

● **WEB EXCLUSIVE**
 'Sanatan Dharma: A hard politics, a Hinduism that defines itself through food "purity"'. — *By Devdutt*
 Log on to www.indianexpress.com

● **WORDLY WISE**
 A good painting to me has always been like a friend. It keeps me company, comforts and inspires. — *Hedy Lamarr*

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

Operation Sindoor's key lesson: Future conflicts will not resemble the past

A YEAR after Operation Sindoor, it is possible to move beyond the immediacy of events and assess its deeper strategic meaning. Op Sindoor was more than a successful response to provocation. It marked the maturing of India's ability to employ calibrated force under a nuclear overhang, while retaining control over escalation. In doing so, it offered a template for the management of sub-conventional conflict in a complex, multi-domain environment.

The most striking feature of Sindoor was not the scale of force employed, but the discipline with which it was applied. India chose not to be drawn into a wider conventional conflict, despite having both the capability and the provocation to do so. Instead, it demonstrated a doctrine of aggression blended with restraint — precise, time-bound, and politically directed. This was not a restraint born of hesitation, but of strategic confidence. The message was clear: India could escalate, but chose not to. Yet, credible retribution against the perpetrators, rather than territorial ambition, defined the operation. This was a carefully chosen strategy from a spectrum of available options.

For Pakistan, this posed a dilemma it was ill-prepared to handle. Its strategic culture remains anchored in binary responses to either escalate conventionally or retreat into denial. Sindoor forced it into a grey zone where neither option was viable. Its military response lacked coherence, constrained by both surprise and capability gaps in handling limited, multi-domain operations. Its attempts to compensate through information warfare only diluted its credibility, as exaggerated claims failed to withstand scrutiny. More

significantly, Pakistan's repeated invocation of the nuclear threat appeared increasingly formulaic, even fatigued. Nuclear signalling, once a potent deterrent, risks losing salience when overused without corresponding credibility.

India, by contrast, demonstrated mastery over escalation control. Without overt signalling, it maintained a posture of readiness that was understood, if not articulated. The operation reaffirmed that limited conflict remains possible — even effective — within a nuclearised environment, provided political intent, military capability, and communication are aligned. The stability-instability paradox, long debated in the South Asian strategic conversation, found a contemporary expression in Operation Sindoor.

Equally important was the execution. In just a few years, the Indian armed forces have adapted to multi-domain operations without compromising their conventional edge. Operation Sindoor reflected a level of jointness that went beyond coordination to integration. Cyber capabilities, electronic warfare, intelligence, surveillance, and precision strike systems were brought together in a manner that compressed decision-making timelines and enhanced effectiveness. This integration did not replace conventional strength; it layered new capabilities atop it, creating a more agile and responsive force structure.

The role of civil-military convergence stood out starkly. Sindoor was not merely a military operation. It was a whole-of-government effort. Political clarity enabled operational flexibility. Diplomatic engagement ensured



SYED ATA HASNAIN

that India's actions were understood internationally as measured and necessary. Economic stability was maintained, with minimal disruption to markets and civilian life. Narrative management, though not flawless, was significantly more coherent than in earlier crises. Yet, the operation also revealed chinks that merit attention — particularly the need for faster, institutionalised communication frameworks and deeper inter-agency integration that does not rely on personalities.

The Pahalgam attack that preceded Sindoor was intended to reinsert Pakistan into the Kashmiri consciousness and to project its continuing relevance. It sought to disrupt a narrative of normalcy built around economic revival, tourism, and declining local recruitment. A year later, that objective appears to have failed. Local recruitment into militancy remains limited, and the economic momentum in the Valley continues. Broader Indian society's engagement through investment, connectivity, and opportunity has played a role in stabilising the environment. A return to pre-Covid levels of terrorism in Kashmir appears unlikely, though complacency would be misplaced.

The nature of the threat, however, is evolving. While local human resources for militancy may have diminished, this cannot be assumed across the border. Pakistan retains the ability to externalise manpower, and emerging technologies are lowering the threshold for disruption. Terror financing, though under greater scrutiny, is also adapting. The shift from traditional channels to hybrid models — including digital and crypto-based mechanisms —

poses new challenges. In a global financial environment marked by flux, these channels could facilitate the reconstitution of proxy support networks. This will require sustained monitoring and adaptive responses from agencies such as the National Investigation Agency.

Operation Sindoor also underscores a broader lesson: Future conflicts will not resemble the past. They will be shorter, sharper, and fought across domains that blur the line between war and peace. Urban centres, digital infrastructure, and societal cohesion may become as significant as traditional battlefields. The ability to absorb shocks, maintain normalcy, and control narratives will be as critical as military success.

For India, the challenge now is one of sustainability. Sindoor has set a benchmark, but its lessons must be institutionalised. Jointness must be deepened, technologies continuously integrated, and decision-making processes further streamlined. Above all, the delicate balance between aggression and restraint must be preserved — not as a slogan, but as a practised doctrine.

The legacy of Operation Sindoor, therefore, lies not just in what it achieved, but in what it revealed. It showed that India can act with precision without losing control, that it can send a decisive message without inviting uncontrolled escalation, and that it can align its instruments of national power in pursuit of clear strategic objectives. In an environment where provocations will persist and conflicts will evolve, that may be its most enduring contribution.

The writer is Governor of Bihar and former commander of India's Srinagar-based Chinara Corps

Jointness must be deepened, technologies continuously integrated, and decision-making processes further streamlined. Above all, the delicate balance between aggression and restraint must be preserved — not as a slogan, but as a practised doctrine

In war-torn world, India needs autonomy, consensus at home



SUBRATA MITRA

A S THE war in the Gulf enters its third month, the daily bombardment is on pause though the ceasefire looks more fragile than durable. There is no escaping the horrific visuals of non-combatants — wounded men, women, and children — and the destruction of homes, hospitals, and schools. Iran seems to be holding its ground; its talks with the US sputter amid President Donald Trump's threats and reports of a rift within the Tehran regime. Yet to blame the caprices of a single individual for a global catastrophe is to trivialise the deeper, structural forces that underpin it.

Our first thought must go to the suffering of ordinary people across all conflict zones: Iran, Gaza, Lebanon, the Gulf, Russia, Ukraine. Beyond that, one must ask: What lessons does this moment hold for the citizens and states of the Global South?

Foremost is the structural crisis convulsing the West. Western economies are in serious disrepair, and the extreme Right has risen in direct proportion to the liberal democratic establishment's loss of credibility. The coalition sustaining Trumpism is a volatile amalgam: Blue-collar workers displaced by deindustrialisation, evangelical Christians alarmed by what they perceive as the erosion of traditional values, a military-industrial complex that is the principal beneficiary of perpetual conflict. It is the projection of state power, at home and abroad, that holds this otherwise incoherent alliance together.

Were the West's afflictions confined to Western societies, the Global South — long subjected to lectures on modernity, democracy, and productivity — might shrug them off with forgivable Schadenfreude. But the tsunami unleashed by the Middle East war is spreading worldwide. No country remains immune. Closer to home, the consequences are already visible: The 1-crore-strong Indian diaspora in the Gulf lives under daily uncertainty; oil prices remain stubbornly elevated; queues for gas cylinders lengthen; small eateries shutter; and growth projections are revised downward.

This should serve as an incentive to introspect, decolonise our mindset and reach toward a genuine, endogenous modernity. China's synthesis of Confucian values with modern technology, however different its

political dispensation, offers a model for how civilisational roots and contemporary ambition need not be mutually exclusive. Yet one must not lose sight of the world's interconnectedness. Global challenges — energy security, climate change — do not respect the boundaries of the nation-state.

What, then, is the future of multi-alignment in an age of uncertainty? For India, the moment calls for a measure of Kautilyan realism. According to Kautilya's *Arthashastra*, the primary responsibility of the king (*swami*) is the protection, security, and welfare of his subjects (*praja-palana*). Legitimacy, therefore, flows from the contentment and prosperity of the people — not from grandstanding on the world stage. New Delhi would do well to set its foreign policy case by case, protect the diaspora, and secure access to vital supply chains through pragmatic bilateral arrangements. The wisest course remains strategic autonomy.

Domestically, the imperatives are equally pressing. The government must prepare Indian society to shoulder greater responsibility for its own security, revive manufacturing to generate employment, transcend partisan divisions in the pursuit of structural reform and, most urgently, foster social cohesion rather than polarisation.

The all-party briefing on global security was a step in the right direction; more such meetings would strengthen the case for national consensus. India is a civilisational state with the rare capacity to combine cultural depth with a modernising agenda. Its democratic ethos, rooted in pluralism, positions it credibly as a consensus-builder. But the credibility of India's G20 motto — One Earth, One Family, One Future — is contingent on the construction of that consensus at home.

Each of today's major war theatres lays bare the collision between two sacred principles: National sovereignty and the universal right to life and dignity. Confronted with this moral dilemma, those calling on the Indian state to take sides would do well to recall Wittgenstein's counsel in the *Tractatus Logicus-Philosophicus*: "Whereof one cannot speak (clearly), thereof one must be silent."

The writer, emeritus professor, Heidelberg University, is co-editor of Re-use: The Art and Politics of Integration and Anxiety

For a safer samaj, lessons from schoolchildren



RAJNI BAKSHI

A FRIEND of mine — let's call him X — was driving in maddening traffic when another car swerved and almost crashed into him. He was so enraged, he sped up and blocked the car's way. Then he jumped out of his car and stalked towards the driver, who was also ready for battle. But suddenly, something flipped inside X. As he traversed the tiny distance between the two cars, his anger vanished, poof! Instead of throttling the other guy or raining curses on him, X touched his feet and silently walked away.

I recently shared this story with some twosome schoolchildren. I could sense that the final twist left most of them surprised and even puzzled. Then I asked what they made of X's flip away from violence. What happened next may well be a clue to the state of our *samaj*/society. The first to speak were those who scorned X's restraint. One girl actually said, "He should have beaten that other man; if someone annoyed me like that, I would show them!" Some of those who remained silent nodded in agreement. The majority looked non-committal. One boy hesitantly suggested that if X had assaulted the other fellow, he himself might have ended up beaten and injured. There was a murmur of agreement, even as some still said X should have vented his anger on the other fellow. Then one boy, who had been silent, raised his hand and confidently said: "Beating the other man would just be a waste of time and energy." So, according to him, X's ability to control himself was pragmatically superior. This view also garnered support, but it did not appear to alter the views of the earliest respondents, those who scorned X's self-restraint.

A small group of Class VII to IX schoolchildren cannot be said to represent the larger *samaj*. And yet the ebb and flow of emotions and ideas was instructive. One, those advocating violent assertion appear to be more confident, louder, and quicker to jump into the fray. Two, those who value self-control are confident but appear less passionate. They seem reluctant to jump into the fray. Between these two ends of the spectrum is a seemingly indifferent majority. The dominant assumption of our times is that this majority is more easily swayed towards violent assertion. This is why we are told that films depicting vengeful violence are now runaway hits. To accept this as decisively true and unchangeable would be fatal. So, how does one live in such times?

First, one can refuse to play along — be more vocal. When you are in a gathering where vengeful violence is being celebrated as greatness, take the trouble to disagree. Second, the choice is often not between violence and non-violence but between wasteful rage and competence. In the words of Isaac Asimov, "Violence is the last refuge of the incompetent." It is important to emphasise that countering deliberate and structurally promoted violence is a daunting task. But here is the paradox: Acts of resistance to violence, in everyday life, appear insignificant to overcome a systemic malaise. And yet this everyday resistance is a necessity. Meeting those children boosted my spirits because it confirmed that the full variety of views lives on and with it the building blocks of resistance to varied forms of rage, force, and tyranny.

The writer is the founder of the YouTube channel Ahimsa Conversations

IN GOOD faith

Acts of resistance to violence, in everyday life, appear insignificant to overcome a systemic malaise. And yet this everyday resistance is a necessity

Amid disruptions, a timely lifeline

IN MAY 2020, the Centre had launched the Emergency Credit Line Guarantee Scheme (ECLGS) to support firms, especially MSMEs, in dealing with the fallout of the Covid pandemic. The facility had benefitted 1.19 crore borrowers, with guarantees adding up to Rs 3.61 lakh crore being issued. With the West Asia conflict now disrupting economic activities once again, though the current disruptions are of a lower order of magnitude, the government has launched a similar credit guarantee scheme — ECLGS 5.0. This is a welcome measure, which could help firms bridge short-term liquidity mismatches.

The scheme targets additional credit of Rs 2.55 lakh crore, including Rs 5,000 crore for airlines. Credit will be extended to MSMEs and non-MSMEs (excluding aviation) up to 20 per cent of their peak working capital utilised during the fourth quarter of the last financial year, capped at Rs 100 crore. For airlines, it will be extended up to 100 per cent, capped at Rs 1,500 crore. The moratorium under the scheme is for a period of one year for MSMEs and two years for the airline sector. This should provide relief. Economic activities have been disrupted across a range of sectors. Considering that MSMEs are unlikely to have deep pockets to absorb the surge in input costs and have limited capacity to absorb supply-chain disruptions, they are the worst-affected. In the last MPC meeting, committee member Ram Singh noted that "high input costs driven by energy spikes and supply-side disruptions have disproportionately affected the MSME sector, which lacks the working capital bandwidth to tide over these shocks". Nagesh Kumar, another member, had said that the shortage of natural gas has "affected many MSMEs that use it as a fuel". Airline companies, too, have been hit by the conflict. The world over, there are reports of airlines cutting flights and raising ticket prices. In the US, the surge in jet fuel prices, combined with existing financial stress, has pushed Spirit Airlines to the brink. In India, oil marketing companies raised the price of aviation turbine fuel for international flights last week, while keeping it unchanged for domestic flights — providing some relief.

The scale of disruption warrants that the government continue to monitor the situation. More measures may be needed if the supply-chain dislocations persist and deepen. Navigating this period will require policymakers to be nimble and surefooted.

At Met Gala, red carpet becomes canvas

ONE COULD almost imagine the ghosts of the Medici patrons applauding from the balustrade as stars swept up at this year's Met Gala in New York. Supermodel Heidi Klum came dressed as the *Veiled Vestal*, a 19th-century Raffaele Monti sculpture of a priestess of the Roman goddess Vesta. Actor Julianne Moore turned into John Singer Sargent's Madame X in a custom Bottega Veneta gown, one shoulder strap slipping down in a faithful rendition. Filmmaker Karan Johar wore Raja Ravi Varma on his sleeves: His custom Manish Malhotra outfit featured a cape with scenes from the artist's *Hamsa Damayanti* and *Kadambari*. The theme for the evening was "fashion is art", and the annual fundraiser turned the body into an exhibition space — grandiloquent and whimsical.

There is nothing new, of course, in the confluence of fashion and art — late capitalism has long turned art into wearable commerce. In its most obvious iterations, this relationship has produced near-literal translations: Yves St Laurent's 1965 shift dress replicated Piet Mondrian's primary-coloured grid. The collaboration between Salvador Dalí and Elsa Schiaparelli produced some of fashion's most iconic designs: The 1937 lobster dress and the shoe hat, a surrealist ode to whimsy. While it took art beyond gallery walls, it also ensured that it remained an aspirational ideal — always desirable, always out of the reach of the masses.

In its layering of references into a living archive, the Met Gala pagentry seemed to pay tribute to this ideal. A red-carpet look is at once costume, critique, and commodity. It seeks to borrow from art not just its prestige, but also its promise of longevity.

40 YEARS AGO

May 7, 1986



Barnala ministry expanded

THE BARNALA ministry, which was reduced in size by the resignation of three dissidents, was expanded with the swearing-in of 21 new ministers — one cabinet minister, 18 ministers of state, and two deputy ministers. Two ministers of state have been promoted to cabinet rank.

BJP to support Akalis

THE NATIONAL executive of the Bharatiya Janata Party endorsed the decision of its Punjab units to support the Barnala government to help it avert the crisis faced by it in the

wake of "betrayal" by a section of the Akali Dal. The party vice-president, K S Hegde, briefed reporters about the national executive decisions. However, he ruled out the BJP joining the Akali government.

Devastating acid fumes

IT IS happening just 100 km from New Delhi, where laws are being framed to save the environment. Gas and fumes from a fertiliser and acid plant have led to residents of nearby villages developing various types of diseases, hitherto unknown. Over 500 petitions from the hapless villagers to various authorities, from the President to the local tehsildar,

have achieved nothing but assurances. The effect is devastating — even old date trees and cacti, which are capable of withstanding the harshest of climates and atmospheric changes, have been burnt.

New plan for border security

THE CENTRE has evolved a scheme to resettle ex-servicemen in sensitive border areas, in an effort to strengthen the country's frontiers. The Home Ministry has written to all the state governments to encourage ex-servicemen to settle in the border areas and extend all help to them in this regard. Liberal assistance will also be given by the Centre.



● WHAT THE OTHERS SAY

War exposes democratic erosion in the US—Le Monde, France

To teach or to research: We must be honest about what we want from our teachers



ANMOL JAIN

INDIAN ACADEMIA operates on a foundational fiction that every university faculty member is, at once, a brilliant researcher and an inspired teacher. This assumption, baked into hiring norms, promotion criteria, and institutional rankings, is actively damaging higher education in India and is simply unrealistic.

The university system today demands that anyone wishing to build a career as a college teacher must first earn a PhD, then continuously publish research to qualify for increments and career advancement. While the logic may seem reasonable on the surface, in practice, it produces a quiet catastrophe.

Teaching and research are distinct vocations, each demanding a different temperament, a different set of skills, and a different relationship with knowledge. A researcher must possess the patience to sit with uncertainty, the rigour to challenge existing ideas, and the drive to produce original thought; often in isolation, over years. A good teacher, by contrast, must be able to break complex ideas into digestible parts, hold a room, adapt to different learners, sustain curiosity in young minds, and build a course that has pedagogical coherence. There is no reason to assume these qualities naturally coexist in the same person. It is, in fact, rather rare.

By forcing every faculty member to do research, we have created a perverse incentive structure. Those who are natural teachers but lack research aptitude are compelled to produce academic papers regardless. The result is a flood of substandard research and a thriving predatory journal industry that profits from it. Journals that charge a fee and publish without meaningful peer review are not a fringe phenomenon in India. They are a struc-

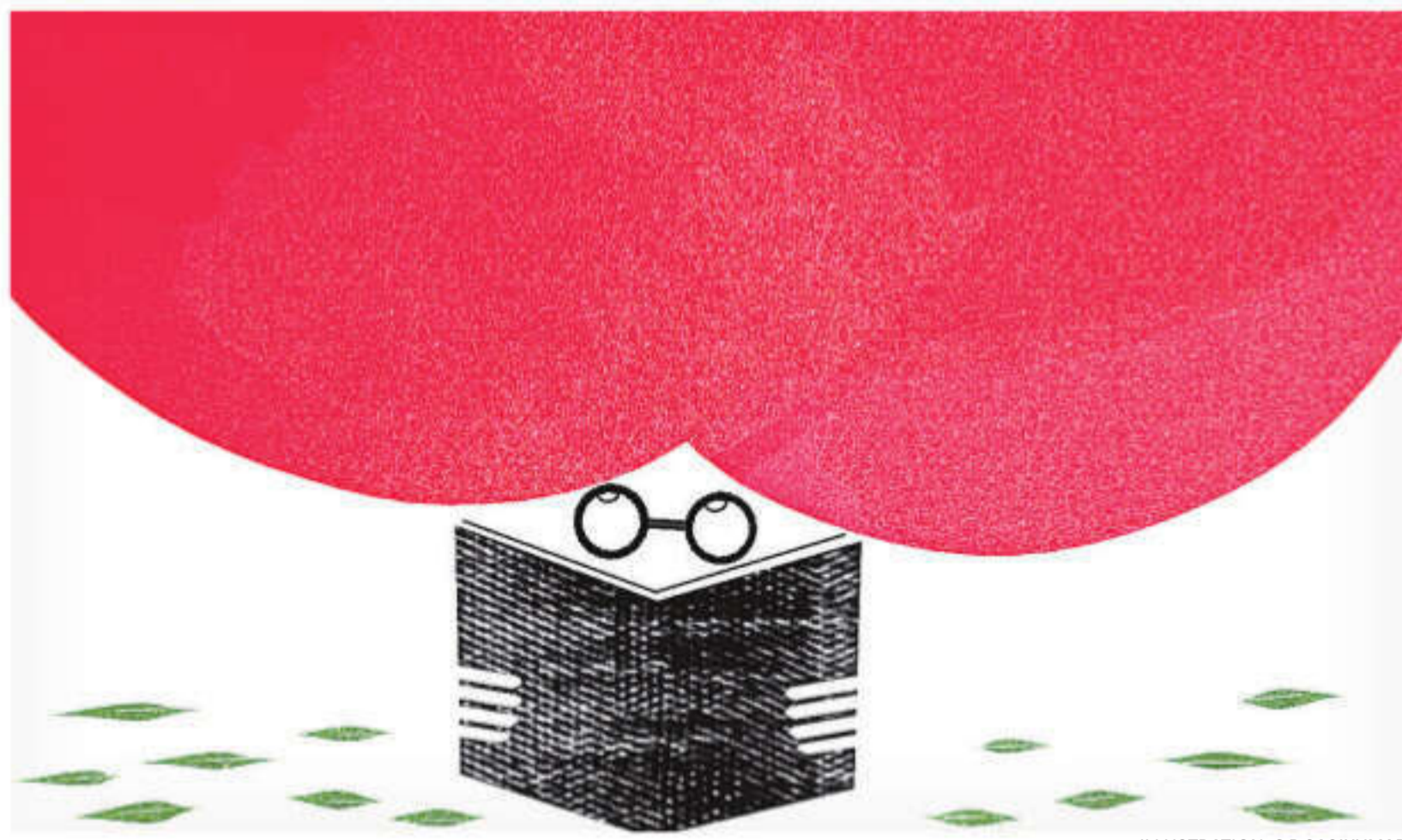


ILLUSTRATION: C.R. SASIKUMAR

tural response to a structural demand. Add to this the well-documented trade in PhD degrees and ghost-written dissertations, and what emerges is an ecosystem of institutionalised academic dishonesty sustained by a system that asks people to do what they are not built to do.

