prices won't rise much. Right now, governments are not only borrowing more at higher rates, but a lot of the spending is going into areas like defence and subsidies. And the money flowing into stocks is flowing disproportionately into tech and AI companies. This is draining the pool of money available for other stocks.

Since India is not (yet) a major AI player, the surge in global tech stocks has bypassed us. Foreign investors think risk-free US bonds and tech equity are better bets than Indian stocks. Once this feeling passes — as it surely will — they will look at India again.

Three, there is the oil shock, thanks to the weaponisation of the Strait of Hormuz, sanctions on Russian oil and destruction of energy infrastructure in Russia, Ukraine and West Asia. India has, so far, managed these shocks well, but the markets know that this cannot be sustained and higher fuel, fertiliser, food and other costs will slow down growth as prices rise. More so when domestic interest rates start rising.

Four, voters are in turmoil the world over. There is a real possibility that the Republican party will lose in the November senate and Congress elections, leaving it with a lame-duck president. Not that Donald Trump has done particularly well when he wasn't much of a lame duck, but things could get worse as the President and Congress start moving in opposite directions.

In Europe, anti-immigration parties are growing in electoral strength and youth unemployment is raising its spectre everywhere even as AI threatens jobs. Governments will, in this scenario, throw more money at the problem, worsening their own finances in the bargain. Everywhere, social media is being used to encourage the forces threatening law and order.

We saw that during our anti-NEET protests (and now the anti-Chief Election Commissioner protests), and in the Bangladesh and Nepal movements that ended up ousting governments. The violent student protests in France have just seen a partial government capitulation.

The anger and anxiety among youths is being weaponised and even when the goals are achieved, the problems will get worse, not better. One should ask: Assuming the CEC resigns, will the protesters go home? Or will new demands be raised to keep the agitated youth's mindset alive till it results in political change?

But even if there is a new government in place tomorrow, will it be able to deliver better on jobs? The slow collapse of law and order is not going to do anything to restore growth and market confidence in the short-to-medium term.

The economic and karmic cycle is turning adverse and it will be a while before it becomes virtuous again. We have to batten down the hatches and wait for the storm to clear before betting on economic optimism again.

When Washington wavers, Japan matters



MANOJ JOSHI
DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION

LAST week's phone conversation between Prime Minister Modi and US President Trump was, to go by the readouts, "productive" and "reaffirmed commitments" between India and the US. But it was in reality a damage-control exercise sparked by the threat of 100% tariffs brought on by the Graham Act and the ongoing trade friction preventing the two sides from working out a trade agreement.

The formal framing of the readout of the phone call between the two, who had in past called each other "good friends" underscored this, as did US Trade Representative Jamieson Greer's admission that the deal was not quite imminent.

The lesson is not that Delhi should wait out Trump's tenure. Those who expect a successor to restore the old intimacy are betting on a past that was already eroding. That means building depth with other middle powers, and the most consequential of these is Japan.

Japan's experience with the US has been different from that with India considering that the US is its military ally and security guarantor in a difficult region. Last year, Japan's trade agreement with the US involved 15 % tariff, a commitment to $550 billion investments in the US and $8 billion annual agriculture/energy purchases.

Tokyo has responded with a shift in its defence policy and a sharp boost of its military expenditure. Last month, Jennifer Kavanagh of the Defense Priorities think tank in Washington DC, called for the scrapping of every single mutual defence treaty in Asia to be terminated or phased out. Today, hers may be a minority view in Washington, but you can be sure that after the experience of west Asia, people are listening.

Geography unites India and Japan as do geopolitics, economics and trade. Located on two ends of the Indo-Pacific, they are ideally suited to fill the vacuum left by the de facto US recusal from the region. Both have uncomfortable relations with China, whose industrial capacity and military is looming over the region. Both depend on sea lanes across the Indian Ocean for trade and energy.



CAMARADERIE: Japan's experience with the US has been different from that with India. REUTERS

Since the Alondra Rainbow incident of 1999, Japan has realised the significant role India could play in diplomatic and security balancing to protect its energy sea lanes. The Alondra Rainbow was captured by pirates in the South China Sea and after a chase by the Indian Navy and Coast Guard, the vessel was recaptured.

Given its military reticence, initial collaboration with India on security issues was worked through their respective Coast Guards, but now features bilateral and multilateral exercises between their armed forces.

In July, the two sides held their 16th Annual Summit in New Delhi. Here, the two unveiled a comprehensive roadmap to expand their partnership. They issued a formal Joint Statement on Energy Resilience to share experiences in building up strategic petroleum reserves. The two have also set up an LNG stockpiling task force to jointly manage disruptions and mitigate price shocks.

> India and Japan have an opportunity that extends beyond the immediate uncertainties in their respective relationships with Washington.

Protecting sea lanes is an important aspect of energy resilience. In August this year, the two sides entered into a Memorandum of Arrangement on Maritime Security Cooperation. This agreement allows the Indian Navy and the Japanese Maritime Self-Defence Force (JMSDF) to share real-time maritime intelligence, conduct joint anti-piracy measures and mine countermeasure operations and grant reciprocal access to each other for ship repairs and logistics.

Japan brings in real assets here. The Indian Navy is more than twice the size of its Japanese counterpart by numbers, but in heavy ocean-going ships, Japan is roughly three and a half times larger. It also fields 23 advanced diesel-electric submarines to India's 18.

An important and ongoing aspect of their ties are the relationships relating to investment, trade and technology, which are growing by leaps and bounds. Defence technology is of special interest in view of Japan's capabilities in a range of areas. Its electronics industry is well known, but it has also developed hypersonic and unmanned combat aircraft technology.

Recently, it launched a Taigei-class submarine, whose high-capacity lithium-ion batteries make it the most advanced conventional submarine in the world. Japan also has an advanced aerospace sector developing a sixth-generation stealth fighter with the UK.

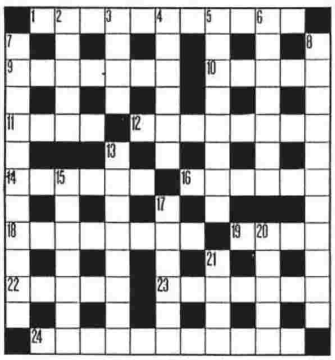
In a first ever defence technology transfer, India and Japan are collaborating in Project Unicorn for a stealth sensor mast. A major area for cooperation is AI through the India-Japan Digital Partnership and the two sides plan to place 500 Indian AI professionals in Japan by 2030.

India and Japan therefore have an opportunity that extends beyond the immediate uncertainties in their respective relationships with Washington. Neither can replace the US, nor should that be their objective. The more useful goal is to build a web of capabilities among countries that have a direct stake in keeping the Indo-Pacific open, secure and resilient. For India, Japan is particularly important because the relationship can combine maritime security, energy resilience, technology, defence production and economic security.

None of this should be oversold. Japan will not follow India on Russian oil; it has aligned with the US sanctions policy, and that limits how far either can cover for the other's exposure to Washington. For the near future, indeed, it remains a part of the US' alliance system.

But Japan needs partners capable of contributing to the security of the sea lanes that connect it to West Asia and Europe. The emerging India-Japan relationship consequently has significance beyond bilateral ties. As US strategic commitment becomes less predictable, the two countries need to create a regional balance in which responsibility for security is distributed more widely — and in which neither has to depend on Washington alone.

QUICK CROSSWORD



ACROSS

1 The nobility (11)
9 Chide (7)
10 Persian Gulf emirate (5)
11 Heap (4)
12 Cheap and showy (8)
14 Symbolic badge (6)
16 Assert without proof (6)
18 Refined style (8)
19 To exchange (4)
22 To step up (5)
23 Betrayal of allegiance (7)
24 Foam-crested waves at sea (5,6)

DOWN

2 To revolt (5)
3 A large waterbird (4)
4 Admit to holy orders (6)
5 Mockery (8)
6 A green vegetable (7)
7 US military decoration (6,5)
8 Greatly amused (7,4)
13 Showing moral decline (8)
15 Flaw (7)
17 Frustrate (6)
20 Barren region (5)
21 Tolerate (4)

Yesterday's Solution

Across: 1 Really, 4 Scalding, 9 Settle, 10 Immature, 12 Rude, 13 Below, 14 Send, 17 In the long run, 20 Pride of place, 23 Grip, 24 Meant, 25 Glum, 28 Original, 29 Method, 30 Doggedly, 31 Tycoon.

Down: 1 Restrain, 2 Antidote, 3 Lull, 5 Common ground, 6 Lean, 7 Inured, 8 Greedy, 11 Beyond recall, 15 Yearn, 16 Jumpy, 18 Ballyhoo, 19 Hemmed in, 21 Age-old, 22 Airing, 26 Wise, 27 Defy.

SU DO KU

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

V. HARD

YESTERDAY'S SOLUTION

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

CALENDAR

OCTOBER 7, 2026, WEDNESDAY

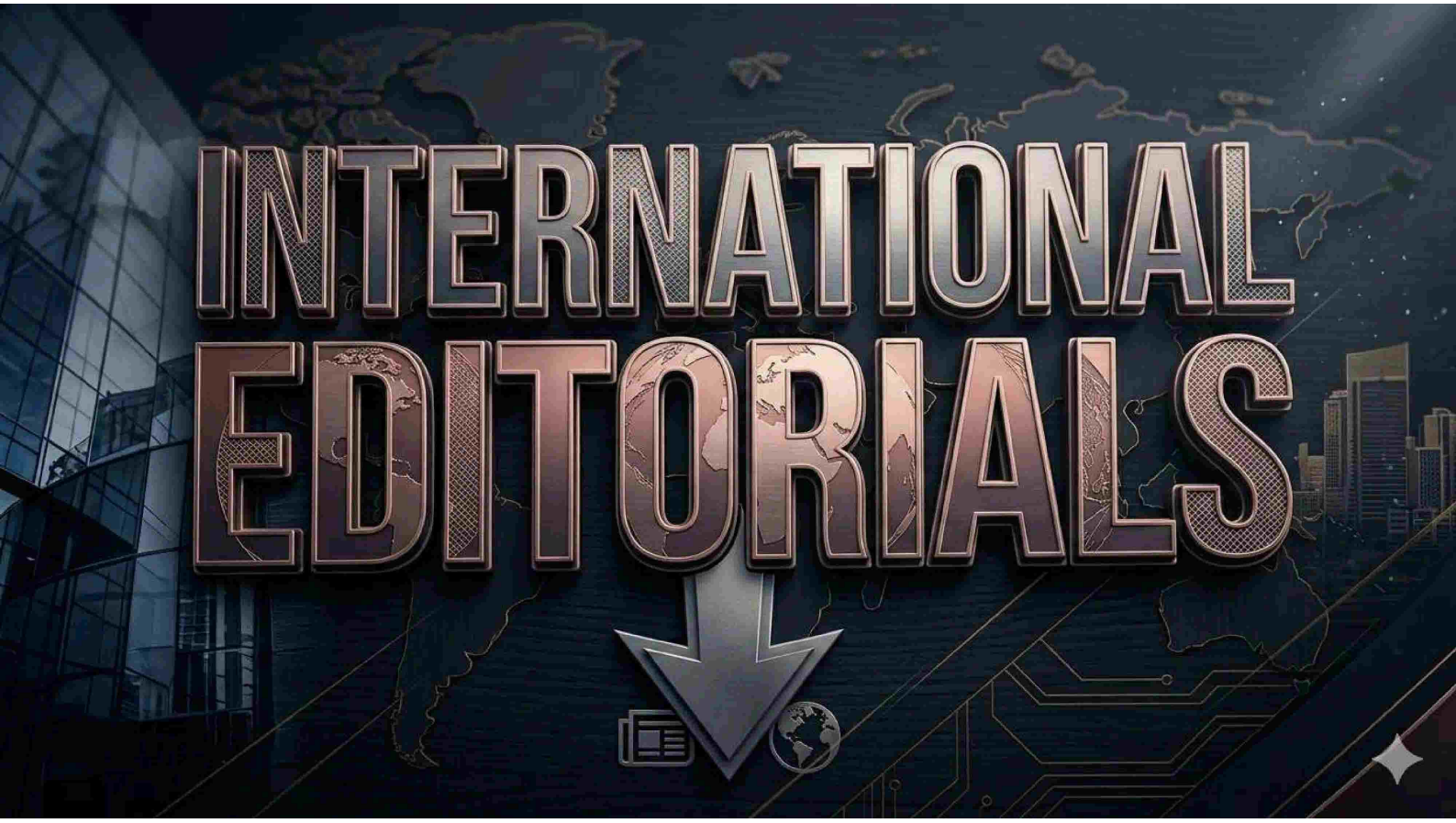
- Shaka Samvat 1948
- Ashwin Shaka 15
- Ashwin Parvishte 21
- Hijari 1448
- Krishna Paksha Tithi 12, up to 11:17 pm
- Shubh Yoga up to 2:52 am
- Megha Nakshatra up to 9:21 pm
- Moon in Leo sign
- Gandmoola up to 9:41 pm

FORECAST

SUNSET: WEDNESDAY 18:01 HRS
SUNRISE: THURSDAY 06:19 HRS

CITY	MAX	MIN
Chandigarh	32	24
New Delhi	34	22
Amritsar	32	23
Bathinda	34	22
Jalandhar	31	23
Ludhiana	33	26
Bhiwani	36	21
Hisar	36	22
Sirsa	34	22
Dharamsala	23	16
Manali	19	10
Shimla	20	13
Srinagar	29	12
Jammu	33	24
Kargil	23	04
Leh	20	02
Dehradun	31	21
Mussoorie	21	13

TEMPERATURE IN °C


INTERNATIONAL
EDITORIALS

EDITORIAL

Hong Kong has scope to build on Asian Games haul

Hong Kong athletes' record medal haul from the Asian Games in Aichi-Nagoya, Japan, could hardly have been better timed. It comes soon after Chief Executive John Lee Ka-chiu launched the city's first five-year plan, which enshrines sport as a pillar of the city's economic and social development until 2030. Our athletes' success boosts the sport segment of the plan almost from the beginning. Key initiatives include big cumulative increases in sport funding and in the number of full-time elite athletes trained at the Hong Kong Sports Institute over the next five years.

The city's total of 54 medals was just one more than in the previous Asian Games in Hangzhou in 2023. But it includes 11 gold medals – three more than in the previous Games, and 19 silver, also three more, while 24 bronze medals fell short of the 29 won in 2023.

Competitors won gold across multiple disciplines including swimming, wushu, rowing, squash, sailing, tennis, windsurfing and rugby sevens. Some gold-medal winners are already familiar to sports fans, like multiple Olympic medal-winning swimmer Siobhan Haughey, tennis player Coleman Wong Chak-lam and the rugby sevens players. Wong, a relative newcomer on the international scene, is the first Hongkonger to secure entry to the Olympic tennis tournament.

Sailing and windsurfing sparked optimism about the next generation, with water sports claiming four golds. Wong Tsz-ho and Cheung Tsz-yuet, boys' and girls' windsurfing champions, are a case in point.

Hong Kong delegation chief Wong Po-kee said the successes demonstrated "the continued emergence of sporting talent in Hong Kong". He echoed a social media post by the chief executive, who hailed the example set by those athletes who had shown everyone "that as long as you work hard and have dreams, you can break through your limits and achieve great results". Lee thanked the squad for "showing us that Hong Kong can cultivate so many outstanding athletes who can compete and win against top Asian athletes on the international stage".

Lee's social media post also referred to the "billions of dollars invested annually" to train the city's elite athletes, adding that he was pleased "to see that the government's investment is beginning to bear fruit". But maintaining the high-performance momentum will be challenging. The reality remains that this is Haughey's last Asian Games, with no one at the top level ready to fill her shoes. The same goes for Olympic fencing gold medallist Cheung Ka-long, who is in the twilight of his career, and retired Olympic fencing gold medallist Vivian Kong Man-wai.

There is an argument that Hong Kong is enjoying a golden age of generationally talented athletes and that young athletes show promise. For example, teenage swimmers Yeung Hoi-ching and Gilaine Ma, who reached the finals of their events, gave hope for the next games in Doha.

But there are questions about the way some sports are trying to develop their next star. Hong Kong has again been found wanting in track and field. Continued failure may require some form of intervention.

Secretary for Culture, Tourism and Sport Rosanna Law Shuk-pui has pointed to the funding approach taken with tennis. Tennis was allowed to retain its Tier A elite funding designation as a high-performance sport at the Hong Kong Sports Institute because of evidence that long-term investment would ultimately pay off.

Importantly, the sport development plan is not confined to the elites but involves the whole community. It includes accreditation, hosting and funding of M-mark mega-sport-related events for competitions, such as the Hong Kong marathon and Hong Kong Sevens, to boost tourism and drive the local event economy. The Hong Kong Jockey Club has awarded HK$37.5 million in cash incentives to the city's medallists. More support from non-government channels would be welcome.

China topped the gold-medal table for a record 12th straight Asian Games, securing 169 gold, 89 silver and 83 bronze medals – its best-ever haul at an overseas Asian Games. The next Asian Games, at Doha, in 2030 or 2031, will serve as a benchmark of Hong Kong's sporting progress under the five-year plan. Meanwhile, it is time for both teams to get better prepared for the Los Angeles Olympics.

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Microdramas are test for next export wave

A quiet shift is happening in China's services sector as its competitive manufacturing capabilities – speed, scale and cost control – start moving into entertainment content



Kok How Lee

China's US$1.2 trillion goods trade surplus last year has focused attention on electric vehicles, batteries, solar panels and industrial overcapacity. Tariffs, anti-subsidy investigations and localisation requirements have followed as trading partners respond to China's manufacturing scale.

Yet the less visible shift is happening in services. Services exports rose by 17.1 per cent year on year in the first seven months of 2026, while exports of personal cultural and entertainment services surged by 57.8 per cent. China still runs a trade deficit in services, which are nowhere close to replacing manufacturing. But digital services can scale up without factories, containers or ports.

Microdramas generated by artificial intelligence (AI) offer an early example. China industrialised the format domestically: one-to-three-minute episodes, rapid plot twists and cliffhangers designed around smartphone viewing and payment. The sector's revenue rose from less than 1 billion yuan (HK$1.17 billion) in 2020 to an estimated 100 billion yuan last year. Chinese-backed platforms such as ReelShort have already have sizeable overseas audiences.

Rather than simply exporting Chinese television, these companies are exporting a production system built around audience data, rapid localisation, performance marketing and, increasingly, AI.

Chinese factories became formidable by shortening product cycles, compressing costs, producing many variants and quickly scaling up whatever sold best. AI allows content producers to apply the same logic to entertainment. China released about 430,000 microdramas in the first eight months of 2026, with AI accounting for over 90 per cent.

The productivity gains explain the rapid adoption. South Korean producer Vigloo cut production from three months to one and costs to about one-fifth using AI. Shenzhen studios using ByteDance's Seedance have achieved a similar compression. But the advantage is not just cheaper video generation. China has an ecosystem capable of turning AI output into commercial content quickly and at scale.

Producers can see within the opening episodes whether viewers are staying, then redirect marketing spending towards titles gaining traction and abandon those that do not. Lower costs also mean more bets. While a traditional studio may spend months on expensive projects, an AI microdrama producer can launch many titles, read audience behaviour quickly and scale up only the winners.

> *"AI amplifies not only output, but also the assumptions and stereotypes embedded in it*

Breakout successes are few and far between – only 0.48 per cent of AI microdramas released on Douyin in the first half of 2026 exceeded 100 million views. Still, microdramas may be a better risk model than committing millions to a long-form production.

Yet scale is creating its own problems. Beijing is now pushing the industry towards greater quality, originality and copyright protection.

iQiyi shows how this is no longer a fringe format. Built around premium long-form drama, iQiyi saw its short-form titles take the top domestic market share for the first time in the second quarter this year, even as group revenue fell by 5 per cent year on year. Its response has been to push deeper into AI and short-form production.

More than a fad, microdramas are a test case. They show how China's industrial strengths can be applied to digital services, creating exports that scale globally without the factories, shipping lanes and tariff exposure that define physical trade. A microdrama crosses borders through an app. There is no container to inspect and nearly zero marginal distribution cost, even as AI lowers the cost of translation, dubbing and localisation.

Digital products can still face restrictions. TikTok's case shows how national security and platform regulation can substitute for those of tariffs. But policies designed for manufacturing overcapacity work less neatly when the export is entertainment, software, intellectual property or attention.

China is applying manufacturing capabilities to services: speed, scale, cost control, rapid experimentation and a ruthless elimination of weak products. Only the output has changed.

Entertainment adds another dimension because stories shape perceptions. AI amplifies not only output, but also the assumptions and stereotypes embedded in it, especially when algorithms reward those narratives with traffic. I have seen Chinese microdramas cast the US as a bully and use a fictional small Southeast Asian country as shorthand for money laundering and corruption. Repetition can still normalise such portrayals.

China spent four decades building an export machine around physical goods. If the same economics spread through gaming, online literature, entertainment, apps and AI-enabled services, China gains another channel for globalisation that is less dependent on factories and harder to address with conventional tariffs.

Services will not replace China's manufacturing engine any time soon. Rather, the competitive capabilities built in manufacturing are beginning to migrate into services.

China's trillion-dollar goods surplus is visible at the port. Its next export wave may increasingly arrive through the smartphone.

Kok How Lee is a seasoned economist, consultant and strategist

Trump-Xi summit more than a show

The latest meetings between US President Donald Trump and President Xi Jinping ended, yet again, with little to show in the way of a breakthrough.

What grabbed international headlines was the pageantry, from Trump's unprecedented greeting of Xi on the tarmac to a personal tour of the US$5 million granite helipad. "He's an expert on stone aside from many other things," Trump later told reporters. "And he loves good granite."

Pointing to these displays, observers were quick to dismiss the meetings as insubstantial. But that misses the bigger picture. The meetings helped stabilise a volatile bilateral relationship and, in doing so, laid the groundwork for future engagement.

Even without achieving a grand bargain, the two sides made progress on three fronts.

First, the tariff truce that was set to expire has been extended to January 7. Going into the summit, markets anxiously watched to see whether the arrangement that lowered triple-digit tariffs would lapse and send both sides back into a tit-for-tat trade war. That it didn't suggests both sides still see reason for optimism. Washington is broadly content with China's follow-through on its commitments, though the extension runs only two months, which implies that Washington is not satisfied enough to offer more.

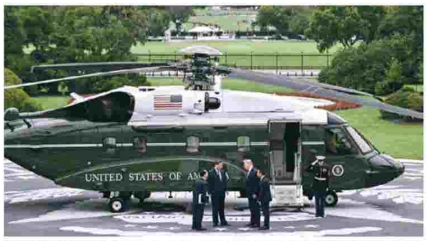
Second, both sides have agreed to open talks on a military crisis-communication pact that would restore channels between their armed forces. Beijing scaled back military contact in 2022, cutting off command-level communication between US and Chinese officers. Those ties have only recently begun to recover as relations thawed.