The flip side is equally damaging. Researchers, those genuinely engaged in the production of knowledge, are poorly served by mandatory full-time teaching loads. Good research demands uninterrupted time to read, to think, to write, to revise. A teaching-heavy semester fractures exactly this kind of time. Researchers also face evaluation pressures tied to their classroom performance, creating disincentives that are both unfair and counterproductive. Meanwhile, students in their classes suffer, not because researchers are bad people, but because standing before undergraduates and explaining the basics of a discipline, with patience and skill, is simply not what many of them do well or wish to do.

The question of institutional

The assumption that subject-matter knowledge automatically translates into teaching ability has no basis in evidence. The UGC-NET, as currently structured, tests neither; it is a relic that needs fundamental reimagining

rankings adds another layer. University rankings, both domestic and global, heavily rely on research output. These pressure institutions to require all faculty to publish, regardless of their actual role or skill set. Institutions have even adopted policies that structurally prefer quantity over quality, also termed as a focus on “bibliometric output”, and encourage unethical research practices, including unwarranted institutional self-citations and dubious collaborations. As Kishore Paknikar has rightly noted, this unhelpful race to win the rankings game has resulted in the adoption of “research strategies [that] tilt toward publication counts rather than conceptual depth.” Due to this, many Indian and global institutions continue to boycott such rankings, as reported by The Indian Express recently. Rankings must be reformed to incorporate teaching quality metrics adequately and bring more transparency to their evaluation parameters, but that is a longer battle. In the interim, India’s universities need a structural separation between teaching and

research tracks.

Such a division of labour is not radical. Many countries maintain lecturer or teaching-track positions for those who are gifted educators, while research-track positions are reserved for those whose primary contribution is knowledge production. Crucially, both tracks must be seen as equally legitimate and equally rewarded. Neither should be considered a lesser calling.

With this structural change must come a reform of entry requirements. Those entering academia through the research track must demonstrate research capability — a PhD, yes, but one judged on the quality of ideas, not the quantity of publications. Those entering through the teaching track, however, should not be required to hold a PhD. What they must hold is a rigorous certification in pedagogy. Unlike schoolteachers, university lecturers receive no formal training in how to design a course, structure a lecture, engage a diverse classroom, or assess learning outcomes. The assumption that subject-matter knowledge automatically translates into teaching ability has no basis in evidence. The UGC-NET, as currently structured, tests neither; it is a relic that needs fundamental reimagining.

This does not mean researchers and teachers must live in entirely separate worlds. Researchers can enrich undergraduate education through elective courses, seminar series, or guest lectures, formats that allow them to share their work without bearing a full teaching load. Regular faculty seminars that discuss new research can serve as a bridge between the two tracks.

The urgency of this reform is hard to overstate. India has one of the youngest and fastest-growing populations in the world. The number of young people entering higher education is rising at a pace that no system relying exclusively on research-active faculty can sustainably meet. To expand access without destroying quality, we must be honest about what we are asking people to do and stop asking one person to be two things at once.

The writer is an honorary senior fellow at Melbourne Law School

Opposition must get past their differences, come together for 2029



MANI SHANKAR AIYAR

HISTORY IS replete with instances of defeat providing the springboard for eventual victory. Now that the reverses of May 4 are upon us, the time has come to transform defeat into a launch pad for success in 2029.

The starting point must be the recognition that in the 2024 general election, the ramshackle INDIA bloc was only eight seats behind the BJP. If only the year-long run-up to that election had been used to give the alliance an identity and purpose, Narendra Modi and Amit Shah might have been rendered history two years ago. As it is, the saffron forces did not take their near-defeat lying down but girded their loins to take the fight to the next stage. That is what has given them repeated breath-taking victories, climaxing on May 4.

Is this then the moment of despair for the tattered remains of the non- and anti-Hindutva Opposition? Has India really been rendered an ineradicable Hindu Rashtra? My answer is an unqualified “No, *nil desperandum*.” In West Bengal, the SIR was a fraught exercise, casting a shadow on the poll process: 91 lakh voters were deleted from the rolls. The total reinstatement across both phases of elections in the state stood at around 1,600 — 139 names before the first round of voting and 1,468 names before the second. Such vote “*chori*” exemplifies the “*sanatan*” brand of patriotism, which, meretriciously, attracts a third of the national electorate. Two-thirds, if mobilised, could still upset the BJP appecart despite all the shenanigans the establishment has perfected, in collusion with investigative agencies, the EC, and elements of the judiciary, to pervert the electoral process. West Bengal shows that such perversion works effectively not at the heart but at the margins, which are often decisive.

The exit from government of such stalwarts as Mamata Banerjee and M K Stalin to join Tejashwi Yadav, Akhilesh Yadav, the Left, even possibly Arvind Kejriwal, and that long-time exile, Rahul Gandhi, in an apparent political wilderness, gives INDIA a golden opportunity to regroup and present a

united front that could ensure the tables are turned come 2029. A collective leadership, a cabinet of rivals as it were, must be the starting point. The time to do so is now, at the nadir of defeat.

But on what novel platform or innovative programme can they unite? Federalism is the answer, cooperative not confrontational. The kickoff point might be the Justice Kurian Joseph High-Level Committee Report on Union-State Relations. It was commissioned

by Tamil Nadu’s DMK government and tabled as almost the Chief Minister’s last substantive act before the elections. I would be amazed if the new CM were to bury the report for it holds the road to Tamil Nadu rivalling, even overtaking, the Asian Tigers — if only the Centre would let it. And if the BJP at the Centre digs in its heels, that will provide the leitmotif around which the INDIA bloc might forge a distinctive identity.

The incoming Chief Minister, for all his opposition to the senior Dravidian party, is also part of the wider Dravidian consensus that rests on three pillars: Inclusive social and economic development; states’ rights; and secularism. This is incompatible with Hindutva’s centralised, sectarian authoritarianism. That ideological glue extends to the principal opposition parties of the Ganga basin, to the Left and the National Conference of J&K, to the motley parties of the religious minorities and, of course, the INC. Together, they represent up to two-thirds of the national electorate or, if there are dents in the Index of Opposition Unity, at least half. They can easily pick up the eight unachieved seats of June 2024 and, indeed, go up to a lead of even 80 seats.

Surely, they would have learned the lesson that the saffron establishment will resort to all the tricks already on display and, doubtless, new ones, to twist the electoral process in its favour. But there is a limit to manipulation. Winning West Bengal may expand the BJP national vote in 2029 from one-third to around two-fifths. The remaining three-fifths is for INDIA’s taking — provided wisdom, discipline and, above all, humility dawn.

The 2029 elections are likely to be the last that have any pretension to democratic norms. And so, the Opposition had better shape up now. The prospect of rampant religious-identity nationalism triumphing again — and in perpetuity — must alarm the INDIA bloc enough to stow away internecine differences and intra-party feuds for the larger goal of saving themselves and the nation from the disaster signalled by the May 4 results.

The writer is former cabinet minister

LETTERS TO THE EDITOR

Renewing the Left

THE LEFT’S decline must not be mistaken for a final verdict, as there can be no obituaries for ideas whose moral questions remain unanswered (‘Left needs to find a new vocabulary for the economy of aspiration’, *IE*, May 6). Inequality still widens, work grows more precarious, and the excesses of unbridled growth are a heavy burden. A renewed Left could emerge as a pragmatic force: One that partners with markets yet disciplines their excesses, embracing innovation while insisting on equity, that protects growth but humanises it more.

— R Narayanan, Navi Mumbai

A vital opposition

IN THE 1990s and until recently, Left parties were best placed to occupy the vital position of leading the Opposition (‘On being left behind and left out’, *IE*, May 6). They have many positives: Their leaders’ reputation for personal and professional probity, committed cadres, secular credentials and adherence to principles — they were the only ones who could sacrifice power but not policies. They also do not have the taint of dynastic politics. They should remove the albatross of outdated ideology from around their necks. The nation needs them.

— YG Chouksey, Pune

Twin dilemma

THE RUPEE’S slide accentuates India’s enduring twin-deficit dilemma of external vulnerability to oil shocks and fiscal strain from subsidy-driven spending (‘Weakening rupee points to challenges ahead’, *IE*, May 6). As Paul Krugman often notes, for emerging economies, credibility in macroeconomic management is as vital as reserves. India must move beyond reactive interventions: A sovereign wealth fund built from diversified export surpluses and remittance flows could buffer currency volatility while signalling long-term stability. Insulated from political cycles, it would stand the test of time.

— Abhinav Shah, Lucknow



AMIT MALVIYA

In Bengal, a mandate for reform and renewal

THE BJP’S victory in the West Bengal Assembly elections is not just an electoral triumph. It’s a turning of the tide in the state, which has been denied for decades by cynical, power-hungry politics. The election results do not merely mark a change in government; they herald the dawn of a New Bengal, one that rejects crime, corruption, and communalism, and steps confidently into India’s march towards development and growth — in infrastructure, industry, health, education, agriculture, factories, safety, security, and dignity for women.

Beyond policy and progress, the verdict marks something deeper, the beginning of healing. The soul of Bengal, bruised and diminished by years of corrosive politics, has to be restored. This is a land that once nurtured the idea of Indian nationalism. It was in Bengal’s fertile soil and flowing rivers that Bankim Chandra Chattopadhyay found his inspiration and gave us ‘Vande Mataram’. It was in Bengal that Rabindranath Tagore composed ‘Jana Gana Mana’.

It is here that the idea of Bharat Mata took shape in the eponymous 1873 play by Kiran Chandra Banerjee, and was immortalised in an Abanindranath Tagore painting. Then came Sri Aurobindo’s articulation of nationalism in his historic Uttarpara speech, a moment that transformed political thought into spiritual conviction. His words — “Nationalism is not politics but a

With the BJP’s victory, Bengal also witnesses a homecoming — this is the land of Syama Prasad Mookerjee, one of India’s tallest nationalist leaders. He ensured that Bengali Hindus retained their rightful place during Partition

religion, a creed, a faith... it is the Sanatan Dharma which for us is nationalism” — continue to echo.

Bengal is a land of reformers, revolutionaries, saints and scientists. Ishwar Chandra Vidyasagar led pioneering efforts to protect women, a legacy that must now be reclaimed as Bengal confronts the erosion of women’s dignity in recent times. This is the land of spiritual giants like Ramakrishna Paramahansa and Swami Vivekananda. It is the land that gave us scientific minds such as Jagadish Chandra Bose, Prafulla Chandra Ray, Satyendra Nath Bose, Meghnad Saha, and Upendranath Brahmachari, who discovered the cure for kala-azar. It is also the land of sacrifice, of revolutionaries who laid down their lives for India’s freedom: Khudiram Bose, Surya Sen, Pritilata Waddadar, Binoy Basu, Badal Gupta, Dinesh Gupta and Bagha Jatin.

With the BJP’s victory, Bengal also witnesses a homecoming — this is the land of Syama Prasad Mookerjee, one of India’s tallest nationalist leaders. He ensured that Bengali Hindus retained their rightful place during Partition and stood firm during the horrors unleashed during the Muslim League’s Direct Action Day. As the founder of the Bharatiya Jana Sangh, the ideological forerunner of the BJP, he gave a rallying call that continues to resonate — One Nation, One Flag, One Prime Minister.

Bengal was home to revivalist movements within Hinduism.

Bankim’s *Anandamath* must be understood in the context of the Sanyasi Rebellion, a movement that stirred Hindu consciousness. ‘Vande Mataram’, born from that work, became the mantra of Indian nationalism. In 1892, Chandranath Basu authored *Hindutva*, the first formal articulation of the idea. In 1905, Abanindranath Tagore’s *Bharat Mata* gave a visual soul to the nation.

Bengal also gave rise to spiritual movements that strengthened Hindu identity — the Hindu Mela, akin in spirit to Ganesh Chaturthi celebrations; the Bhakti movement, as carried forward by Chaitanya Mahaprabhu. The spiritual renaissance began with Rani Rashmoni through the Dakshineswar temple, where Ramakrishna Paramahansa served, and led to the emergence of Swami Vivekananda’s global vision. That was institutionalised through the Ramakrishna Mission. The tradition extended to times closer to ours, when A C Bhaktivedanta Swami Prabhupada established the International Society for Krishna Consciousness in 1965, taking Bengal’s spiritual legacy to the world.

That tradition finds renewed political expression today. The BJP’s victory promises transparent and responsible leadership, encourages people’s participation, and seeks to unleash the aspirations of millions. This is the beginning of Bengal’s renaissance. This time, its rise will be enduring.

Malviya is the national head of the BJP’s Information & Technology and sah prabhari of West Bengal

At 50, my ‘Devil Wears Prada’ moment



APARNA PIRAMAL RAJEE

IT ALL started with an invitation to a “Casino Royale” party for a friend’s wedding anniversary. “Dress like a Bond Girl” her text urged, and I took it at face value. I had a long blue dress, and I asked my hairdresser to style my hair into a French knot. When she was done, I gaped in the mirror: I saw myself in a whole new light. Of course, I was the only one who followed the theme, but I felt an intoxicating sense of poise — and not embarrassment — as I received multiple compliments.

And so began this 50-year-old’s fashion renaissance. I had always considered myself too serious-minded to care about

fashion. Not quite Anne Hathaway with her “lumpy blue sweater” in *The Devil Wears Prada*, but definitely not close to cutting-edge either. My clothes were pretty, vibrant — and safe — a way to draw attention to my words and ideas, not my appearance.

But a confluence of factors made me reconsider my sartorial choices. My family gave me generous gifts for my 50th birthday that I decided to invest in jewellery for the first time. A bestie insisted on gifting me a collection of makeup. And most importantly, I discovered a professional team to help me overcome my innate fashion handicaps: A talented personal shopper who introduced me to a cohort of designers, and a makeup artiste, in addition to my creative hairdresser, who was tired of blow-drying my hair into the same curls for the last five years. They gave me the

permission — to expand my style sensibility.

In the last couple of months, I’ve worn a “power” cape pantsuit for a family member’s 70th birthday, and an off-shoulder top that felt unusually sexy for a night out with the girls. Both shifted my notions of midlife femininity. At 50, what

I had always considered myself too serious-minded to care about fashion. Not quite Anne Hathaway with her ‘lumpy blue sweater’ in ‘The Devil Wears Prada’, but definitely not close to cutting-edge either

I had once dismissed is becoming an unexpectedly rich site for experimentation and joy.

Once I started paying more attention to my own fashion, I also began noticing what other people were wearing. And I observed what we know intuitively: We are fundamentally tribal, each tribe with its own uniform, its own codes that signal belonging. A group of wealthy south Mumbai women celebrating a milestone birthday wore similar sculpted silhouettes. A gathering of climate-change advocates had women in cotton dresses and handloom saris. There was little room for deviation.

As a writer from a business family, I have the opportunity to move between rooms — business, creative, philanthropic and the social sector. Earlier, I would look to blend in. But now, I’m more willing to ex-

periment. This is a form of reclaiming a sense of being alive in my body after many years of motherhood and trying to build a career. Most importantly, the joy of a mid-life fashion renaissance is that the gaze turns inward. This is about accepting my body, a struggle in the past for someone with a plus-size, perimenopausal figure such as mine. Choosing to be more visible at this stage in life, when my body feels so flawed, is empowering, even if sometimes challenging.

Fashion is not just for the red carpet, or for the young, I’ve discovered. What I once dismissed as frivolous has turned out to be another way of inhabiting myself — imperfectly, experimentally, but more fully than before.

Piramal Rajee is a writer and public speaker

@ieExplained

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

● ECONOMY

For four new govts, same problem: Debt burden

TN, West Bengal, Kerala are among India's most indebted states. Their new govts need to create revenue sources and reduce borrowings



HARISH DAMODARAN

THE NEWLY elected governments of all four states that went to the polls — Tamil Nadu, West Bengal, Kerala and Assam — will have one major challenge to confront: The burden of debt.

Tamil Nadu's outstanding debt — the total money the state government owes to lenders at a given point — has nearly quadrupled from Rs 2.8 lakh crore to Rs 10.6 lakh crore between 2016-17 and 2026-27 (April-March). The stock of debt has also risen from 21.8% of the state's gross domestic product (GDP) to 26.1% over this period.

This debt pile-up has been accompanied by ballooning interest payments, from Rs 21,449 crore in 2016-17 to a budgeted Rs 78,677 crore for 2026-27.

That's not all. Ten years ago, interest payments consumed 15.3% of the Tamil Nadu government's total revenues (or income from both tax and non-tax sources). This financial year, that ratio is expected at 22.8%.

An unsustainable proposition

The story isn't much different for West Bengal and Kerala.

From the accompanying chart, it can be seen that the debt-to-GDP ratio was already high (30-38%) in 2016-17 for both states.

It has since remained at those levels for West Bengal and increased for Kerala. The proportion of the government's revenue that goes towards servicing interest on debt is close to 20% for both states.

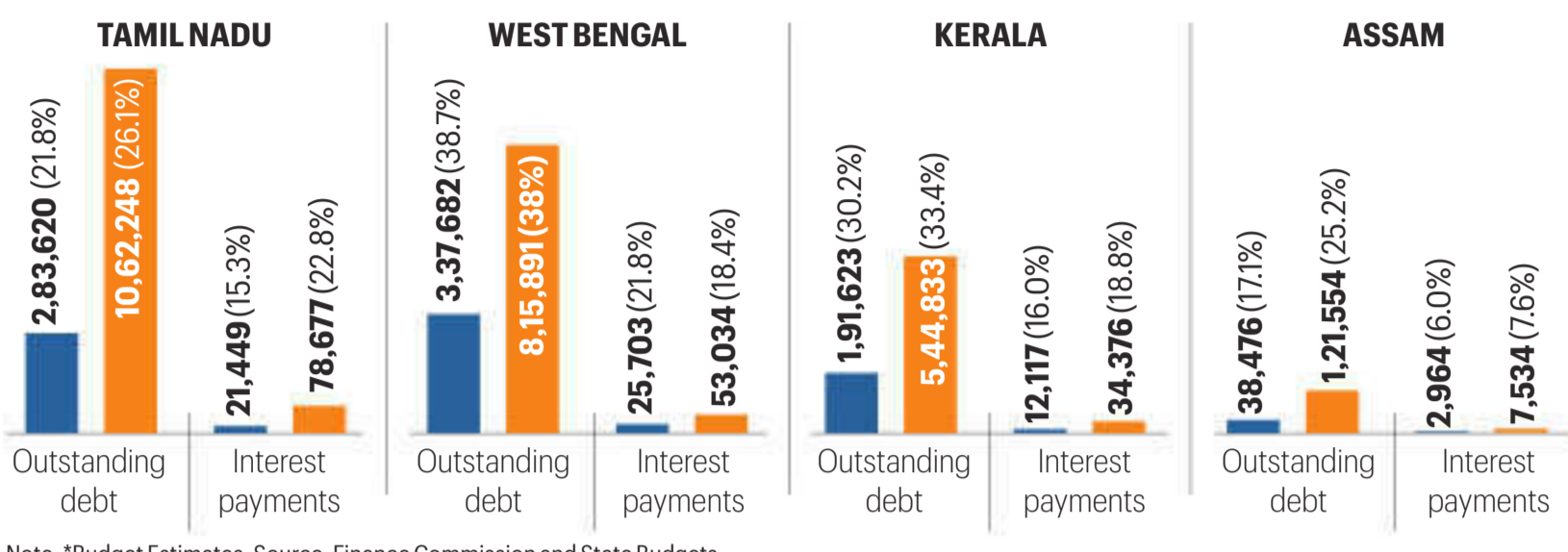
For comparison, the outstanding debt-to-GDP ratio for all states and Union Territories of India was estimated at 29.2% in 2025-26 (the last year for which aggregate data is available). The corresponding interest payments-to-revenue receipts ratio, at 12.2%, was way lower than that of Tamil Nadu, West Bengal and Kerala.

Assam, too, has seen its debt-to-GDP ratio surge from 17.1% to 25.2% over the last ten years. Interest payments, however, have been contained well within 10% of the state's overall revenue receipts.

A key reason for that has to do with Assam being a special category state, which entitles it to obtain 90% of central funding for schemes or projects in the form of interest-free grants and only the remaining 10%

● HOW DEBT HAS PILED UP ACROSS THE FOUR STATES (in Rs crore)

● 2016-17 ● 2026-27* (Figures in brackets show ratios: Outstanding debt to state GDP & interest payments to revenue receipts)



Note: *Budget Estimates; Source: Finance Commission and State Budgets



The Vijay-led Tamilaga Vettri Kazhagam has promised to tackle Tamil Nadu's mounting debt burden. PTI

as loans. For non-special category states — those neither in the Northeast nor having hilly and difficult terrain like Himachal Pradesh and Uttarakhand — the grants portion is just 30% and the remaining 70% comprises loans.

But special category or not, and new governing party or old, the existing and rising levels of debt are simply unsustainable for these states.

This is more so in an environment of hardening interest rates. On May 5, Tamil Nadu borrowed Rs 1,000 crore through the auction of a six-year state government security at an average interest rate of 7.49%. It raised the same Rs 1,000-crore loan for six years at only 6.54% a year ago.

In general, states are now paying 7.2-

7.73% on 10-year borrowings, as against 6.7-6.71% last year at this time.

Relief with riders

The Centre can restructure its loan to a state, or waive or reduce interest.

The relief could carry riders such as state reforms.

Unorthodox solutions

The precarious debt situation of most states, perhaps, demands unconventional remedies.

The Union government, for instance, can restructure, waive or reduce the interest, or even write off a part of its loan to a state. The relief could be conditional upon the state undertaking reforms — electricity tariff rationalisation; imposing charges on water, sanitation and other public services to recover operation and maintenance costs; targeting of welfare schemes to low-income and vulnerable households; and devolution of financial powers to pan-

● LEGAL

Why SC expanded definition of 'acid attack victim' in Disabilities Act

Amaal Sheikh
New Delhi, May 6

THE SUPREME COURT on Monday held that persons who were forced to consume acid and thus suffered internal injuries, without visible scars, would be considered acid attack victims under the Rights of Persons with Disabilities (RPwD) Act, 2016.

The top court's ruling was necessitated by the fact that the Act's definition of acid attack victims appears to confine itself to external "disfigurement".

The bench of Chief Justice of India (CJI) Surya Kant and Justice Joymalya Bagchi said the clarification would apply retrospectively — that is, from the day the Act came into force.

The court told the government that the existing punishment for acid attack had failed as a deterrent, and suggested placing the burden of proof on the accused and making acid sellers co-accused.

The order came on a petition filed by Shaheen Malik, a survivor who flagged the gap in law that left an entire category of victims without access to state support.

The gap in the law

The RPwD Act includes acid attack survivors in its list of specified disabilities. But the definition it settled on was narrow. Under Schedule 2(zc) of the Act, an "acid attack victim" is a person "disfigured due to violent assaults by throwing of acid or similar corrosive substance." Survivors who were forced to consume acid fell outside it.

The court noted the problem was that "the use of the term 'disfigured' appears to confine the scope of external disfigurement of the body, thereby excluding cases involving internal injuries or scarring caused by the administration of acid."

The injuries in such cases are equally severe. When acid is ingested, it burns the mouth, throat, oesophagus, and stomach. The damage is quite often permanent. Malik's petition states that "the corrosive substance causes intense burns and significant harm to the internal organs, particularly the gastrointestinal system. This often results in lifelong medical complications, including the need for ongoing gastroenterological care. Victims of oral acid ingestion may experience long-term issues such as diffi-

Pending acid attack cases

The Supreme Court has flagged an 'alarming increase' in the number of acid attack cases since 2013.

According to compliance affidavits filed in the top court, Uttar Pradesh has the highest backlog of acid attack cases at 198, followed by West Bengal (160) and Gujarat (114). Bihar reported 68 pending cases.

culty eating, swallowing, and digestion."

A narrow definition

The consequences of falling outside the purview of the RPwD Act are significant. A disability certificate under the Act is the gateway to state support.

Since victims of forceful ingestion do not fall within the statutory definition, they are unable to obtain the disability certificates required to access state compensation, rehabilitation schemes and medical support. The petition argues that this denial of statutory recognition effectively infringes their right to live with dignity.

The only difference between the two groups, the petition argued, is the method of the attack — throwing vs administering acid, rather than the nature and extent of harm.

What the petition challenges

At the centre of the challenge is Article 14 of the Constitution. The petition argues that the law creates an "arbitrary and unreasonable classification" by distinguishing victims based on the method of assault, throwing acid versus administering it,

rather than the consequence of the attack.

This distinction has no rational nexus to the object of the law, which is to support persons living with disabilities. The petition also pointed to an "inconsistency" between criminal law and welfare law. Section 124 of the Bharatiya Nyaya Sanhita, 2024, treats throwing acid and administering acid as the same offence with identical punishment. "The harm, intent, and societal danger are identical regardless of the method of acid assault," the petition argues, making it "legally incoherent and arbitrary" for a remedial welfare statute to draw a distinction that penal law has rejected.

The trial backlog

Expanding the ambit of definitions under the Act is a problem the court has been trying to address since December, when it called tardy trials in acid attack cases "a mockery of the system". The court directed the registrars general of all high courts to furnish details of pending trials in their jurisdictions. The CJI said: "Don't you think that the punishment should have been harsher?"

There can be other innovative solutions as well. Take the Tamilnadu Industrial Development Corporation (TIDCO). This state government-owned industrial promotion agency has a 27.88% stake in Titan Company Ltd. That's more than the combined 25.02% share of the Tata Group through its holding company and various subsidiaries. It makes TIDCO the main promoter of Titan, which was established in 1984 as a joint venture for manufacturing quartz analog watches at Hosur on the Tamil Nadu-Karnataka border.

That company — originally Titan Watches Ltd — has today grown to a premier lifestyle accessories maker with a product portfolio spanning watches and wearables (Titan, Fastrack and Sonata brands), jewellery (Tanishq and CaratLane), eyecare, women's bags (IRTH) and ethnic wear (Taneira sarees and tops). Titan Company earned a net profit after tax of Rs 3,337 crore on a total income of Rs 60,942 crore during the year ended March 31, 2025.

Now, how is this relevant to Tamil Nadu's debt woes? The answer lies in the market value of Titan Company's shares. That, at the share's closing traded price on May 6, was worth Rs 3,86,919 crore. TIDCO's 27.88% holding in Titan will alone be valued at Rs 1,07,873 crore.

Simply put, if TIDCO were to sell its entire stake in Titan Company, the Tamil Nadu government would be able to mobilise upwards of Rs 1 lakh crore and bring down its outstanding debt by roughly a tenth. The annual savings in interest outgo resulting from it will far exceed the Rs 272 crore that TIDCO received as dividend for 2024-25 from its 27.88% shareholding in Titan Company.

The election manifesto of Tamilaga Vettri Kazhagam — the party of filmstar-turned-politician Vijay, who will likely become chief minister — has promised to transform Tamil Nadu into a "financially self-sufficient state... by reducing the growing debt burden... and creating new sources of income".

The sale of TIDCO's stake in Titan could well be one such novel source of income. The proceeds can be used to retire government debt, thereby lowering its annual interest burden. That will make more government money available for infrastructure, health, education, agriculture research-cum-farm extension, and targeted welfare spending.

Finding new revenue sources to alleviate a chronic debt burden presents a similar challenge for the other states too.

With 12 plants in phase one, India's chip-making mission sets sights on next frontier

Soumyarendra Barik
New Delhi, May 6

THE UNION Cabinet on Tuesday approved two new semiconductor plants, including one that could be the country's first display fabrication facility, in a boost to India's chip-making ambitions. A display fabrication facility is a specialised, high-investment, clean-room environment designed to create electronic screens (such as LCD and OLED) by layering equipment on glass semiconductor bases.

With this, the government has approved a total of 12 chip plants under the first leg of its India Semiconductor Mission (ISM), an ambitious Rs 76,000-crore plan to kickstart chip manufacturing, after managing to localise smartphone assembly.

Semiconductors, used to power devices from toasters to fighter jets, have become a critical resource amid heightened geopolitical tensions over the last few years. India's foray into semiconductor production and packaging is seen as a strategic move

to set itself into the global chip supply chain and to deepen domestic value addition in its electronics sector.

Launched in 2021, ISM 1.0 was conceived as a state-backed push to build a full-stack chip ecosystem, from fabrication and packaging to design and display manufacturing. Investments of around Rs 1.64 lakh crore have been committed under the scheme. In this year's Union Budget, Finance Minister Nirmala Sitharaman announced ISM 2.0 to produce equipment and materials, design full-stack Indian intellectual property, and fortify supply chains.

India's chip footprint

The 12 chip plants approved so far are being built in states such as Gujarat, Assam, Andhra Pradesh, Uttar Pradesh, and Odisha. They include one full-fledged commercial semiconductor fabrication facility (or fab), and assembly and testing plants.

TATA ELECTRONICS SEMICONDUCTOR FOUNDRY (GUJARAT): The company is setting up India's first commercial-grade chip

fabrication plant. Taiwan's PSMC is its technology partner. Coming up in Dholera, the fab will be set up at an estimated Rs 91,000 crore. Its monthly capacity is expected to be 50,000 wafers across 28-nanometre to 110-nanometre technologies.

MICRON TECHNOLOGY (GUJARAT): This was the first project approved under ISM 1.0 in 2023, after the government jacked up incentives for assembly and testing plants from 30% to 50%. The US-based company is a major manufacturer of memory chips. The plant started commercial production in February.

TATA ELECTRONICS ASSEMBLY UNIT (ASSAM): This semiconductor assembly and testing facility in Jagirod of Morigaon district, involves an investment of over Rs 27,000 crore. It is expected to manufacture 48 million chips daily for sectors including automotive, electronics, and telecommunications.

HCL-FOXCONN (UTTAR PRADESH): This joint venture (JV) is setting up a Rs 3,700 crore outsourced semiconductor assembly

and test (OSAT) facility in Jewar, with operations expected by 2028. Located near Noida International Airport, the plant will produce display driver chips with a capacity of 20,000 wafers per month.

KAYNES SEMICON (GUJARAT): The plant in Sanand is a Rs 3,300 crore OSAT facility with a capacity of up to 60 lakh chips per day. It focuses on producing power modules for electric vehicles and industrial applications. This plant started commercial operations in March 2026.

CG SEMI (GUJARAT): This OSAT plant in Sanand — a JV between CG Power and Renesas Electronics and Stars Microelectronics — is being developed at an investment of over Rs 7,600 crore.

SICSEM (ODISHA): The Rs 2,066-crore assembly, test, marking, and packaging (ATMP) facility will produce silicon carbide-based diodes and MOSFETs.

SUCHI SEMICON (GUJARAT): The company will set up an OSAT facility in Surat worth Rs 868 crore for manufacturing discrete semiconductors.

ISM 2.0

The government is working on the next iteration of the plan, and could approve a scheme with an outlay of around \$11 billion. *The Indian Express* had reported earlier. While ISM 1.0 focused on attracting chipmaking infrastructure to India, ISM 2.0 is likely to offer greater support to ancillary industries such as gases, chemicals and capital goods, among others.

Under ISM 2.0, the government could reduce the capex subsidy for ATMP or OSAT plants from the current 50%. The government could also offer capital equipment and ecosystem support such as gases, chemicals, and raw materials needed at assembly and testing plants. ISM 2.0 could also see a much more significant design-side push, and incentives to the amount of market capital companies are able to raise.

'INDIA & VIETNAM WILL ENSURE ECONOMIC SECURITY, SUPPLY CHAIN RESILIENCE OF BOTH NATIONS'

India, ASEAN to update trade pact by year-end, says PM Modi

The talks assume significance as India is rapidly opening its market to FTA countries in a bid to diversify exports

Ravi Dutta Mishra
New Delhi, May 6

PRIME MINISTER Narendra Modi on Wednesday said that India and the Association of Southeast Asian Nations (ASEAN) countries will update the trade agreement by the end of the year. The deal was originally signed in 2009 under the UPA government, and both trade partners began renegotiating the deal in 2024 amid a ballooning trade gap.

Speaking at a joint press conference with Vietnamese President To Lam here, PM Modi said, "Bilateral trade between India and Vietnam has doubled over the past decade, reaching \$16 bn.

"To take it to \$25 bn by 2030, we have taken several important decisions today. We have also reached an agreement to update the India-ASEAN Trade Agreement — AITIGA — by the end of this year. This will give new energy to trade and investment between India and all ASEAN nations."

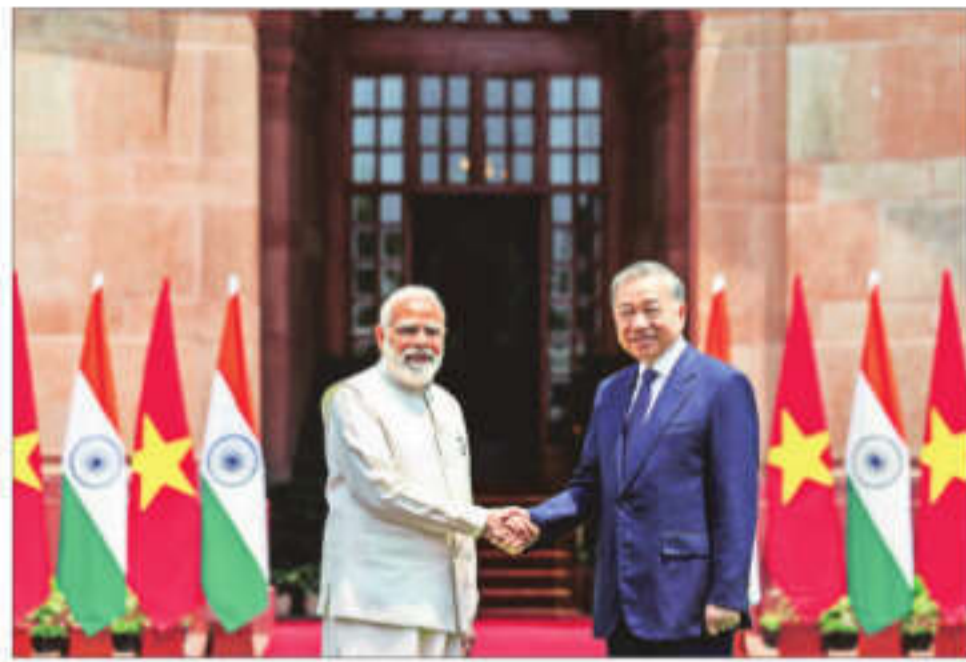
The India-ASEAN trade deal review has been one of the most challenging negotiations that the Commerce and Industry Ministry has engaged in, as

ASEAN nations have an edge over India under the current deal. India's trade deficit with the fast-growing ASEAN region has risen to \$45 billion in the financial year 2025 (FY25), from \$8 billion in FY13.

An Indian Economic Service research paper on India's trade patterns with the 10 ASEAN nations between 1991 and 2020 showed that while imports have grown, exports have declined since 2010, resulting in increasing trade deficits with all ASEAN countries.

PM Modi said that through new initiatives in critical minerals, rare earth, and energy cooperation, India and Vietnam will ensure the economic security and supply chain resilience of both countries. "Export of India's agricultural, fisheries, and animal products to Vietnam will also become easier. Very soon, Vietnam will taste India's grapes and pomegranates, and we will enjoy Vietnam's durian and pomelo," Modi said.

The Prime Minister said that a memorandum of understanding (MOU) between the drug regulators of both countries would "increase access to Indian medicines in Vietnam".



Both trade partners began renegotiating the deal in 2024. ANI

"To boost financial connectivity as well, today we have decided to enhance cooperation between our central banks. India's UPI and Vietnam's Fast Payment System are also set to be linked soon. Additionally, we are now going to strengthen state-to-state and city-to-city cooperation between our two countries," Modi said.

"In this era of global upheaval and economic challenges, on the strength of our talent, good governance, and economic reforms, India and Vietnam are emerging as the world's fastest-growing economies. Now, through our enhanced strategic partnership, we will become partners in each other's rapid growth," he said.

The renegotiations also assume significance as India is

rapidly opening its market to FTA countries in a bid to diversify exports during growing uncertainty in markets such as West Asia, the US and the growing regulatory hurdles in Europe.

Amid India's aggressive push for global trade integration, the existing FTAs have not translated into higher exports.

Imports have surged from the ASEAN region after it joined the China-led Regional Comprehensive Economic Partnership (RCEP) trade deal.

India exited the RCEP negotiations in 2019 due to concerns over rising imports from China. Notably, China-ASEAN trade is on the rise. The 10 member states of ASEAN include Indonesia, Thailand, Singapore, the Philippines, Vietnam, Malaysia, Myanmar,

• SKEWED TRADE

INDIA'S TRADE deficit with the fast-growing ASEAN region has risen to \$45 billion in FY25 from \$8 billion in FY13

AN INDIA Economic Service research paper on India's trade patterns with the 10 ASEAN nations between 1991 and 2020 showed that while imports have grown, exports have declined since 2010, resulting in increasing trade deficits with all ASEAN countries

Cambodia, Brunei and Laos.

According to a statement released by PMO, India and Vietnam have agreed to strengthen the supply chains in sectors of mutual interest. Vietnam affirmed its commitments to diversify its supply sources and to "import more products from India to serve its domestic production and export needs".

"Both sides agreed to explore ways for a more conducive regulatory environment to facilitate ease of doing business for companies of both countries, including in standards compliance certification. They underlined the importance of maintaining constructive dialogue for resolving mutual concerns under bilateral institutional mechanisms," it said.

FULL REPORT ON WWW.INDIANEXPRESS.COM

Indian cos pledge to invest record \$20.5 bn in US; pharma in focus

Shubhajit Roy
New Delhi, May 6

INDIAN COMPANIES have pledged to invest a record \$20.5 billion in the United States, which includes \$19.1 billion in pharmaceuticals, the US embassy said on Wednesday.

The commitments were made during an investment summit in Maryland, US.

According to the US embassy, the commitments span key sectors including pharmaceuticals, advanced manufacturing, energy infrastructure, and emerging technologies, and are expected to create thousands of jobs in both countries while expanding US production and joint innovation capacity.

The US embassy statement quoted Ambassador Sergio Gor saying, "I am proud to advance our goal to double US-India bilateral trade to \$500 billion by 2030. Through fair, balanced, and mutually beneficial trade, we're attracting world-class investment to the United States and creating shared prosperity for both nations."

It said that a significant share of the investment is driven by India's pharmaceutical sector, with more than \$19.1 billion in planned investments in US manufacturing, research and development, and new facilities.

In addition, 12 Indian companies announced more than \$1.1 billion in new greenfield and expansion projects across multiple states, supporting jobs in manufacturing, technology, and engineering.

Pharmaceuticals & industrial capacity

Indian pharmaceutical companies announced plans to invest more than \$19.1 billion in the US, anchored by Sun Pharmaceutical's planned \$11.75 billion acquisition of New Jersey-based Organon & Co.

'Review of HDFC Bank finds no major lapses'

Reuters
Mumbai, May 6

LAW FIRMS reviewing governance at HDFC Bank are set to report this month that they have not found any major lapse, two people with direct knowledge of the findings said, clearing the way for the reappointment of its CEO.

India's largest private lender by assets called in Mumbai-based Trilegal and Wadia Ghandy & Co after Atanu Chakraborty resigned as chairman in March citing "incongruence" between his personal values and bank practices.

He did not elaborate. The resignation was followed by a 13.81% drop in the bank's share price, or \$16 billion in the stock's value, and prompted a rare statement from the central bank seeking to allay investor and depositor concern about a lender deemed too big to fail. It also threw into doubt the lender's application at the central bank due May-end to reappoint CEO Sashidhar Jagdishan.



US Under Secretary William Kimmitt gave the opening remarks on Day 3 of the 2026 #SelectUSASummit. X/@SELECTUSA

Participating companies include Aurobindo Pharma Ltd, Biocon Group, Cipla Limited, Dr. Reddy's Laboratories Ltd, Glenmark Pharmaceuticals Ltd, Granules India Ltd, Jubilant Group, Lupin Limited, Sun Pharmaceutical Industries Ltd, Piramal Pharma Ltd., and Zydus Lifesciences Limited.

These investments will support manufacturing and network expansions, new greenfield facilities, and increased research and development, helping expand the supply of essential medicines, address drug shortages, and strengthen the resilience of the US healthcare supply chain.

JSW Steel affirmed plans for commissioning \$255 million in modernisation projects at its facilities in Ohio and Texas.

Manufacturing

Abhyuday Group (Ahmedabad) will invest over \$900 million across five US sites, creating 1,500 American jobs. Jindal Pipe and Jindal Tubular USA (PR Jindal Group) will invest \$87 million to expand in Texas and Mississippi, creating 140 jobs. The statement said. Jivo Wellness (Delhi) will invest \$15 million, creating 50 direct jobs and up to 150 indi-

rect jobs. Polyhose Inc. will invest \$2 million in Los Angeles to support the US shipbuilding industry.

Technology, AI, & digital infrastructure

Mumbai-based Sterile Technologies Ltd. will invest \$100 million, creating up to 500 jobs and supporting AI and telecom infrastructure.

Techedome Solutions (Indore) will invest \$7.5 million, creating 100 jobs. Kerala's RoshAI will invest \$5 million in Texas, creating 20 jobs. Chennai's Atri AI will invest \$2 million in Menlo Park, California. Kissflow will invest \$2 million in Houston. SatoriXR will invest \$1.5 million in Michigan.

Energy, research & innovation

Magnoinnovation Lab of Kerala will invest \$2 million to establish US field operations and support energy sector applications. Indian Institute of Technology Madras Global Research Foundation will invest \$4.5 million to establish a US research and collaboration hub in California, with plans for an additional East Coast. FULL REPORT ON WWW.INDIANEXPRESS.COM

• BRIEFLY

SEBI classifies 'significant indices' based on AUM threshold

Mumbai: Markets regulator SEBI has introduced a regulatory framework classifying any index as a "significant index" if it is benchmarked by mutual fund schemes with daily average cumulative assets under management exceeding Rs 20,000 crore for each of the preceding six months. The move is aimed at enhancing transparency and accountability in index governance. PTI

Dedicated pharma train flagged-off in Hyderabad

Hyderabad: Aushadhi Express, an inaugural cargo train carrying pharmaceutical products, was flagged off by Sanjay Kumar Srivastava, General Manager, South Central Railway (SCR), and Sanjay Swarup, CMD of Container Corporation of India (CONCOR) from ICD Sanathnagar in Hyderabad to the Jawaharlal Nehru Port (JNPT). Officials said that the initiative will enable faster, safer, and more efficient movement of temperature-sensitive cargo. ENS

Review cyber risks in 2 mths: RBI to banks

Mumbai: The Reserve Bank of India (RBI) has asked banks to conduct an internal review of their cybersecurity preparedness and place a detailed assessment before their respective boards within the next two months, sources said. The exercise is part of an advisory issued by the central bank on April 27 directing lenders to further strengthen their cyber defence frameworks amid rising digital and AI-linked risks. FE

Zee sues Reliance-Disney over alleged copyright breach

New Delhi: India's Zee Entertainment has sued the Reliance-Disney joint venture, the country's biggest entertainment company, alleging it used Zee's copyrighted music after licence agreements expired, court documents show. Zee is seeking \$3 million in damages, alleging unauthorised use and exploitation of works from its music division on the Reliance-Disney streaming platform and some of its TV channels, according to previously unreported court papers seen by Reuters. REUTERS

RIL to shut some units for maintenance, govt sees no impact on LPG

Sukalp Sharma
New Delhi, May 6

INDIA'S LARGEST domestic market-oriented refinery—Reliance Industries (RIL) domestic tariff area refinery at Jamnagar—will be taking a routine maintenance shutdown later this month, but the government doesn't expect the shutdown to impact fuel availability in the country, particularly that of liquefied petroleum gas (LPG), a senior Petroleum Ministry official said on Wednesday.