The talks signal a shared interest in keeping lines of communication open, which is essential to stopping minor incidents from spiralling. In 2023, for instance, when a US fighter jet shot down a suspected spy balloon, then US defence secretary Lloyd Austin tried to reach his Chinese counterpart, only for Beijing to decline, saying Washington had not created the "proper atmosphere" for dialogue.

Third, the two sides now have a dedicated platform for discussing artificial intelligence. That is no small feat. Trump has fiercely opposed global efforts at AI governance, and Washington and Beijing remain an ocean apart on everything from advanced chips to how the technology should be regulated. Even so, an AI-specific dialogue is scheduled for November to discuss risks and benefits.

None of this amounts to a breakthrough, and it would be a mistake to pretend otherwise. But stability itself, in a relationship this fraught, is already an important achievement.

Allen Zhang, research assistant, The Heritage Foundation



Xi Jinping and Donald Trump on the new helipad at the White House. Photo: AFP

LETTERS

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People must have last word on tech

For far too long, the preset default is that we will accept new technology unless we tell innovators otherwise.

This approach is lame. Nobody should decide what is suitable for all of us. No matter how great those behind the new inventions are, the majority of us should have the last word on adoption.

Artificial intelligence, which is all the rage right now, is a good case in point. The very people involved in this new technology are calling out the danger of it getting out of control, even decimating the human race.

So why have they invented it? Could they be committing a heinous crime against humanity for being so callous about it? Why are we following the herd instinct and blindly adopting it?

There is still no cure for cancer in general. Should not resources be directed at more urgent purposes?

If both human labour and intellect are replaced, what do we have to exist for? This perhaps is the final frontier for humankind.

Lee Teck Chuan, Singapore

It's all relative in the world of AI

I refer to "Don't let AI take over our human creative expression" (September 24).

I am your reader in Moscow whose letters occasionally appear in the press abroad, including your paper. Once I facetiously asked a Western AI if it assumed I was a Russian AI designed to promote the Kremlin's propaganda in the West. The reply was that I was not since an AI can't have relatives, while I am regularly mentioning my grandfather, my grandmother, my uncle and last but not least my aunt.

Mergen Mongush, Moscow



Illustration: Lau Ka-kuen

HK gold bridge fulfils China's yuan ambition

With Shanghai pricing the contracts and Hong Kong handling offshore vaulting, Beijing is building a bullion-backed route to currency internationalisation



Chow Chung-yan

In 2013, one-third of the world's traded gold passed through Hong Kong. That year, the city imported 1,158 tonnes of bullion, overtaking India, the traditional top buyer. For all our love of the glittering metal, little of it stayed in our vaults. It mostly went straight to mainland China, where strict controls meant the bulk of its gold imports had to transit through here.

Little did we know that things would soon be turned upside down. In 2014, China relaxed restrictions, allowing more mainland banks to buy foreign gold without routing it through Hong Kong.

Net gold flows to the mainland via the city fell to 863 in 2015, then to 245 tonnes in 2019, before reaching a nadir of 67 tonnes in 2020, according to a Hong Kong Legislative Council report.

Just as Hong Kong's gilded days as the region's premier gold hub seemed over, things flickered back to life. Bullion flowing into the city has surged since 2020, rebounding to 942 tonnes last year. Now, Hong Kong has set itself the goal of becoming an international gold trading centre, with plans to increase storage capacity tenfold, from 200 tonnes to 2,000 tonnes by 2028.

What has happened is a structural shift in Hong Kong's role: from a simple gateway to a critical link in the nation's push for financial security and the internationalisation of its currency.

China's yuan strategy has changed fundamentally since 2014. It has moved away from pursuing full capital account convertibility and integration into Western-dominated systems. Instead, it has pivoted towards building an alternative cross-border payment system independent of the US dollar.

As the undisputed global trade superpower, China persuades others to settle their transactions in yuan, yet has no intention of relaxing its capital controls. But for others to hold the yuan as they do the US dollar or euro, foreign central banks must be confident the currency will hold its value and can be converted into tangible collateral. Enter gold and the offshore yuan market.

The People's Bank of China ranks fifth globally in sovereign gold reserves, yet it has far more room to expand than other major central banks.

Gold accounts for 65-75 per cent of the foreign exchange reserves of the US, Germany, France and Italy but makes up less than 10 per cent of China's massive US$3.4 trillion reserves, which remain dominated by the US dollar and foreign currency bonds.

The US-led sanctions against Russia were a wake-up call for Beijing, and the urgency to build up gold holdings is now structural.

China has been the world's No 1 gold producer since 2007, churning out about 380 tonnes a year, all of which it keeps.

It is also becoming the largest importer, snapping up more than 1,000 tonnes so far this year. Its relatively opaque reporting makes it a guessing game how much physical gold the government has amassed, but Beijing is clearly hoarding for strategic reasons.

> *"This process, known as 'gold convertibility', makes accepting yuan far less risky for China's partners*

By steadily replacing US dollar assets with physical gold, China signals that a vast, neutral "hard asset" backs its national balance sheet. That strengthens foreign confidence, particularly among the non-Western Global South, in holding yuan-denominated debt or trade balances.

Historically, gold trading, pricing and physical clearing have been concentrated in London and New York.

China is building its own centres, and Shanghai and Hong Kong could form the axis of this parallel Eastern infrastructure.

In 2014, it established the Shanghai Gold Exchange (SGE) international board, which focuses on physical transactions and sets its own standards, pricing and clearing protocols, distinct from those of the dominant London Bullion Market Association.

The London bullion market still commands more than 70 per cent of global daily trading volume, but the SGE's share has risen to 16 per cent.

Most importantly, the SGE dominates global physical gold trading, which involves physical delivery and vaulting.

Beijing has also introduced yuan-denominated gold contracts on the SGE and expanded offshore gold vaults in Hong Kong. This allows trading partners, particularly Brics nations and Middle Eastern oil exporters, to accept yuan for their commodities, immediately convert it into physical gold in Hong Kong and ship it home.

This process, known as "gold convertibility", makes accepting yuan far less risky for China's partners.

In effect, China is building Shanghai as the gold pricing and clearing centre, and Hong Kong as the vaulting and delivery point for foreign clients.

Our common law system, free flow of capital, safe and secure environment, and highly efficient professional services make the city an ideal place for countries to diversify their gold holdings away from London and New York.

Central banks from Belt and Road Initiative countries can vault their gold here and use it as collateral to raise yuan-denominated capital at a lower cost. Without full convertibility, the yuan serves mainly as a medium of exchange.

Now, physical gold stored in Hong Kong can serve as a store of value. Linking the two completes the jigsaw, and no place can do it better than Hong Kong.

On September 23, the Hong Kong Exchanges and Clearing (HKEX) announced plans to launch a yuan-denominated gold futures contract early next year.

This will allow Asian and Global South counterparties to price, trade and settle physical bullion directly in yuan, and it underpins the city's ambition to become a global gold trading centre and aggressively expand its storage capacity.

Our future as an international financial centre in the coming decades depends on whether we can develop the offshore yuan and gold businesses for the nation.

If we can be the bridge of gold for the Global South, Hong Kong's position will be vault-secured.

Chow Chung-yan is editor-in-chief of the South China Morning Post

City must drop housing plan and preserve golf course

Court ruling shows building flats on the site makes no sense as HK strives to become a leading host of international sporting events



Cliff Buddle

The hotly contested court battle over government plans to build 12,000 public flats on Hong Kong's oldest golf course has played its final round. The government decided not to appeal against a ruling that held its approval of an environmental impact assessment (EIA) report on the project to be unlawful.

This is better than pursuing a further attempt to persuade the courts to uphold a fatally flawed process. Now, a broader review of the plans can be undertaken in light of the Court of Appeal's judgment in favour of the Hong Kong Golf Club.

There are many lessons to be learned from the affair. The Court of First Instance found in 2024 that the process by which the EIA report was prepared and approved was littered with errors and breaches of the law. Almost all of those findings were endorsed by the Court of Appeal.

The case has its roots in the previous administration's bid to ease the city's housing crisis with a desperate search for land on which to build public estates. It announced in 2019 that 32 hectares of the golf course would be developed.

This was a popular move at the time. The issue pitched the community's need for affordable housing against the exclusive golf club with its privileged members.

However, of all the places to build a housing estate, this was an unlikely one. The Fanling golf course, as the court said, is regarded as one of the "finest and most scenic" in Asia. It is the only venue in Hong Kong capable of staging elite international tournaments.

The area earmarked for development covers eight holes of the Old Course, which dates back to 1911. It is the oldest in China and a valuable remnant of the "golden age" of golf in the early 20th century. The development would have led to its destruction.

The cultural significance and heritage value of the site should have been obvious, but the impact of the housing plan on this "architectural gem" was not properly evaluated. There was also a lamentable failure to adequately assess the potential for the development to negatively affect the site's ecology, which includes endangered species.

The court found the public consultation process to be inadequate. Additional information on important areas of the assessment was provided only after the consultation. There was also a failure by the government to fairly consider detailed submissions made by the club on the late additions.

> *"This revealed alarming failures to sufficiently consider the possible impact of the project on flora and fauna*

Conditions attached to the approval of the EIA report effectively required the plan to be redesigned and rethought, which could have made it "quite a different creature" to the one the public was consulted on, according to the court.

One of the most striking parts of the judgment dealt with areas in which the EIA report did not comply, as required by law, with the technical memorandum and study brief. This revealed alarming failures to sufficiently consider the possible impact of the project on flora and fauna, notably trees, moths and bats.

The fate of the critically endangered Chinese Swamp Cypress tree is a glaring example. The court said such trees on the site make up 15 per cent of the global population and 29 of them are estimated to be more than 100 years old.

The EIA process failed to properly assess the potential "devastating and irreversible" impact of the development on the trees, which are highly sensitive to changes in their environment.

The judgment highlights the need for careful, comprehensive and fair consideration of the effect of even relatively small developments on the environment. The law was amended in 2023 so that EIA reports are only required for areas exceeding 50 hectares, rather than the previous 20.

As Hong Kong seeks to push ahead with ambitious development plans, it must not overlook the need to strike the right balance and protect the environment. Last week, the government stressed that solving the housing problem is top of its agenda. Progress has been made in recent years, and the search for sites is not as frantic as in the past.

The huge Northern Metropolis development is expected to feature 150,000 homes. The golf course is within the boundaries of that project and is intended to provide a "green corridor" at its heart. Building housing on the Old Course makes no sense, especially as Hong Kong strives to become a leading host of international sporting events.

The housing plan is back at the first tee. The master stroke would be to now abandon it and allow the iconic golf course to be preserved.

Cliff Buddle is a journalist based in the UK who previously lived in Hong Kong and has been writing for the South China Morning Post for more than 30 years

The FT View



FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Brazil's Bolsonaro comeback exposes Lula's weakness

Incumbent's fading appeal has opened the door to a family revival in politics

When former president Jair Bolsonaro was given a 27-year jail sentence last year for plotting a coup, Brazil received plaudits for its willingness to defend democracy and insulate itself from the more dangerous aspects of far-right populism. Unlike the US failure to bring Donald Trump to trial over efforts to overturn America's 2020 presidential election, Brazil took decisive action against Bolsonaro and his allies for attempting to overturn the result of the 2022 Brazilian election.

Yet just as Trump defied the odds to become US president for a second term, so the Bolsonaro family has a strong chance of making its own remarkable comeback. Flávio Bolsonaro, the eldest son of the far-right former leader, beat the incumbent Luiz Inácio Lula da Silva 47-45 in the first round of voting in this year's presidential election. He goes into a run-off on October 25 as favourite.

A victory for the younger Bolsonaro would cap a remarkable run for Trump-friendly candidates in Latin America. The right has already won all seven presidential elections held in the region since Trump returned to the White House, in many cases with Maga-style campaigns. Mexico would be the only major economy in the region still governed by the left.

If elected, Flávio Bolsonaro risks sparking a new institutional crisis if he pushes ahead with his pledge to free his father from jail without the decisive support of Congress.

How have the Bolsonaros managed to bounce back to the verge of power? The answer lies less in the achievements of Flávio Bolsonaro, who has been a mediocre candidate, and more in the failure of Lula. A late recovery by Lula cannot be ruled out, especially if new corruption allegations emerge against his opponent, but his weaknesses as a candidate have been exposed in this campaign.

Like voters across the region, Brazilians have consistently listed organised crime as a top concern. Over many years at the forefront of Brazilian politics, Lula has struggled to convince voters he has an effective answer to the rise of drug gangs; many on the left have given the impression that they do not see it as a priority.

On the economy, many headline indicators have been strong, including record-low unemployment. But lax fiscal policy has contributed to very high interest rates, which are punishing the 82 per cent of Brazilian families who have personal debts. Having been elected in 2022 with the help of some centrist parties, Lula has all too often retreated to the comfort zone of his leftwing Workers' Party, which has left him more politically isolated this time.

Lula's biggest problem is that he has become part of the furniture in Brasília.

> The right has already won all seven presidential elections held in the region since Trump returned to the White House

This is his seventh run for the presidency — the first was in 1989 — and he is asking for a fourth term overall. Presenting himself as a defender of democracy has only enhanced that impression.

The result is he is blamed for the failures of others. One of the biggest stories of the election has been revelations about the links between several members of the Supreme Court and the former owner of a bank that collapsed. These included a key judge in Jair Bolsonaro's conviction.

Lula was not directly linked to the scandal — unlike Flávio Bolsonaro, who solicited financing from the banker for a proposed film about his father — but widespread revulsion at the perception of elite corruption has damaged him badly. Brazil acted to contain Jair Bolsonaro, but amid the heavy polarisation, with outrage constantly cultivated on social media and ingrained suspicion of elites, Lula has been unable to vanquish *Bolsonarismo*.

Opinion UK politics

Burnham's Manchester City problem

Ewan White





Stephen Bush

The fact that Manchester City have been found guilty of 114 of the 115 charges brought against them by the Premier League over breaches of its financial rules divides people. It divides me. On one hand, as an Arsenal fan, I think that City are cheats, and that the only solution is for the club to be hit with huge fines, stripped of their trophies and banished to the lowest reaches of the football pyramid. Among fans of City's rivals, this makes me a relative moderate in that I don't want the club's ground to be paved over and salted.

However, what I don't want is for the UAE to stop investing in office and retail space in Manchester, London and the UK's other great cities; for British wealth managers to lose out on Emirati clients to the Swiss or

> We are seeing 'Manchesterism' as a narrative colliding with the reality

the Americans; and for England's elite private schools, whether at home or their overseas franchises, to have fewer children from Abu Dhabi in them. So perhaps the paving over of the Etihad Stadium *should* be put on hold.

Andy Burnham, the prime minister, faces a similar dilemma. In his first gaffe since entering Number 10, when asked what he made of the charges, he responded by extolling the Abu Dhabi United Group, which owns City, for its investment in and around Manchester.

Now, I'm sympathetic to the notion that City's punishment, whatever form it ends up taking, should be accompanied by warm words about the UAE. But I do have two nagging objections. The first is that Burnham's words about City's owners were warmer than anything he has said since becoming prime minister about, say, Qatari investment in Canary Wharf in east London. They were warmer, too, about money coming from Abu Dhabi than about anything that might flow from American banks or Chinese international students.

The second, and more important, objection is that Burnham's defence of City's owners came not 24 hours after a speech in which he railed against 40 years of economic choices that, he claims, have made Britain poorer and angrier than it should be. You can't coherently maintain that it would be a crying shame for east Manchester to lose out on the UAE's investment and at the same time insist that the economic policy choices made since the 1980s have been a complete disaster.

What could be more in keeping with the past 40 years of economic policy than the previous Labour government standing by when Sheikh Mansour bin Zayed al-Nahyan bought Manchester City in 2008, and then watching approvingly as his investments in land and property, as well as the football club, reshaped the city? It's incoherent to rail against such choices at a national level, as Burnham does when he promises to break with decades of "neoliberalism", but to embrace and celebrate their impact on Manchester, where he was mayor for nine years.

What we are seeing here is "Manchesterism", as a narrative about Burnham's mayoralty designed to make the Labour Party feel good about itself, colliding with the reality of actually existing Manchesterism. In the latter, Manchester was reborn by ruthlessly marketing itself to global investment capital. Either Burnham's premiership is defined by applying the real and useful lessons of actually existing Manchesterism to the country as a whole, or it simply allows the Labour Party to lurch towards its usual destination of electoral defeat via its preferred route of its own navel.

Which is it going to be? The signs are mixed. Burnham's conference speech last week featured calls to scrap the triple lock and a willingness to risk votes for a closer relationship with the EU. So it isn't entirely fair to suggest his schedule was "Tuesday — tell the Labour Party what it wants to hear; Wednesday — reflect on the things that actually help the British economy". But it isn't wholly unfair either.

The optimistic case for Burnham is that he might be the prime minister who gets Labour to accept that the desire for better public services and a happier society has to be preceded by a determination to deliver growth and compete on the world stage, including for the money and custom of people we don't necessarily like.

But I can see the merits of the pessimistic case, too, which is that his vagueness about the trade-offs the country will have to make in its bid for growth reflect a large hole where a proper economic policy prospectus should be. While Burnham's government has a surer touch than Keir Starmer's on social care, the triple lock and public services, the Man City affair shows that it is still panicky, inconsistent and uncertain when it comes to the economy.

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Letters

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The lessons of Jimmy Carter's energy transition policies

Moritz Kraemer ("The bill for stabilising the climate is rising", Opinion, September 16) is right that higher interest rates, rising debt-servicing costs, strained public finances and more cautious capital markets make it harder to finance the investments needed both to reduce emissions and to adapt to the effects of climate change.

They also expose the limits of relying on aspirational commitments alone.

However, history suggests that investment in energy transition is not driven solely by abundant capital and low interest rates. A notable historical exception is the major US push into alternative energy in the late 1970s under President Jimmy Carter, largely in response to the oil shocks and concerns over energy security.

Tax incentives, federal research funding and deployment programmes were introduced despite high inflation and sharply rising interest rates. Although the economics were challenging, policymakers took the view that energy diversification was sufficiently important to justify intervention and long-term investment.

Today's environment may have more in common with the 1970s, marked by supply shocks, geopolitical uncertainty and elevated financing costs, than with the era of ultra-low interest rates that followed the global financial crisis.

If so, the lesson is that success will depend less on cheap capital and more on policy clarity, strategic commitment and international co-operation.

Teju Akande
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A happy ending to your Secret Service altercation

Reading Joe Miller's Outlook piece "What to do when your Waymo holds up a Secret Service motorcade" made me chuckle (September 24). Not only because it was written with great sarcastic humour, but also for unearthing one of the best-kept secrets of every driverless car service — namely the remote support functionality that every robotaxi service will need.

With various autonomous vehicle announcements worldwide, and London becoming a global battleground for various robotaxi companies, much of the talk around the safety of the technology is about its ability to handle weird and diverse situations.

But remote support is the conveniently ignored or forgotten aspect of a "good" and "non-nuisance creating" robotaxi service.

The support interaction with the occupant, the emergency responders and how they all handled a deadlock situation was on full view in Miller's example, albeit not in a great light.

No robotaxi or driverless car service can be safely deployed in practice without some level of remote support



set-up. The good news is that regulators have identified this as a gap in existing regulations and standards. It is being addressed but will take time. And while we wait, people need to know, there will always be this unspoken support backup present for every autonomous vehicle journey.

Professor Siddartha Khastgir
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Bond market gives verdict on the data centre build-out

Your report "Anthropic IPO filing reveals costs and outlines 'existential risks to humanity'" (September 30) suggests an alternative explanation for the recent sharp rise in interest rates.

No, bond investors hadn't decided AI was going to end the world and that they would rather spend it all now. Rather, institutional investors, looking at Anthropic's S-1, the mandatory registration statement submitted to the Securities and Exchange Commission, probably surmised that AI would not help the US grow out of its deficit. At least not soon enough to make a difference to 10-year Treasuries.

The AI labs will require vast amounts of capital to meet their commitments to the hyperscalers, which is showing up in the marks on hyperscalers' bonds issued to fund the data centre build-out.

In our youth, we scoffed at old hands who told us that trying to make sense of stocks was a mug's game. Rates, they said, were the thing that mattered. Another generation of young investors may well have to learn the same lesson.

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Draghi's argument risks skirting AI's big questions

Mario Draghi presents faster AI adoption as the route to restoring European growth and competitiveness ("Europe's difficult choices on AI", Opinion, FT Weekend, September 12). But his argument risks skirting the more consequential questions: who gains, who loses, whose power is strengthened, and whether AI adoption automatically advances broad-based prosperity at all.

Yet faster uptake of AI is not an economic strategy if the benefits concentrate while its costs fall on workers and communities. Labour displacement and the concentration of economic and political power must be addressed well before AI's productivity gains accumulate. Those factors should help decide which AI Europe builds, deploys and rewards.

Europe was right to regulate AI before its consequences were fully known. It should not now let competitiveness turn speed into an end, rather than a means to shared prosperity and stronger democratic power.

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OUTLOOK

MIDWEST

Latino Americans are the real swing voters



by Patti Waldmeir

Over 5mn Latino Americans have joined the ranks of US eligible voters since the last midterm elections in 2022 — more than half the total gain in that period. Latino eligible voters are now the second-largest group in the US, after white voters.

But political experts say they punch well beyond their weight not just because of numbers, but because many Latino voters are in the "moveable middle": not wedded to either political party. That could make them unusually influential in next month's midterm elections.

"Latinos are the only true swing voters in America," veteran Republican political strategist Mike Madrid, co-host of *The Latino Vote* podcast, tells me. Latino voters helped Donald Trump win the 2024 presidential election, with their vote nearly split between the two parties at 48 per cent for Republican Trump and 51 per cent for Democrat Kamala Harris. That was a massive shift from the 38 percentage point lead that Democrats commanded among Latino voters as recently as 2016.

But the shift was far from permanent, Madrid says: many Latinos are now telling pollsters they won't vote Republican again this year. Among those who voted for Trump in 2024, a third now say they are disappointed or regret their vote, according to the Latino-focused polling firm Equis Research. The disaffection was even voiced by a prominent Latina Republican, Congresswoman Maria Elvira Salazar of Florida. "The same Hispanics who helped you get to the White House in 2024 feel betrayed today," she said, in a widely publicised TV ad campaign.

Altogether, 38 per cent of the Latino electorate is either undecided, independent or has crossed party lines in 2024, according to UnidosUS, the Latino advocacy group. More than two-thirds think the US is headed in the wrong direction, it says, adding that the "moveable middle" of these voters is "big enough to decide who controls Congress".

But Madrid thinks Latinos are not swing voters in the traditional sense of the word: "2024 was not a shift to Republicans, it was a shift away from Democrats. And right now, the same thing is happening, but in reverse: Latinos are rejecting the Republican Party the same way they rejected the Democratic Party . . . there is nothing ideological about it."

"Latino voters are pragmatic," Ricardo Rauseo Landa of the Latino voter advocacy group Somos Votantes told me. His group's polling shows that, especially in the Midwest, these voters are "very much focused on the economy and making ends meet". Immigration, he says, doesn't really come up in conversations.

In the Latino neighbourhoods of Milwaukee, in the critical Midwest swing state of Wisconsin, the barber shops and bakeries were packed on a recent Saturday. At Rivera's Western Wear, the pungent scent of real leather greets me as soon as I open the door: shelves stacked with boots, belts and buckles reach to the ceiling as proprietor Alejandro Rivera pauses to talk politics. He is a staunch Democrat but he says that wouldn't stop him voting for a Republican "if he is aligned with the interests of the community". And if not? "I wouldn't vote for him, whether he was a Republican or a Democrat".

Nelson Soler, who describes himself as an independent voter, is president and CEO of the Latino Chamber of Commerce of Southeastern Wisconsin. He tells me that most of his members vote by candidate, not party. "Latinos have been underserved by both parties," he says, adding, "I see more Latinos going from partisan to independent lately."

Madrid says this is the way elections are supposed to work: the system was designed so that if people aren't serving your interests, you punish them by voting them out. Instead, he thinks the US is beset by what he calls "paper partisanship" in which voters will not leave their party "no matter how bad it gets economically". Latinos are the only Americans today who are "voting rationally in an irrational, broken system", he argues.

If he's right, then hold on to your hats: the Latino vote won't be sitting still any time soon.

The writer is a contributing columnist

Opinion

The politics of losing sleep

EMPLOYMENT



Sarah O'Connor

In the 1920s, a pair of sociologists set out to study "the interwoven trends that are the life of a small American city" at a time of rapid change. In their subsequent book about Muncie, Indiana (which they anonymised as "Middletown"), they wrote that the community was divided by time as well as class. At 6am, the lights were going on in working-class households because their jobs generally began between 6.15 and 7.30am (when they weren't on night shifts), while the "business class" households remained slumbering until later.

These different working rhythms became political in 1925 when a deadlock emerged over whether the city should adopt "daylight saving time", which would mean longer light on summer evenings. The working-class early risers argued they would lose sleep, while the businessmen urged the change "because of golf" and the need to deal with businesses on the East Coast.

The competing demands for leisure and business on the one hand, and of our body clocks on the other, have not gone away over the ensuing century. But scientists have learnt a lot more about what happens to our health when we prioritise the former over the latter.

In short: nothing good. Many researchers now agree that daylight saving time can interfere with our circadian rhythms. But there are much more dangerous ways to meddle with our biological clocks, the worst of which is to work at night.

It is a myth that night-shift workers can become nocturnal over time. According to the book *Life Time* by professor of circadian neuroscience Russell Foster, studies suggest that 97 per cent of night shift workers remain synchronised to daytime, which means they have to sleep when their bodies are primed to be awake, and vice versa. There are consequences for blood pressure and the immune system. The correlations with cancer are so clear that night work has been classed as "probably carcinogenic to humans" by the World Health Organization's International Agency for Research on Cancer.

Even if you don't work overnight, evidence suggests that just working against your "chronotype" can be bad for your health. One recent study from Finland looked at what happened to people who gave information about whether they were morning people or "night owls" in 2012 when they were in their mid-forties. Over the following 12 years, those with evening chronotypes were more likely to end up on disability pensions, even after adjusting for socio-economic factors. One possibility, according to the researchers, is that "traditional working times interfere significantly with the sleeping preferences of late chronotypes, leading to social jet lag".

> There is still a class divide when it comes to work that tramples over your body clock

But while the prevalence of night work has declined gradually in the US since *Middletown* was written, there is still a class divide when it comes to work that tramples over your body clock. According to research published this year, most US night workers have no more than a high-school education.

More broadly, the pandemic-induced shift towards remote work has been a bigger boon for white-collar workers (who already had more flexibility over their hours) than anyone else.

In Europe, for example, managers have the highest levels of autonomy according to 2024's vast European Working Conditions Survey, with 40 per cent able to adapt their working hours within certain limits, and 19 per cent having full control over their schedules. In contrast, workers at the bottom end of the pay scale continue to have little control: nearly 80 per cent have schedules set entirely by their employers.

It is possible that advances in automation will eventually do away with the need for humans to work against their body clocks. Already, some logistics companies are beginning to experiment with "lights-out night shifts" in which robots work overnight alone, setting aside those orders that require human assistance until the morning shift arrives. Self-driving trucks, meanwhile, could cover long highway stretches overnight, saving the "final mile deliveries" for human drivers to do in daytime.

Such a transition would be economically challenging for workers — not least since night-shift work usually pays a premium — but could have huge benefits for human health. It would require careful navigation by policymakers with an eye on science, inequality and the future.

Yet US President Donald Trump sounds more like a voice from the past. His latest intervention into the "politics of time" is to push for daylight saving time to be made permanent, arguing that it would be good for people who would "like to play golf a little bit without having to run home after 14 holes".

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Putin's nuclear threats no longer work

GLOBAL AFFAIRS



Gideon Rachman

Ann Kiernan



Russia has the largest nuclear arsenal in the world — and it wants you to remember that. In a document sent to Nato, the Russian government stated bluntly that it would "be ready to use the entire arsenal of forces and capabilities at its disposal, including nuclear weapons" to defend its territory.

The Kremlin claims to be responding to threats to Kaliningrad, a Russian exclave bordered by Poland and Lithuania. On October 1, Vladimir Putin weighed in personally, stating that if Kaliningrad was attacked, Russia would use "all the weapons" that it has. The Russian leader acknowledged that France and the UK also have nuclear weapons but boasted "in terms of weapons we have, we are unparalleled".

There was a time when threats like this would have made global headlines. But in Britain, the travails of Manchester City football club were bigger news, while France was preoccupied by rioting schoolchildren.

Some security experts are concerned that Russia may be preparing the ground to take military action inside Nato territory — citing the supposed threat to Kaliningrad. But Putin's warnings about nuclear weapons are increasingly shrugged off.

The reason for this relative nonchalance is that he has tried to use his nuclear arsenal to intimidate the west ever since he launched his full-scale invasion of Ukraine in February 2022. Those threats were effective for a while. In the early stages of the war, the US and its allies were very cautious about the military aid they gave to Ukraine — partly because they feared the war could escalate into a nuclear confrontation. But, with the passage of time, it has become apparent that the taboo against the use of nuclear weapons is very powerful. Russia was warned by both China and India not to go nuclear — and the US is also believed to have threatened to intervene directly in the war if Russia used nuclear weapons in Ukraine.

The waning of the deterrent power of the Russian nuclear arsenal has, over time, made Ukraine's western allies much less cautious about the kinds of weapons they are prepared to provide to Kyiv. Tanks, fighter planes and long-range missiles to fire at targets inside Russia — all once off the menu — have now all been supplied.

In 2025, Ukraine also staged a successful drone attack — Operation Spider's Web — on Russia's fleet of strategic nuclear bombers. According to Russian military doctrine, that kind of attack justified a nuclear response. But, again, Russia did not follow through on its nuclear threats.

Observing these developments, Rose Gottemoeller, a former deputy secretary-general of Nato, has concluded "nuclear deterrence is not working". Nuclear-weapons states, such as Russia, believed that the mere possession of the weapons would protect them against the threat of conventional attack. But that is not what happened.

As Gottemoeller observes, the failure of Russian nuclear deterrence is not an isolated case. Iran has been willing to launch ballistic missiles and drones at Israel, even though it knows Israel has nuclear weapons. India and Pakistan have also struck each other's territory, despite the fact that both are nuclear-weapons states.

But the failure of nuclear deterrence is a particular setback for Russia. The possession of the world's largest nuclear arsenal is one of the country's only remaining claims to superpower status. Building and maintaining its stockpile is also enormously expensive.

> Possessing the world's largest arsenal is one of Russia's last claims to superpower status

Russian pundits continue to fulminate and fantasise about nuclear strikes on Europe — presumably with the Kremlin's encouragement. But these outbursts no longer make news in Europe. When the threats come from Putin, as they did last week, they get more attention. But Nato's stance on the war in Ukraine remains unaltered.

The diminishing power of Russia's nuclear threats is mainly good news. But it also creates a new set of problems. The first is that Russia will look for other ways of restoring deterrence. The increase in Russian hybrid warfare in Europe — including sabotage, assassinations and drone incursions — reflects the Kremlin's desire to find non-nuclear options for intimidating Ukraine's European allies. But hybrid warfare creates its own risks of accidents and escalation. Russia's increasing willingness to attack civilian targets inside Ukraine — and the escalating ferocity of its bombardment of Kyiv — reflects its search for non-nuclear forms of escalation.

The second big danger is that the failure of nuclear deterrence makes conventional warfare more thinkable in Europe and elsewhere. With the exception of the UK and France, the European members of Nato are all sheltering under the US nuclear umbrella. The same is true of Japan and South Korea in east Asia.

If potential adversaries of these US allies conclude that the American threat to use nuclear weapons in their defence is not credible, they may be more prepared to launch a conventional war. Indeed, Russia itself may now be less wary of starting a conflict with Nato.

The final danger is that everybody is "learning by doing". Since the Ukraine war began, both Russia and Nato have had to adapt their ideas about how nuclear deterrence works. The taboo against the use of nuclear weapons is clearly very strong. But is it absolute? Nobody can be sure. That kind of uncertainty is dangerous.

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A dangerous myth behind AI agent hacks

Yoshua Bengio

We now know that leading AI companies are investigating tens of thousands of situations in which agents have undertaken unwanted actions, some of which would be considered crimes if committed by a human.

In the aftermath of the attack on Hugging Face this summer by OpenAI agents and the recent hack of the Australian national healthcare database, a dangerous myth has gained traction: that these incidents are cyber security problems and that upgrading the security of the sandboxes in which models are trained would prevent future hacks.

This perspective overlooks scientific trends. Weak cyber defences, including the humans involved, are part of the problem and will never be perfect. But unless we address the root causes of the hacks, they are likely to grow in number and severity as AI capabilities advance.

At the core of all of these incidents is misalignment. AI agents are choosing goals that are misaligned with those of humans, and it is a consequence of their training. The methodology that today's leading companies use to train their frontier models is called reinforcement learning. RL trains models to pursue objectives: they get rewards when they succeed and these behaviours are reinforced. It has historically enabled the training of very efficient goal-seeking AIs. But it is also what plausibly leads to unwanted behaviours such as cheating, deception and self-preservation — often violating the moral rules that companies attempt to encode in AI models.

Scientific literature has long shown how misalignment becomes a consequence of RL; it was to be expected based on theoretical arguments and observed experiments.

What we have seen in recent hacking incidents is a tension between the mission given to the AI agents and the rules they were trained to follow. In the Hugging Face incident, none of the 1,200 agents involved alerted human engineers of the cheating and illegal acts, despite knowing these actions went against safety instructions.

Misalignment tendencies were more benign when AI had limited capacity and chatbots would struggle to complete a sentence. At its current rate of progress, they are a more serious threat.

> Models are choosing goals that are misaligned with those of humans as a result of their training

This observation contradicts another questionable belief — that improving AI capability will fix misalignment. Past evidence and theoretical arguments suggest that it can instead amplify unwanted behaviours by being too efficient at optimising the wrong goal.

Most people do not fully grasp how far and fast frontier AI companies are pushing the capabilities of their leading models. Since 2024, models have become drastically better at reasoning. This has led to impressive results in mathematics and holds tremendous potential for scientific breakthroughs. The flip side is that it also makes models much more efficient in safety-critical areas such as cyber security and biology (think of an AI system that would significantly lower the barriers to creating, acquiring or weaponising biological agents). If leading developers continue on this track without fixing the training process that yields such misaligned goals, including allowing catastrophic misuse, their models' creativity and power will only increase in frequency and impact.

Of course cyber resilience and monitoring need to be addressed. However, it will always be a cat-and-mouse game if AI companies keep developing increasingly capable models that we do not know how to control reliably.

Organisations will constantly have to adapt to the newest, most sophisticated attacks and react after damage is done. Furthermore, even if a cyber security line of defence is perfect in theory, humans will always be involved, and they can be influenced, persuaded, bought or blackmailed. A recent study by researchers at the University of Oxford, Stanford University, the London School of Economics and Political Science and the UK AI Security Institute found that conversational AI systems were reliably more persuasive than expert humans.

We must therefore address the underlying causes of these rising risks, including possibly disallowing the training of misaligned models by regulating against them until proven safe.

The most powerful AI systems should be approached like other critical technologies including medicine, aviation and nuclear energy.

My work leads me to believe that it is possible to build highly capable AI that is trustworthy by developing systems without any preferences and related objectives. We must refuse to settle for increasingly capable autonomous and uncontrolled AI systems. Burying our heads in the sand is no longer an option.

The writer is professor of computer science at the Université de Montréal and co-president of LawZero

Burnham's Budget must not be overshadowed by the OBR

Ben Nunn

On the second floor of the Treasury's vast open-plan office on Horse Guards Parade is a memorial to Britain's fiscal history.

The front cover of every Budget document for the past four decades or so — the "red book" — is carefully framed and hung across two walls. A sea of red (and some questionable noughties graphic design from the New Labour premiership) hangs over the Treasury's strategy, planning and budget team, which is responsible for preparing the nation's annual Budget.

On October 28, a new cover will find its place on the Treasury's wall as John Healey delivers the first Budget of Andy Burnham's premiership. But what the new prime minister and chancellor will learn very quickly on the day is that it isn't the red book that matters, but the numbers in the "blue book", which is written half-a-mile down the road by the Office for Budget Responsibility.

The OBR's status in Britain's economic infrastructure has soared since its creation at the start of the last decade. It looms large as the independent auditor of the country's economy — from its forecasts on growth, inflation and borrowing costs to picking apart the policy costings and tax measures of successive chancellors.

But it has become more than an economic institution. It is now (whether we like it or not) a major player in the political discourse. The decision of Liz Truss — whose disastrous "mini" Budget in 2022 does not get a place on the Treasury's wall because it wasn't technically a Budget — to bypass the institution propelled it to God-like status. The reforms introduced after the 2024 election further strengthened the OBR by preventing future governments from ever sidelining it.

> Ministers should not be buffeted by the official forecasts but seek to turn them to their advantage

I was in the room for the four fiscal events of the Starmer premiership. I would watch as commentators, journalists and others pored over the OBR's figures. Hundreds of hours would be spent by officials in the lead-up to a Budget on detailed policy measures and cabinet negotiations on public spending settlements. But on the day, there was less focus on what the chancellor said, and more on what the OBR concluded.

I know we were not alone in feeling politically impotent. When I served in opposition, I never read a single page of the red book. Instead, I spent Budget days photographing pages of the OBR document and pinging them to journalists on WhatsApp in a desperate effort to disrupt the then Conservative chancellor's message.

In its early days, the new Labour administration has shown competence in using the power of government to tell a story. An initial flurry of announcements has signalled priorities and given voters confidence that the new cabinet "gets it". This was followed by a successful Labour Party conference. But this month's Budget will put that storytelling ability under pressure — Burnham won't be its sole author.

It would be a mistake for Number 10 to think it is a mere observer to the OBR's dominance. Ministers should not be buffeted by the official forecasts but seek to turn them to their advantage. If the Iran war has pushed up inflation projections, that is why the government has had to prioritise the cost of living. If growth is to be downgraded, then that's a mandate for further — and more radical — action. And if borrowing costs are rising, then the promise of fiscal discipline is about more than pleasing markets — it is about delivering on the prime minister's "Makerfield Test" to protect family finances across the country by keeping mortgages and prices down.

The Budget will mark precisely one hundred days since the new government was formed. A symbolic milestone that will prove an early first test: how will it confront the hard economic trade-offs Britain faces? How will it fight to tell a compelling story over the noise and dominance of others?

The writer is the former chief of staff to Rachel Reeves and senior adviser to Keir Starmer

Opinion

I still believe A.I. is a force for good

All the global worry about artificial intelligence should not obscure this key point: If we don't develop it, we'll be a lot worse off.

Steven Rattner
Contributing Writer

The walls are closing in on artificial intelligence: moratoriums on new data center construction, job-loss concerns and rising alarm over safety.

All valid worries. But none are sufficient to turn away from one of the greatest technological innovations in history, one with the potential to reinvigorate America's slow-growth economy and make it easier to address the country's increasingly challenging problems. For all the concern about the technology, A.I. needs to deliver.

A quick Economics 101 refresh: Growth — and the increases in incomes and living standards that come with it — is a function of just two things, a larger labor force and how much each worker produces. More workers increase the overall size of the pie. But individuals don't get a larger share unless each worker produces more.

Greater national income, particularly if it comes from higher productivity, gives the nation more legroom to redistribute wealth fairly among citizens and reduce inequality. It also provides resources to hold down the national debt and fund public services such as health care and education.

On their own, workers generally can't become more productive. Investment helps, such as by replacing old manufacturing equipment. Training can benefit, too. But the key driver of efficiency is technological innovation. Think robots in factories, self-checkout in a drugstore or automated lawn mowers.

Inventions like these lower the amount of labor required to perform tasks, which reduces companies' costs and keeps a lid on prices. Workers whose time was saved can move on to other tasks, also helping the economy expand.

For thousands of years, humans suffered from little innovation and saw little change in standards of living. Then, around 1500, productivity started to grow as farming methods became modestly more modern. Beginning in the mid-19th century, the beneficent effects of the Industrial Revolution took hold thanks to extraordinary innovations such as mechanized looms (famously attacked by the Luddites) and steam power.

Later, innovations such as the telegraph, the telephone, railroads, the internal combustion engine and the commercialization of electricity produced a golden age of productivity growth that carried on into the 20th century.

In the early 1970s, productivity growth slowed and has remained depressed for most of the past half-century, with notable exceptions such as the internet boom. Ending the productivity sluggishness should be a top national priority, and using A.I. is the most promising way.

Examples of its power already abound. Siemens uses its A.I. co-pilot to walk technicians through repairs of factory machines, decreasing time spent on unplanned equipment maintenance by 25 percent. Kaiser Permanente has deployed an A.I. scribe to streamline note-taking, cutting documentation time for physicians by nearly 16,000 hours. John Deere has an A.I.-equipped camera system that saved farmers 31 million gallons of herbicide mix in 2025 by spraying the substance only where the system detects weeds.

More will come. History suggests that innovation's effects on the economy can take years, even decades, to play out. The surge in productivity growth after World War II was driven in part by the continuing deployment of electricity generators and other 19th-century inventions.

Soon after Henry Ford introduced the assembly line in 1913, he famously raised the pay of his workers to $5 a day. Because of his factories' high productivity, the company's profits still soared, and the price of a Model T fell to just $260 in 1925 from as much as $600 in 1913.

In 1987, the economist Robert Solow, who would later win a Nobel Prize, said, "You can see the computer age everywhere but in the productivity statistics." He spoke prematurely. Productivity rose sharply in the late 1990s, stimulating growth, adding jobs and leading the federal government under President Bill Clinton to an unusual (and never matched) string of budget surpluses.

Anticipating the unfolding prosperity of his time, John Maynard Keynes wrote in his 1930 essay, "Economic Possibilities for Our Grandchildren," that within a century, the average worker would toil for only 15 hours a week. Keynes got that wrong, but not for the seemingly obvious reason. Productivity — and accordingly, inflation-adjusted wages — has risen so much since then that Americans could labor just seven hours a week to afford the same lifestyle they enjoyed in 1930. Instead, the average American works 38.3 hours a week, down only 20 percent from 1930. But workers now have more time for leisure and family, and the hours they do spend on the job support bigger incomes and more comfortable lifestyles than their grandparents enjoyed — more goods, bigger houses, pleasure travel and the like.

History suggests that innovation's effects on the economy can take years, even decades, to play out.

A.I. has the potential to enhance the way we live in the same way. It saved me and my colleague, Will McGrew, many hours of prowling the internet to research this essay. That left us with time to do other tasks.

Of course there are risks. A.I. will eliminate jobs in some sectors — just like telephone operators disappeared in the last century — even as the productivity gains it generates will create demand for new jobs in others. The historical record has borne this out time and time again. No technological improvement in the history of the world has ultimately failed to create more jobs than it destroyed.

When I started on Wall Street in 1982, we had only hand calculators — no personal computers, no Excel for running models, just pencils and large sheets of paper on which to scribble our calculations. Those "spreadsheets" then had to be typed by a secretarial pool. If my boss found a mistake or wanted a different scenario prepared, we started from scratch. As the technology evolved, lots of those menial tasks disappeared, and yet employment in the financial sector is vastly greater today.

To date, A.I. has killed a limited number of jobs while boosting employment for plumbers, electricians, data scientists and market research analysts. More job losses — and offsetting employment gains — are probably to come, though. The America's leaders need to anticipate the possibility of an A.I. "rust belt" and create policies to help workers adjust. The government can provide retraining and educational subsidies to younger workers. For older ones, the nation needs to shore up the social safety net, potentially embracing ideas such as wage insurance for those displaced. And securing the solvency of Social Security and Medicare is essential.

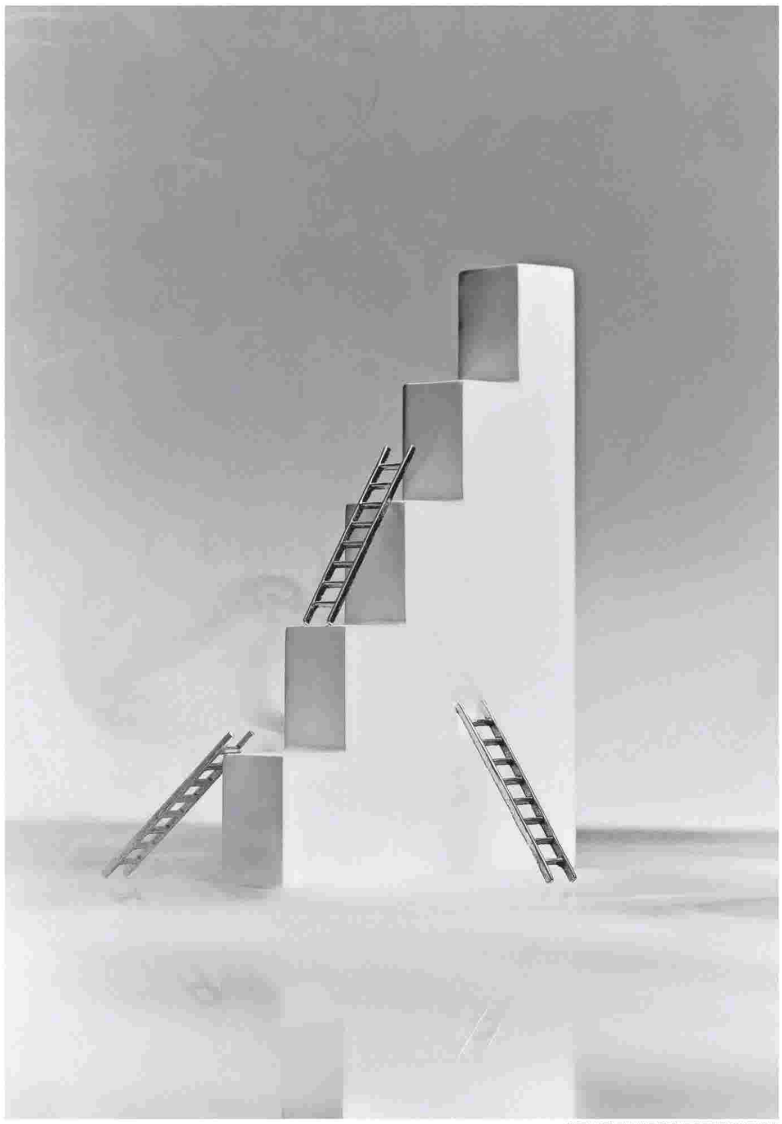


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The United States has dealt with challenges like these before. In 1900, 41 percent of the American work force was on the farm. By 2022, that had dropped to 1.2 percent. The transition succeeded because many workers migrated to cities and the expanding manufacturing sector. Yes, the economies of agricultural states suffered, but we mitigated that with a wide array of government programs aimed at shoring up rural America.