The government is also involved in coordinating refinery shutdowns by different refiners to ensure ample fuel availability amid the West Asia crisis, which has reduced energy flows to India.

RIL's 33-million-tonnes-per-annum (mtpa) refinery is the largest refinery supplying fuels for the Indian market. The company's Jamnagar refinery complex also has a 35.2-mtpa special economic zone (SEZ) refinery that is export-oriented.

Refineries take periodic planned maintenance shutdowns, or turnarounds, to ensure operational safety, comply with regulations, and replace equipment that needs to be changed. These scheduled refinery outages help with inspection, cleaning, repairs, and upgrades to maintain and even improve operational efficiency. Due to the West Asia war, wherever feasible, refinery

shutdowns have been postponed to ensure stable and adequate fuel supplies in India.

According to Petroleum Ministry Joint Secretary Sujata Sharma, RIL's refinery shutdown—likely to last about four weeks—will begin after Nayara Energy's 20-mtpa Vadinar refinery comes back on stream after its maintenance turnaround is completed by the middle of May. The Vadinar refinery's maintenance shutdown started last month after facing months-long delays.

"Shutdowns or turnarounds are part of normal operations as far as refineries are concerned. We in the ministry try to ensure that all shutdowns don't happen at the same time. It has to be scattered so that the supplies for the domestic market are not affected, and that's what we are ensuring now also. Right now the Nayara refinery is under shutdown, and by the mid of this month or even before that, it will come back (on stream). And then the Reliance shutdown will start," Sharma said. She added that the shutdown will not have any impact on the domestic production of LPG as not all units of the RIL refinery are going to be offline. As for other fuels like petrol, diesel, and aviation turbine fuel, the country is self-sufficient and a net exporter, which means that there is no real supply constraint.

FULL REPORT ON WWW.INDIANEXPRESS.COM

AI FEARS & HEADY VALUATIONS

Foreign investors cut holdings in top Indian IT cos in FY26

Akash Mandal
Mumbai, May 6

INDIAN IT companies are facing a double whammy from the advent of artificial intelligence (AI).

Not only are future business orders under risk, the increasing use of AI in workflows by the same tech firms is leading to what is called 'AI deflation'—or reduction in order values as efficiencies reduce costs, which is then passed on to customers. This, naturally, has hit their share prices, with the National Stock Exchange's benchmark Nifty IT index down 23% so far in 2026. Infosys and HCL Technologies have fallen 27-28% in that period.

Foreign investors, a key player in the capital markets, have taken a particularly tough view of the Indian IT sector, cutting their shareholding in the top companies in FY26 by over three percentage points on average. In fact, Foreign institutional investors' (FIIs) allocation to the Indian technology sector stood at an all-time low of 7.3% at the end of March compared to 10.1% at the end of FY25, according to brokerage Motilal Oswal Financial Services. Among India's top-nine IT services companies, Coforge saw the largest decline in FII holding — 9.6 percentage points — during FY26.

Infosys and Tech Mahindra saw a reduction in FIIs shareholding by over 4 percentage points. Wipro was the only one

• How much holdings FPIs cut in Indian IT companies

Company	Change in FPI holding in FY26 (bps)
Coforge	-955
Infosys	-443
Tech Mahindra	-436
HCL Tech	-365
TCS	-238
Persistent Systems	-225
Mphasis	-110
LTIMindtree	-37
Wipro	-3

SOURCE: EXCHANGES

of the nine in which FIIs left their stake largely unchanged.

Most of these companies, barring Tech Mahindra, Wipro, and LTM (formerly LTIMindtree), saw FIIs reduce their stakes in January-March—the quarter in which concerns about AI eating into business intensified after US-based Anthropic rolled out legal plugins for its Claude chatbot as analysts expressed worries that these tools could render the Indian IT services sector obsolete.

The hit to the Indian IT sector has been sufficiently large to be a drag on the entire Indian stock market, with the Nifty 50 down 0.2% over the last one year. So far in 2026, FIIs have sold \$21.6 billion of Indian equities — more than the \$18.9

billion they sold in all of 2025—of which \$2.4 billion worth of net sales have been of Indian IT stocks (until April 15). As a result, FII holdings in the IT sector reduced to \$41.4 billion from \$59.8 billion at the end of 2025. FIIs have continued to lower their holding of IT companies even though many experts think valuations in the sector, especially for large-cap companies, are now fair post the sharp correction in stock prices. Meanwhile, domestic institutional investors (DIIs)—consisting primarily of mutual funds and insurance companies — have increased their stake in technology companies that are part of the NSE 500 universe by 4 percentage points in FY26 to 22.3%.

To be sure, this has been part of a broader trend.

"On a year-on-year basis, DIIs raised their holdings in 21 out of 24 sectors. The maximum increase in holdings was visible in private banks, technology, telecom, real estate, healthcare, and NBFC — Lending," Motilal Oswal said on Tuesday.

Experts remain mixed on the IT services sector. While some are cautious due to concerns regarding the outlook for their earnings due to the increasing adoption of AI, some fund houses have seized on the opportunity offered by cheaper valuations to accumulate shares of these companies.

FULL REPORT ON WWW.INDIANEXPRESS.COM

• AN MIT GRADUATE, SHE IS ALSO THE CEO OF BOSTON-BASED BIOTECH FIRM BICARA THERAPEUTICS

Claire, 37, 'right person' to lead Biocon into next era, say experts

George Mathew
Mumbai, May 6

POISED TO succeed Kiran Mazumdar-Shaw at the helm of Biocon Ltd, Claire Mazumdar brings a formidable mix of scientific brilliance, global biotech leadership and entrepreneurial success.

Claire, who is set to take over the mantle from Kiran Mazumdar-Shaw as the head of Biocon, is a success story in her own right as the CEO of Boston-based Bicara Therapeutics, a biotech firm incubated with funding from Mazumdar-Shaw and listed on Nasdaq in 2024. Daughter of Ravi Mazumdar, who is the brother of Kiran

Mazumdar-Shaw, Claire, 37, will head Biocon which operates in more than 120 countries, supported by seven manufacturing sites, three R&D sites, 18 offices worldwide, and a workforce of over 9,500 employees.

Mazumdar-Shaw, who is now Chairperson of Biocon, said it's part of the five-year phased transition plan for the company which has a market capitalisation of Rs 61,700 crore. Mazumdar-Shaw, whose husband John Shaw died in 2022, has no child.

Claire holds a Bachelor of Science in Biological Engineering from MIT, earned her MBA from Stanford Graduate School of Business and a PhD in cancer



Claire's (left) research in tumour immunology and cancer epigenetics has been published in Nature, Cell Stem Cell and Cancer Cell. FILE

biology from Stanford School of Medicine. Her research in tumour immunology and cancer

epigenetics has been published in Nature, Cell Stem Cell and Cancer Cell.

Bicara is a clinical-stage biopharmaceutical company committed to bringing transformative bifunctional therapies to patients with solid tumours. It has built a platform designed to facilitate the development of bifunctional therapies that precisely target the tumour and deliver a tumour-modulating payload to the tumour site.

Claire led business development and corporate strategy at Rheos Medicines, where she supported a major partnership with Roche. As a Senior Associate at Third Rock Ventures, she focused on company formation and supported business development for TRV portfolio companies. She is also a Member of

the Board of Directors for Noora Health, a global non-profit which works to improve patient outcomes and strengthen health systems by equipping family caregivers with the skills they need to care for their loved ones. Corporate observers say that Kiran Mazumdar-Shaw has selected the right person to succeed her at the Indian biotech firm.

Kiran Mazumdar-Shaw's brother Ravi Mazumdar is also on the board of Biocon. Biocon has commercialised 12 biosimilar products and 30 plus generic formulations globally. It has robust research and development pipeline of 20+ biosimilar assets.

• MARKETS

Sensex 77958.52 940.73 1.22%	NIFTY 24,330.95 298.15 1.24%	Gold ▲ ₹1,50,860	US Dollar ▼ ₹94.61
		Silver ▲ ₹2,49,067	Oil ▼ \$112.47

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION DATA GOLD PER 100G, SILVER PER 1KG; CRUDE OIL (INDIAN BASKET) AS OF MAY 5, 2026



Cost of success

The BJP's path to victory in Assam undermined the health of India's polity

Himanta Biswa Sarma is expected to take oath as Chief Minister after leading the BJP to power in Assam yet again. Mr. Sarma was a Congress leader when the party came to power in the north-eastern State in 2011, but switching sides in 2015, he became the central figure of the BJP not only in Assam but also in States around it. Starting in 2001 on a Congress ticket, he has won six consecutive elections from the same Assembly seat. Having emerged as a very powerful leader, he joined the BJP, and was appointed Chief Minister in 2021. Since then, he has reshaped the politics of the State through exceptional organisational ability, communal rhetoric, and the partisan use of state power. An infrastructure push combined with welfare delivery – the Orunodoi scheme of direct cash transfer to women and Mission Basundhara, a flagship initiative to streamline and digitise land records and protect land rights – not only enabled the BJP's deep expansion, but along with other measures, including the delimitation of Assembly constituencies in 2023, reshaped the State's political landscape. Mr. Sarma has been both the creator and the principal beneficiary of this process.

The BJP's victory in Assam has significant implications for power dynamics within the party nationally. Mr. Sarma is perceived to be close to Union Home Minister Amit Shah. The BJP alone commands a majority in the 126-strong Assembly, and the ruling coalition has 102 members. The BJP has not only decimated the Opposition but also rendered regional parties inconsequential. It has consolidated a spectrum of fragmented social groups and diluted the linguistic and ethnic politics of the State. But in doing so, it has sharply polarised Assam along religious lines. The delimitation carved out constituencies by packing and cracking communities in ways that suppress Muslim representation, with the BJP and the Congress now mirroring a Hindu-Muslim binary in the newly elected Assembly. Eviction drives have disproportionately targeted Bengali-speaking Muslim communities; 40,000 individuals were displaced in 2025 alone, officially framed as anti-encroachment action but widely seen as selective targeting. Assam is a sensitive border region, and the BJP's approach to its governance needs to be commensurately sensitive. All parties have a legitimate right to consolidate themselves and win elections. But that must be done with the utmost attention to the long-term health of the polity and the interests of the country as a whole. At this moment of triumph, the BJP in Assam would do well to reflect on the costs of the victory that it has just secured.

Back in the saddle

Congress leaders in Kerala should rise above personal ambitions

Riding a massive anti-incumbency wave, the Congress-led United Democratic Front (UDF) returned to power in the Kerala Assembly on May 4, ending 10 years of its being in the political wilderness. After an unprecedented defeat in 2021, the alliance worked systematically for a comeback, winning four by-elections, the general election in 2024 and the civic-body polls last year before storming back into the State Assembly through deft electioneering and collective effort that sought to capitalise on surging resentment against the functioning of the Left Democratic Front (LDF) government led by CPI(M) leader Pinarayi Vijayan. The BJP reopened its account, securing three seats, finishing second in six and clinching a substantial share of votes in pockets in north, central and south Kerala, redrawing the electoral landscape. Its low vote share notwithstanding, the party is doubtless growing, albeit incrementally. To be fair to the Left, which received a debilitating blow, the outgoing government embarked on a path of growth, filling infrastructure gaps, soliciting private investment and pursuing sustainable industries without forgoing its Leftist thrust on welfare and public governance, despite facing fiscal embargoes and pocket veto by inimical Governors. While Left supporters acquiesced in its political economy, many could not digest the lack of accountability and the overbearing, if not dismissive, demeanour of the CPI(M)'s senior leadership. The Left tried to claim what was seen as an emerging Hindu vote base through events such as the Global Ayyappa Devotees' Meet, even while selectively targeting the Indian Union Muslim League (IUML) for presumably being in concert with the forces of political Islam. The IUML employed everything in its armour to hand a crushing defeat to the Left, not just in Malappuram, its stronghold, but also in other parts of the State. Rebellion broke out in the rank and file of the Left ahead of the elections over issues of nepotism and the concentration of power in a single person bestowed with a cult status, which the UDF leveraged. It led to the fall of some decades-old Left citadels, with a cascading effect elsewhere as well.

Back in the saddle, the immediate task before the Congress and the UDF will be to stay true to their slogan of being a team and finalise a cabinet with a popular and efficient leader. A historic mandate of 102 seats, also counting the independents it backed, should inspire the alliance to form a government that is accessible, competent and grounded. The period between polling and counting saw senior Congress leaders draw public ridicule for an unabashed display of a lust for the chief ministerial post, to the dismay of the party high command and the allies. Democracy would be better served if the Congress acted responsibly, with the leaders setting aside personal ambitions for the larger good.

Understanding inequality in India's growth story

There have been some significant policy changes in the recent past – this includes the implementation of the new Labour Codes and the Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin) Bill, 2025 replacing the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) – which have raised serious concerns regarding the welfare of informal workers and those belonging to rural India. These changes are accompanied by the official understanding that inequality is much less of a concern today than it was in the early 2010s, even though data comparability itself is an issue.

Inequality estimates, initial observations
Analysis of inequality warrants clarification on a few issues, among other things.

The first is inequality of what – income, wealth, consumption expenditure? Second, how is it measured? Third, along which axis it is assessed – caste, class, gender, religion?, and fourth, data source and comparability of estimates generated from multiple surveys, if



Saswata Guha Thakurata

Assistant Professor,
Department of
Economics, FLAME
University, Pune



Chaitanya Talreja

Assistant Professor,
Department of
Economics, Shiv
Nadar University
Chennai

marked with methodological changes. Our estimate from the Household Consumer Expenditure Survey (HCES 2023-24), conducted by the National Sample Survey Organisation (NSSO), suggests that overall consumption expenditure inequality, measured by the Gini index, is 0.29 – higher than the widely cited World Bank estimate of 0.25. The World Bank's method too, in this regard, came under scrutiny. With further disaggregation, one finds that urban, as expected, is more unequal than the rural sector. India's consumption boom during the last couple of decades has been primarily driven by non-food expenditure. We find that inequality is much higher for the same compared to food expenditure. This is true for the rural and urban sectors, the inequality for both being higher in case of the urban sectors, and relatively more for non-food expenditure.

Since most growth-inducing activities are urban-centric and agricultural distress persists, it is imperative to examine the urban-rural gap, which is shown by the mean ratio here. A higher than unity mean ratio would reflect a relatively better position than the respective all-India average. Lesser than unity would imply otherwise. There is a substantial gap between urban and rural sectors in this regard and the disparity is more striking in the case of non-food expenditure. For example, average urban non-food monthly per capita expenditure (MPCE) is about 1.5 times higher than the all-India average, while that for rural is much lower than the same point of reference.

Our disaggregated analysis also reveals a considerable gap between the consumption share and per-capita spending of overall MPCE-based deciles. In the urban sector, the top 10% of the population alone contributes 27% of the total non-food expenditure, implying that the rest of the 90% contributes only 73% of the same. The mean MPCE of the topmost decile is six times that of the bottom most decile for the urban sector, compared to 4.5 times in the rural sector. Strikingly, the mean MPCE of the top most decile in the urban sector is nine times that of the bottom most decile in the rural sector. Once we proceed a step further and decompose total inequality into within- and between-group components, it appears that: in urban India, within-decile and between-decile inequalities account for about 33% and 67% of food expenditure inequality, respectively, and about 10% and 90% of non-food expenditure inequality. The relative importance of between-decile group

inequality for non-food consumption holds true for the rural sector too. Further, the per-capita consumption expenditure of the richest 5% is six times higher than that of the poorest 5% in the rural areas; the same is nine times for urban areas. In short, the urban sector, which is more affluent, is more unequal than its rural counterparts.

Inequality dynamics in India

First, it is almost unanimously agreed upon that the superrich segment of the Indian population is hardly captured by the NSS surveys (consumption or wealth); thus any inequality estimation based on the same is a gross underestimation. Our own calculation based on this data suggests that about one fourth of even the richest 10% in India benefited from the Pradhan Mantri Garib Kalyan Yojana (PMKAY) and about 13% of them have access to Below Poverty Line (BPL) ration cards.

Second, for a nuanced understanding of inequality dynamics in India, one must go beyond inter-personal or solely income/spending groups-based (for example, decile; percentile) inequality calculations and analyse disparity along various socio-economic axes such as caste and class. Deploying an alternative class-based analysis alongside a closer examination of the growth process and policy changes since Independence, Vamsi Vakulabharanam of the University of Massachusetts, Amherst, in his book, *Class and Inequality in China and India, 1950-2010*, shows that since the 1980s (even before the 1991 reforms), urban owners, managers, and professionals have gained disproportionately, contributing to India's consumption boom.

In contrast, urban informal workers, rural small farmers, and agricultural labourers have lagged markedly behind. All these added to increasing between-class inequality *vis-à-vis* within-class inequality in India's evolving urban landscape. Over the last decade or so, there has not been any systemic change despite various welfare measures, to counter or reverse such trend in class-based inequality. Typical explorations of inequality often overlook this growth-class-inequality nexus. Moreover, a large share of Indians remains engaged in debt-led consumption. The complexities involved in the issue of inequality in India warn us that policies formulated on the presupposition of lower disparity could be misleading and may produce adverse, albeit unintended, welfare implications.

Consumption expenditure inequality in India

Locating inequality by space and consumption type

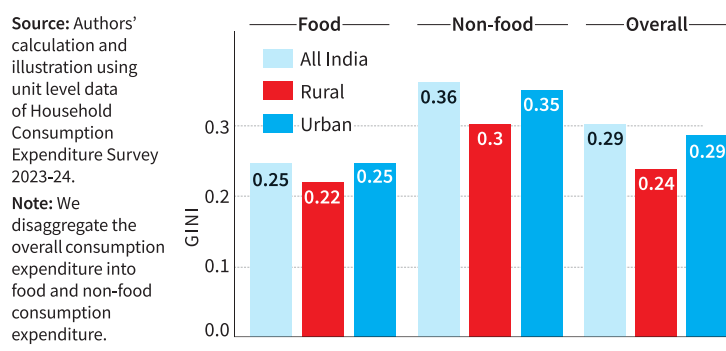
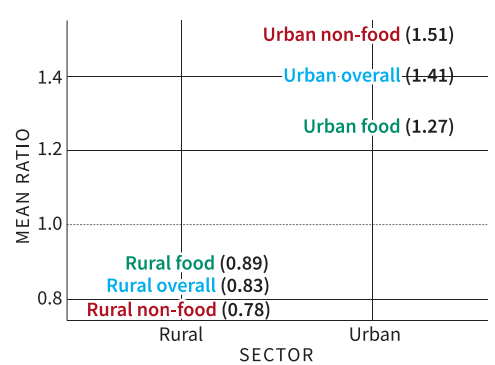


Figure 2: Urban – rural gap by consumption type

Source: Same as figure 1. Respective mean ratio is in parenthesis.

Note: Here, mean ratio implies the ratio of sectoral average MPCE to All India MPCE.

For example, mean ratio for urban non-food consumption is calculated as the ratio of average urban non-food MPCE to that of all India (rural and urban combined) average non-food MPCE.



Fixing structural deficits in India's health system

On March 11, 2026, the Minister of State for Health, Anupriya Patel, informed Parliament that 43 new medical colleges have been established and 11,682 MBBS seats along with 8,967 postgraduate seats have been approved for the 2025-26 academic year.

Will this address India's problem of non-availability of doctors in the public health system? Of the 8,967 new postgraduate doctors, how many will actually have the inclination to serve in aspirational districts or underserved areas? Of the 43 newly sanctioned medical colleges, only eight are under State governments, eight are in the Employees' State Insurance (ESI) sector, and 27 are in the private sector. Private medical colleges, after charging high capitation fees, have no obligation to post their trainees in government service, nor can they be compelled to do so. There is also no clearly defined policy or stipulations to ensure that public health institutions benefit maximally by filling existing vacancies in specialist cadre posts.

Merely investing in capital expenditure and infrastructure alone will not yield the desired improvement in health services in hilly, tribal, and other remote underserved areas. Eleven out of 18 All India Institutes of Medical Sciences report around 40% vacancies in their teaching and research faculty positions. Without adequate research and teaching capacity, how can we effectively train specialists?

Glaring vacancy rate

According to The Health Dynamics of India 2022-23 report, the vacancy rate in 5,491 rural Community Health Centres (CHC) across 757 districts in India is 79.9%, with only 4,413 specialists available against a requirement of 21,964. Since 2014, the shortfall of specialists in CHCs has remained at around 17,500, despite the creation of additional postgraduate medical seats – 72,627 across 731 medical colleges.

Newly graduated specialists are often unwilling to work in remote and underserved areas due to inadequate facilities, including lack of equipment, decent staff quarters, schools for their children,



Dr. K.R. Antony

Public health system
and policy
development adviser

There needs to be greater alignment between medical education and public service

and adequate peer medical support. If specialists were available at CHCs, patients from rural and tribal areas would not need to travel long distances to district headquarters hospitals or medical colleges.

A CHC serves as a first referral unit for a population of about 1.6 lakh to 2 lakh and is expected to have 30 beds with five specialists – physician, surgeon, obstetrician, paediatrician, and anaesthetist. However, the majority of CHCs remain crippled due to a persistent shortage of specialists, a problem that has continued for many years.

Yet, States continue to construct more CHCs to utilise available central government funds, even though many of them function effectively as primary health centres. There are 5,491 CHCs across 785 districts – about seven CHCs per district – which is not a feasible model. With only 4,413 specialists available at present, just 882 CHCs can be fully operationalised, effectively leaving only one functional CHC per district in addition to the district hospital for specialised care.

Flawed budgetary focus

The central health Budget is largely focused on infrastructure, without matching allocations for drugs, diagnostics, ambulance services, emergency care, or salaries for temporary staff. If the goal is to improve people's health, it must prioritise operational outcomes rather than merely investing capital in building construction, leaving the rest to be managed by State budgets.

How do we manage better with what we have in hand? We need to put the brakes on overly enthusiastic declarations of new CHCs, which often serve populist political mileage rather than functional need.

Classify all PHCs and CHCs into normal, difficult, and most difficult areas based on defined criteria, as was done in Chhattisgarh under the Rural Medical Corps Scheme. The most difficult areas are those with persistently high staff vacancies over long periods. Introduce special incentives such as additional

compensatory financial allowances, priority for postgraduate seats, staff quarters, and quality schooling facilities for children, among others.

Additional steps to take

Hereafter, all government-sponsored postgraduate seat allocations must be linked to existing vacancies in CHCs or district hospitals. Candidates willing to fill a specialist vacancy in a CHC should be allotted a seat in the corresponding speciality, with the assurance that upon completion of training, they will be posted there immediately.

Conversely, aspirant doctors must provide an undertaking to serve in the designated government facility first. Priority may be given to those who commit to a 10-year service bond in difficult-area CHCs, along with additional incentives under the National Health Mission. We must strictly follow an "all or none" principle in posting specialists – either all five specialists are placed in a CHC or none at all – avoiding piecemeal deployment or the dilution of services by spreading specialists too thinly.

Urgent construction of staff quarters and renovation of operation theatres, labour rooms, intensive care units, and 24-hour emergency units must be undertaken in such CHCs, which may number two or three per district. Similar undertakings and post graduate training can be awarded to nurses willing to serve in remote needy areas.

When adequate specialists are posted as a team at the sub-district or town level, the image of government hospitals improves in the public eye. The workload is better distributed, and optimal sharing reduces stress on doctors on duty. Interpersonal communication with patients also improves. This, in turn, enhances patient satisfaction and reduces conflicts between the public and doctors and other health staff.

We can no longer afford to see nearly 70,000 specialists graduating from 731 medical colleges without adequately filling the vacant posts in the public health system, which remains the only source of care for the poor and marginalised.

LETTERS TO THE EDITOR

Congress's political moves

It is regrettable that the Congress party has degenerated into an untrustworthy political entity. It has shown no hesitation in shamelessly disowning the alliance that brought it to victory or jumping ship for the sake of power. Anyone who understands the pulse of Tamil Nadu politics knows this fact: if the Congress were to contest alone, its party workers would lose their security deposits. After

winning by riding on the votes and the influence of the DMK, the Congress's tendency to forget alliance ethics overnight and defect to the opposing side is a threat to democracy itself.

S. Padmanabhan,
Kochi, Kerala

The Congress's move to support the Tamilkath Vetri Kazhagam is troubling as it will undermine the INDIA bloc alliance. Such a shift ignores the political understanding that held the

alliance together during the Assembly elections and the general election in 2024. It also overlooks the larger picture for the 2029 general election. Strategic decisions must be guided by long-term coherence, not short-term numbers.

A.B. Eddy,
Chennai

A Congress spokesperson has argued that since the TVK defeated the DMK, and the Congress too lost 23 of 28 seats it contested, there

is no betrayal in the Congress supporting the TVK for government formation. The arithmetic is right; the logic is inverted. Both the Congress and the DMK were routed by the same force: the TVK. The Congress survived largely on the strength of the DMK. That it now uses those five seats as a kingmaker lever to install the very party that destroyed its alliance is not a political pivot – it is political parricide. The voter who elected a Congress

MLA, voted against the TVK. That verdict has been lauded into its opposite within 48 hours.

Gopalaswamy J.,
Chennai

The TVK's rise signals a public desire for political renewal, but its next steps will define its credibility. Seeking Congress support is pragmatic, yet an overreliance on legacy parties risks diluting its independent mandate. The future demands a careful

balance – firm ideological clarity without rigid isolation. If the TVK can convert this moment into a model of transparent coalition-building and policy-driven governance, it may redefine regional politics. Otherwise, it risks becoming just another player in the same old power arithmetic.

Shahim Maindala,
Bantwal, Mangaluru

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

A new roadmap for independent cinema

The latest rule changes by the Academy of Motion Picture Arts and Sciences are not merely procedural – they signal a philosophical shift in how global cinema is seen, validated, and circulated. By loosening the “one country, one film” submission rule for the International Feature category, and allowing festival-acclaimed films to qualify independently, the Academy Awards are attempting to dismantle one of the most enduring bottlenecks in world cinema. For India, this is not just an administrative tweak – it is a structural opening, especially for its vibrant but sidelined independent film ecosystem.

For decades, India's Oscar journey has been shaped as much by internal gatekeeping as by external perception. The country's official entry – decided by committees – has often sparked debate, with selections that leaned toward middle-of-the-road narratives rather than daring or politically nuanced cinema. This has meant that some of India's most globally resonant films never even entered the Oscar race.

No dearth of candidates

Consider *The Lunchbox*. Directed by Ritesh Batra, the film premiered at Cannes Critics' Week; garnered universal acclaim; and travelled widely across international festivals. Its delicate storytelling, anchored in loneliness and urban alienation, spoke a cinematic language that global audiences immediately embraced. Yet, it was not selected as India's official Oscar entry. Under the new rules, a film like *The Lunchbox* could have bypassed national selection and entered the Oscars directly.

Similarly, *Court* by Chaitanya Tamhane, which is a deeply political examination of India's judicial system, won the Orizzonti Award at Venice and multiple international honours. While it was India's official entry, it lacked the sustained campaign



Vani Tripathi Tikoo

Actor, Producer, and the Artistic Director of the International Film Festival of Delhi

For Indian filmmakers, especially those outside the mainstream industry, the Oscars are no longer a distant, opaque institution mediated by national selection

infrastructure to penetrate the Oscar shortlist. Under a system that values festival recognition more directly, such films gain not just eligibility but also legitimacy.

Or take *Masaan*, directed by Neeraj Ghaywan. Premiering in the ‘Un Certain Regard’ section at Cannes and winning two awards, *Masaan* bridged the spaces of the intimate and the universal with remarkable ease. Its exploration of caste, grief, and aspiration in small-town India resonated far beyond its geography. Yet, it never became India's Oscar entry. In the new framework, its festival success alone could have propelled it into the awards race.

Even more telling are films such as *Village Rockstars* by Rima Das. A deeply personal, almost handmade film set in rural Assam, it won the National Award and travelled internationally, embodying a kind of authenticity that the global film community increasingly values. While it was India's official submission, its lack of campaign backing limited its reach. A festival-driven qualification system could amplify such voices, allowing them to compete on artistic merit rather than industrial muscle.

Lack of representation

Indian independent cinema has long been globally visible but institutionally underrepresented. The new Oscar guidelines disrupt this pattern by shifting the axis of validation from national committees to international circuits. This is particularly significant in a country like India, where cinema operates across multiple languages, regions, and aesthetic traditions. The idea that a single film can “represent” such diversity has always been flawed. By allowing multiple entry points, the Academy is acknowledging that cinema is not a monolith but a mosaic. However, this expanded access also introduces new complexities. Festival success, while crucial, is not a guarantee of Oscar traction. The Academy's ecosystem still relies heavily on

visibility, campaigning, and industry networks. Films such as *All We Imagine as Light* by Payal Kapadia demonstrate how crucial sustained global engagement is. Under the new rules, such films are better positioned, but they still require strategic backing to convert acclaim into nominations.

Yet, the broader implication of these changes lies in how they reshape cinematic aspiration. For Indian filmmakers, especially those outside the mainstream industry, the Oscars are no longer a distant, opaque institution mediated by national selection. They become a more accessible platform – one that rewards global dialogue over domestic endorsement. This could catalyse a shift in how films are conceived, produced, and circulated. One may see greater emphasis on international co-productions, festival strategies, and cross-cultural storytelling. At the same time, there is a risk of homogenisation – of films tailoring themselves to perceived “festival tastes” at the expense of local specificity.

But the history of cinema suggests otherwise. The most globally successful films are often those most deeply rooted in their own contexts. Bong Joon-ho's *Parasite* did not dilute its Korean identity to achieve global success. The lesson for Indian cinema is clear: authenticity travels.

The road ahead

Ultimately, the new Oscar guidelines acknowledge that cinema today is transnational – not because it erases borders, but because it speaks across them.

For Indian independent cinema, this is a moment of possibility. The challenge lies in building the ecosystems that can support this transition: better international distribution, and robust campaign infrastructures. If that happens, the impact could be profound. Not just in terms of awards, but in how Indian stories are positioned within the global cinematic imagination.

The rise of an apolitical polity

TVK's victory points to the importance of alternative modes of outreach

STATE OF PLAY

B. Kolappan
kolappan.b@thehindu.co.in



Even though Tamil Nadu's outgoing Chief Minister M. K. Stalin put on a brave face and said he would face both defeat and success with equanimity, his loss in the Kolathur constituency appears to have shaken him. As the leader of the Dravida Munnetra Kazhagam (DMK), he campaigned across the State for his party, and had been confident that his own constituency was secure, having nurtured it like no other. He will go down in history as the fourth sitting Chief Minister of Tamil Nadu who has lost an election.

Constituencies represented by a Chief Minister typically attain VIP status by default. Kolathur, however, became Mr. Stalin's second home, as he made it a point to visit almost every week. The constituency saw the development of hospitals, schools, flyovers, playgrounds, and colleges, among other facilities.

Yet voters chose the candidate of the fledgling Tamila Vetti Kazhagam (TVK), V. S. Babu, a former DMK leader and district secretary. Observers point to a shift in voting patterns among certain communities in the constituency, including Christians and Scheduled Castes, some of whom appeared to favour actor C. Joseph Vijay's TVK.

Shift among Christians

This trend was not confined to Kolathur. In several constituencies across the State with a significant Christian population – traditionally seen as supportive of the DMK due to its strong anti-Bharatiya Janata Party (BJP) stance – there ap-

peared to be a shift in preferences. The decline in vote share for the DMK and its allies in districts such as Kanniyakumari, which has a substantial Christian population, suggests the alliance may have lost ground among these voters. In Killiyur, Congress candidate Rajesh Kumar, who had won by a margin of over 50,000 votes in 2021, saw his victory margin shrink to just over 1,000 votes this time. Other constituencies in the district witnessed a similar trend. A comparable pattern appeared in Kolathur, where some voters seemed to favour Mr. Vijay over Mr. Stalin, despite the Chief Minister's continued engagement with the community, including organising annual Christmas events and extending financial support to certain churches.

Some voters framed their preferences in identity terms, expressing a desire for greater representation in leadership.

Apolitical Gen-Z

Beyond Kolathur, the DMK appeared to be struggling to connect with sections of ‘Generation Z’ or Gen-Z, whose political engagement tends to be more fluid and less tied to established party structures. Historically, the Dravidian movement has drawn significant strength from student mobilisation. In contrast, campus politics today appears far more subdued. Student unions are absent in many col-

leges, and even where they exist, they are often largely apolitical in character. The proliferation of engineering and professional colleges, along with a shift away from the humanities, has further contributed to the weakening of political engagement among students. For many students, the primary focus is on securing employment through campus placements, leaving limited space for sustained political involvement. The DMK leadership appears to be continuing to rely on an older political idiom, rooted in the rhetoric of the 1950s and 1960s, and often centred on emotive appeals, which may have limited resonance in today's social media-driven campaign environment.

In contrast, Mr. Vijay's campaign suggests that electoral success can, at least in certain contexts, be achieved without a deeply entrenched organisational structure or continuous engagement through traditional media, large-scale conferences, or expensive campaign spending. His approach points to the growing importance of alternative modes of outreach, particularly those that connect more directly with younger and digitally engaged voters. In many constituencies, voters did not know the candidates of Mr. Vijay's party. They voted for him and his symbol, the ‘Whistle’.

Mr. Vijay's victory has put an end to the bipolar politics of Tamil Nadu, hitherto dominated by the two Dravidian parties. The shift towards a three-cornered contest has created space for smaller parties as well as a party like the BJP, which has been making sustained efforts to establish a foothold. The TVK's emergence may realign Tamil Nadu's political equations more broadly.

TVK makes inroads into AIADMK's core voter base in T.N.

Historical floors show the DMK losing less of its core support and more of its floating votes

DATA POINT

Pon Vasanth B.A.
Sambavi Parthasarathy
Srinivasan Ramani

The Tamila Vetti Kazhagam (TVK), which sprung a surprise in the 2026 Assembly elections, has not only altered the bipolar nature of Tamil Nadu's politics for the first time since 1977, but has also raised questions over the future of the two Dravidian majors – the Dravida Munnetra Kazhagam (DMK) and the All India Anna Dravida Munnetra Kazhagam (AIADMK).

However, analysis of region-wise variations in the vote shares secured by the TVK, the DMK and the AIADMK in the 134 constituencies they directly faced each other showed that the electoral outcome has become an existential threat for the AIADMK, which seems to have lost its core vote bank to the TVK. In contrast, the DMK has largely retained its core vote bank.

In three of the five regions – Greater Chennai, central and south – the vote share secured by the AIADMK in the seats it contested is the lowest in 2026. For the DMK, the vote share secured in 2026 was its lowest ever only in the Greater Chennai region (Table 1).

A closer analysis also showed that there was a strong negative correlation between the vote shares secured by the AIADMK and the TVK in almost all of these 134 constituencies (Table 2). This means that wherever the AIADMK's vote share dropped, the TVK's vote share went up. This was more pronounced in the constituencies in the central and south regions (Chart 1).

This negative correlation between the AIADMK and the TVK was robust across all regions, except the West, which had been a stronghold of the former in the past few decades.

In comparison, such a correlation was not observed between the

TVK and the DMK, except in the Greater Chennai region where the TVK swept the polls by hurting both the Dravidian parties. In fact, in the north, central and west regions, both the DMK and the TVK had a positive correlation, which means wherever the TVK had good vote shares or lower ones, the DMK had the same as well.

Curiously, if the AIADMK had lost a chunk of structural or core support to the TVK, then the DMK should have emerged victorious overall, thanks to the split in the anti-incumbency votes. But that did not happen. The reason is visible in another set of data: the change in vote shares since 2021. Table 3 shows the swing in those same 134 seats.

In most regions, the DMK lost a higher share of votes than the AIADMK – except in the west and the south. And overall, across these 134 seats, the DMK's vote share dropped by 13.9 percentage points against the AIADMK's 12.0.

This seeming contradiction where the AIADMK is hitting its lowest floors while the DMK is witnessing a larger overall swing compared to 2021, is best explained by the kinds of voters each party lost. The DMK shed a bigger pool of floating/swing voters to the TVK, either due to anti-incumbency or a clear preference for a new filmstar-led party that promised change. These losses were broadly uniform across constituencies, which is why they show up as a large swing but do not correlate with the TVK's seat-by-seat strength. The AIADMK lost a smaller share of votes overall because it had a lower vote share than the DMK to begin with in 2021. But a larger fraction of what it lost was core support.

In a party system, where the AIADMK's political identity rests on it being the anti-DMK pole, the TVK's inroads into the “Two leaves” base poses a serious threat to the party founded by former Chief Minister M.G. Ramachandran.

Breaching the AIADMK firewall

Only 134 constituencies in which the DMK, the AIADMK and the TVK directly contested against each other in 2026 were considered so that patterns measure transfers between these parties alone and controls for coalition effect

TABLE 1: Years in which the DMK and the AIADMK hit their lowest vote share in the constituencies where they directly contested against each other (*floor refers to the lowest vote share secured by the party)

Region	DMK's floor* year	DMK's voteshare in that year (%)	AIADMK's floor year	AIADMK's voteshare in that year (%)
Central	1977	29.08	2026	30.03
Greater Chennai	2026	30.8	2026	20.25
North	1991	26.93	1989	27.54
South	1977	18.14	2026	23.19
West	1977	20.39	1996	32.18
All regions	134	-0.75	-0.09	-13.9

TABLE 2: Correlation coefficients (-1 to +1) between parties' vote shares shows higher -ve values for TVK vs AIADMK

Region	Constituencies	TVK vs AIADMK	TVK vs DMK
Greater Chennai	22	-0.63	-0.32
North	23	-0.69	0.04
Central	26	-0.77	0.04
West	34	-0.58	-0.43
South	29	-0.73	0.02
All Regions	134	-0.75	-0.09

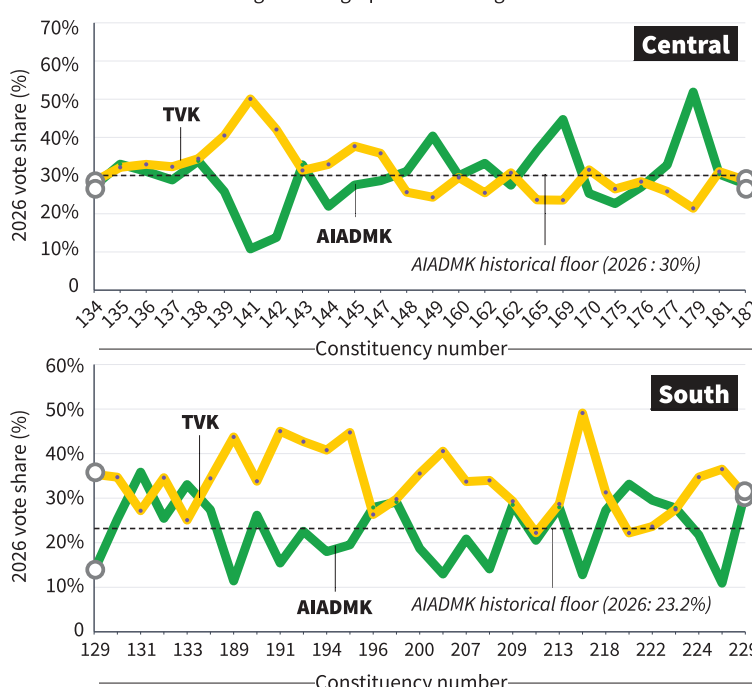
Wherever the AIADMK's vote shares fell, the TVK's rose

TABLE 3: The regionwise drop in vote share (in % points) of DMK and AIADMK between 2021 and 2026

Region	DMK	AIADMK
Greater Chennai	-14.9%	-9.7%
North	-19.3%	-12.3%
Central	-16.4%	-8.5%
West	-9.6%	-14.3%
South	-11.6%	-13.9%
All regions	-13.9%	-12.0%

Data sourced from ECI

CHART 1: Vote share secured by the TVK and AIADMK across constituencies where the three parties were in direct contest in the Central and southern region. The graphs show a negative correlation



Campaign fever: TVK flags spotted at an AIADMK rally in Namakkal district as part of its Statewide Makkalai Kappom Thamizhagathai Meetpom campaign in October 2025. LAKSHMI NARAYANAN E

FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO MAY 7, 1976

Better coffee yields with honey bees

A special experiment conducted by the bee-keeping wing of the Khadi and Village Industries Board in collaboration with the Central Bee Research Institute, Poona, during the blossoming of the coffee plants in Yercaud last month has proved to be a success.

During the one-week period of the experiment when coffee plants were in full blossom it was found that the honey production doubled. In 12 bee-hives kept at selected places, it was found that the average yield from each box was 3 kg as against about 4 kg during normal times.

Special steps were taken to enclose a portion of the coffee plants completely secure from pollination by bees or other natural agents ensuring only self-pollination; in another section coffee plants were allowed to be pollinated by all natural agents including bees, and in the last section coffee plants were surrounded by bee-hives so as to ensure maximum pollination by bees.

The Coffee Research Department is also taking follow-up action to find out the quality and quantity of coffee seeds that would be available from each of these sections after about nine months.

A HUNDRED YEARS AGO MAY 7, 1926

Plague's heavy toll in the Punjab

Simla, May 5: Plague has now assumed alarming proportions in the Punjab. During the week ending 10th April, there were no less than 7,236 cases and deaths stood at 5,379.


Practically every district in the Punjab has some area affected by plague with the exception of Simla, Kangra, Shahpur, Jhelum, Jhang, Multan and Muzaffargarh. The largest number of cases and deaths are reported from the Eastern districts.

Practically all the districts also report stray cases of small-pox. During the week, 365 cases of small pox occurred and 120 were deaths therefrom.

Balaspuri States are reported to be free from infection. The Health Department, Punjab is organising a campaign for meeting this situation.



Test Your Vocabulary with Quizzes of these Vocabularies

 Carefully chosen words from The Hindu Newspaper

Join This Channel Below:

https://t.me/Hindu_Vocabulary_Quizzes

Quizzes are uploaded every day at around 8PM

Text & Context

THE HINDU

NEWS IN NUMBERS

Cost of EU plan to phase out Chinese tech for the bloc

432.83 in \$ billion. EU proposals to tighten cybersecurity by phasing out equipment from Chinese suppliers risk costing the bloc over \$400 billion in the next five years, China's Chamber of Commerce to the EU said. REUTERS

Teaching hospital doctors dismissed by A.P. government

51 Andhra Pradesh Health Minister Satya Kumar Yadav said the government has permanently dismissed 51 doctors serving under the Director of Medical Education over "unauthorised absence from duties". The move is part of a crackdown on negligence in the State's health care system. PTI

Amount to be spent by Musk on SpaceX AI chip project in Texas

55 in \$ billion. Elon Musk's SpaceX plans to invest at least \$55 billion to build semiconductor manufacturing facility in Texas, according to a public notice, producing chips for AI, robotics and data centres in space. He said the facility would be run jointly by his firm Tesla and his rocket company SpaceX. AFP

Saplings to be planted by Delhi Forest Dept. in the Central Ridge

1.5 in lakh. The Delhi Forest Department will launch a plantation project in the Central Ridge to transform around 10 acres of degraded forest land into a dense native forest ecosystem. They will plant nearly 1 lakh to 1.5 lakh saplings at a density of 3-5 saplings per square metre. PTI

Number of skeletal remains recovered from mass grave site

249 The number of skeletal remains recovered at the alleged mass grave site in Chemmani reached 249 during the third phase of excavation work ordered by a court, according to a human rights lawyer. PTI
COMPILED BY THE HINDU DATA TEAM

Follow us facebook.com/thehindu [X.com/the_hindu](https://x.com/the_hindu) instagram.com/the_hindu

When does a CM cease to hold office?