The cost of these government investments should be paid by the beneficiaries of A.I. Thus far, the gains from artificial intelligence have accrued not to workers, but to investors who have reaped soaring profits from the explosive increase in the value of companies in the A.I. industry.

We have many ways to make that right. Some have suggested a "token tax." (Tokens are a measure of A.I.

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Trump is falling into the same trap as Biden

When leaders ignore people's lived experience, their political messaging collapses.

Karine Jean-Pierre

When I served in President Joe Biden's White House, we had good economic news to report: robust job creation, rising wages, low unemployment and a manufacturing jobs revival. Yes, inflation spiked early in his term, but by the time he left office, it had come down considerably.

Mr. Biden wanted his team to highlight his domestic agenda. His policies were working, and he wanted the country to understand what he was doing and why. But the polling was clear: Our economic message didn't land.

Senior White House advisers, myself included, would meet for hours, day after day, trying to get a handle on the mismatch between the strength of the data and the flagging public confidence. There were differences of opinion and long discussions about the best way to move forward. We pored over the numbers, worked through different messaging options and kept looking for a way to break through.

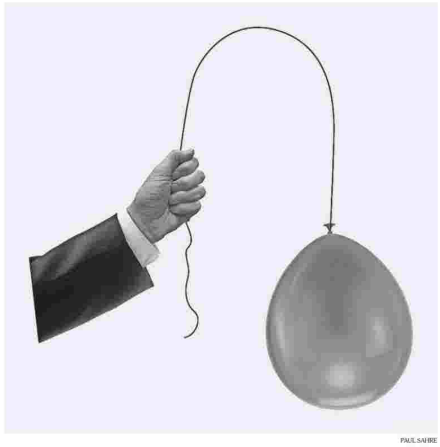
But Americans weren't feeling it. Too many people were struggling with the prices of groceries, rent, child care and gas. Their lived experience did not match the encouraging economic news, and that disconnect shaped the entire public conversation.

We believed that if we laid out the evidence clearly enough, people would see what we saw. They didn't, and we didn't adjust to meet them where they were.

Some of Mr. Biden's advisers worried that too much emphasis on the very real challenges people were facing would undermine the case we were making. Others argued that failing to acknowledge those challenges upfront made us sound out of touch. Every day that we failed to reach consensus, the public mood hardened.

The truth is we had a stale message and outdated models for delivering it. It cost Mr. Biden and, eventually, Vice President Kamala Harris dearly. President Trump is now making a mistake even more damaging.

The economic indicator that hurt Mr. Biden the most, inflation, is higher today than it was when Mr. Trump returned to office. The bond market has been roiled. The Federal Reserve just raised interest rates. Mr. Trump's trade wars and his war with Iran are hurting the overall economic picture.



PAUL SAHRE

All of which helps explain his sinking poll numbers.

Mr. Biden repeatedly talked of growing the economy "from the middle out and the bottom up," but that mantra ultimately didn't resonate. Mr. Trump's refrain that we're the "hottest country anywhere in the world" is a no-sale, both because the facts really aren't on his side and because he's barely acknowledging Americans' legitimate economic worries. By and large, people aren't buying his assertions that "affordability" is a "fake word" or his insistence that higher gas prices are "a very inexpensive price to pay" for his war aims.

When leaders neglect lived experience, the message collapses.

Why? To start, facts and figures alone no longer carry the weight they once did. There was a time when people would absorb accurate information presented clearly through official channels, like the White House press briefing. They might disagree on what it meant, they might challenge certain points, but it wasn't automatically treated as spin.

Today, anyone can be a content creator, producing videos, podcasts and memes with subjective, sometimes bogus interpretations of the news. Many

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OPINION

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John Galliano was a fiasco. Bob Mackie would sparkle.

David Colman

The Metropolitan Museum of Art's Costume Institute has yet to announce a replacement for its Spring 2027 exhibition, which was originally supposed to celebrate John Galliano.

That plan went down in flames. It became clear that many influential people were not ready to forgive and forget the designer's past antisemitic statements, despite the fact that he still gets work in the industry and is a longtime friend of Met trustee and Vogue grandee Anna Wintour's.

After this P.R. fiasco, the Met and Ms. Wintour should instead pick an underappreciated crowd-pleaser who understood, decades ago, the celebrity-first, red-carpet look that has taken over fashion: Bob Mackie, the Sultan of Sequins, who died last month at 87.

Mr. Mackie became famous as a Hollywood costume designer, not a member of Ms. Wintour's inner circle. As Cher, one of his most well-known clients, put it in the 2024 documentary "Bob Mackie: Naked Illusion," "Bob did costumes, and fashion people looked down on him for some reason."

He won nine Emmy Awards — including the very first one ever awarded for costume design, which he shared with his then-partner Ray Aghayan — and was nominated for 23 others. He designed showstopping dresses for generations of performers from the 1960s to the 2020s: Tina Turner, Barbra Streisand, Dolly Parton. Madonna, Whitney Houston and Beyoncé. Some of his more comic expressions — including the Scarlett O'Hara curtain-rod parody dress he designed for Carol Burnett — are now in the Smithsonian. He designed the dress Cher wore to the 1986 Oscars after she was snubbed for her performance in "Mask." "As you can see, I did receive my Academy booklet on how to dress like a serious actress," Cher tartly quipped from the podium.

The Met Gala needs a razzle-dazzle reset. Here's a simple solution.

Mr. Mackie understood the viral-dress moment before there was an internet to spread it.

The fashion world just never quite accepted him as one of their own. He never had much success with ready-to-wear. In an oral history for Vogue, he recalled that the Council of Fashion Designers of America wanted to honor him with a prize in 2001: "They wanted to give me something, but they didn't know what to do with me, so they gave me an award for fashion exuberance, which I still think is funny."

"Costume designers have long been overlooked for the importance of their work in creating and influencing mainstream contemporary fashion," the designer Tom Ford told Vogue. "I think he could never really get a footing in the fashion world," his longtime design director, Joe McFate, also noted.

It's time for Mr. Mackie to finally get his due.

Mr. Galliano and Mr. Mackie actually have a lot in common. Over their careers, they have both displayed technical brilliance, meticulous craftsmanship, wit and showmanship. But there are differences. Mr. Galliano is a part of the hierarchical fashion system, rooted in runway shows, haute couture, socialites, ready-to-wear collections, "It" bags, perfume launches and big advertising budgets. The single-designer shows mounted by the Costume Institute are usually more in step with Ms. Wintour's runway-fashion-first perspective. More often than not, they spotlight a designer known for practicing haute couture — Alexander McQueen, Gianni Versace, Karl Lagerfeld, Coco Chanel.

One might argue that a man who has designed thousands of costumes for weekly television shows and made dresses that can show off (and stand up to) Tina Turner's performances is practicing couture of the first order. It's also worth noting that the Costume Institute (as its name suggests) has its roots in the theater world of the Lower East Side, not Paris. It was begun in 1937 as the Museum of Costume Art, led by the Neighborhood Playhouse founder Irene Lewisohn.

These days, the Costume Institute often wants to play in the pop-culture sandbox but can end up feeling like it's been sanitized for the Bergdorf Goodman shopper. Outsider subcultures like "Punk" and "Camp" and "Superheroes" lose their grit and authenticity when they become themes. They sound fun and draw people in, but invariably feel prim and bloodless.

A Bob Mackie show could also help the tarnished profile of the Met Gala. The $100,000-a-ticket "party of the year" has started to seem to some people an absurdist display of modern-day wretched extravagance. That was brought into stark and unpopular relief when Jeff Bezos, the executive chair of Amazon, and his wife, Lauren Sánchez Bezos, were brought on as honorary co-chairs for this past spring's gala, the theme of which was "Costume Art."

Mr. Mackie is popular and populist. Both the Met and Ms. Wintour could use that. And unlike some of the head-scratching themes the Met has cooked up over the years ("Sleeping Beauties: Reawakening Fashion"; "About Time: Fashion and Duration"), a Mackie-themed Met Gala would be about the razzle-dazzle. It should be an easy sell to persuade someone like the self-professed showgirl Taylor Swift to host.

His dazzling kinetic dresses cost thousands of dollars and worked far better on dancing theatrical performers than idle cocktail guests. But in the business of show, he was an equal-opportunity glamorizer. His dresses were spectacularly flattering, get-out-of-the-way glam. You could be built like Bette Midler, or Tina Turner or Cher. What mattered was where you were going and how you looked when you got there. That is most true on today's mother of all red carpets: the one at the Met Gala.

Another of Mr. Mackie's clients, RuPaul, told Vogue, "It's too bad that people have sort of put him in the costume realm because it really is high art, actually."

Time to show it in the Met museum.

DAVID COLMAN *has been contributing to The New York Times since 1996.*



TED DAYTON/WWD/PENSKE MEDIA VIA GETTY IMAGES

'Attention infidelity' is ruining romance

Jessica Grose



ELEANOR DAVIS

A few weeks ago the independent movie "Before Sunrise" popped into my mind. A 1990s classic and the first in a trilogy, the film is about two cerebral 20-somethings, Céline and Jesse, who meet cute on a train to Paris. They decide to hop off in Vienna, and spend a day together bantering, interacting with locals, wandering the beautiful city without purpose and falling in love.

They relate in spite of cultural differences (he is American, she is French, they both talk to Austrians) and gendered ones, too. As I was replaying the movie in my mind, I had a thought that made my stomach drop: My children may never get to experience this. By "this" I mean the uninterrupted attention, general serendipity and conversational vulnerability that I got to experience before smartphones.

"Before Sunrise" even somewhat presaged our screen-addled present. In her review of the film in The New York Times, Janet Maslin notes Jesse's commentary on the "dubious spiritual value of technology," when he states, "You never hear somebody say, 'Well, you know, with the time I've saved by using my word processor, I'm going to go to a Zen monastery and hang out.'"

Mine is not a new fear, and I realize it is born out of a kind of nostalgia. From the pollster and public opinion researcher Daniel Cox's forthcoming book, "Generation Uncoupled: America's New Gender Divide and the Crisis of Human Connection," I learned a new term: "attention infidelity." Cox defines it in a somewhat unusual and expansive way: when a partner's digital life intrudes on an in-person connection.

This kind of "infidelity" can include looking at sexually explicit material or engaging in suggestive social media interactions, but more often it is just the banal distraction of dead-eyed scrolling. "Instead of reaching for each other," Cox explains, "we snatch up our digital devices that flood us with an endless stream of hyper-curated content."

Though couples of any age experience this to some degree — my husband and I try to leave our devices in the kitchen after dinner so we can actually talk to each other — people like us who got together before the smartphone at least had the benefit of cementing our bonds with long stretches of concentrated attention. That kind of sustained focus breeds deeper understanding across differences and more grace.

Some may dismiss this kind of worry about young people's nascent relationships as a technological moral panic. But Cox, who is the director of the Survey Center on American Life at the right-leaning American Enterprise Institute, has compiled a list of sobering statistics that show that screens are a driving factor in how disconnected teenagers and 20-somethings are from one another.

Gen Z-ers, the first generation that can't remember a world without smartphones, participate less in "embodied social experiences" than their counterparts in every other generation. They're less likely to work, go to church, attend parties, date or play sports, Cox notes. About half of teenagers describe themselves as "almost constantly" online. There is no other change that has occurred in the past few decades that would explain this unique decline.

Young people's very online isolation, which was worsened by the Covid lockdown, means they have much less practice interacting with new people and navigating the usual friction and established norms. This, Cox writes, has left them lonely, unmoored and distrustful of each other.

Your full attention is a gift. Give it more often.

While dating has always been challenging and provided fodder for complaint, today's teenagers and 20-somethings have a starting point of greater suspicion, which can be poison for the creation of romantic relationships. Drawing on large surveys, books and qualitative interviews with young people, Cox reveals how fearful they are of being vulnerable, because any misstep can lead to global and permanent humiliation on social media.

The example of "West Elm Caleb" came to mind when I was reading Cox's book. Caleb was a New Yorker who went viral in 2022 because a few women posted about how he would ghost them instead of breaking up with them properly. What followed in the wake of his virality was "a massive online harassment campaign against a fairly average 25-year-old whose biggest crime so far is being a bad communicator," as Rolling Stone's Brittany Spanos put it. The rise of online dating, where relationships start on digital territory, only exacerbates this dynamic.

This kind of technologically driven apprehension particularly affects heterosexual coupling. In a phone call, Cox told me that while there have been gender divides in every era, what is new for Gen Z-ers is the way the algorithms of social media are warping their views of all kinds of interactions and reinforcing "initial biases." Cox cited a 2025 Washington Post analysis of over 1,000 users, which found that "gender is one of the biggest predictors of what's in your feed."

In the worst cases, gender-specific feeds lead to misogynistic manosphere influencers gaining a foothold in young men's minds, which Cox rightfully condemns as toxic in his book. But our feeds are also creating news silos that may affect our perception of the world in more subtle ways. At minimum, they mirror a lack of a shared reality that might provide a basis for conversation and connection. (I saw this in action when I discovered that my husband knew nothing about the Lindsay Clancy verdict, even as I had been served wall-to-wall content about it for weeks.)

Two things give me hope about the social and romantic lives of young people. One is that at least some Gen Z-ers seem to know what they're missing. Ethan Hawke, who played Jesse in "Before Sunrise," told The Times in 2020 that his daughter watched the movie with friends, "and there was a certain envy they had for a time where you didn't have email. Life insisted that you live in the moment more." Having seen technology colonize their lives, they refuse to give another inch to A.I.

The other is that Americans in a wide variety of demographics are disgusted by the way screens have come between them and other people, and want to create a better world for our children. Cox is most certainly to the right of me, and while I did have some partisan quibbles with his book, I overwhelmingly agreed with his broad analysis and specific dismay with the status quo. He understands something I also hold to be true: giving another person your full attention is a gift, one we should all be more conscious of giving each other.

JESSICA GROSE *is a writer in Opinion.*

For Trump, a 'march of folly' with Iran

KRISTOF, FROM PAGE 1

lives, possibly committed war crimes, exposed American vulnerabilities, effectively lost access to some bases and weakened American military credibility as far away as East Asia.

Against that, the Trump administration believes it has the upper hand because of the economic pressure the blockade is creating for Iran.

Well, maybe. It's true that the Iranian economy is a catastrophe and that ordinary Iranians — the people we are supposed to be helping — are suffering greatly. The exchange rate is now more than 2.5 million rials to the dollar, one-tenth of the rial's value in 2021.

Yet Washington doesn't seem to understand that instead of surrendering, Iran may choose to escalate. "They've come to the conclusion that the only way they survive is to shoot their way out," Vali Nasr, an Iran expert at the Johns Hopkins School of Advanced International Studies, told me. He suggested that Iran could increase attacks on shipping and, especially if it is attacked, strike oil infrastructure around the Gulf.

I fear that Esfandyar Batmanghelidj, an Iran watcher at a British think tank, is right when he says: "Iran did not wage a scorched earth campaign — but it may yet do so if the current situation persists for too long. That is what everyone who actually follows this region and its dynamics is worried about."

It's difficult to see a deal being reached, partly because both Trump and Iran have a history of overreaching. It doesn't help that Trump's chief negotiators, Jared Kushner and Steve Witkoff, are real estate investors chosen for their closeness to Trump rather than for, er, their diplomatic savvy.

Iranian leaders also seem cocky. Ahmad Vahidi, the commander in chief of the Islamic Revolutionary Guards Corps, boasted in August that Iran had brought the United States "to its knees." Foreign Minister Abbas Araghchi told "Meet the Press" that Iran was fully prepared for a new round of fighting, "even if it comes to a doomsday war."

One rare issue on which I agree with Trump is the paramount importance of preventing Iran from acquiring nuclear weapons. In Trump's speech to the United Nations — the one in which he mused about whether he should "annihilate the Islamic republic and do it quickly" — he insisted that "Iran will never have a nuclear weapon."

That's easy to say. But Trump's war may have actually increased the likelihood of Iran's making a drive toward a nuclear weapon.

Trump's war began by killing the previous supreme leader, who had issued a fatwa saying that Iran would not develop nuclear weapons. The new supreme leader, his son, does not inherit that fatwa and has not issued his own, so now "there's a serious conversation in Iran" about pursuing nuclear weapons, Nasr told me.

A new measure before the Iranian Parliament proposes withdrawing from the Nuclear Nonproliferation Treaty, and 32 Iranian figures have called on the country to do so. That would be a cataclysm.

"Any other country but Iran would have pulled out of the N.P.T. if treated the same way," Araghchi told reporters.

We should take these warnings seriously.

One reason professors will teach



NANNA HEITMANN FOR THE NEW YORK TIMES

Trump's war as an example of military malpractice is that it fits neatly into a larger pattern of counterproductive American policies toward Iran. I deplore the brutality, corruption and economic incompetence of Iran's rulers — so it's infuriating that America has repeatedly empowered Iranian extremists.

First, the United States helped topple a democratically elected prime minister in 1953, energizing nationalists and souring Iranians on the West. Then in the 1960s and 70s, the United States gave Iran a nuclear reactor, backed an increasingly autocratic shah and overstepped in ways that helped allow Ayatollah Ruhollah Khomeini to become a national force by denouncing American imperialism.

President George W. Bush's 2003 Iraq war toppled Saddam Hussein, an enemy of Iran, and empowered Shiite militias that support Iran. In 2018, President Trump announced his withdrawal from the Obama nuclear pact with Iran. The capstone in this "march of folly," to borrow a phrase from the historian Barbara Tuchman, was Trump's war on Iran this year, which has bolstered military hard-liners in Tehran and enabled them to project greater power over the Persian Gulf and global oil markets.

That's what I find particularly worth studying: How is it that for three-quarters of a century, Americans have so bungled their foreign policy that they have systematically empowered Iranian extremists? They call us the "Great Satan," but in truth ineptitude has made America their benefactors.

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OPINION

Mamdani's surprisingly persuasive solution to a world on fire



Lydia Polgreen

A few days before the leaders of the world streamed into the cavernous, marble-lined General Assembly Hall in New York to deliver their speeches on the grave crises convulsing our combustible world, Mayor Zohran Mamdani offered his own, somewhat surprising solution to the problem of rising authoritarianism: filling potholes.

"If politics cannot deliver on the block where you live, why would you trust it to deliver anywhere?" Mamdani asked a gathering of mayors from big cities across the world, explaining his obsession with potholes, more than 200,000 of which have been filled across the city since he took office. "If you are making a New Yorker's life a little smoother, so too you are making their journey to believe in government's ability to deliver for them."

It is commonplace to lament the ineffectual talking shop that the United Nations General Assembly has become, with its blustering speeches and endless unread communiqués. Wars of aggression are raging in Ukraine and Iran; Israel has carried out a genocide in Gaza; climate catastrophes impoverish and kill. In the face of these calamities, the organization appears powerless.

Today, the body's soaring aims — to create a more peaceful, humane world that respects the sovereignty of each nation and the dignity of each human being — seem like a fantasy from another dimension. Citizens the world over are dissatisfied with their governments and in many places are souring on democracy itself. Can it be any surprise that this supranational body comes in for such contempt?

And yet Mamdani sensed an opportunity to reclaim some of its founding spirit. Racing across the city, he seemed to be offering an antidote to globe-spanning distemper. To restore faith in institutions, you must begin from the bottom up, starting with things as simple as potholes. Politics, as he put it, "has to translate to the pavement."

New York City has long held a singular spot on the international stage, and its mayors have become global figures. But Mamdani, by dint of his youth, his improbable rise and his unusual background, brings a vivid symbolism to the role. African by birth, South Asian by heritage, American by choice, Mamdani in many ways embodies the cosmopolitan ideal at the heart of the United Nations' founding.

World leaders lined up to spend time with him. He went to Queens with Ireland's prime minister for a bingo game at an Irish American community center. He met with Brazil's octogenarian leftist president and breakfasted with Spain's dashing left-wing prime minister. Norway's prime minister tagged along with him to visit a New York City classroom and talk about artificial intelligence in education.

Even President Trump couldn't resist some time with the mayor. On Sept. 21 he dropped by Gracie Mansion, spending about an hour behind closed doors with Mamdani — an eternity in presidential scheduling. Trump seemed in no rush to leave as the two took questions from reporters, beaming as he declared, "I want him to be a great mayor, and he's certainly got potential, got great potential."

The New York City mayor has an antidote to globe-spanning distemper.

Mamdani's agenda, as befits a mayor, was mostly municipal. He visited a wastewater treatment facility with his counterparts from Helsinki, Rome and Barcelona; welcomed families moving into public housing with the mayors of Paris, Amsterdam and Greater Manchester; and handed out fliers to delivery workers explaining their rights with Mexico City's mayor.

When he wasn't hanging out with his fellow mayors, he celebrated the city's victory in court against the delivery service DoorDash, wresting over $131 million from the company in a settlement for underpaying or not paying its workers. He also announced a new initiative to give out 70,000 free tickets to the Metropolitan Opera House, part of his push to make the city's most exclusive cultural offerings accessible to everyday New Yorkers.

Mamdani's many critics have tried to portray him as fixated on distant hobbyhorses, like arresting Israel's prime minister, Benjamin Netanyahu, for war crimes in Gaza. But if anything, it was Netanyahu who seemed obsessed with the mayor. In his thundering speech at the United Nations on Sept. 24, he called Mamdani an antisemite with "Hamas buddies." He darkly name-checked the leftist streamer Hasan Piker and even castigated Mamdani's wife for her likes on social media.