Can a Governor remove a Chief Minister? What does 'pleasure of the Governor' mean? When is a floor test required? What happens after the Assembly's tenure ends? Can election results be challenged in court?

EXPLAINER

Aaratrika Bhaumik

The story so far:

A day after the Trinamool Congress lost the West Bengal elections to the BJP, party chairperson Mamata Banerjee on May 5 said she would not resign as Chief Minister, alleging that the verdict was the result of a "conspiracy" rather than the people's mandate. Addressing a press conference, Ms. Banerjee claimed the elections had not been conducted fairly and accused the BJP of misusing central forces to "forcibly capture" booths and influence the outcome. She added that the party would challenge the results and continue its political fight.

Can a Governor remove a CM?

Article 164(I) of the Constitution provides that "the Chief Minister shall be appointed by the Governor and the other Ministers shall be appointed by the Governor on the advice of the Chief Minister, and the Ministers shall hold office during the pleasure of the Governor." On a literal reading of the provision, therefore, the Governor appears to possess the authority to remove a CM from office. However, members of the Constituent Assembly had cautioned that such a provision could potentially lend itself to an arbitrary exercise of gubernatorial discretion.

Constituent Assembly member Mohammad Ismail Khan had moved an amendment to the provision (then Article 144 of the Draft Constitution) proposing that the phrase "during the pleasure" be replaced with the words "so long as they enjoy the confidence of the Legislative Assembly of the State." He contended that once the constitutional scheme envisaged the Governor as a nominee of the



A woman walks past banners of Mamata Banerjee, on Wednesday, in Kolkata. PTI

President, the Constitution ought to have made it explicit that the Council of Ministers would hold office not at the Governor's pleasure, but only so long as it continued to enjoy the confidence of the Legislative Assembly.

Addressing this concern, Dr. B. R. Ambedkar, Chairman of the Drafting Committee of the Constitution, affirmed that the Council of Ministers shall hold office only so long as it enjoys the confidence of the majority. "The reason why we have not so expressly stated it," he explained, "is because it has not been stated in that fashion or in those terms in any of the Constitutions which lay down a parliamentary system of government."

Over the years, the Supreme Court has also interpreted the Governor's powers as flowing primarily from the "aid and advice" of the Council of Ministers. In *A.G. Perarivalan v. State Through Superintendent of Police (2022)*, the apex court observed that the "Governor" is "but a shorthand expression for the State government". While recognising the Governor as "the formal head and sole

repository of the executive power", the court held that the office is ordinarily bound by the aid and advice of the State's Council of Ministers.

When is a floor test required?

If a Governor asks a Chief Minister to step down and invites another candidate for the post while the tenure of the Legislative Assembly is still on, there has to be a floor test – a constitutional mechanism used to determine whether the executive enjoys the confidence of the legislature. Under this process, the Chief Minister must prove majority support in the House. Failure to do so requires the CM to resign.

If no party or coalition can form a stable government, President's Rule under Article 356 may be imposed as a measure of last resort.

What happens after the Assembly's tenure ends?

Article 172 of the Constitution deals with the duration of a State Legislative Assembly and stipulates that, "unless

sooner dissolved", an Assembly "shall continue for five years from the date appointed for its first meeting and no longer, and the expiration of the said period of five years shall operate as a dissolution of the Assembly."

According to the Election Commission, the current West Bengal Assembly commenced its term on May 8, 2021, and is set to expire on May 7. Thereafter, the Governor will have to initiate the process for constituting a new Assembly.

What happens next?

According to former Lok Sabha Secretary-General P.D.T. Achary, a formal resignation following defeat in an Assembly election is largely a matter of convention. "Even if Ms. Banerjee does not resign, it would make no material difference. The tenure of the present Assembly ends on May 7, and with its dissolution, she will automatically cease to hold office as Chief Minister," he said.

He, however, pointed out that an election petition may be filed before the Calcutta High Court within 45 days from the declaration of the results of the concerned candidate. Section 100 of the Representation of the People Act, 1951 enumerates the grounds on which the election of a candidate may be challenged and declared void, including corrupt practices by the candidate and non-compliance with statutory provisions by the returning officer, among other grounds. He noted that a writ petition may be maintainable where the challenge concerns the integrity of the electoral process itself, including allegations of arbitrary voter deletions during the special intensive revision of electoral rolls in West Bengal.

"Large-scale deletion of voters in an election constitutes a violation of fundamental rights and can therefore be challenged through a writ petition," he said.

THE GIST

Though Article 164 states that the Council of Ministers holds office "during the pleasure of the Governor", this is not absolute; in practice, a Chief Minister can continue only so long as they enjoy the confidence of the Legislative Assembly.

The majority of a Chief Minister is determined through a floor test in the House, and if they fail to prove support, they must resign.

What is Karnataka's new gig worker grievance system?

What gap does Karnataka's new system address? How will the welfare fee be used?

Shilpa Elizabeth

The story so far:

On May 1, 2026 – International Workers' Day – the Karnataka government announced the operationalisation of a specialised grievance redressal mechanism for platform-based gig workers in the State. Claimed to be the first government-backed grievance handling mechanism for gig workers in India, it allows workers to officially lodge complaints through the Integrated Public Grievance Redressal System (IPGRS), the State's centralised digital platform for addressing citizen grievances related to government schemes.

How does the system work?

Platform-based gig workers can now officially lodge grievances, including those related to pay, working conditions, and platform-specific disputes, via the IPGRS.

Under the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, every aggregator platform must constitute an Internal Dispute Resolution Committee (IDRC). Grievances filed on

the IPGRS will be automatically routed to the respective platform's IDRC. Upon receiving a complaint, the IDRC is expected to attempt resolution within 15 working days, and is allowed up to 45 days to issue a final order. Any party aggrieved by the final decision can escalate the matter to the Karnataka Gig Workers Welfare Board within 30 days.

What concerns can a gig worker raise?

Gig workers can raise complaints related to suspension, blocking, or deactivation of accounts, termination from the platform, reduction or withholding of payments, unfair penalties, discrimination, unsafe working conditions, or other violations of rights guaranteed under the Act.

What gap does it address?

While many platforms have internal grievance redressal mechanisms, these systems exist outside a formal dispute resolution framework. As a result, gig workers have often reported a lack of resolution to their grievances. Many have complained that platforms quite often turn a blind eye to the workers' woes.

The Karnataka government's move seeks to bring more structure and transparency into the process and ensure legal recourse for these workers outside the formal economy. Gig workers can now officially lodge grievances through the portal, which will then be routed to the respective platform's IDRC. The government, as a central facilitator, will monitor the process.

Why is the mechanism being implemented now?

The Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025, was officially notified in September 2025.

In March 2026, Karnataka became the first Indian State to notify the Rules to enact the law for gig workers. The grievance-redressal mechanism for gig workers in the State forms a crucial part of the Act. It is considered a major deterrent that would hinder arbitrary terminations or account deactivation of gig workers and address their concerns.

What are the other key developments related to the Act?

In January 2026, the Karnataka

Platform-Based Gig Workers Welfare Development Board was constituted to implement welfare measures.

Platforms have been mandated to furnish details of both the company and their gig workers – including name, age, phone number, Aadhaar number, UAN, and bank account details – to the Board. This data will be integrated into the Board's portal.

According to the government, so far, around 12 platforms/aggregators have provided details of 12 lakh active gig workers in the State.

However, given that several workers are associated with multiple platforms, the numbers could contain overlaps. This is expected to be sorted once the government comes up with unique IDs for each worker.

In February, the government announced that 1% of every transaction will be collected from aggregator platforms to provide social security benefits to platform-based gig workers.

What will the welfare fee be used for?

The welfare fee will go to the Karnataka Platform-Based Gig Workers' Fund to provide social security and welfare benefits to platform-based gig workers in the State.

According to government officials, schemes for gig workers, depending on the platform they work for, are being developed and will be put forward for deliberation at the next board meeting. The schemes being considered include life insurance, accidental benefit, disability benefit, medical benefit, maternity benefit, and old-age protection, depending on the nature of gig work.

THE GIST

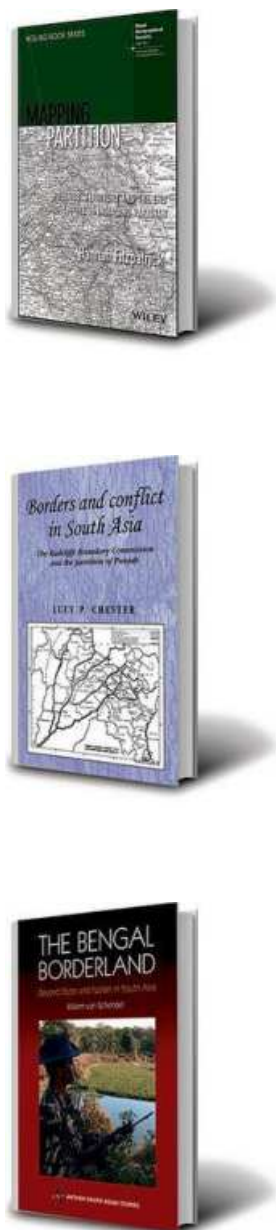
Karnataka has operationalised a government-backed grievance redressal mechanism for platform-based gig workers, allowing them to lodge complaints through the IPGRS, which is routed to platform IDRCs for resolution.

The move aims to bring structure, transparency, and legal recourse to gig workers, addressing issues such as pay, working conditions, and arbitrary account deactivation.

BIBLIOGRAPHY



GETTY IMAGES



FROM THE ARCHIVES

Know your English

S. Upendran

“Did you watch the men’s final?”
 “No, I didn’t bother to watch it. I don’t like Pete Sampras. But I knew from the beginning that he could win the event standing on his head.”
 “Standing on his head?”
 “When you say that someone can do something standing on his head, it means he can do it very easily. He can...”
 “...he can do it blindfolded.”
 “Exactly! Here’s an example. Shyam is an excellent dentist. He can remove that rotten tooth of yours standing on his head.”
 “Mohan said he could pass the TOEFL test standing on his head. How does that sound?”
 “Excellent. Sujatha is great with computers. She can write programmes standing on her head.”
 “Talking about Sujatha, what was she complaining about the other day?”
 “She apparently got stood up by Ramesh and she...”
 “...Ramesh stood her up? Why? Was he measuring her height?”
 “No! No! You see, when you say that somebody ‘stood you up’, it means that some person made an appointment with you and failed to turn up. And it usually...”
 “...in other words, you can be stood up by anybody?”
 “Not exactly! You are usually stood up by your boyfriend or girlfriend. Or someone very close to you.”
 “In other words, the boyfriend or girlfriend doesn’t show up for the date.”
 “Exactly! Here is an example. When Jyothi stood him up for the fifth time, I think Chander got the message.”
 “Sekhar stood up Shyamala because he wanted to play cricket with his friends. How does that sound?”
 “Great! But I would say that it’s not cricket!”
 “I have never been stood up by anyone.”
 “You’ve never had the courage to ask anyone to go out with you!”
 “That’s not true! I’ve asked...”
 “...let’s not get into an argument!”
 “O.K. O.K! Have you changed your mind about buying a car? Don’t you...”
 “...no, I haven’t. I am going to stand pat on the issue.”
 “Stand pat on the issue! I’ve never heard that expression before.”
 “When you say you are going to ‘stand pat on something’, it means that you are going to stick firmly to your position or opinion.”
 “I see. Ramdas believes that some of our senior cricket players have made tons of money through illegal means. He has stood pat on this issue for the past two years.”
 “Dilip decided not to get married when he was twenty one. He has stood pat on the decision for the past seven years.”
 “I think I understand how the expression is used now. So you are pat on your decision about not buying a car.”
 “I guess you could say that. Unless of course, I spot a stand-out which I can buy at a very low price.”
 “What does it mean? Something very special?”
 “Exactly! When you refer to a person or a thing as being a ‘stand-out’, it means that you think that the person or thing is something extraordinary.”
 “In other words, it stands apart from the rest of the things.”
 Published in *The Hindu* on July 18, 2000

Geography, data, and disagreement in drawing India’s Partition boundaries

The division of the country in 1947 was as much a failure of geographical certainty as it was a political compromise; the Boundary Commission struggled with contested maps, unclear data, and competing demands of territorial contiguity and demographic realities

Charuta Ghadyalpatil

Osakar Spate, one of the only geographers associated with the Punjab Boundary Commission in India, regularly wrote in his private journals about the fundamental conflict between the political demand for Pakistan and the geographical realities of its implementation. Spate was hired by the Ahmadiyya community to help prepare their claims for the Boundary Commission, and while he did prepare extensive maps and documents for them – and for the Muslim League – his unease anticipated a key strand of tension between geography and political reality that the Boundary Commission had to contend with throughout its tenure.

This tension is explored in greater detail in *Mapping Partition: Politics, Territory and the End of Empire in India and Pakistan* (Wiley) by Hannah Fitzpatrick. The book studies the role and mobilisation (or lack thereof) of geographical knowledge and expertise for the process of partitioning. It begins by tracing the evolution of a colonial archive of geographical knowledge on the Indian empire as represented in maps, census figures, gazetteers, ethnological reports, and atlases. Fitzpatrick argues that this knowledge was closely tied to colonial rule long before it was used in the partition of the subcontinent.

The book examines several different

boundary proposals submitted to the Punjab Boundary Commission to highlight how the Commission’s terms of reference, which required territorially contiguous religious majorities, often required solutions that put geographical realities in direct competition with demographic and political imperatives. For instance, solutions like enclaves or protected corridors could address the need to have demographically homogenous territories, but not the requirement of territorial contiguity; while contiguous boundaries often left large sections of Muslim and non-Muslim populations stranded, leaving large-scale population transfers as the only viable option. Part of the difficulty, as Spate himself noted, was precisely that the Boundary Commission sought to apply a geographical and territorial solution for a conflict that was, at its core, political.

An additional problem was the lack of clarity over what constituted accurate data. In *Borders and Conflict in South Asia: The Radcliffe Boundary Line and the Partition of Punjab* (Manchester University Press), Lucy Chester notes that the Commission’s mandate required it to take into consideration “other factors” while delimiting a boundary, but what these other factors meant was only vaguely defined. The ambiguity led to varying interpretations of what data was to be given precedence and the weight and value to attach to each of these, making it virtually impossible to agree on

one boundary line. Indeed, when the final boundary award was announced by Sir Cyril Radcliffe, the Commission’s chair, both Congress and Muslim League leaders lamented that the Commission hadn’t taken into consideration the “right” factors in fixing a boundary.

Additionally, access to official Survey of India maps had been greatly restricted since World War II, meaning each delegation seemingly prepared its own maps. These maps, which displayed the wide disagreements over questions of space and territory that the Commission had to navigate, ranged from conflicting depictions of living patterns, documents on socio-economic resources, the Railways, or Punjab’s canal network. Thus, while it was clear that geographical knowledge was crucial to the making of the boundary, what precisely constituted useful knowledge and its accuracy was much less clear.

Similar concerns over the credibility of data marked the partition process in Bengal, which was also impacted by the regional topography in unique ways. Willem van Schendel’s *The Bengal Borderland: Beyond Nation and State in South Asia* (Anthem South Asian Studies) studies how the Radcliffe Line came together as a “patchwork border”, as complicated by the era’s politics as it was disrupted by geography. As van Schendel shows, not only did the Bengal Boundary Commission have to work without updated maps, it also had to contend with

unique topographical features like shifting rivers and deltaic tidal islands of the Sundarbans. In several sections where maps were found to be inaccurate or simply absent, the Commission had no prior reference point upon which it could base its boundary award.

Even as India and Pakistan both accepted the Radcliffe Award as the final boundary, what it meant on the ground was unclear. Consequently, as van Schendel notes, the demarcation of a boundary was less a question for geographical or boundary-making expertise, but more a problem for local bureaucracies and governments to settle. What makes *The Bengal Borderland* particularly interesting is its focus on the decades after 1947, when the boundary was translated from a line on paper to one on the ground - and the long-lasting impact this territorial engineering had on the region’s inhabitants.

If Fitzpatrick and Chester show how geographical expertise was limited and, more to the point, deeply contested, *The Bengal Borderland* offers a glimpse into how geography acted on boundary-making efforts. Ultimately, as the books show, what was at stake wasn’t the application of cartography or geographical practice to society, but deciding which vision of space would become real. (Charuta Ghadyalpatil is a PhD researcher in the Department of Geography at Durham University)

THE DAILY QUIZ

A quiz on birthdays, war scenarios, and everything else that happened on May 7

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

Mohammed Hidayat

QUESTION 1
The first inauguration of _____ as President of the largest country in the world (as per land area) took place on this day in 2000. The former intelligence officer continues to lead the nation to this day. Fill in the blank.

QUESTION 2
Today marks the birthday of an Indian polymath who wrote and composed the national anthems of two countries, possibly influenced a third as well. Name him.

QUESTION 3
Started as a radio repair business, this modest firm went on to pioneer major innovations in consumer electronics. Name the iconic Japanese company established on this day in 1946.

QUESTION 4
On May 7, 1954, French forces were

defeated by Vietnamese troops at Dien Bien Phu. The battle was part of which war?

QUESTION 5
Which composer premiered his Ninth Symphony in Vienna on May 7, 1824? The performance was conducted by Michael Umlauf because of concerns about the composer’s hearing loss.

QUESTION 6
Nazi Germany signed an unconditional surrender on May 8, 1945, bringing the Second World War in Europe to an end. However, an earlier surrender document signed the previous day was rejected by the Soviet Union. Why?

QUESTION 7
On May 7, 1999, the U.S.-led NATO accidentally bombed the embassy of which country in Belgrade?

QUESTION 8
Which parliamentary confrontation beginning May 7, 1940, directly led to Winston Churchill replacing Neville Chamberlain as Britain’s PM?



Visual Question
Heads of key neutralist nations of the Non-Aligned Movement at a meeting in 1960. Indian Prime Minister Jawaharlal Nehru is seen on the left. Identify the leader on the far right, who was born on May 7, 1892, and was a long-time communist head of a Balkan federation. THE HINDU ARCHIVES

Questions and Answers to the previous day’s daily quiz:
 1. TVK candidate Seenivasa Sethupathy defeated DMK leader K.R. Periyakaruppan in the Tiruppattur Assembly seat by one vote. Which Vijay movie, directed by A.R. Murugadoss, popularised the power of a single vote? **Ans: Sarkar**
 2. This man directed Vijay’s first film in a leading role and also gave him the title of ‘Ilaya Thalapathy (young commander)’. Name him. **Ans: Vijay’s father, S.A. Chandrasekhar**
 3. Vijay played triple roles in a film directed by Atlee. Name it. **Ans: Mersal**
 4. The film *Thamizhan* launched the career of a

famous Bollywood actor. In it, Vijay’s character spreads awareness about the law to the common man. Name the Bollywood actor and name Vijay’s character, which is also the name of another Tamil actor. **Ans: Priyanka Chopra, Surya**
 5. This film’s tagline annoyed Jayalalithaa. What was the name of the film, and what was the tagline? **Ans: Thalaiva; time to lead**
 Visual: This is a poster of a Vijay film that remains unreleased. Name the film which was stalled due to intense CBFC disputes. **Ans: Jana Nayagan**
Early Birds: Sunil Madhavan | K.N. Viswanathan | Tamanjit Bisla | Arpit kullu | Erfanally Oosmany

Word of the day

Kibosh: stop from happening or developing
Synonyms: hinder, delay, obstruct

Usage: A sudden storm put the kibosh on our beach picnic.

Pronunciation: newsth.live/kibosh

International Phonetic Alphabet: /kɪbɒʃ/

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

Assuring Credit is Spread Well, in Time

Reduce bank resistance to small borrowers

GoI's assurance of an extra ₹2.55 lakh cr of credit to small enterprises and airlines, in the form of Emergency Credit Line Guarantee Scheme (ECLGS) 5.0, will be well received in the immediate aftermath of the West Asian crisis. This is the fifth tranche since the 2020 Covid outbreak that has directed bank lending to a segment of the economy vulnerable to shocks. Credit guarantees work by neutralising the risk differential between large and small enterprises, and their efficacy is determined by coverage. Despite steady growth in bank lending to SMEs since 2020, institutional credit access is limited to the segment. Persistently high MSME loan default metrics contribute to lender risk aversion. Operational delays also restrict the ability of credit guarantees to derisk bank lending to small enterprises.

But these structural issues with scheme implementation don't detract from countercyclical impact of credit guarantees and GoI's prompt response in announcing emergency provisions to the baseline support it provides to MSMEs. Successful credit guarantee models operating in the US, Japan and the EU have higher guarantee and credit demand coverage and innovative risk-sharing incentives for banks. These need to be incorporated in operations of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for emergency measures to have better real-time impact.

Covid-era emergency credit line was successively enlarged to provide greater relief as distress mounted across the economy. This time around, disruption should be of a lower order, but sufficiently widespread as the energy shock travels through fertiliser and plastics industries. Airlines are at the frontline in most crises, and Indian carriers have recently flown into rough weather with flight safety and operational disruption. Bank balance sheets are healthy and nudging credit in the right direction won't pose inordinate challenges. Emergency credit guarantees involving extraordinary government support whittle down bank resistance to small borrowers.

Push Ethanol, But Keep It in the Mix

The US-Israel war on Iran has driven India to reassess its heavy reliance on imported oil and gas. With the transport sector consuming about half of the country's oil use — of which about 90% is imported — it offers the clearest opportunity to reduce dependence. In response, GoI has proposed amendments to Central Motor Vehicles Rules (CMVR) to formally enable higher ethanol blends, including E85 (85% ethanol) and E100, allowing vehicles to run on near-pure ethanol.