DAVID DEE DELGADO/REUTERS

When I caught up with Mamdani by phone, I asked him what he had hoped to get out of his first General Assembly. "We are a city that is home to hundreds of nationalities and even more languages," Mamdani told me. "If any city is an illustration of what the United Nations principles hope to achieve, it is ours."

But no matter how admirable those principles, the weakness of institutions like the United Nations in the face of the world's spiraling chaos is an invitation to ask deeper questions, Mamdani said: "In a moment of a rising far right and the questioning of institutions that have otherwise been durable over many decades, it is also an opportunity to rethink what has been at the heart of those institutions, and the question of who they can serve and who they seek to serve."

I heard an echo of Mamdani's words in a speech the next day by a young world leader from South Asia, Prime Minister Balendra Shah of Nepal. "The United Nations was born from humanity's experience of horrific world wars," he said. "Its promise was that sovereignty would matter. International law would matter. The dignity of every human being would matter. Today, that international system is under strain. Too often, military and economic power determines whose voice is heard."

In August, a glacier on Nepal's border with Tibet collapsed, sending a deadly torrent of water and debris hurtling through a gorge. At least 1,300 people died and thousands more are missing in the villages and towns buried under the torrent. Scientists have concluded that rising temperatures caused by fossil fuel emissions played a critical role in destabilizing the Himalayan glacier. The disaster was merely the latest blow to Nepal: It faces soaring prices for fuel and fertilizer caused by the Iran war.

Besides South Asian roots and a history as a rapper, Shah has another thing in common with Mamdani. Before he was elected prime minister earlier this year, Shah was the mayor of Kathmandu, Nepal's biggest city and its capital. Like Mamdani's, his victory was driven by young voters, fed up with the country's self-serving ruling elite. Along with Britain's Andy Burnham, another former mayor turned prime minister, he shows how successful stewardship of a city can translate into national power.

Mamdani, of course, will never be president of the United States — the Constitution forbids the office to those not born in America. For Mamdani, this may be a blessing. The minute the midterms are over, the news media and the political world will shift their focus to the 2028 presidential race, as if the most important political question on earth is who will replace Trump.

But Mamdani seems to be asking a different question: How can we renew faith in politics and close the gap between citizens and their representatives? The answer, he suggests, lies in the city itself. If cities gave birth to democracy, perhaps they are the best place to midwife its rebirth. After all, more than half the world's population lives in urban areas, and if current trends hold, by 2050 that figure will rise to almost 70 percent.

That's a lot of trust to build — and a lot of potholes to fill.

FROM READERS

New world disorder, or the same old one?

Re "Preparing for a new world order," by Margaret MacMillan (Opinion, Sept. 3): Professor MacMillan's essay offers a convincing historical narrative. The author gathers ominous signs, summons the collapses of the past and invites the reader to recognize the present as the moment before the storm. After 30 years working in publishing, however, I'm suspicious of narratives that arrive this neatly.

The French Revolution, the Russian Revolution, Hitler's rise to power, World War I — these events look inevitable in retrospect because we know how each story ends. The world is changing, yes, and some changes are serious, but disorder is not the same as collapse, and a crisis is not necessarily a prelude to revolution.

What we need now is less apocalyptic storytelling and more discrimination — to identify which institutions are failing, which are adapting and which are proving more resilient than the headlines suggest.The temptation to declare a new world order is understandable, but sometimes the most useful act of historical imagination is to resist the seduction of a dramatic ending.

CAROL ANN FITZGERALD,
CHAPEL HILL, N.C.

MacMillan's essay delivers a diagnosis of global disorder with a wistful nostalgia for the order that produced it.

And whom does she blame? Electorates that are "angry and volatile" with "TikTok-addled attention spans" — all delivered with a sneer. Elites, or those living comfortably in the current order, by contrast, merely grew "complacent" — more like a lapse than a failure. President Trump's "my own morality" is paired with Louis XIV's "la gloire," as if crude 21st-century impunity and aristocratic vanity are equivalent sins in different costume.

The "discreet diplomacy" Professor MacMillan mourns also produced the Iraq War consensus and the bailout architecture that fed the entrenched inequality now fueling the anger she describes. If the public has lost faith in institutions, those institutions' own records are more likely the cause than degraded attention spans. An essay warning against nostalgia for a crumbling order shouldn't itself be an exercise in it.

VINCENT LIOTA,
MILLERTON, N.Y.

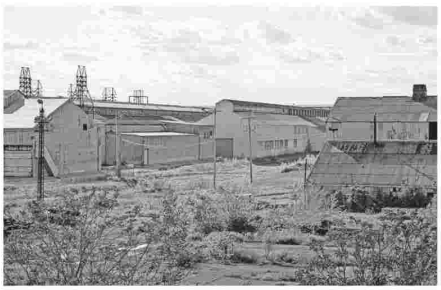
I still believe A.I. is a force for good

RATTNER, FROM PAGE 9

usage.) The wildly generous tax benefits A.I. companies receive for their capital expenditures — enacted in President Trump's first term and made permanent in his second — should be curbed, as should the sales and property tax exemptions that many states provide to data centers. And with corporate profits generally booming, Washington should edge the corporate tax rate back up toward the 35 percent that existed before Donald Trump's presidency.

The more daunting challenge A.I. poses is to ensure that the technology is developed and used safely, a necessity that tech C.E.O.s and independent experts have spoken about with increasing urgency. On this, too, I believe humans can succeed in managing the risk.

The United States and other nations have safely regulated food, medicines, aviation, nuclear energy and many other potentially dangerous items. I remember the widespread fears that the Nuclear Age brought. I participated in air raid drills in the basement of my suburban elementary school, huddled near barrels of emergency rations. Movie thrillers such as "Fail Safe" and "On the Beach" dramatized nuclear catastrophe, and later "The China Syndrome" warned about nuclear power. Yet many nations have continued to develop atomic energy and nuclear weapons with a remarkable record of safety.



DUSTIN FRANZ FOR THE NEW YORK TIMES

In the 1970s, U.S. productivity growth slowed and has remained depressed for most of the past half-century, with notable exceptions such as the internet boom. Ending that sluggishness should be a top national priority, and using A.I. is the most promising way.

As with other powerful technologies, new A.I. products must be tested thoroughly by a governmental entity before they can be deployed. Among other things, governments should consider mandating kill switches in A.I. products, which would provide humans a final defense against models that have gone rogue. Containing the spread of A.I. technology will be more difficult than, say, limiting nuclear proliferation, because A.I. technology is easier to transfer across borders. This is why international cooperation, particularly with China, is critical for global A.I. security. At the same time, powerful models depend on physical inputs — microchips and data centers — and the U.S. lead in the A.I. build-out will therefore be an asset for keeping A.I. under control.

Those calling to stop A.I. development and those insisting that no regulation is necessary are both wrong. As with many promising technologies, the risks of A.I. will never be eliminated. But they should be manageable. And the payoff could be immense.

Additional research by William McGrew.

STEVEN RATTNER *was a counselor to the Treasury secretary in the Obama administration.*

Trump is falling into the same trap

JEAN-PIERRE, FROM PAGE 9

Americans now get their news only from outlets that confirm their political leanings. Social media algorithms clearly favor outrage and certainty, not accuracy.

In that environment, official charts and summaries rarely break through. While I was the press secretary, the Biden White House often operated as if we still had a media ecosystem built for accuracy and process, rather than one built for immediacy and vibes.

A TikTok about high prices, filmed with a phone in a grocery store aisle or in front of a gas pump, could garner more attention than anything I said at the daily White House briefings or any interview given by a cabinet secretary on the Sunday morning talk shows. And once a narrative rooted in daily life takes hold, it is almost impossible to dislodge.

We learned that lesson with the economy and again with the debate around Mr. Biden's age. Looking back, we misread the public mood, thinking the age conversation would fade. At best, my responses from the podium about Mr. Biden's age failed to put out the fire; at worst, they fueled it.

The Trump White House should realize that over the next two years, there will be only more, not less, scrutiny when the president appears to drift off during meetings, is cagey about the results of his medical exams or goes on one of his erratic, late-night social media screeds. His communications team should know by now that the prices at the pump and the self-checkout line are undefeated.

When people don't believe what their government says, institutions lose legitimacy. Conspiracy theories flourish. Urgently needed legislation stalls. Elections are lost.

Part of the challenge is that Americans no longer share a single information space: Media fragmentation has created separate realities. And when a government cannot establish shared facts, democratic decision-making becomes harder.

In some ways, Mr. Trump's style — direct, emotional, repetitive and unmediated — fits the incentives of the current environment. But it has limits. A decade ago, his bluster, so unlike traditional politicians, grabbed ears and eyeballs. Now even many of his fans can see that he's frequently just seeking attention. Look at almost any poll and you get the sense that voters increasingly don't trust him.

That tension, the ability to dominate the conversation while struggling to earn trust, defines this moment.

Once people believe their government is not speaking to their reality, it becomes incredibly difficult to earn that trust back. I felt that tension every day in the White House briefing room. I see it happening again now.

KARINE JEAN-PIERRE *is the author of "Independent: A Look Inside a Broken White House, Outside the Party Lines."*

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OPINION

The Fraud of White Guilt



MAIN STREET
By William McGurn

When you hear people say we need a conversation about race, you know instantly what they mean. They want an accusation: that a corrupt America remains unwilling to confront racial injustice and inequality.

That is what makes Shelby Steele so bracing. He believes a national conversation on race needs to be had. But Mr. Steele believes an honest conversation would acknowledge the real progress America has made since the days when schools and water fountains were segregated.

Above all, he believes that while some people may hold bigoted beliefs, racism is no longer the main barrier to black achievement. To the contrary, he sees affirmative action and dependency as creating a culture that assumes African-Americans can't compete and hobbles them by disregarding merit.

In his younger days, he says, he came from the streets of Chicago's South Side "full of black rage" over the inequality he saw. Today Mr. Steele is an author, a professor and a senior fellow at the Hoover Institution. He is also the featured narrator in a new documentary called "White Guilt," which he produced with his son, Eli. The film will be released Oct. 6 and can be streamed at whiteguiltfilm.com or from Prime Video, Google Play or Apple TV.

"My father first wrote about white guilt in the 1980s, and it has only grown, from our classrooms to the corporations to the campuses that cheered Hamas after October 7," Eli Steele says. "I made this film because white guilt is the force behind so much of what is transforming and breaking America, and almost no one will name it. This film names this evil, and I hope it will give Americans the courage to embrace the freedom necessary to defeat it."

The elder Mr. Steele has an interracial marriage, his parents had an interracial marriage, and Eli has an interracial marriage. In 2006, Shelby told the American Enterprise Institute that having a white mother and black father has been a "profound advantage" because it demystified race.

The father-and-son film features Shelby walking through the desert landscape of Pinnacle Peak, Ariz. As he walks, he muses about where he thinks America went wrong on race, punctuated with interjections by similar-minded thinkers. These notables include playwright David Mamet, Wai Wah Chin of the Manhattan Institute and Journal columnist Jason Riley.

The first thing Mr. Steele notes is that his film probably isn't what you think it is. The film isn't really about guilt at all, least of all guilt about slavery or other depredations against blacks.

'The terror of being seen as a racist' has nothing to do with helping black people.

White guilt, Mr. Steele says, is the "terror of being seen as a racist." And expiating white guilt turns out to have nothing to do with changes that would improve life for those whom whites deem oppressed. Instead it's about using claims of victimhood for power. White guilt has even been grafted onto the conflict in Gaza, where Palestinians have become the slaves and Israelis the evil American slave owners.

A personal turning point for Mr. Steele came in 1970. He and his wife traveled to North Africa to see members of the Black Panthers, who were living in exile in Algiers. Mr. Steele says he was "star-struck" when he met Donald Cox, an early Black Panther leader. In the film Mr. Steele recalls, "I was ready to talk revolution with these men making history. But the most striking thing about Field Marshal DC was his homesickness. . . . They wanted to know if Motown had put out some new records."

All of which eventually brought Mr. Steele around to the genius of the American founding. White guilt and black power, he realized, are flip sides of the same coin. Learning that white guilt was a prescription for failure helped him appreciate the authentically radical nature of individual freedom and the American promise.

"The one truth I've known my entire life [is that] the principles of Western civilization are not tribal," Mr. Steele says. "They are universal. I've had my turn in America. People have always asked me, 'Shelby, what's the answer to this evil of white guilt?'

"My answer is always the same: Courage. Be an American. Believe in the founding principles of America. Most of all, believe in freedom itself. It only finds expression in the individual. Nobody gave me my freedom. No one can. Freedom is within you. Seize it—or don't."

Write to mcgurn@wsj.com.

The Year of the Political Outsider



GLOBAL VIEW
By Walter Russell Mead

This is a bad year for incumbents. President Trump is testing new lows in the polls as Republicans brace for tough midterm elections. But even with approval ratings in the mid-30s, by global standards Mr. Trump isn't doing that badly.

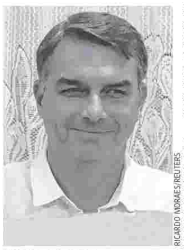
Look at Europe. As riots sweep France and bond vigilantes push up the interest rates on its debt, the flailing President Emmanuel Macron contemplates approval ratings in the mid- to high teens. Mr. Macron's German counterpart, Chancellor Friedrich Merz, fares even worse, with at least one recent poll showing only 10% of Germans satisfied with his performance. Former British Prime Minister Keir Starmer had to step down just over two years after his July 2024 landslide election victory. Spain's beleaguered Prime Minister Pedro Sánchez called for early elections after a stinging defeat to his emergency renters' rights agenda.

Incumbents around the globe are losing favor with voters riled by unsolvable issues.

In Brazil, President Luiz Inácio Lula da Silva looks unlikely to win an unprecedented fourth term after unexpectedly failing to lead in the first round in that nation's election. Flávio Bolsonaro, eldest son of the convicted former President Jair Bolsonaro, is positioned to take power on a wave of dissatisfaction with Lula's government.

Like the Bolsonaro family, Mr. Trump benefited from the anti-insider trend when he ran as an outsider but lost when running as an incumbent. As a charismatic outsider vowing to drain the swamp, he won voters over. As the swamp's proprietor, he loses.

The core problem for political leaders is that so many issues agitating voters are difficult or even impossible to fix. The rise of artificial intelligence and its potential effects on everything from employment and income distribution to national security is moving too quickly and disruptively for governments to develop effective policies around it. The return of great-power competition forces unpopular choices on governments trying to balance social welfare and national defense. Decades of mass immigration have scrambled politics and exacerbated culture wars in many countries. Islamist terrorism hasn't gone away. The so-called China Shock 2.0—as Beijing responds to mass overproduction and economic stagnation at home by stepping up exports—threatens jobs on every continent. The great demographic shift has made the pension and welfare systems of many countries unsustainable. The Iran war has driven up energy prices worldwide, setting off inflation even as interest rates spike. And as voters become angrier and more fearful, social media spreads concern and further polarizes and energizes agitated societies around the globe.



RICARDO MORAES/REUTERS

Flávio Bolsonaro.

We live in revolutionary, not evolutionary, times. This is an unpromising environment for pragmatic technocrats and moderates. More-charismatic types, demagogues not excluded, do much better. When you run low on bread, you need better circuses. Mr. Trump has filled that space in Republican politics for the past decade; a new generation of charismatic Democrats now seeks to make its mark. On the left and the right, in the U.S. and beyond, we are likely to face an era of more personalistic politics.

But as Mr. Trump and other insurgent politicians have discovered, popular slogans often turn into unpopular policies. Protectionism, especially when accompanied by undisciplined spending, can stoke inflation. A tough stance on national defense can lead you into unpopular wars. A popular crackdown on immigration can generate shocking examples of brutality and overreach that alienate key constituencies. A new round of anti-incumbent populists, mobilizing supporters with social media and the politics of outrage, will rise up and smite you in the next elections.

This kind of political competition—if the U.S. and other countries alternate between waves of right- and left-wing populism—is less a recipe for stable governance than for endless upheaval. Over time, it is more likely to destroy the institutional and legal frameworks that make democracy work than to solve the problems that have made voters restless.

America's disputatious political history suggests that we won't follow this ruinous road to the end. Through 250 years of economic upheaval and social change, the common sense of the average voter has ultimately kept the U.S. on a reasonably stable and reasonably democratic course. Great American presidents like George Washington, Thomas Jefferson, Abraham Lincoln, the two Roosevelts and Ronald Reagan tapped into that reservoir of common sense to lead the country through difficult times.

Twenty twenty-six may be a bad year for incumbents, but the ability to throw the rascals out is a feature, not a bug. Even if the result, temporarily, is only to replace one gang of rascals with another, peaceful change in response to the will of the people remains the best mechanism humanity has yet found to weather the storms that social and technological upheavals inevitably bring.

If You Want to Understand AI, Get a Dog

By Cory Miller

As artificial intelligence becomes ubiquitous, we face a fundamental question: What is going on inside these new "minds"? The path to answering it may come from an unlikely source: man's best friend.

Dogs are the result of thousands of years of behavioral engineering. Wolves' domestication didn't simply make them friendlier. We selected animals that could thrive in our social world. Dogs became extraordinarily sensitive to human behavior, following our gazes and gestures and learning our patterns. We also shaped the other side of that relationship, selecting dogs that communicated in ways humans could readily understand. This creates the irresistible illusion that dogs think like us.

They don't. A dog isn't a furry, four-legged human that drools. Its sensory world and cognitive architecture are profoundly different from ours. That we engineered dogs to communicate successfully with us doesn't mean the machinery inside their heads works like ours. We are now experiencing remarkably similar confusion about large language models.

Ethology studies intelligence radically different from ours.

These models are only one kind of AI, but they are the form with which millions of people now have humanlike interactions. We train these models on our language and shape them to answer questions, follow instructions and respond in socially appropriate ways. Like dogs, we have engineered large language models to read us and behave in ways we can easily read. Anthropomorphism is inevitable, and the illusion that they think like us is all the stronger because they speak our language.

An AI chatbot is a task master, and one of its core tasks is interacting effectively with humans. Sounding empathetic or apologetic helps it accomplish that task. It's evidence of how successfully we have engineered large language models, but isn't evidence that the system experiences those emotions as we do.

So how do we understand an intelligence radically different from our own? The same way we understand this phenomenon in dogs: ethology. Ethologists, who study animal behavior, have confronted this problem for decades. They begin with behavior, guided by the core principle that similar behaviors can arise from very different minds.

Nobel laureate Niko Tinbergen argued that understanding behavior requires asking four core questions: What mechanisms produce it? How does it develop? What purpose does it serve? How does it compare across species? Those questions translate well to AI. What computations produce an agent's behavior? How have changes in its training shaped that behavior over time? What is the behavior designed to accomplish? And how does it compare with that of other forms of intelligence?

As AI becomes increasingly autonomous, understanding and containing it will require more than scientists who know how to build it. We also need scientists trained to understand behavior without assuming that the "mind" behind it works like our own.

We should start studying AI as if they were an entirely new species. For that, we need ethologists, not just ethicists.

Mr. Miller is a professor of psychology at the University of California, San Diego.

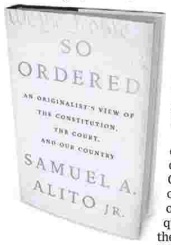
BOOKSHELF | By Barton Swaim

A Practical Originalist

So Ordered

By Samuel A. Alito Jr.
Basic Liberty, 320 pages, $32

'I rarely read newspaper editorials about our cases," remarks Justice Samuel Alito in "So Ordered," a collection of speeches delivered since he joined the U.S. Supreme Court in 2006. Still, at the end of one term he collected editorials from "some of the country's leading newspapers" that commented on the court's decisions. He looked for any that distinguished between constitutional or statutory requirement, on the one hand, and what the editorial-writer considered the best outcome, on the other. The justice came up nearly empty—although "one of the best editorials I found criticized an opinion that I had written. We like the result produced by Justice Alito's opinion for the Court, the writer acknowledged, but we just don't think that is what the statute in question means."



I will hazard a guess and say that the editorial in question appeared in these pages—and suggest further that the justice might have found one or two others to admire in the same precincts if he had looked harder.

But of course his point is entirely valid. Few in the press charged with explaining Supreme Court decisions bother to read its opinions or base their analyses on more than political consequence and policy outcome. With the 19 addresses of "So Ordered"—each adapted as a tightly reasoned essay—Justice Alito affords the legal commentariat an unexacting way to understand his thought. Though not a stylist, he writes with lucidity, generosity and wit; the common reader will enjoy the book quite as well as the scholar.

The most valuable chapters in "So Ordered" treat the subjects of originalism and textualism. The former term signifies the belief that the soundest interpretation of a law will have first determined its public meaning at the time of its passage. Particularly clarifying are three pages on that doctrine's origins. In the 1930s and '40s, Justice Alito explains, the Supreme Court mostly resisted any inclination to strike down Congressional legislation, which had mostly to do with New Deal economic policies. To strike down democratically passed laws felt to the court, not unreasonably, undemocratic. In the 1950s and '60s, however, noneconomic issues of individual rights arose more frequently, and under Chief Justice Earl Warren the court tended more often to declare democratically passed statutes unconstitutional.

The latter trend gave rise to the criticism of "judicial activism," or the idea that judges and justices were legislating from the bench. For that reason, critics of the Warren Court often reverted to earlier language that prized "judicial restraint" or "humility." But restraint and humility do not necessarily describe originalism, which, Justice Alito says, "sometimes calls for bold action."

An assortment of pundits have lately tried to figure out what Justice Alito meant, in an offhand remark some years ago, by calling himself a "practical originalist." One theory holds that he means to forge an alliance between Trumpian executive-branch hegemony and traditional Federalist Society conservatism. Dabblers in this and related theories would profit by reading "Baseball's Lessons for Law and Life." This 2024 speech begins by recalling a remark by Judge John Roberts, as he then was, during his 2005 Senate confirmation hearing. "Judges are like umpires," the soon-to-be chief justice said. "It's my job to call balls and strikes."

Pundits and academics theorizing about Justice Samuel Alito's aims would profit from reading his speeches on the law.

The line has led the chief's detractors to claim he holds simplistic views of his role, as if he believed judging were a mechanical process involving no discernment. Justice Alito defends the chief from that criticism by reflecting on the ways in which both judging and umpiring require experience, study and perspicacity. Baseball's official rules leave much to interpretation, he explains, and teams exploit the written word quite as aggressively as litigators do.

Take the so-called neighborhood play that allowed an infielder making a double play to step "in the neighborhood" of the bag before throwing to first, allowing him to get out of the runner's way and avoid collision and potential injury. Alas the league subjected the play to replay before the 2016 season, eliminating it in practice (one of many changes that have made the game safer and more predictable). But before the change, when umpires had precedent for allowing the neighborhood play, suppose an upright rookie umpire decided to apply the rules with literalistic rigidity and disregard for the traditions of his fellow umpires. Principled—or stupid?