Creating regulatory space is sensible. But it shouldn't preclude alternative pathways. Optimal role of ethanol in the fuel mix must be guided by rigorous life-cycle assessment. At current tech levels, scaling ethanol implies greater use of sugarcane, rice or maize, raising concerns around groundwater depletion, land use and food security. These trade-offs extend to pricing conflicts between crops and fuel, as well as broader social impacts. Proposals to import GMO maize, for instance, from the US may ease supply constraints or support trade negotiations, but risk replacing one import dependence with another. Costs and embedded emissions of transporting ethanol also warrant scrutiny. On the demand side, vehicle design should prioritise fuel-flexible engines that can accommodate varying ethanol blends without efficiency losses. Advances in 2nd and 3rd-gen ethanol technologies for vehicles could materially reshape this choice matrix.

As GoI awaits feedback from stakeholders on proposed amendments, the key question is: what are the best options to reduce both import dependence and the transport sector's carbon footprint? Ethanol will likely be part of the mix, alongside EVs and fuel cells. A 360° assessment is essential before final decisions are made.

THINK ABOUT IT

Vijay has converted stardom to votes, an alchemical formula surprisingly rare

Method Acting With a Manifesto

In god's other country, Vijay has pulled off what most stars only dream of: converting box-office thunder into ballot-box lightning. It's a trick that looks deceptively simple — after all, if millions scream your name outside cinemas, they should be hard-pressed not to press against your party symbol on an EVM, right? But history is littered with glittering failures: actors who thought charisma alone could be tallied like votes, only to discover that politics is less about slo-mo entrances and more about promising alternatives and altering landscapes. Vijay's secret sauce lies in timing and translation. He repackaged fandom into a narrative of 'the people's hero', a role that audiences already believed him to be. The leap from fighting baddies on screen to promising to fight them in assembly halls was made believable in a rustling 'Dravidian' duopoly. Others in the past have mistaken popularity for policy, assuming that a few selfies and a catchy slogan could substitute for grassroots machinery. Spoiler: it can't.

The lesson? Stardom is raw energy, but votes are refined fuel. Vijay managed to distil his cinematic aura into political credibility, while others fizzled out like a lazily written sequel. In Tamil Nadu, the script worked because this hero knew how to play both roles — megastar and deliverer — without tripping over the teleprompter.

CHAPATI Pan-India-wise, May 4 signals more regional parties moving into existential crises

What Bengal Thinks Today...



Ashok Malik

In some senses, BJP's massive victory in West Bengal is the biggest electoral event in the state's post-independence history. It suggests not just a change of government but of regime. Its implications have, and will, continue to be analysed. It has several triggers: fatigue turning to anger vis-à-vis the TMC government; a larger mood for change and economic hope; a Hindu consolidation. The ratio and prioritisation can be debated. But all three factors were causative.

In a larger, pan-India reckoning, what does May 4 mean? Three implications stand out:

● Mamata Banerjee's defeat has to be read alongside the other state election results, particularly the one unseating DMK in Tamil Nadu. On one dramatic day, two remaining regional pillars of the anyway-embattled opposition Indian National Development Inclusive Alliance (INDIA) lost power and entered existential crises. In 2025, RJD's defeat in Bihar and AAP's in Delhi, and before that Shiv Sena (Uddhav)NCP (Sharad) combine's loss in Maharashtra, were all blows to INDIA.

The twin defeats in Kolkata and Chennai are arguably more crippling. Of the major regional forces that originally signed on to INDIA, this leaves only Samajwadi Party. It faces a confident BJP as the 2027 election approaches in UP. The impressive debut of actor Vijay and his young party, TVK, has filled the gap in Tamil Nadu. In the other states, BJP is blessed with an opposition space that is still vacant. Congress fancies in long-term chances. Indeed, it might



...INDIA will have to carefully think about tomorrow

even have assisted in the ousting of its regional rivals in Bengal and Delhi.

However, the party is far from battle-ready. Neither have new local responses — whether political formations or social coalitions — emerged. For the next cycle of elections, at least till the Lok

In the Gangetic east, there's a deeply felt craving for an industrial story, modernisation of the farming sector with agro-processing resolve, and an imaginative urbanisation push

Sabha contest of 2023, this would give BJP an advantage. At this point, few would bet against Narendra Modi's re-election. There is a stable pathway ahead for the national polity and for policymaking, insofar as anything is stable in the turbulent 2020s.

● The legislative landscape has been altered appreciably. BJP has much greater room for parliamentary manoeuvre. This is not just in terms of potential accretion in votes for any government Bills or constitutional amendments. It is also there in the less tangible 'management' of parliamentary sessions: atmospheric, optics and narrative, and the media environment.

Most tellingly, it will be there in BJP's ability to exploit inter-party contradictions as INDIA and the broader opposition morale crack and crumble.

Both DMK and TMC have packed a punch in Parliament. The recent thwarting of the delimitation Bill owed much to these parties not ceding ground. Even so, it is one thing for a party's parliamentary contingent to be able to make a mark when backed by a comfortably placed state government and a powerful regional leader. Without that cushion, challenges and contradictions emerge. Politics is a brutal game. Articulate, occasionally shrill voices that demonstrate (nuisance) value are suddenly exposed as political lightweight.

Regional parties rarely prepare for bad days. Packing Rajya Sabha nominations with either ideologically flexible businesspersons or celebrities is tempting. It lowers the risk of in-house factional challenges.

When the chips are down, however, it creates vulnerability. Arvind Kejriwal and deflection-hit AAP have learnt this the hard way. Trinamool might well encounter similar headaches in the months ahead.

● A certain congruence is emerging between BJP's geog-

raphical expansion and India's economic and developmental priorities. In the Modi era, BJP has grown to such an extent in eastern India that it now has chief ministers in Bengal, Bihar and Odisha. Never mind 2014, this was unimaginable even 2 yrs ago. Polymarket would have offered very long odds.

Today, this is not just a reality but also a pathfinder. Down the eastern geography of India, BJP has presence and optimism in Telangana, an allied government in Andhra Pradesh, and now multiple seats in Kerala. Tamil Nadu remains a conundrum, but is the theatre of relentless effort and constant experimentation.

Collectively, the East is the Modi-led BJP's 'Promised Land' — some realised, some still aspirational. It is also where India's most pressing needs and anxieties reside. In the Gangetic east, there is a deeply felt craving for an industrial story, a modernisation of the farming sector with an agro-processing resolve, and an imaginative urbanisation push. This has contributed to Bihar and now Bengali workers and their families placing their faith in the PM to give their home states a sustainable economic foundation beyond just remittances and welfareism.

In time, these urges could extend to Kerala. The ambitious National Critical Mineral Mission — the outlay for which was enhanced significantly in the February 2026 budget — is essentially a bet on Odisha, Andhra Pradesh, Tamil Nadu and Kerala. Of these, currently only Tamil Nadu can truly be called an industrially advanced state.

The potential for mining — not necessarily for critical minerals — in West Bengal is apparent. All of this constitutes a cherished national goal. For BJP, it's equally a sacred political commitment. May 4 has bound those twin imperatives that much tighter.

The writer is partner, The Asia Group, and chair of its India practice



THE SPEAKING TREE

War is Meaningless

OSHO

Q. Do you think that if the nations did not invest such a large part of their gross national product in nuclear arsenals, they would have used it more meaningfully? A. The question of whether they invest in nuclear weapons or in something else all depends on us, not on them. Now, it is absolutely idiotic. Up to now, it was meaningful to conquer. With nuclear weapons, you cannot conquer — nobody is going to be victorious, and nobody is going to be defeated. All are going to be finished. In that way, nuclear weapons have served a great cause: now war is meaningless.

They are not going for the Third World War. They will talk about it, talk about peace, they will play games. And they will put small nations into fights and wars so that they can sell their out-of-date weapons to them. But they are not going for a big war... Russia and America are not going to go to war; because both are perfectly aware what it means. There is no victory. Now, with nuclear weapons, we can put this whole energy into conquering new planets. We can overcome nature, which is deteriorating, and we can put nature back into its harmoniousness as it always was. We can feed people....

The whole world has to be made aware of what a situation we have reached, that war is absolutely meaningless, so, now, no more pouring your energies into more nuclear weapons.

Abridged from The Last Testament Vol 6; Courtesy: Osho International Foundation; www.osho.com

Trump's Got Lost in the Muddle East



Seema Sirohi

It's Week 10 of the war. But by Trump's count, 'We're into what, six weeks?' Why get into a numbers game when the month-long ceasefire is faltering and US war objectives remain fuzzy. Let neither the gap between shifting goals and the ground situation alarm you, nor let facts confuse you.

The best the war-weary can make out is that neither side wants military attacks to start again. (Sorry, Bibi). The US side from Trump on down is downplaying ceasefire violations, calling an exchange of missiles a 'skirmish'. Pete Hegseth, hair gelled and face fierce, actually said this week, 'We're not looking for a fight.'

But neither side wants to back down unilaterally. What would future 'revolutionaries' say of Iran retreating in the face of Satan? And how would 'real' Americans square Trump's retreat with might is right? That, in short, is the dilemma facing the implacable enemies who (wisely) avoided each other for 47 yrs (except for covert ops), but were

brought to battle by a third party. Take your seats for the game — of pretence on the high seas while talks continue on the backchannel. US destroyers go through the Hormuz Strait with minor small-boat action from Iran, and Iranian tankers quietly bust

the blockade. Some oil keeps flowing, something Trump absolutely wants to avoid a global economic meltdown.

He knows history will associate his presidency with the Iran war just as it did George W Bush's with Iraq. It didn't matter that Dick Cheney and Neocoms steamrolled Bush. It won't matter that Bibi and DC associates convinced Trump to launch this 'war of whim', as economist Jeffrey Sachs has dubbed it. In the end, the buck stops with POTUS and they carry the burden.

Trump increasingly seems like Putin, who thought his tanks and men would be sitting in Kyiv within days of rolling into Ukraine. Four years later, the war grinds on. Putin was forced to declare a unilateral ceasefire so Ukrainian drones won't rain down on his parade on May 9 to mark the defeat of Nazi Germany.

The world's two heavyweight champions are in a bad place. The third? Well, he awaits Trump in Beijing with an upper hand. Xi Jinping's smile will deepen when a US president under pressure at home and abroad travels

for a much-anticipated summit next week. With Trump's China policy as clear as a riddle wrapped in a mystery inside an enigma, the meeting will be a marker for where G2 is really headed. China hosted Iran's foreign minister Abbas Araghchi on Wednesday, playing both consultant and peace-maker, and charting the contours of what's acceptable.

If Putin is looking to end his 'forever' war in a respectable manner, Trump is desperately looking for the middle path. He is weighed down by competing impulses — how to end the war, and punish Iran for its nuclear ambitions without escalating. Should he listen to his better angels, or to Lindsey Graham, senator of 'war'? Or to resident 'experts' on Fox News he so loves? Remember, that's how the country got Hegseth.

Retd Gen Jack Keane, Fox's go-to war



Enough of cosplay

enthusiast, thinks 'it's inevitable that we're going to return to combat operations' because Iran fired at US warships during 'Project Freedom' — a brief interlude on May 4-5 when the US Navy gave cover to ships wanting to escape Hormuz. Only three ships managed to leave.

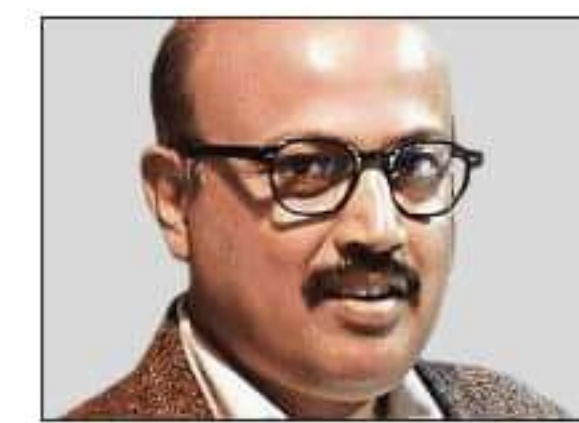
'What is needed now is (for) the CIA and Mossad to come together with a combined plan.' They should undermine the Iranian administration and assist Iranians to overthrow it. Wasn't that the plan on Feb 28?

In the real world, 'Operation Epic Fury' quietly slipped into 'Project Freedom', which was then paused after two days. Apparently at Pakistan's request, because 'Great Progress' was made toward a peace agreement with Iran, according to Trump. The proof of the halwa will be in the eating.

Frustration is high because the blockade-on-blockade strategy didn't quite work the way Trump wanted. But, then, the whole war didn't. Iran's is yet to agree to hand over its nuclear stockpile to 'safer' hands. The original question remains: what are US objectives? Reopen Hormuz? Or prevent Iran from getting a nuclear weapon? Or eliminate Iran as a regional threat through regime change? Or all of the above?

Different goals require different strategies. But all three require experts to negotiate.

WTO & Watch to Bring Predictability



Rajesh Agrawal

For much of the late 20th and early 21st c., WTO functioned as the central pillar of global commerce, offering a rules-based framework that promised neutrality, predictability and fairness. Today, that promise appears fragile, thanks to structural imbalances, uneven enforcement and changing dynamics of global economic power.

At the heart of this crisis lie hyper-concentration of global production and persistence of predatory trade practices. Over time, supply chains have become interdependent, yet unevenly distributed, with a handful of dominant economies exercising disproportionate control over critical sectors.

While this concentration has made global supply chains more efficient in some instances, it has also made them more vulnerable. Disruptions carry systemic consequences. As a result, supply-chain fragility is no longer viewed as an economic concern, but is framed as a matter of national security and economic survival.

At the recent ministerial conference in Yaoundé, Cameroon, members reaffirmed their commitment to WTO's foundational principles. But a shift in perception has triggered a wave of policy responses that challenge these principles. While protectionist measures, aggressive industrial policies and ex-

port controls may yield short-term resilience, they undermine WTO's cooperative spirit and legal framework. Growing use of technological choke points, control over critical supply chains, and market access as instruments of geopolitical leverage signal a broader transformation: trade is no longer just about economic exchange but also about strategic power.

A widely held view among WTO members is the organisation's inability to hold major economies accountable to their commitments. For many countries, particularly in the 'global south', this has reinforced perceptions that WTO no longer functions as an impartial arbiter.

In this context, restoring WTO's credibility has become central to reform efforts. Foundational agreements are seen by many as a pragmatic solution to challenges of consensus-based rule-making. In a membership characterised by vast disparities, achieving unanimity on complex issues is difficult.

While acknowledging the potential of plurilateral agreements to advance



Restoring order, order

rule-making without being held back by those not ready to commit, India has called for robust safeguards to ensure that such arrangements don't undermine multilateralism. It advocates for a comprehensive approach to integrating plurilateral agreements into WTO architecture, rather than an ad-hoc, agreement-by-agreement model.

Also, WTO's failure to deliver on past mandates is a major source of dissatisfaction for developing countries. These unfulfilled commitments — spanning areas like agriculture, development and special treatment provisions — represent not just gaps in rule-making but also missed opportunities to address inequities in the global trading system.

► **Agriculture** Developed countries continue to retain significant flexibility in providing subsidies to their farm sectors. At the same time, developing countries face constraints on types and levels of support they can offer to their farmers. This asymmetry perpetuates structural disadvantages, undermining livelihoods of millions in the 'global south' and distorting global trade flows.

► **Tech** There is a growing demand for more equitable frameworks governing technology transfer and capacity building. Yet, existing rules often reinforce existing hierarchies, limiting the ability of developing countries to move up

the value chain.

► **Special & Differential Treatment** Originally designed to provide least developed and developing countries with non-reciprocal market access and greater flexibility in implementing trade commitments, S&DT has become a contentious issue. Some developed countries argue that the current system of self-designation allows relatively advanced economies to continue benefiting from provisions intended for less developed nations. India cautions against simplistic solutions based on arbitrary metrics such as aggregate economic size.

Instead, focus should be on ensuring that S&DT remains an effective tool for addressing genuine developmental needs. This requires a more nuanced approach, one that recognises the diversity of economic conditions within the developing world and tailors flexibilities accordingly.

India's broader trade strategy combines engagement in multilateral forums with the pursuit of bilateral and regional agreements. As trade policy becomes increasingly complex — encompassing regulatory standards, digital governance and supply-chain integration — FTAs have emerged as important tools for deeper economic integration.

However, by advocating for balanced, inclusive and forward-looking reforms, India seeks to ensure that WTO remains relevant in a rapidly changing world. More than anything else, WTO provides certainty, predictability, inclusivity, equity and simplicity to business — a rules-based trading order.

The writer is commerce secretary, GoI

STEP UP TO THE PLATE

La Vague d'Or Saint-Tropez, France

In the sun-drenched Riviera town of Saint-Tropez, where glamour often overshadows substance, La Vague d'Or stands apart with a more disciplined, sensory-focused approach to fine dining. Nestled amid pine trees overlooking the Mediterranean, it captures natural elegance without leaning into excess.

The restaurant's decor is deliberately understated — soft neutral tones, clean lines and panoramic sea views create a tranquil, almost meditative setting. Rather than competing for attention, the space frames the experience. Service follows the same philosophy: attentive yet unobtrusive, with staff demonstrating deep knowledge while maintaining an effortless flow throughout the meal.

Among the standout dishes, the blue lobster with citrus-infused jus exemplifies precision and balance, while the garden vegetable composition — sourced locally and presented with striking detail — highlights the chef's connection to the Provençal landscape. For wine, a crisp Chablis Grand Cru pairs with seafood, while a structured Château Margaux complements richer courses.

In a destination known for indulgence, La Vague d'Or succeeds through restraint, clarity and a strong sense of where it is located.

Chat Room

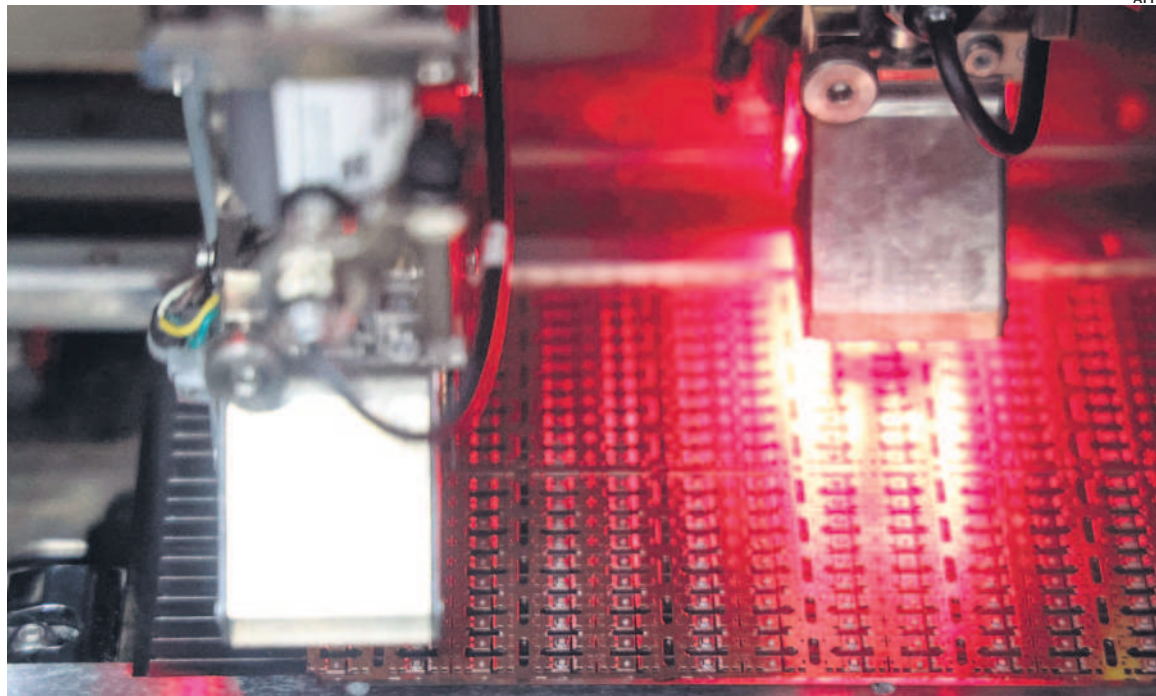
The Right to Get it Wrong

'Mea Culpa, I Need to Eat Crow' by Swaminathan S Anklesaria Aiyar (May 6) reflects a candid acknowledgment of a significant misreading of electoral dynamics, where expectations based on prior trends and exit polls failed to capture the scale of political consolidation on the ground. The outcome underscores how factors such as voter alignment, narrative dominance and organisational strength can decisively outweigh conventional assumptions, including the perceived impact of welfare measures or fragmented opposition. It also highlights the limits of predictive analysis in complex electoral environments, where shifts in sentiment can be both rapid and structurally deep, ultimately serving as a reminder that political forecasting must remain adaptive, evidence-based and cautious in drawing definitive conclusions.

Amarjeet Kumar Hazaribagh, Jharkhand



OUR VIEW



AI chips are hot but our bets need to be hedged

As semiconductors ride a global boom in AI expectations, India's approach to chipmaking isn't just less dazzling but also less likely to fail the test of rapidly shifting demand patterns

The surging shares of US chipmakers such as Intel and Micron point to a deeper shift in artificial intelligence (AI). First, the narrative is moving from a speculative buzz around AI models to hard spending on the infrastructure that powers them. Second, big money is flowing into computing power and memory, the choke points of the AI economy. For India, these shifts augur well. The country is building 12 semiconductor plants (including a full-fledged fab facility), pursuing 2 nanometre and 3nm chip-design alliances and subsidizing AI chips for startups working on Indian language and voice models. India's AI Kosh repository hosts nearly 10,500 local datasets and about 300 models across 20 sectors, forming a data backbone linked to Aadhaar, UPI, et al. Progress on chip design is tangible. Various institutes have used government-backed tools to design and produce roughly 150 chips at the 180nm node. New Delhi has cleared 24 semiconductor and system-on-chip design projects across strategic areas—from video surveillance and drone detection to energy metering, microprocessors, satcom services, broadband and internet-of-things. Some 14 firms have raised over ₹650 crore in venture funds to scale these efforts, while work is on for chip fabrication at more advanced nodes (such as 12nm). India also has supply chain links with the US, EU, Japan, Singapore and the Netherlands.