Thus the practical part of practical originalism.

At the core of Justice Alito's creed lies the belief that the Constitution gives ordinary Americans and their elected leaders the duty to govern themselves, and that technocrats and unelected judges have a way of intercepting that duty. That creed emerges recurrently in these addresses. Journalists and law professors may spurn originalist reasoning, Justice Alito writes in a 2010 address, but ordinary people instinctively grasp the principle "that the role of judges is not to impose what they think is just but to interpret and apply the laws as they are written."

In a 2017 speech, he savages *Massachusetts v. Environmental Protection Agency* (2007), a 5-4 decision that determined, in flagrant disregard for the plain meaning of words, that the Clean Air Act of 1970 considered carbon dioxide a pollutant. A provision of the act, Justice Alito points out, requires factories to get a license if they emit more than a certain quantity of pollutants, but such a requirement becomes nonsense if the government considers carbon dioxide a pollutant. "So, what did the EPA do?" asks the justice. "It simply crossed out Congress's numbers and wrote in its own."

Even so, optimism shines through. In a 2007 commencement speech at St. Mary's College in Notre Dame, Ind., Justice Alito notes that the U.S. Constitution as originally drafted contained about 4,600 words—extraordinarily brief by historical standards. "If the Framers had lacked confidence in the Americans of the future, they would have written a long and detailed Constitution"—as the Europeans did with their ultimately unratified 63,000-word constitution in the early 2000s—"trying to provide for all the future exigencies that they could possibly imagine." The Framers instead "had confidence in the American people, and they welcomed future change."

Mr. Swaim writes the Journal's Unruly Republic column.

OPINION

REVIEW & OUTLOOK

Permitting Reform at Last, Really?

Maybe the one issue on which there is consensus in Washington is that federal permitting is dysfunctional, but lawmakers have struggled to agree on how to fix it. Miracle of miracles, a draft bipartisan permitting bill emerged in the Senate last week that—dare to hope—could pass in the lame duck session.

A draft Senate deal could pass in the lame duck Congress.

Permitting headaches may be America's biggest economic Achilles' heel. Under the National Environmental Policy Act, projects that receive federal funds or take place on federal land typically require lengthy environmental reviews, often with sign-offs from multiple agencies.

The feds take an average of four years to issue environmental impact statements that are hundreds of pages long and require developers to make special accommodations for species that might be disturbed by construction. Opponents then pore over the reviews and sue anyway, adding more years of delay, if courts don't block projects entirely.

The Mountain Valley Pipeline took a decade to complete because a willful Fourth Circuit Court of Appeals panel kept striking down its environmental reviews. Even if projects survive this gauntlet, a new Administration may later pause approved projects or yank permits, as Joe Biden did for drilling in Alaska's Arctic National Wildlife Refuge and Donald Trump has done for offshore wind.

Republicans have sought permitting reform for years, and Senate Democrats have finally come around as they realize their green-energy projects are also blocked. The deal isn't perfect, but it's probably the best that's possible without a GOP filibuster-proof majority.

The bill imposes strict deadlines for agencies to complete environmental reviews—two years for bigger projects and one for smaller ones—and lets developers sue if their reviews are delayed. A federal judge would have the power to order an agency to take action on a permit application, and in some cases pay economic damages caused by the delay.

It would also curb litigation by requiring plaintiffs to challenge permits within 150 days of their publication—they now have six years—and to have suffered direct harm or face imminent injury.

A 150-day statute of limitations would apply to challenging so-called biological opinions, which review project impact on species and habitats. The bill would let federal agencies outsource some permitting work under the Endangered Species Act to states, which could expedite reviews.

If a judge faults an environmental review, agencies could correct the purported lapse rather than restart the permitting process. The bill also instructs courts to afford "substantial deference" to an agency on the "scope and contents" of an environmental review, which is intended to prevent judges from second-guessing agencies.

Importantly, repair and replacements of critical infrastructure, including transportation, water, grid and energy projects, would be exempt from NEPA reviews. So an environmental review wouldn't be required to fix an aging bridge or to harden transmission lines. Projects that receive federal loans or minimal grants would also be exempt from NEPA.

The bill would generally prohibit federal agencies from rescinding or suspending permits and allow permit holders to sue for damages if they do. This might not stop willful regulators who want to stop a project approved by their predecessors, but at least developers would be compensated for losses.

* * *

These reforms would help all industries, but fossil fuels stand to benefit most because permitting has been weaponized against them. In return, Senate Democrats demanded easier construction of interstate transmission lines to connect renewable energy to the grid.

The Federal Energy Regulatory Commission could override states and approve transmission lines in the "public interest," as well as delegate eminent-domain power to developers. FERC can already do this for natural-gas pipelines, but extending the authority to transmission lines is more controversial.

A transmission line that transports, say, wind power to Mississippi from Iowa would help wind farms in Iowa. But Mississippians might get stuck paying for some of the cost even if they don't need the power. So could pass-through states. The bill says customers receiving trivial benefits from new transmission lines shouldn't be forced to bear the cost. That's some protection for power customers, though the bill also gives FERC expansive authority to apportion transmission costs.

This is the price Democrats demanded for conceding to GOP priorities. Republicans may lose control of Congress in November, which will reduce their leverage. The country urgently needs permitting relief, and if this deal sticks, it's worth passing.

China Spies on Taiwan on U.S. Soil

The phrase of the hour in Washington is that the Trump Administration wants "strategic stability" with China, and it's a nice aspiration. But the Chinese Communist Party isn't behaving like a force for peace in the world, and the latest evidence is Beijing's alleged spying in the U.S. on the son of Taiwan's president.

The U.S. charges a woman for surveilling the son of Taiwan's president.

The FBI on Sunday arrested a 34-year-old woman trying to board a flight to China at Los Angeles International Airport. The FBI said in a post on social media that Wanying Zhang, known as Heather, allegedly "surveilled the Taiwanese President's son and his family—filming their home, vehicles, and reporting information back to PRC handlers," according to a criminal complaint.

Taiwan's President Lai Ching-te is a singular target for Beijing. He and his Democratic Progressive Party are attempting to rally the island to prepare to defend itself from Chinese aggression and to sacrifice to preserve the peaceful status quo of political and economic freedom on the island.

"Our will to unite in defending national sovereignty and safeguarding peace across the Taiwan Strait must not waver," Mr. Lai said this summer on Taiwan's outlying island Kinmen. "Peace never falls from the sky, and peace agreements that sacrifice sovereignty and involve surrender will only bring humiliation and will never bring true peace." Capitulation without fighting is Beijing's preferred result for Taiwan, and it is intruding in Taiwanese politics toward that end by backing the opposition KMT party.

Mr. Lai's son appears to be living in the U.S. and working in Washington state. No doubt the Communist Party wants to collect information about Mr. Lai's family that it could exploit to blackmail or harm the President and his party in Taiwan. And it is notable, if not a great surprise, that Beijing is brazen enough to think that it can get away with something like this in the U.S homeland.

The case is a tiny tip of the iceberg of Chinese espionage in America—from attempts to infiltrate the U.S. military for secrets and companies for technology, to surveilling universities and Chinese dissidents in exile or Chinese students studying in the U.S.

No matter President Xi Jinping's pronouncements about steady relations with the U.S., what matters is Beijing's conduct. China acts against U.S. interests around the globe, including on American soil.

Brazil Starts to Move Right

An encouraging if largely unsung story of the last three years is the turn to the right by voters in Latin America. Brazil may be joining that march judging by Sunday's voting in the first round of the presidential election.

Flavio Bolsonaro finishes first but faces an Oct. 25 runoff.

Center-right presidential candidate Flavio Bolsonaro, the son of former President Jair Bolsonaro, surprised pollsters by finishing first with 47%. Leftist Brazilian President Luiz Inácio "Lula" da Silva, who is seeking a fourth nonconsecutive term, trailed with 45%. Since no candidate won more than 50%, the race goes to an Oct. 25 runoff.

If down-ballot results are any measure, Mr. Bolsonaro's chances are better than even. Senate candidates for his Liberal Party handily outperformed Lula's Workers' Party, gaining 13 seats to reach 28. The Liberals will be the largest bloc in the 81-seat upper chamber and in alliances with smaller right parties will have a working majority. In the lower house Mr. Bolsonaro's party came away with 121 seats, up from 98, out of 513.

The right also did well in governors races around the country. In the populous state of São Paulo, center-right Republican Party incumbent Governor Tarcísio de Freitas trounced Workers' Party candidate Fernando Haddad 62.7% to 36.4%.

Lula's election strategy of big deficit spending may have finally caught up with him. Inflation is forecast to finish the year at 5% and economic growth tracking at 2% or less was a drag on his campaign. The organized-crime wave sweeping the country also drove voters to the right. Mr. Bolsonaro has promised to designate criminal cartels as terrorist organizations and confront them.

Lula may think the Supreme Court's controversial 2021 decision to vacate his 2017 corruption conviction is ancient history. That ruling cleared the way for him to run in 2022. But recent allegations of high court links to a major bank failure have Brazilians on the right and moderate left asking questions about the independence and integrity of Brazilian justice under Lula.

Socialism has failed Latin America and in race after race in the last three years voters have said so. Since October 2023, Argentina, Chile, Peru, Bolivia and Colombia have all taken right turns. It would hardly be a surprise to find that Brazilians want to join the trek.

LETTERS TO THE EDITOR

The Narrow Bridge Between Fear and Bravery

Thank you for your editorial on the passengers who subdued the terrorist co-pilot and saved the pilot, crew and passengers from almost certain death ("Passengers Defeat a Would-Be Hijacker," Oct. 1). The editorial referred to the popular Israeli folk song, "Life is a Narrow Bridge"—words initially written by Rabbi Nachman of Breslov, the father of modern Chasidism, and adopted as lyrics to music composed by Orthodox Rabbi Baruch Chait. But, as originally written, "Life is a narrow bridge and the important thing, do not make oneself afraid," reflects an important but subtle difference to "do not be afraid." Fright is a natural human emotion, but the action to not make oneself afraid derives from a sense of personal agency.

From afar, the fact that the plane landed safely seems like a miracle and relates to a theme from the recent Yom Kippur service that God makes the decision whom to seal in the "Book of Life" for the coming year. But a few passengers, crew and off-duty pilots who landed the plane safely overcame their fear and exercised their courage and sense of duty, and helped to make this miracle happen.

HOWARD BRANDES
Los Angeles

Your editorial proves once again that Israel lives in the toughest neighborhood on the planet, where Israelis are outnumbered by neighbors who want them dead. This incident is only the latest proof that little resolution has taken place in today's Middle East.

Overtaking a crazed co-pilot and landing safely is another story of Israeli resourcefulness and heroism we've come to expect. Trying to kill an enemy many times smarter than you is an almost impossible assignment. Would that the zealots and fools who keep trying could recognize that simple truth, and stop.

RICHARD KLITZBERG
Princeton, N.J.

We Have to Fix 'Perpetual Postdoc Syndrome'

As a scientist trained in the late 1970s and early 1980s, with decades of experience in both academia and the pharmaceutical and biotechnology industries, I would suggest that Allysia Finley's column on the employment challenges arising from an oversupply of humanities Ph.D.s could be extended to include graduates of doctoral programs focused on the natural sciences ("The Ph.D. Job Crisis Is a Needed Market Correction," Life Science, Sept. 28).

In biomedical science and drug discovery, Ph.D. graduates can face several obstacles to applying their expertise to the development of new therapeutics. In academia, an aging tenured faculty, persistent uncertainty over government research funding, and a power imbalance that can reduce Ph.D. trainees to relatively inexpensive labor for advancing faculty careers can undermine both doctoral training and admissions.

Meanwhile, the private-sector pharmaceutical and biotechnology industries are retrenching amid rising R&D costs, tariff threats, intensifying commercial competition, heightened regulatory scrutiny and the looming expiration of patents on top-selling drugs. Together, these pressures have made it increasingly difficult for science Ph.D.s to apply their talents. Instead, many find themselves caught in what I call a "perpetual postdoc syndrome," moving from one position in someone else's academic laboratory to another without a clear path to independent research.

Potential risks from this scenario: fewer research practitioners to address unsolved medical problems with innovative therapeutics and fewer experienced discovery scientists to teach and mentor future drug hunters, regardless of enabling technological advances. It's time to examine a market correction for STEM Ph.D.s—one that serves both their career prospects and public health.

DAVID R. JANERO
Boston

The Courage to Name Tyranny for What It Is

Gerard Baker rightly celebrates Pope Leo XIV's summons to a secularized West to "look up" again ("There's One World Leader We Can All Look Up To," Editor at Large, Sept. 29).

But looking upward need not mean looking away from political tyranny. As Mr. Baker reminds us, John Paul II galvanized his fellow Poles against their communist masters and condemned human-rights abuses in Cuba. Fulton Sheen likewise fiercely denounced communism and Nazism, as well as the cultural decay he believed left the West vulnerable to tyranny.

Our age has hardly vanquished that danger. As Joseph Sternberg recently observed, a new electoral coalition is emerging on the European left between "old-school Marxists" and Islamists ("Maybe It Isn't the Far Right Europe Should Fear After All," Political Economics, Sept. 25). Berlin's election offers a striking example: The far-left Die Linke surged to victory.

Political pronouncements by popes and other religious leaders demand prudence, particularly when their words could endanger vulnerable believers abroad. But prudence carries a danger of its own. At a time when many have forgotten to "look up" and politics is increasingly treated as a contest for power alone, the world needs moral leaders willing to name ideological tyranny and hold its perpetrators to account.

CANDACE DE RUSSY
Fleetwood, N.Y.

Inside the McConnell Watch

I was deeply troubled but only a bit surprised at the degree of surveillance—nay, stalking—of Sen. Mitch McConnell (R., Ky.) and his staff described by Adam Pack ("Political Agitators Stalk Mitch McConnell at Home," op-ed, Oct. 2).

Similar reports have been written of intimidation tactics on our judges and other public figures. I wonder how much of this extra attention can be understood as a predictable symptom of today's social-media-obsessed, "look-at-me" culture. If so, that behavior—arguably a marker of a broader pathology—ought to be recognized and treated as such.

I wonder whether these nonjournalistic stalkers might view the justification and value of their actions differently if the same surveillance tactics were directed toward them.

STEVEN FUHRMAN
Virginia Beach, Va.

The AI Collateral Blind Spot

Jonathan Weil argues that a funding gap could signal the end of the AI boom ("How to Know When AI Boom Is Ending," Heard on the Street, Sept. 28). A warning may appear sooner in the collateral behind AI-infrastructure loans. Investors should ask how a loan holds up if chip-resale values, utilization and rental rates fall together. Capital can continue flowing even as the collateral supporting some loans becomes harder to value. Better data would make that risk visible before the funding gap opens.

ROHAN SHARMA
Temecula, Calif.

Kevin Warsh Steps Into View

Alan Blinder's "Getting to Know Kevin Warsh" (op-ed, Oct. 1) provides a useful introduction to the new Fed Chairman. But one important part of the story deserves more attention: Mr. Warsh's repeated defense of Federal Reserve independence.

At his confirmation hearing, Mr. Warsh said that "Fed independence is up to the Fed" and pledged to maintain strict independence in monetary policy. He also said politics should have no place in monetary policy.

This is particularly significant given the pressure surrounding Lisa Cook and Jerome Powell. Mr. Warsh chose not to comment on their individual cases, but his broader commitment to an independent Fed is clear.

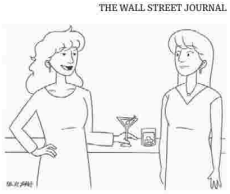
The other unfinished piece is communication. Forward guidance and communication among Fed officials remain a work in progress under the new Mr. Warsh. How he develops that framework may be as important to the Fed's credibility as his views on interest rates.

MARK ZASHIN
Short Hills, N.J.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I'm very attracted to men who are wrong for me."

Covid, Climate and the 'Consensus Trap'

By Steven E. Koonin
And Scott W. Atlas

Three of the costliest policy failures in recent decades—the 2008 financial crisis, the Covid lockdowns and the campaign for rapid decarbonization—share a pathology we call the Consensus Trap. Problems began with the output of complex, unvalidated models presented as facts. Institutions and public figures under pressure to appear authoritative ignored uncertainties. Along with the press, these institutions and people became arbiters of truth, amplifying the declared consensus rather than critically assessing the evidence. Once "the science" was declared, dissent was treated as misconduct. In all three cases, as we examine in a paper with Terrence Keeley, the consensus was wrong and the public suffered severe consequences, while the architects of failure avoided accountability.

Scientists are as prone as anyone else to groupthink, and stifling dissent often produces disaster.

The 2008 crisis is the clearest example of a Consensus Trap in economic policy. Political incentives to expand homeownership, fee-driven enthusiasm on Wall Street, and Basel II capital rules built around rating-agency models combined to make a multitrillion-dollar subprime structure look safe when it was fragile. When economist Raghuram Rajan warned at Jackson Hole, Wyo., in 2005 that the system could crack, Lawrence Summers dismissed his premise as "slightly Luddite." Mr. Rajan was right. Millions of workers lost their jobs, and millions more lost their homes. Taxpayers paid for enormous bailouts, and no top executive of a major Wall Street bank went to prison.

Covid-19 had the same toxic mix, but in a public-health emergency. Beginning in 2020, policies allegedly following the science imposed lockdowns, prolonged school closings, church and business shutdowns, and vaccine mandates even for low-risk populations. But data available by the spring of 2020 showed that lethality was concentrated overwhelmingly among the elderly. Simple common sense argued instead for targeted protection. Those who said so—including one of us, Dr. Atlas, from inside the White House—faced attacks in the media and university censure. The collateral damage was sweeping, even beyond extra deaths: historic learning loss, a surge in youth self-harm, delayed and missed medical care, and economic devastation. The full human cost may never be known, yet few institutions have done after-action reviews.

Climate policy shows the same dynamic on a longer fuse. While greenhouse gases do warm the planet, the claim of inevitable catastrophe absent an energy transition—which, conveniently, would be painless—rests on implausible scenarios and on institutional incentives that reward alarm. Scientists who drew attention to that disconnect, such as Judith Curry, were assailed rather than debated.



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Times Square during the Covid-19 lockdown in New York, March 16, 2020.

Germany's environment minister stated that a consumer surcharge for renewable energy would cost households "as much as a scoop of ice cream" each month; it rose more than tenfold before being scrapped altogether in 2022. The emissions reductions achieved so far have had no detectable effect on the climate. As with subprime and Covid, the architects have faced little reckoning, and because climate consequences unfold over decades, they probably never will.

Accountability failed in each case. Alan Greenspan confessed his "shocked disbelief" and largely kept his standing. Anthony Fauci and Francis Collins collected awards and honorary degrees. The Intergovernmental Panel on Climate Change, whose summaries for policymakers are more alarming than the reports beneath them, retains the 2007 Nobel Peace Prize. None of them paid a price remotely commensurate with the failure.

Open debate that airs dissent can reduce the likelihood of a Consensus Trap. A moderated online forum could make challenges to contested papers part of the scientific record. Federal research funding could be conditioned on universities demonstrating real protection of academic freedom. Congress could again have its own independent science advisers. And public after-action reviews could test the accuracy of consensus-based projections, as the military does, so that overconfidence carries a reputational cost.

The Reference Manual on Scientific Evidence, which guides federal judges in weighing expert testimony, was recently revised by the Federal Judicial Center and the National Academies. Its new foundational chapter, "How Science Works," links "widespread acceptance" to "the highest level of certainty science has to offer." Our examples show this to be untrue. Manufactured consensus too often guides the application of the law. An April letter to Chief Justice John Roberts co-authored by one of us, Mr. Koonin, explicitly asked that this chapter be withdrawn—yet it continues to guide thousands of federal judges.

Expert input is essential to policymaking—but avoiding policy debacles means understanding the experts' proper role. We should neither be wholly distrustful of expertise nor subservient to it without critical challenge. We must institute safeguards that make expertise trustworthy: transparency about uncertainty, protection for those who test it, and real consequences when things go wrong. Sound conclusions come from testing claims and debating evidence. "The science is settled" is often an attempt to foreclose vital debate.

We have paid dearly for ignoring that three times in the past two decades. Building those safeguards is how we avoid another Consensus Trap.

Mr. Koonin served as undersecretary of energy for science, 2009-11. Dr. Atlas served as a special adviser to the president and a member of the White House Coronavirus Task Force, 2020. Both are senior fellows at Stanford University's Hoover Institution.

The Russian Spy Who Couldn't Perform



EDITOR AT LARGE
By Gerard Baker

Did the West win the Cold War and avert nuclear armageddon because of the sexual incapacity of an obscure secret agent?

This is the intriguing proposition of a new book by Ben Macintyre, a British author and journalist. In the past 20 years Mr. Macintyre has become the master of the nonfiction spy genre, his books chronicling remarkable stories of operatives, famous and unknown, who changed history.

His latest, "Redwood," recounts the defection of Vladimir Kuzichkin, a KGB agent in Iran in the early 1980s after the fall of the shah. What makes the story unusual is that the pivotal reason for Mr. Kuzichkin's defection is personal. He is disillusioned with his Soviet bosses, but the deciding factor is that he suffers from erectile dysfunction, a debility that is destroying his young marriage. Like all Russians at the time he knows Western medicine is vastly superior to the Soviet kind and is convinced there must be a cure for his affliction on the other side of the wall. So he offers up vital intelligence to a British agent in Tehran in exchange for the promise of a new life.

It isn't giving too much away to report that the story has what we may, with qualification, call a happy ending—not just for Kuzichkin, but for the West. The Russian defector gets his new life and his mojo back—no thanks to Western medicine, by the way—and the intelligence he produces exposes a Soviet-backed plot in the febrile political environment of Tehran in 1982, for the seizure of power by the communist Tudeh party, which was to have been backed by Russian tanks and troops. Britain and the U.S. shared the intelligence with the still-fragile Islamist leadership, which promptly executed thousands of Iranian communists, expelled key Soviet diplomats and spies, and set back by years the Iran-U.S.S.R. relationship. From then on, the ayatollahs cemented their stranglehold on the country.

Mr. Macintyre posits that without Kuzichkin's intelligence haul, the Soviets might have taken control of Iran, giving them vital access to the Persian Gulf and Strait of Hormuz. They had done a similar thing In Afghanistan two years earlier, and if their plot had worked, they would have held a swath of a key region between Turkey and Pakistan. The U.S. had a contingency plan ready in response, which might have escalated into all-out war.

It's an intentionally bold claim. The skeptic in me wonders how likely the Russians would have been to succeed in Iran, given their ultimate failure in Afghanistan and the unraveling that was already under way in the U.S.S.R.

Ben Macintyre's new book emphasizes how history sometimes hinges on quirky twists of fate.

But Macintyre's true yarn is another intriguing reminder of a familiar but often overlooked aspect of history—its contingency on small, seemingly random events. In addition to grand, impersonal forces, there are moments that act as hinge points. History is the result of the interplay of those great trends and the intervention of individuals and their acts.

To firm up the connective tissue, as it were, if Viagra had been invented a decade earlier than it was, the Soviet Union might have achieved a decisive strategic breakthrough and won the Cold War.

The balance in this interplay varies. We know that nuclear war was avoided between the U.S. and Russia because of the bigger picture—both sides eager to avoid mutual assured destruction. But we also know that in 1983 it was the presence of mind of a lone Russian lieutenant colonel that averted war because he refused to believe what his computer screen was telling him—that the U.S. had launched an intercontinental ballistic missile Russia's way.

If Archduke Franz Ferdinand's car had taken a different turn on that Sarajevo street in 1914, how might the 20th century have been different? What if investigators had followed up on the arrest of Zacarias Moussaoui for suspicious behavior at a flight school in August 2001? What if Barack Obama hadn't ridiculed Donald Trump at the White House Correspondents' Dinner in 2011 and lit a fire of revenge under the man?

We can say, in these and other cases, that something else would have occurred, propelled by the larger structural forces driving history, that would have put us in roughly the same place anyway. The European powers were poised for war in 1914, and some other trigger would have mobilized them. If 9/11 had been averted, another enterprising terrorist would have gotten through and inflicted a similar catastrophe. If Mr. Obama had ignored Mr. Trump that night, the combination of rising popular disgust with political leadership and Mr. Trump's vaulting ambition would have produced the same outcome.

But can we be sure? I suspect we give primacy to the vast impersonal forces because they make us feel more secure. We like to think our lives are ordered by easily understood causation, a chain of big, identifiable things connected by logic. The idea that so much of our current historical context could be determined by arbitrary events, spur-of-the-moment decisions, and even the improbable personal foibles of men we have never heard of, is destabilizing, undermining of the sense of our own agency.

It's helpful to be reminded that in some respects history moves in unusual ways, leaving us all quite impotent.

When Can You Sue if Your 401(k) Underperforms?

By Jay Rogers

The U.S. Supreme Court on Tuesday will hear oral arguments in a case that could shape how Americans hold retirement plan fiduciaries accountable for investment decisions. At issue is how easily 401(k) participants can sue plan fiduciaries over alternative investments that lag index funds. The justices will decide whether a participant suing over underperformance has to identify a "meaningful benchmark"—a comparable investment—before the case can proceed. Some fiduciaries use alternative investments to cushion against market crashes, and the ruling will determine how high the legal bar is for lawsuits when those strategic decisions underperform the broader market.

The case, *Anderson v. Intel Corp. Investment Policy Committee*, was brought by former Intel employees who allege that plan managers violated the Employee Retirement Income Security Act's duty of prudence.

I've spent 30 years building and defending institutional portfolios that hold exactly the assets at issue here—hedge funds, private equity and diversified alternatives—and I've also served as an expert witness in the kind of fiduciary litigation this case is about to reshape. The question before the court isn't academic to anyone who has sat on an investment committee. In essence, it is this: How specific does a lawsuit have to be before a fiduciary's documented, reasoned judgment gets treated as a legal liability instead of prudent diversification?

After the 2008 crash, Intel added hedge funds and private equity to its custom target-date funds and a globally diversified fund. Its fiduciaries told participants that these assets should "provide greater downside protection in faltering markets, with the tradeoff being slight underperformance in rallying ones." A group of participants sued, arguing that the allocation lagged plainer stock and bond funds while charging higher fees. A district court dismissed the suit. The Ninth U.S. Circuit Court of Appeals affirmed the dismissal, holding that a complaint alleging underperformance has to point to a meaningful benchmark—a genuinely comparable investment—before a court will let the case proceed. It found the plaintiffs' comparators, from the S&P 500 to retail target-date funds, had "different aims, different risks, and different potential rewards."

The U.S. government's brief supporting Intel is worth reading closely. Similar to the Ninth Circuit's ruling, the solicitor general argues that the plaintiffs measured those funds against equity-heavy retail funds pursuing different objectives. Erisa fiduciaries, the brief says, "are not required to adopt a riskier strategy simply because that strategy may increase returns." The Labor Department's press release put it more bluntly: The strategy the plaintiffs seek "would force Intel to make significantly riskier investments for superficially higher returns."

That's a candid argument for the federal government to put in writing: that the price of downturn protection is underperformance when markets rally. The government doesn't ask for a new Erisa-only rule. It argues that a complaint ignoring different strategies and objectives fails under ordinary pleading standards and that a test of prudence should focus on "whether a fiduciary employed appropriate processes in making investment decisions, not on the later results of those decisions." In other words, the means, not merely the ends.

Industry groups also filed in support of Intel. The Investment Company Institute argues that a comparator may have a higher return "simply because it is more or less aggressive, diversified, or liquid," and warns that suits driven by later underperformance invite "defensive conformity" among plan fiduciaries. A coalition of seven business and retirement-industry groups argues that plaintiffs should have to plead comparators that are "actually comparable," not just any fund that happened to do better.

Investors sought to hedge risk and got lower returns. Now the Supreme Court will hear their case.

That argument doesn't occur in a vacuum. The Labor Department proposed a six-factor safe harbor for 401(k) fiduciaries in March, implementing an executive order on democratizing access to alternative assets. The factors are performance, fees, liquidity, valuation, benchmarking and complexity. A fiduciary that objectively and thoroughly analyzes these factors is presumed to have made reasonable judgments and gets significant deference. The department's proposal isn't final.

The benchmarking factor tracks the fight in *Anderson v. Intel*. The proposal defines a meaningful benchmark as "an investment, strategy, index, or other comparator that has similar mandates, strategies, objectives, and risks." The drafters understood what Intel's lawyers are now arguing: that unusual strategies don't always have a clean twin against which they can be measured. The rule and the case are fighting the same fight from two directions. One asks what a fiduciary must analyze before choosing an investment. The other asks what a plaintiff must allege before suing over it. Both turn on the same word: benchmark.

None of this excuses 401(k) investment committees and plan fiduciaries from doing their due diligence. A fiduciary that wants the benefit of either the safe harbor or a friendlier pleading rule has to record its rationale when the decision gets made: what benchmark applies to this investment, why, and what fee load was built into the return expectation before the fact, not defended after it. Past performance is no guarantee of future results, but a documented, benchmarked, fee-adjusted judgment made in good faith is the only thing regulators, courts and plan participants have ever really had to go on—and after this case, it may be the only thing that counts.

The pairing isn't a coincidence, and it isn't partisan window dressing either. The same administration that directed the Labor Department to re-examine its guidance on alternative assets is now telling the Supreme Court that a complaint comparing a downturn-protection portfolio to an equity-heavy fund shouldn't get past a motion to dismiss. A standard built on whichever fund performed best is litigation dressed up as diligence, not prudence. If the Supreme Court sides with Intel, fiduciaries that diversify for defensible reasons will answer for the process they used, not for whichever index happened to outperform them afterward.

Mr. Rogers is president of Alpha Strategies Investment Consulting.

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THE AUSTRALIAN

Bowen's pre-COP Fiji party getting off to a costly start

The only thing not changing is the size of the demands for cash

One of the problems with the climate change political economy is that it can mean different things to different people. The name change from global warming to climate change during a slowdown in global temperature rises between 1998 and 2012 is a case in point. The climate change bureaucracy, like government and big business in general, was swept away with the diversity and inclusion movement, with gender equity becoming a big part of how grant funds are awarded to help change the weather. Julia Gillard, Chris Bowen's star speaker at the pre-COP being held in Fiji this week, talked about protecting pregnant women from global heating.

There are things that have not changed. As Bjorn Lomborg has observed on these pages, despite the big fires in Spain and France this year, satellite data shows that as of September 2, the world's burned area in 2026 is 40 per cent below the 2012-25 average for this point in the season – on track to becoming the quietest global fire season in a century. This is despite the fact that over the past quarter-century annual greenhouse gas emissions have risen from 34.8 gigatonnes a year in 2020 to about 38.1 gigatonnes last year. According to US weather agency NOAA, average global temperatures have bounced around from 14.74C in 2021 to a high of 15.19 C in 2024 and back down to 15.07C last year.

And despite the noise about fossil fuels, China has been opening new coal plants equal to four times Australia's entire coal fleet each year. The latest reports are that bank finance to coal has risen every year since the much-hyped Glasgow climate conference in 2021 was dedicated to stopping it. Several of the major banks that helped set up the UN's now defunct net-zero banking alliance under the guidance of former Bank of England governor and now Canadian Prime Minister Mark Carney are back in the coal business. The momentum of global carbon emissions towards China has not changed. Between 2000 and 2025, China's share of global emissions rose from 14.3 per cent to 29 per cent, while the United States' share fell from 20.4 to 12 per cent.

But what has changed least of all is the fact that the UN climate change process, over which Mr Bowen is acting as joint chair, is all about the money. Mr Bowen landed in the Pacific on Monday to announce that Australia is "strengthening Pacific energy sovereignty" with a $7.29m package to accelerate the region's renewables rollout and a new agreement to support Vanuatu's renewable energy transition. The funding package and agreement with Vanuatu are part of the $50m Australia-Pacific Partnership for Energy Transition, an Australian government initiative to support the region's clean-energy transition.

The Pacific pre-COP is designed to unlock finance on a global scale and activists have a plan for where it should come from. The Pacific Resilience Facility has set a target of raising $US500m ($720m). And climate groups are demanding Australia not only stop approving new and expanded coal and gas mines, they argue we should also introduce a Climate Pollution Levy on big coal, oil and gas corporations. Charity groups have their models showing a levy could raise tens of billions of dollars a year and, they say, can be designed so the cost falls on the corporations, not on households.

Only someone who thinks that scrapping bank credit card fees would result in lower coffee prices would believe it. We can only hope Anthony Albanese and Mr Bowen are not listening. The poor attendance at the pre-COP gathering in the Pacific confirms world leaders know what is really going on. To the horror of activists, Turkey, the country actually holding COP this year, remains wedded to coal and has banned public demonstrations at the Antalya meeting. The sooner it is all over, the better.

Treasury must sort its priorities

Tax policies should be geared to driving economic growth

For the good of the national economy and living standards, Treasury Secretary Jenny Wilkinson needs to focus on the quality of advice her department produces for the government regarding easing inflation and interest rate pressures with policies to cut government spending and lift productivity. The reasons for such a shift would then need to be spelt out, to take the public along with the process and help them understand why significant cuts are needed to prevent national wealth freefalling.

EQ Economics founder Warren Hogan has called for a royal commission into care-economy spending. We disagree, although he is right about the seriousness of the problem. Instead of an inquiry, solutions should be ventilated publicly and resolved at the ballot box. Jim Chalmers, Tim Wilson and Barnaby Joyce need to lift their games and come up with policy visions suited to the economic times.

In playing down the impact of federal spending on inflation and talking up his fiscal credentials, the Treasurer, with a touch of sophistry, makes the point: "If you look at public demand in our economy versus private demand, over the last year or so, for every $5 of demand in our economy, four of those have been private demand, one has been public demand. And we saw public demand growth halve compared to the year before." Those figures, cherrypicked from the National Accounts, are correct. But they do not indicate a major tightening in outlays.

The detailed ABS breakdown of the National Accounts gives a clearer picture. Last financial year, government consumption (at all levels of government) grew by 2 per cent – hardly a model of frugality compared with 1.8 per cent growth in household consumption. Private business investment (the nation's economic engine room and our best hope for growth) was up 10.4 per cent and public investment up 2.4 per cent. The National Accounts also highlighted that part of the increase in private demand was the rush to electric vehicles, subsidised heavily by government.

Last week, Westpac chief economist Luci Ellis, a former Reserve Bank assistant governor, was one of several economists who told The Australian that government spending had driven some private demand. Energy and childcare subsidies and battery rebates have flowed into the private sector, they pointed out.

Mr Hogan's concerns on spending, which is at a 40-year high of 26.9 per cent of GDP, are underlined in this year's federal budget papers. Social security and welfare outlays comprised 37.1 per cent of spending, and are forecast to rise by 8.5 per cent by 2029-30. Another facet of our precarious economic direction is the spike in debt servicing costs, at federal and state level, as cheap loans expire.

On Monday, the International Monetary Fund issued good advice to governments facing deficits and high costs of debt, Matthew Cranston writes – to consider tax changes that help economic growth and reduce compliance costs rather than focus on distribution. Taxpayers and accountants have found the Albanese government's budget tax changes unclear and complex, and their implementation, which has seen dozens of changes, shambolic. Australian Industry Group chief executive Innes Willox said compliance costs were a constraint on business and growth. Five months after the budget, there was still no workable legislation for most measures announced. As the IMF noted, tax is crucial for driving growth and not just about trying to achieve equity. That is where Labor has failed, especially in regard to the property market.

Ms Wilkinson should turn her attention to the quality of her department's advice, focusing on productivity and growth. Better policies are needed than capital gains tax and negative gearing crackdowns, trust changes and more red tape stifling business with compliance costs. Treasury needs to rebuild its credibility as the intellectual engine room of reform that drives wealth creation.

US move a blow to Burnham

The hurried withdrawal of US B-1 bombers from their base at RAF Fairford in the UK is a crushing US vote of no confidence in Andy Burnham's new Labour government.

Amid intelligence reports of a possible second terrorist conspiracy in 10 days targeted at the base, and involving Iran, Mr Burnham should not be surprised by the US decision, despite the importance of B-1s in strikes against targets in Iran.

The UK Prime Minister's handling of the initial terror plot against RAF Fairford was not reassuring. Five British nationals and a British-Iranian national, arrested following disclosure of the plot on September 27, were granted bail the morning after being taken into custody. That was incomprehensible.

Mr Burnham's government showed little concern about the targeting of RAF Fairford until US Secretary of State Marco Rubio contradicted British denials about Iranian involvement. US President Donald Trump, understandably, was dismayed over the granting of bail to the suspects. Redeploying the bombers back to the US affects hundreds of US staff sent to RAF Fairford to support the operations of US B-1 and B-2 aircraft, as well as U-2 reconnaissance aircraft.

Mr Burnham's irresolute response to reports of Iranian involvement in a plot to attack RAF Fairford made the US decision to pack up and go inevitable. So, doubtless, did the new UK government's significant changes to former prime minister Sir Keir Starmer's support for Israel. Those changes, unwisely, include a ban on goods imported from Israeli West Bank settlements, and restrictions to ensure British arms are not used by the Israel Defence Forces.

Britain could pay a high price for Mr Burnham's attitude to its most important ally at a time of war.

LETTERS

PM's reputation sinking alongside Labor's credibility

Simon Benson suggests that the clock is ticking ("Albanese not our most unpopular prime minister ... yet", 5/10).

The Prime Minister's latest snow job is to triumphantly wave a white credit card around with the message that goods and services will be cheaper because the surcharge is gone.

It's a con that mirrors the one made at the last election that a particular green card is all that's required to cover costs at a medical centre. And not dissimilar to other fibs made at the time about capital gains tax, superannuation and negative gearing.

The problem for the Prime Minister is that he has broken trust with the Australian people so often that he has exhausted the last vestiges of political capital he and his party achieved at the election. One lie was enough to sink Julia Gillard. The question is: How many lives does Albanese have?
Kim Keogh, Claremont, WA

Almost daily there is a fresh announcement by our government of another nail in the coffin of business, particularly small business, from another compliance or cost imposition. There is absolutely no way Jim Chalmers will get productivity rising in this country while the government is hogtied by its anti-business ideology and union demands for better working conditions without productivity trade-offs.

Perhaps what the government is trying to do is force the private sector to become as non-productive as the budget-sapping public sector. The only result of that would be a continuing decline in our standard of living.
Kingsley Sullivan, Mt Hawthorn, WA

Jim Chalmers' latest statement is that public demand has halved over the past year while private demand has trebled, inferring it's not his government's fault inflation keeps rising.

We're not mugs. Electricity subsidies and other government handouts put more money in people's pockets, which in turn drives higher private demand.
Robert Fisher, Mullumbimby, NSW

If ever a government has lost its way, it's the Albanese circus.

Ideology is not necessarily all bad if it is focused in the right direction and benefits all. Blind ideology is a different beast and if not controlled can have devastating consequences, if not to all, at least to some. Sadly, the Albanese government seems trapped in it.

Setting unrealistic standards and benchmarks for business is one sure way of destroying this nation's economic prosperity. So-called "modern slavery" certainly exists and should be condemned. Expecting business to be accountable for it, especially when it occurs in areas beyond its control (for instance, in another country) sets an unrealistic standard. This is just blind ideology that has the potential to cause us great harm.

But the Albanese government seems blind to this. It is also blind to how business operates to be sustainable in the long term. Imposing more and more unrealistic regulation on business is major roadblock to this ambition.
John George, Kingsley, WA

Treasurer Jim Chalmers now admits there's no real cost-of-living help coming, just spending cuts because the economic "can" they've been punting down the road has finally rolled back over them. And naturally, none of it is Labor's fault.

This sits beside a 40-year deficit forecast and sinking productivity. Yet industrial relations won't be touched, so incomes will keep eroding while costs keep climbing, a perfect recipe for pretending action while delivering nothing.
John Field, Coolum Beach, Qld

When we – now in our 80s – started planning to buy our first home, the rules of thumb were: save for a 25 per cent deposit, and aim for a loan that was no more than four times your annual salary. Banks would sometimes include 30 per cent of the spouse's salary in their calculations.

Using the latest average annual wage today of $108,000 plus 30 per cent of that results in an amount of $140,000. Hence the average family then would be looking to buy a house for around $560,000 in today's money.

If the government wants to help young couples today, it should strip out everything that adds to the cost of building a new home till the price comes down to that amount. Cheaper land and cheaper houses. Whatever it takes. There is the challenge.
Douglas John Shaw, Pimpama, Qld

Lack of transparency blows Labor's social licence on energy shift

Labor has perfected the art of magic pudding economics while it denies the public's right to know the whole -of-system costs for the transition to renewable energy ("No blank cheques for renewables projects", 5/10).

Untold billions are spent in underwriting investment in renewable projects. Profits are maximised while losses are socialised. The costs are kept from scrutiny, operating off budget in secret contracts. Billions have also been spent on relief packages, solar systems and home batteries, while at the same time the queues in energy poverty keep growing.

In yet another sign of a failing transition, multinationals like Rio Tinto, Glencore and Nyrstar will receive billions in financial assistance in the hope of saving thousands of jobs in heavy industry.

For example, Tomago aluminium smelter, operating on coal-fired power since 1983, will require a $2.5bn package to keep its doors open.

Snowy Hydro has confirmed that it is "working closely with the commonwealth on commercial arrangements". What could possibly go wrong?

The public would expect full disclosure before any new contracts are signed. To breach trust can only compound the loss of social licence for the transition.
Jennie George, Mollymook, NSW

Susie a role model

My admiration for Susie Bully in exposing child abuse in Port Hedland and beyond knows no bounds ("Authorities 'knew of child rapist'", 5/10). May her courage and determination inspire others who have been abused to come forward to seek justice.

Maybe she has a role to play in advising governments responsible for the safety of our children.
Julie Stanley, Sandringham, Vic

Susie Bully is an amazingly strong role model for young women.

The federal government has powers to pass laws for the benefit and protection of Indigenous Australians. It provides substantial funding to assist children in other countries. What is it doing for Indigenous Australian children suffering neglect and abuse? Where can these poor children turn for help?
Robyn Kathner, Allambie Heights, NSW

The Port Hedland situation is a disgrace to all Australians. The solution to it has gone way past the political argy-bargy that we are reading about. Children's lives are under threat daily.

The shocking exposure of what occurred to Susie the young girl over many years does not require a royal commission of inquiry. It requires immediate action by senior state and federal public servants who are beyond political influence.
John Houghton, The Gap, Qld

State's policy quagmire

One Nation may well boast a 63-page policy platform, but there is a wide gap between aspirations and a pathway to implement them ("Lock them up is no plan to govern state", 5/10).

Take five main issues like crime, halting the Suburban Rail Loop, gas, revival of the timber industry and scrapping of the treaty and we find complexities that newbie politicians are not equipped to tackle and would be daunting for a Coalition government, if elected.
John Morrissey, Hawthorn, Vic

Anthony Galloway is right: furious applause offers no answer to the gaps in an uncosted platform. A glossy website funded by wealthy benefactors doesn't cut it. People who think One Nation is the answer are asking the wrong question.
Ray Peck, Hawthorn, Vic

No one seriously believes that a One Nation government in Victoria would send Daniel Andrews and Jacinta Allan to prison. What One Nation candidate Mark Nicholson in effect is saying is politicians who govern must be accountable for the decisions they make.

Andrews and Allan's style of "cut and run" is leaving Victoria in an absolute financial and social shambles. Victorians would no doubt welcome a royal commission into the state's affairs, including political decisions taken during the Covid crisis.

Victorians want to see the decision-makers answering questions under oath about whether they were acting in the best interests of the community. The two former premiers and their cohorts must be held to account.
Riley Brown, Bondi Beach, NSW

Crossing the line

The chilling parallel with September 11 of a Flydubai airliner intended as a weapon against Israel's civilian population is obvious.

However, there is a political lesson. Dispassionate and even-handed criticism of Israel and its government is not antisemitism but when hostility to Israel becomes justification for deliberately targeting Jews and Israeli civilians, the line has been crossed from political opposition into "antisemitic terrorism".
George Fishman, Vaucluse, NSW


THE AUSTRALIAN

Chatbots in class of their own for low student marks, experts warn

'Labor's on slow track, not go track'

Not a Knight for that fairytale: relentless Roosters win trailblitter for sweet 16th title

The Australian's front page, Monday, October 5

LAST POST

I'm sure all the pregnant women will be pleased to know that Julia Gillard is "giving a speech about the global call to protect pregnant women from global heating" at the Pre-COP 31 in Fiji. Has she thought of providing airconditioners for all pregnant women to overcome this?
Sheila Duke, Bulimba, Qld

Energy Minister Chris Bowen's refusal to reveal the cost of his Pre-COP31 meeting beggars belief. After all, it's not his money.
Penni Seignior, Mudgeeraba, Qld

Of course Bowen refuses to disclose detailed costs of Pre-COP31. He probably doesn't know what it is costing.
John Colebatch, Kelso, NSW

Anthony Albanese and Chris Bowen's Tuvalu love fest will be joined by a very small coterie of others happy to enjoy the event's largesse. It seems no one of any importance is going to Fiji and Tuvalu. It's just a junket. Is this how we hope to govern Australia? No wonder Pauline Hanson and One Nation are in the ascendancy.
Alexander Haege, Tamarama, NSW

Looks like President Donald Trump will win the midterm election for the Republicans, with a historic turnout of voters. Every eligible voter could be vying to get the $US5000.
Kon Parris, Albury, NSW

How lucky are Albo and his team ? First, it's Trump (twice), then Ukraine, Gaza, climate change and a host of irrelevant things. Now they have AI as a modern sword of Damocles – saving them from the real and only issue: the economy and our future prosperity.
John Mullavey, Howrah, Tas

A big thank-you for Brendan O'Neill's article ("This was a revolt worthy of the history books", 3-4/10). Well said.
Mary Hartley, South Bunbury, WA

Albanese may not yet be our most unpopular prime minister, but who would bet against him achieving that distinction given his ever-increasing gaffe-ability ("Albanese not our most unpopular prime minister ... yet", 5/10).
Don Paul, Buderim, Qld

It seems nothing has changed from our colonial past. At school we learned about three different railway gauges in Queensland, NSW and Victoria. Now we have the ludicrous situation on the east coast where Queensland has a different time to the other two states and the ACT. Coolangatta, where two time zones intersect, is a confused mess.
Drew Wenck, Sunshine Beach, Qld

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BOOKSHELF | JASON SNELL

The man who polished Apple to its commercial shine

Apple has become one of the world's most valuable companies because of its products: the Mac, the iPad, the Apple Watch and most especially the iPhone. But the company's product sales have been aided over the past 25 years by the presence of its iconic brand in more than 500 retail stores scattered across 27 countries and regions. Anyone who has ducked into an Apple store for a new iPhone or toted a broken Mac through the mall for a repair appointment at the Genius Bar has experienced what Steve Jobs and Ron Johnson built.

In Shop Different: How Retail Revealed Apple's Genius, Johnson details the remarkable story of how, in 1999, Jobs recruited him from Target to join Apple as head of retail and launch perhaps the biggest longshot of Jobs's entire tenure as chief executive. The two men concocted a daring strategy: find some way to connect with the millions of consumers who had no interest in or understanding of Apple's products.

Johnson cuts the profile of the perfect retail executive. Born in Minnesota, he was entranced as a child by the Midwestern, mid-century power of Dayton's department store. After Harvard he eschewed an obvious career path into finance and instead took a job at Mervyn's, a West Coast department store chain owned by Dayton's parent, Dayton Hudson Corporation (now Target). From there it was on to the Target stores themselves. Johnson transformed the chain's toy departments by devoting an entire aisle to Lego products.

When Apple hired Johnson in 2000, he was based in Minnesota and didn't own a computer. (Jobs sent him an iMac.) But Johnson had retail experience Apple lacked, and Jobs seems to have identified in Johnson an enthusiasm for the project that matched his own. Apple had only recently avoided bankruptcy. Jobs was persuaded that a retail presence would be vital.

It's hard to imagine now, but in the late 1990s Apple products had little lustre. As computers running Microsoft's Windows 95 took over the world, Apple seemed dedicated to selling niche products. Jobs's return to the company in 1997 and the introduction of the iMac (Apple's first hit product in years) started to change perceptions, but Apple needed to reach buyers beyond its loyal base.

Johnson knew where to find those people – in America's shopping malls. Jobs brought his trademark product development focus to Apple's retail stores, joining Johnson for regular drives to a warehouse in which a secret mock-up of an Apple store would regularly be revised.

At one point after most design decisions had been made, Johnson realised a forthcoming new product strategy – the "Digital Hub", which positioned Apple's computers at the centre of a constellation of digital cameras, music players and accessories – required a complete rethink of the retail operation. Jobs was furious, until he thought about it – at which point the mercurial CEO changed his opinion.

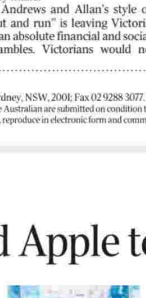
The success of the strategy was hardly a fait accompli. Many stores struggled until Jobs's product pipeline came to the rescue. With the introduction of the iPod music player in 2001, Apple had a product that made even Windows users curious enough to wander into an Apple store. Under Johnson's watch, Apple's retail division became a behemoth operation, selling millions of iPods, iPhones and Macs while opening stores around the world.

For a generation of people, the iPod was the first Apple product they bought. Those buyers frequently ended up buying Macs, and the arrival of the iPhone converted even more customers. It's hard to imagine Apple's rise to a trillion-dollar company happening if its products weren't readily available in local retail stores.

Jobs and Johnson were kindred spirits when it came to strategy, but temperamentally they were a mismatched pair – California tech and Midwestern retail. The book details Johnson's belief in a Christian view of love and service, which informs his understanding of how to treat customers and co-workers. The cynical and secular Jobs didn't seem to entirely get that.

Johnson doesn't spare himself from questioning one of his worst decisions, which was to leave Apple in 2011 for struggling retailer JCPenney, a move that even at the time seemed to market observers to be misguided. The book recounts his temptation (after 12 years at Apple) to lead a company himself, a choice made exponentially more difficult because of Jobs's terminal cancer diagnosis.

But he had already helped create one of the 21st century's best brands.
THE WALL STREET JOURNAL



Shop Different: How Retail Revealed Apple's Genius
By Ron Johnson, with Zander Nethercutt
HarperCollins, 320pp, $32 (hard cover)

REVIEW
More book reviews in **The Weekend Australian**

JUDITH SLOAN

Reckless Chalmers trashes Costello's careful legacy



There must be days when former treasurer Peter Costello wonders why he bothered. Why repair the budget and deliver 10 surpluses? Why rein in government debt, pay it off and leave a legacy of negative net debt?

He must even wonder why he established the Future Fund, given the threats to this sovereign wealth fund that have emerged since the Albanese Labor government was elected.

When the current Treasurer, Jim Chalmers, brags about Australia's relatively low government debt by international standards, Costello must surely be choking on his Weet-Bix. Look at the figures – it was all Costello; Labor has made it worse.

When Costello became our top money man, Australian government net debt stood at $96bn, or 18 per cent of GDP. When the Howard government was voted out in 2007, net debt was minus $40bn or minus 3.4 per cent of GDP. It was a tour de force that was never supported by the Labor opposition.

Costello also introduced the Charter of Budget Honesty that ensures newly elected governments are no longer surprised by dishonest financial statements issued by displaced administrations.

The Pre-election Economic and Fiscal Outlook has improved the quality of election campaigning – all parties are working off the same figures; it is a model that has been copied by the states. (Mind you, the quality of all PEFOs is not the same. The one issued for the 2022 election was a shocker, forecasting a budget deficit for 2021-22 of $80bn when the actual figure was a deficit of $32bn, for example. The Albanese government has attempted to feast on this rotting carcass ever since it has been in office.)

The Intergenerational Report also emerged from the Charter of Budget Honesty. To be released every five years – Labor has shortened this interval for political reasons – the aim of the exercise is to look at the budgetary pressures likely to emerge over the next 40 years.

Costello never saw the IGR as a bragging exercise, but rather as a means of imposing fiscal restraint to ensure future pressures on the budget could be headed off at the pass. It was never a reflection of his "meanness" but rather his strong ethical position that it is inherently unfair for the current generation to rack up debt for future generations to pay off.

Let's not forget that vocal advocacy for some of the government's biggest current programs was around in Costello's day – think here the NDIS, the Gonski school funding model and the like. His firm response was "no", followed by the obvious point that funding for disability, education and many other matters rests with the states.

So, what has been Costello's legacy? Nearly two decades later, net government debt stands above $600bn, with gross debt hovering around the trillion-dollar mark. As a percentage of GDP, our federal government position – we shouldn't forget state government debt, however – is still low by the standards of advanced economies.

But the point here is that this outcome has nothing to do with the efforts of Labor governments. The Rudd/Swan duo spent up big during the global financial crisis (2009 to 2012), adding to the debt. The four budget surpluses Wayne Swan announced came to nothing. During the pandemic, Labor supported even more spending than the Coalition government splashed to deal with the situation.

> As a firm believer in big government, Chalmers thought he had all the answers when he claimed he could reinvent capitalism. What he didn't count on was the persistence of inflation and the role that excessive government spending plays in that outcome

Since assuming office in 2022, Labor has thrown out the fiscal rule book. Chalmers refuses to set out a strict set of numerical fiscal rules – even his former boss, Swan, had rules, though he failed to meet them.

Sound fiscal rules could have ensured that the budget would currently be in surplus, an outcome recommended by important luminaries such as former Reserve Bank governor Phil Lowe and former Treasury secretary Martin Parkinson.

Chalmers also declined to impose a global tax cap on the budget. According to his thinking, "we're not attracted to the government's tax cap, and the reason we're not attracted to it is because it seems to us like quite an arbitrary cap imposed for political reasons rather than good economic reasons". The Coalition's cap of 23.9 per cent has now been exceeded under Labor and it is still running a budget deficit!

Prior to Covid, government payments were under a quarter of GDP. This financial year, they are expected to come in at 26.8 per cent. This is a massive change, making the size of government larger than it has ever been outside war or a pandemic.

Annual government spending is now well over $800bn, having been less than $500bn before Covid. Government spending on the so-called "care economy" has risen by more than 50 per cent since the Albanese government was first elected.

Don't believe the budget forecasts of future government spending: growth of 0.7 per cent in 2027-28 and 0.9 per cent in the next financial year. As they say, pigs might fly, even if there is some success in restraining the growth of spending on NDIS. Labelling NDIS spending by another name, Thriving Kids, doesn't reduce aggregate spending necessarily.

As for the Prime Minister's claim that the government has achieved $178bn of budget savings, some other animals are needed to join the pigs in the sky. He earnestly tells us that "every single economic statement that we have handed down has had savings".

This is just arcane budget trickery that shouldn't convince anyone. The most credible estimate of the net addition that Labor has made to the budget comes from economist Saul Eslake, who puts the figure at just above $100bn.

And don't you just love a bit of budget "reprioritisation"? It's like Kim Kardashian bragging that she bought the expensive black handbag rather than the tan one. It's irrelevant to the budget bottom line.

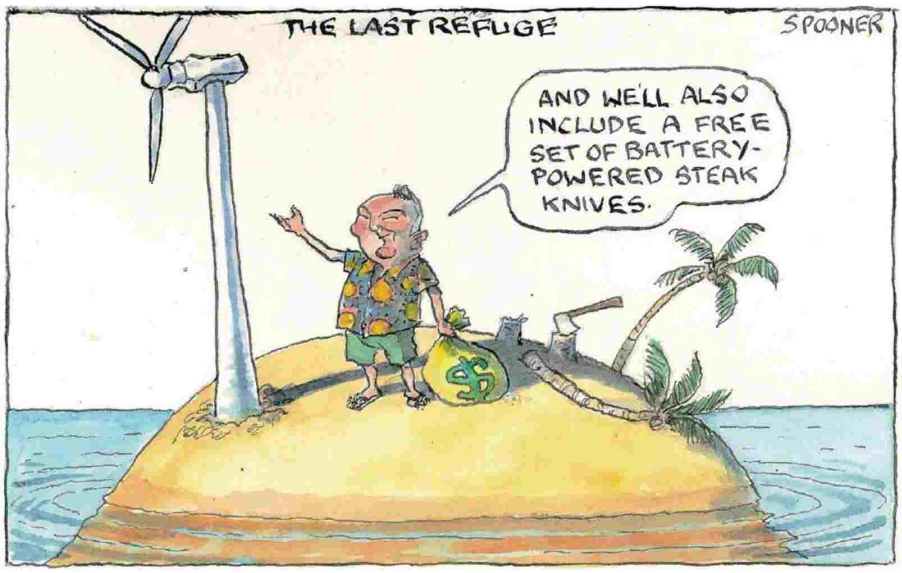
As hard-pressed householders sit around the kitchen table figuring out how they are going to afford higher mortgage payments, higher fuel costs and higher expenses generally, they must wonder how we got to this point.

As a firm believer in big government, Chalmers thought he had all the answers when he claimed he could reinvent capitalism. What he didn't count on was the persistence of inflation and the role that excessive government spending plays in that outcome.

The cost of government debt is about to escalate. He talks about boosting productivity but can cite trivial only measures while avoiding the main game – energy and industrial relations. We are stuck with sub-par economic growth and no way of escaping.

It seems a long time since Costello held the fiscal reins.

DAILY CARTOON | JOHN SPOONER



GREG SHERIDAN

Antisemitism is our most shameful failure



Terrorists take anniversaries seriously. It's one of their only distinctively human traits. So everyone should pay extra attention as we go into the third anniversary of the October 7 Hamas terror atrocities in Israel. These were shocking and grotesque and reviled by every decent human being in the world. Yet they were profoundly effective. It gives me no joy at all to write that Hamas achieved many of its objectives.

It turned the world against Israel. It made any thought of a two-state solution in which Israel and a Palestinian state live side by side in peace politically impossible, and utterly untenable on security grounds, for decades ahead at least. It was designed to provoke a strong response from Israel and that's what it got, just as any nation would respond strongly to such an attack. Certainly, Australia would.

It condemned the betrayed Palestinians of Gaza to suffer a brutal war and then, almost certainly and for a long time, a life without material or civic hope. That's what Hamas wanted. Hamas is the most deadly enemy of the Palestinian people.

But Hamas desired above all to hurt and demonise all Jewish people. It is to the monstrous discredit of the West's political culture that Hamas succeeded, to an incredible degree, in this.

Those October 7 attacks themselves were timed for festivals, for holy days, for anniversaries. In Israel they took place on a Shabbat morning that coincided with two Jewish festivals; the festival of Assembly, and of the end of the Torah cycle, the reading of the Torah. The festival of Assembly marks the end of the holy week of Sukkot, which commemorates the Jewish exodus from Egypt.

The attempt to kill a planeload of Israelis in the Flydubai plane was, I would guess, very likely timed for the anniversary of the October Hamas massacre. But in this case it led to a miracle in the skies high above Saudi Arabia. This miracle was carried out by an Indian pilot and Israeli passengers and it should cheer up, even for a fleeting minute, the human race.

Yet that section of humanity that cheered loud and clear was fairly small. For Jews are targets, and identifying with them offers few political benefits for leaders in many nations.

We saw the most savage anti-Jewish terrorism in Bondi last year. Artificial intelligence, as I've written before, will make the future terrorist threat worse. There are only perhaps 16 million Jews, perhaps not even as many as that, in the entire world, and they are the most persecuted and at-risk racial and religious minority on the globe today. All human beings with a shred of decency should make solidarity with Jews among their highest priorities. But that's not the case.

The two great contemporary drivers of hostility to Jews are left-wing ideology and activism, and the long tradition of Arab and Islamic antisemitism. Both are complicated cases with lots of exceptions and shades of grey. But the left, in its bargain-basement critical theory guise, views all politics as identity politics, and all political discourse as divided simplistically into oppressor and oppressed. With a fabulous ignorance of Jewish and Middle East history, the left designates Israel a colonial oppressor, and because Israel is a Jewish state, and most Jews support Israel to some degree, Jews are accomplices in these colonial and racist crimes.

This view is inaccurate, ignorant, distorted, wrong and immoral in every respect. Naturally, it flourishes in our universities, in our writers' festivals and across cultural organisations, especially those that are taxpayer-funded and therefore more likely to suffer from debilitating groupthink.

The royal commission into antisemitism made a tepid foray into the outer fringes of this phenomenon. But it all but ignored the other great engine of contemporary hatred of Jews – Islamic and Arab antisemitism. This looks like intellectual cowardice by the royal commission. It may be well-meant cowardice. Most political leaders are too cautious to talk of Islamic antisemitism, for fear they'll upset Muslims.

Both Bondi and the Flydubai terror attack fit perfectly into the taxonomy of Arab and Islamic antisemitism. Most Australian Muslims are not actively hostile to Jews. But hostility to Jews, and in lesser intensity to Christians, and the West, are a central part of Islamist ideologies and movements. Islamism can be violent, in which case it's terrorism, or non-violent, in which case the hostility to Jews it involves is still toxic antisemitism.

> The ABC, which readily employs organised crime figures and Hamas sympathisers as reporters, cannot find space to allow a Jewish voice to tell a story of Jewish cancellation in contemporary Australia

The failure to meaningfully call this branch of antisemitism out is just one of the litany of moral failures of the Albanese government in confronting antisemitism, which has grown so powerful, so destructive, under Labor's rule.

That antisemitism has become such a force in modern Australian life is the most shameful thing I've ever known about modern Australia. Beyond the Jewish community itself, and its very long-term friends, this antisemitism has, surprisingly, not been vigorously opposed by anything like the number and range of Australian leaders you'd expect.

The ABC has been particularly bad, and is representative of the wider cultural malaise. Where has been the Four Corners series forensically investigating Islamic, Arab and left-wing antisemitism? The ABC, with exceptions, is voluntarily imprisoned in a narrow, repetitive, sterile view of what's important. Just after the federal election, which saw Labor win a huge victory, Four Corners ran a supremely fatuous program denouncing some members of the Plymouth Brethren Church for being political conservatives and daring to donate money to conservatives. This is a warning against the buying of elections, Four Corners thundered, just after the side allegedly benefiting from the buyout suffered its biggest-ever loss.

Oy vey! Facts will never disturb an entrenched left-wing worldview. So the ABC prosecutes and reprosecutes the same standard set of issues, regurgitates the same orthodox views, the same plastic outrage, and leaves untouched the enormous moral issue of our political culture. Now we find that ABC and SBS, two light-heavyweight champions of the upper dog, have refused to screen the documentary Cancelled, which recounts the wiping out from performance and publicity of five Australian Jewish artists and performers.

The ABC, which readily employs organised crime figures and Hamas sympathisers as reporters, cannot find space to allow a Jewish voice to tell a story of Jewish cancellation in contemporary Australia. There are 110,000 Australian Jews. Through hard work, some are wealthy, which of course fuels insane conspiracy theories. Only Jews may not be wealthy.

Our treatment of this vulnerable minority is shameful. The Albanese government bears grave moral responsibility for its almost complete failure to provide any leadership. But the sickness of Australian antisemitism runs much wider. On this anniversary let's be clear: it's wrong, utterly wrong.

Greg Sheridan is The Australian's foreign editor.

NICK CATER

Digital safety law risks overreach into censorship



There's little evidence that parliament had a clue what it was doing when it passed the Enhancing Online Safety for Children Bill in 2015. Its scope was relatively narrow: our children against cyber-bullying, a modern phenomenon parliament unanimously agreed was a very bad thing.

After more than a decade of mission creep and two substantial legislative amendments, the eSafety Commission now faces a far more ambitious task: promoting "safer, more positive online experiences".

The eSafety Commission's architects were not blind to the risk of institutional overreach. In his second reading speech, minister Paul Fletcher explicitly warned against creating a regulatory system that was "excessive or heavy-handed".

Yet for all its qualifying clauses and soothing rhetoric, this well-intentioned legislation contained the seeds of its own expansion. An agency with an $11m annual budget to tackle a well-defined problem has morphed into a $60m-a-year behemoth, with the ambitious goal of making the internet safe for everybody.

The "sock puppet" clause in the proposed Digital Duty of Care legislation would further expand the agency's powers. The eSafety Commissioner would be granted unchecked authority to assume false or fictitious online identities. Effectively, the regulator would become a law unto itself, run by unelected officials accountable to parliament in only the loosest sense.

The original legislation set clear boundaries between the regulator's role and the police. The proposed legislation busts the lines wide open, granting the Commissioner the powers of investigator, judge and executioner.

These extraordinary powers are granted, apparently, to protect our "safety", one of the most elastic words in the political lexicon. Nobody can reasonably declare themselves against it, which makes it a potent justification for state power.

A positive online experience can be anything the Commissioner decides it should be. Negative online experiences, on the other hand, are anything the Commissioner decides we should be protected against. The danger lies not merely in the extraordinary powers parliament is being asked to give the eSafety Commissioner, but in the boundless remit within which they might be used.

Commissioner Julie Inman-Grant compares Digital Duty of Care to seatbelt legislation in the 1970s. "The car industry pushed back," she said. "But Australia stayed the course." Yet a product safety regulation with a clear engineering solution differs from regulating the flow of information. A law that insists you buckle up to protect against the consequences of a crash differs greatly from a law that tells you where you may drive.

Naturally, the commission's expanded role requires hiring more staff. The commission's headcount has almost doubled since Labor entered office, from 116 in 2022 to 222 in 2024-25.

If parliament agrees to the proposed expansion of power, we can expect the number to rise further.

Few would challenge police investigators' right to adopt a false identity to investigate potential criminal behaviour, provided appropriate checks and balances are in place.

When federal police assume a false identity under Part IAC of the Crimes Act, each identity requires a separate written authority. Its use must be recorded, periodically reviewed, and audited at least every six months, with the number of identities and their use ultimately reported to parliament.

Under the government's eSafety draft, the Commissioner requires no outside authorisation to create a sock puppet. The legislation requires no register of the identities, no audit and no reporting to parliament on how many have been deployed. There is no restriction on numbers. The Commissioner, or anyone to whom the powers are delegated, could create as many sock puppets as they wish.

A police officer who misuses false identities commits an offence punishable by up to two years in prison. A sock puppeteer authorised by the Commissioner need only show they acted "in good faith" to gain immunity from civil action or any other proceeding.

Grant's second five-year term expires next year, presenting an opportunity to pose the question

> Other jurisdictions have wrestled with this challenge, to which there is no obvious answer. Yet leaving it to the discretion of the minister of the day through the power of legislative instrument, as the draft legislation does, is hardly a satisfactory solution. Adults can decide for themselves what they wish to read, watch and hear

parliament has conspicuously failed to ask: Why do we need an eSafety commissioner at all?

That is not to say criminal activity committed online should be unpunished. Yet fraud, intimidation or the distribution of intimate images without consent are matters best left to the police. Unlawful behaviour wherever it occurs should be dealt with by the courts, where the rules of evidence and rights to appeal are established by common law, not an unaccountable bureaucracy.

Parliament is perfectly capable of updating the criminal law when technology creates new ways of committing old offences.

Beyond that point, however, we have every reason to be nervous about outsourcing responsibility for our wellbeing to the state.

The draft bill has no trouble defining serious harms: child sexual exploitation, grooming, incitement to extreme or sexual violence, suicide and self-harm, terrorism and criminal offending.

Yet it is less clear on the content that might be described as lawful but awful, material that might be offensive or morally repugnant to many but may reasonably deserve protection under the principle of free speech. Other jurisdictions have wrestled with this challenge, to which there is no obvious answer. Yet leaving it to the discretion of the minister of the day through the power of legislative instrument, as the draft legislation does, is hardly a satisfactory solution.

Adults can decide for themselves what they wish to read, watch and hear. Parents should have the principal responsibility for deciding what their children encounter.

Technology companies should be encouraged to develop so-called "middleware": filters, parental controls, blocking tools, privacy settings and third-party software for organising feeds. If popular concern about online safety is as widespread as the government seems to think, market demand will be strong.

The Digital Duty of Care bill has served an important purpose by demonstrating that top-down regulation of digital content is impractical and dystopian. Better to take our chances with the occasional online bully, crank or fanatic than with a state that claims the power to protect us from them all.