That is a lot of action. Chip advances are a must for success in electronics overall, not just AI. However, this is not a field for the faint of heart, given how fast its dynamics can shift. Chip fabrication is capital-intensive, requiring time and scale, apart from technical depth and execution skills. Global leaders like TSMC took

decades to achieve dominance. India's fabs, many of which are being built with foreign partners, should be ready for a long slog too. How demand and supply match is never easy to foresee. Training and deploying large AI models locally would require enormous processing power and high-bandwidth memory, but the current focus of Indian fabs is on 28-120nm chips that largely serve the automotive, electronics and telecom sectors. The country has a little over 150 data centres, of which only about 11 cater to AI workloads; cutting-edge AI would call for advanced nodes, specialized accelerators and tightly integrated ecosystems for which they will have to rely on inputs from firms like ASML Holding, Synopsys and Cadence Design Systems. Besides, fabs are only the base of an AI ecosystem. How well such a base is ultimately used depends on cloud infrastructure, talent, power supply, enterprise adoption and the viability of business models.

Will demand patterns evolve to suit today's chip thrust? Globally, the surge in AI capital expenditure rests on expectations that may or may not materialize. If they do, India could snap into global supply chains while supporting domestic ambitions. However, if an AI boom goes bust, capital-intensive parts of the stack would be early casualties; chipmakers that lack buffers of steady demand would suffer. Indian players with diversified bets would fare better against volatility. As a strategy, an approach that's hedged for both outcomes would suit us best. In all, our fab pursuits must go alongside rapid chip adoption across sectors, even as we strengthen India's digital infrastructure, augment our energy capacity and import the top-end chips we dearly need—even if they are subject to a regime of trade nuds and quotas.

MY VIEW | MYTHS AND MANTRAS

Beijing is playing the long game and even America is vulnerable

China's focus on self-reliance and dominance of key technologies has left the world dependent on it



DEVINA MEHRA is founder of First Global and author of 'Money, Myths and Mantras: The Ultimate Investment Guide'. Her X handle is @devinamehra

Recently, I attended a lecture on 'Long-term missions in a short-term world' by S. Gurumurthy. To me, the biggest example has been China. It has not only had an astounding growth story over nearly fifty years, it has been strategic in its intent and execution.

China's GDP grew 5% in the first quarter, well ahead of estimates. We like to fault China on many fronts, including its deteriorating demographics, excess construction and export dependence. Plus it is growing less than India's 7%-odd per annum. But the Chinese economy is about five times the size of India's. China's 5% growth rate versus India's 7% means that China adds 25 units to its GDP for the seven units we add. In just 5-6 years, it can add a whole Indian economy, so to speak.

Now for research and development (R&D) spend. As a percentage of GDP, China spends 7 times what India does. Therefore, in nominal terms, China spends 35 times what India does and the difference shows in results.

China's 2021-25 Five-Year Plan placed technological self-reliance at the core of development, shifting focus from high-speed growth to high-quality, innovation-driven security. It identified seven 'frontier areas' for major science and technology projects where it was looking for self-reliance, breakthroughs and dominance: Artificial intelligence (AI), quantum information,

integrated circuits, biotechnology and health sciences, deep-earth, deep-sea and polar exploration, aerospace and space technology and brain science and neuromorphic computing.

Strategic emerging industries that were prioritized for immediate upgrade included: New energy vehicles, advanced manufacturing, high-end robotics, smart production and heavy equipment, next-generation information technology, green tech, etc. There were also plans to upgrade the digital economy and infrastructure.

Has China delivered on it? For sure. China is now the only technology rival to the US. For instance, the top five Chinese EV manufacturers control 43% of the market, with BYD alone at 20%.

Now comes the next five-year plan from 2026 to 2030. It focuses on two main tiers of technology: strategic emerging industries, which are ready for large-scale industrial use, and future industries, which represent the next frontier of global competition.

The first category includes massive deployment of the 'AI Plus' initiative to integrate AI across manufacturing, healthcare and governance; focus on high-end robotics, industrial machine tools and 'intelligentized' production systems; further dominance in EVs; large-scale commercialization of biomedicine and innovative drug development as well as expansion of drones and commercial space exploration.

Then the plan identifies specific "industries of the future" to gain a first-mover advantage. These include quantum technology, next-gen networks including 6G mobile technology, human-machine integration (including focused development of a brain-computer interface) and humanoid robots. Plus unconventional energy options like nuclear fusion power and hydrogen, as well as bio manufacturing.

We are practically in science fiction territory now. Self-reliance is a key theme to reduce dependence on any foreign technology or materials in all

these areas. The unstated part is to make others reliant on you.

In an article in *Fortune*, 'America shot its arsenal empty in 2 wars. Now it needs Beijing's permission to reload,' Steve H. Hanke and Jeffrey Weng set out why China is critical to America's attempt to build back its depleted war arsenal.

Here are the facts: "The Center for Strategic and International Studies finds that in Iran alone, the United States burned through 45% of its Precision Strike Missile stockpile, half of its THAAD interceptors, nearly half of its Patriot PAC-3 inventory, roughly 30% of its Tomahawks, and more than 20% of its long-range JASSMs."

There is now a real risk of running out of ammunition. And production cannot be restarted without a go-ahead from Beijing. Too many of the critical raw materials needed flow almost exclusively through China. For instance, each Tomahawk cruise missile's fin actuators run on samarium-cobalt magnets. China mines and refines 99% of the world's samarium and placed it under export licensing in April 2025; the Patriot PAC-3 interceptor uses samarium-cobalt and yttrium-iron-garnet phase shifters. Besides samarium, China supplies 93% of US yttrium imports; the fin servos and seekers of JASSM-ER stealth cruise missiles run on neodymium-iron-boron magnets doped with dysprosium and terbium for thermal stability. China refines the vast majority of the world's dysprosium and terbium; F-35 Lightning II contains 920 pounds of rare earths, most of which have been put under licence by China.

"Across these four weapon systems, the back-of-the-envelope replenishment requirement is between five and ten metric tons of finished defense-grade rare earth magnets, more than 95% of which will arrive from China."

Beijing has nearly all rare earths as well as antimony, gallium, etc. under licensing or in control. It's been playing the long game and has got the world and the US exactly where it wants it.

10 YEARS AGO



JUST A THOUGHT

A facility to fabricate the most advanced logic chips costs twice as much as an aircraft carrier but will only be cutting-edge for a couple of years

CHRIS MILLER

MY VIEW | WORLD APART

Prepare for seasons of discontent even if the war ends

RAHUL JACOB



is a former Financial Times foreign correspondent.

More than two months on from the beginning of the third Gulf War, despite warnings of oil and gas shortages in the coming weeks, stock investors in the US have used bad news to buy on the dips. This is business as usual: incredibly, the S&P 500 index posted a staggering one-year return of 29% as of 1 May.

Ruchir Sharma, author of *The Rise and Fall of Nations*, identified retail investors as the engine pulling what might be called the perpetual bull market—now more than a decade-and-a-half old. "Americans are all in on the market, holding more wealth in stocks than their homes, for the first time," he wrote in the *Financial Times*. "Retail's share of daily trading in US stocks doubled in the last 15 years to 36%."

The war plays out on TV screens that seems akin to a video game for most investors. And this is not just a US phenomenon. The Korean Kospi has seen a 27% gain over the past month, surging 5% on 4 May alone to an all-time high. Both Korea and the US

will be primary beneficiaries if the gains from artificial intelligence (AI) measure up to the hype. But in the meantime, fuel prices are surging and economies such as Korea and Taiwan are especially exposed.

The optimism bug extends even to central banks. Instead of raising interest rates in anticipation of higher prices, most have adopted a wait-and-see approach. The Bank of Japan, seeking to exit an era of easy money, had signalled a hike in April, but then elected not to raise rates partly because the Takaichi government prefers the *status quo*. This creates a self-reinforcing loop that propels stocks higher because, as Sharma observes, "investors have come to believe the government will always bail them out."

There is certainly some good news. First-quarter results in the US were much stronger than forecast. The world is much more energy-efficient than it was when oil shocks of the 1970s hit, in part because the pain is initially being felt inevitably across the developing world. Writing in the *Financial Times* this week, Christof Rühl of the Center on Global Energy Policy at Columbia University made the point that we need 60% less oil for every \$1,000 of global gross domestic product (GDP) at 2025 prices than we did in the 1970s. But, Rühl went on to

warn: "Oil consumption today is more concentrated in high value uses and in areas where there is no substitute, like road or air freight and maritime shipping. These are (crucial) economic activities... once disrupted they are likely to cascade through the economy." The correct parallel this summer and next year may be the covid-style seizing up of supply chains, in slow-motion perhaps compared to the pandemic. Fifty years on, the great economic story of our age has been a shift in global supply chains to East Asia, but that miracle is vulnerable to a breakdown in oil supplies as well as helium because of the Strait of Hormuz blockade.

Of all things, helium is a key weak spot, circa 2026, in a way that would have been unimaginable during previous oil shocks. As the Asia Pacific Foundation of Canada observed in a recent update, "Helium is indispensable in chipmaking, used to prevent silicon wafers from overheating and flush out toxic chemical byproducts. The risk is especially acute

for Taiwan and South Korea, which rely on Qatari supply." As for Qatar, which supplies almost 20% of the world's liquefied natural gas (LNG) and was hit early in the war by Iranian strikes, no one could accuse its officials of over-optimism. They have warned it will take three to five years to get its LNG supply

A recovery from the third Gulf war's shock will take much longer than markets seem to imagine

back to normal. We will all have to become skilled at cooking on an induction stove or with firewood.

Such candour is mostly in short supply. As *The Economist* observed in a bracingly realistic assessment in late March, "even the best-case scenario for energy markets is disastrous." Reaching pre-war levels of production is a complex balancing act of restarting wells in a calibrated manner, "restoring pressure gently to avoid damaging reservoirs" and then ensuring that there are ships and insurers ready to get back into the business of transporting the oil.

"Insurers still writing cover have raised rates from 0.2-0.4% of vessel value to 1% or more, and 10% for the riskiest voyages," *The*

Economist reported at the end of March. The experts it quoted almost uniformly guesstimated that even if the war ended imminently, it would be several months before things approached normalcy.

Oil traders are warning that global stocks of crude oil, petrol, jet fuel and diesel will hit critically low levels by the end of this month. It is no longer a question of price alone, but whether there will be much physical supply at all as the blockades continue. Almost 500 ships are estimated to be stranded near the Strait of Hormuz. Global airlines cut 2 million seats in supply for May and that will prove optimistic. Veteran aviation analyst John Strickland said this week, "I don't think in my time there has ever been the question of shortages (of jet fuel)." It is time, in India and overseas, that the discussion moved to fuel rationing, increased investment in solar energy and increased work-from-home schedules. Unlike Asian countries have proved role models. Vietnam introduced jet fuel rationing from April. Sri Lanka moved to QR-code based fuel rationing within a fortnight of the war's start. Regardless of the buoyancy of stock markets, we have a summer and winter of prolonged shortages and discontent ahead. Governments and companies must act now.



GUEST VIEW

MINT CURATOR

Securities market code: end the current ambiguity over penalties

The code's proposed revision is a chance to close space for adjudicatory interpretation and offer market participants certainty



M. DAMODARAN & SUMIT AGRAWAL

are, respectively, chairperson, Excellence Enablers, and former chairman, Sebi, UTI and IDBI; and managing partner, Regstreet Law Advisors and a former Sebi officer.

India's securities enforcement framework has long faced a contradiction. Parliament has progressively introduced minimum penalties to strengthen deterrence. At the same time, it has retained broad adjudicatory discretion through mitigating factors. The coexistence of these two approaches has not produced balance; it has created uncertainty.

This fault line resurfaced in the split decision of the Securities Appellate Tribunal (SAT) in *Sukhraj Kaur Rajbans vs. Sebi* (January 2026). The issue is: where a statute prescribes a minimum penalty, can an adjudicator reduce it below that threshold, or impose none, based on mitigating circumstances?

The statutory framework appears, at first glance, to admit little ambiguity. Several provisions of the Securities and Exchange Board of India (Sebi) Act follow this familiar formulation: "not less than X, but which may extend to Y." This suggests: fix a minimum floor to ensure deterrence, while allowing discretion within a defined band. Yet, this structure sits alongside Section 15J of the Sebi Act, which requires adjudicating authorities to consider factors such as disproportionate gain, investor loss and the repetitive nature of a default. This is replicated in the Securities Contracts Regulation Act and Depositories Act.

The tension lies in reconciling these provisions. Are mitigating factors relevant only within the statutory range, or do they permit departure from the minimum?

The SAT's split verdict offers two competing answers. The majority adopts a purposive approach, treating Section 15J as a substantive safeguard against disproportionate punishment. It recognizes that rigid application of minimum penalties may produce unjust outcomes, particularly in cases involving technical violations, negligible impact, subsequent compliance or *bona fide* conduct, and therefore allows flexibility to reduce penalties below the statutory floor.

The dissent of the presiding officer takes a stricter view of legislative intent. Once Parliament has prescribed a minimum penalty, that threshold is binding. Section 15J mandates the determination of a quantum within the statutory band but does not authorize deviation below it. To hold otherwise would dilute the statute through interpretation.

Both approaches are defensible—and that is precisely the problem. The law permits two internally consistent but mutually incompatible readings.

In *Sebi vs. Bhavesh Pabari* (2019), the court held that once a violation is established, the imposition of a penalty is mandatory, though its quantum must reflect statutory factors. In *Sebi vs. Bharti Goyal* (2023), it cautioned against substituting statutory penalties with warnings or other measures. Yet, these decisions stop short of addressing whether mitigating circumstances can justify



REUTERS

deviation from the statutory minimum.

Indian jurisprudence is clear that the power to impose a penalty is not an obligation to penalize in every case. Unless expressly barred by law, adjudicatory discretion extends to imposing a lesser penalty—or none at all—where circumstances justify it. Courts have repeatedly rejected mechanical enforcement, particularly where violations are technical, *bona fide*, non-repetitive, harmless, arise from regulatory ambiguity or evolving compliance frameworks, involve *de minimis* impact, reflect procedural lapses with substantive compliance but without market impact, or are promptly rectified.

This principle is not merely theoretical. In a diverse market, violations vary widely. In such situations, rigid application of minimum penalties may be disproportionate to both the conduct and its consequences.

It is precisely in these cases that Sebi officers have, in practice, stretched interpretive tools to avoid unjust outcomes. Some have imposed penalties below the statutory minimum; others have adhered strictly to the minimum despite recognizing mitigating circumstances. The result is a regime that is formally rigid but functionally inconsistent.

This inconsistency undermines predictability—the cornerstone of regulation. Market participants cannot assess enforcement risk with confidence when similar violations attract materially different outcomes depending on the adjudicator's interpretive approach.

The proposed Securities Market Code, 2025, before Parliament's Standing Committee of Finance, is an opportunity to resolve this ambiguity.

The Code retains the same structure. Its penalty provisions (Clauses 97 to 109) continue to prescribe minimum penalties, often linked to fixed amounts or multiples of unlawful gain. Clause III mirrors Section 15J, requiring consideration of gain, loss and nature of the default. Yet, the Code remains silent on the central question: are minimum penalties absolute, or can they yield to proportionality in exceptional cases?

This silence is not neutral. By carrying forward

both rigid minimums and broad mitigating factors without clarifying their interaction, the Code ensures that these conflicts will persist. The question that divided the SAT in this case will continue to divide Sebi adjudicators.

The problem, therefore, is not one of interpretation but of legislative design.

Effective enforcement requires both deterrence and proportionality. But these objectives cannot be reconciled through *ex post* adjudication alone. They must be embedded in the law. The repeated reliance on adjudicatory discretion to correct disproportionate outcomes suggests that penalty provisions are not adequately calibrated.

A more coherent approach would involve clear legislative guidance. Parliament must decide whether minimum penalties are intended to operate as absolute floors or if limited departures (including no penalty) should be permitted based on clearly articulated factors such as absence of gain, harm or prompt rectification. This is significant, given the ₹10 lakh minimum in several provisions. Equally, penalty frameworks must evolve to reflect the diversity of market participants. Retail investors, intermediaries and systemic actors do not present identical risks and enforcement should not treat them as such. Uniform minimum penalties, applied without differentiation, risk being both over-inclusive and under-effective and may raise concerns under Article 14 of the Constitution.

The Securities Market Code must also move beyond *ex post* review mechanisms and incorporate structured, *ex ante* assessments of penalty design. Without such discipline, enforcement will continue to oscillate between rigidity and discretion, neither of which will operate with sufficient predictability.

The SAT's split decision is not an aberration. It reflects a deeper failure to reconcile certainty with fairness in the design of Indian securities law. If the Code does not address this ambiguity, it risks perpetuating a system where outcomes depend less on statutory clarity and more on interpretive preference. A market of India's scale and ambition should not have to live with this ambiguity.

Buffett's successor may not get the luxury of investor patience

Value investing is a long game and Greg Abel could run out of time



JONATHAN LEVIN

is a columnist focused on US markets and economics.



REUTERS

Patience may be the greatest virtue, but few professional investors have the privilege of practising it. In real life, money managers live in constant fear that their investors will flee—and their jobs will be toast—if they fail to keep up with their benchmarks for several quarters or, heaven forbid, years. The only living exception is Warren Buffett. And Greg Abel, Buffett's successor as Berkshire Hathaway's new CEO, is already having to come to terms with that reality.

At his first annual meeting as CEO, Abel preached the gospel of investing discipline against a backdrop of the worst stretch of underperformance for Berkshire's stock in a quarter century. The shares have lost 10.8% in the past 12 months, a 40.4 percentage point underperformance to the S&P 500 Index—the worst, that is, since March 2000.

And one needn't look far for an explanation: Berkshire reduced its stock holdings by a net \$8.1 billion in the first quarter, leaving its cash position at \$397 billion, or about 32% of total assets. That's even higher than the pile Buffett accumulated prior to the financial crisis. The conglomerate's main exposure to the buzzy artificial intelligence (AI) theme was Apple, a once massive position that's been swiftly downsized since 2024. Now, Berkshire is effectively clipping coupons while index investors elsewhere profit from a bonanza.

Here's how Abel described the situation (*emphasis mine*): "One of our greatest strengths at Berkshire is patience and being disciplined when it comes to allocating our capital. There will be opportunities that come over time... and it doesn't mean there's not opportunities now, but it *doesn't mean you need to deploy all your capital or spend all your money right now*. And that's really our approach."

Among its core principles, Berkshire aims to buy companies that are reasonably valued; that its analysts actually understand; and for which they can assess the longer-term economic prospects. Every element of the Berkshire process faces obstacles in the age of AI.

The technology is an enigma to much of the investing public, as is its scope for rapid improvement, prospects for monetization and the ways it will change the broader economy.

What's more, by any standard valuation multiple, the market and many of its constituents look extremely rich. If Abel and his Berkshire peers are implying (however subtly) that a correction is coming, and they intend to wait for it, the real question

is how long their investors will be willing to wait along with them.

In its earlier days, Berkshire was a natural vehicle for individual investors trying to gain access to a diversified portfolio of equities and throw their lot in with a legend. Today, Berkshire shares compete with ultra-low-cost S&P 500 exchange-traded funds and the legend is stepping back, replaced with Abel, whose expertise is really in business operations rather than investing. The stock was already underperforming when Abel took the reins on 1 January and the famous 'Buffett premium' could durably become an 'Abel discount' if he can't catch up to the market soon.

Although Berkshire has long enjoyed low turnover among investors, I am sceptical it could prevent an exodus without the returns to sustain enthusiasm. Lengthy periods of major underperformance have been extremely rare in Berkshire's history. The dotcom era underperformance was really only a 1999 and early 2000 phenomenon. In the mid-2000s, Berkshire had a stretch of lacklustre performance from 2003 to 2005. And it happened again in 2019 and 2020.

For the Berkshire faithful, the pre-dotcom and pre-financial crisis examples, in particular, have become part of the Buffett lore: They showed why the Oracle of Omaha is the greatest investor ever, and why it's worth giving him the benefit of doubt even when it seems like he's lost a step. But those episodes happened when Buffett was in his prime and faith in his process was near an all-time high.

It's hard to imagine investors having the same patience with an untested CEO who has succeeded him.

To be clear, I'm not saying Abel is wrong to exercise caution in this still-frothy market. If the stock market crashes and Berkshire swoops in to buy up the gems in the rubble, Abel will be set up to enjoy a long and prosperous career—maybe becoming a legend himself. Ultimately, he's following Buffett's guiding principles—the ones that made Berkshire one of the world's greatest engines of wealth creation. But no one can know whether a crash is coming, with markets quick to recoup losses these days. And investors aren't going to stand by an unproven operator forever to find out if he'll be vindicated.

©BLOOMBERG

THEIR VIEW

What India's small exporters are saying about exports

TULSI JAYAKUMAR



is professor, economics and executive director, Centre for Family Business & Entrepreneurship at Bhavan's SPIJMR.

Global trade statistics often capture the light of aggregate growth while blurring the shadows of ground-level uncertainty. India's latest trade data released by the commerce ministry presents a picture of remarkable resilience. Total exports in 2025-26 reached \$860.1 billion, growing 4.2% from a year earlier. Yet, underneath these resilient macro statistics lies a precarious micro reality for the country's small and medium enterprises (SMEs) that power nearly 50% of its exports and are mostly family businesses.

We conducted a survey of 461 SME family and non-family business exporters across 14 cities over October-December to study trade confidence, not as a single measure, but as a balance between optimism and risk—capturing expectations, current constraints and the direction in which risks are evolving.

The findings reveal a striking paradox. The headline Trade Confidence Index (TCI) stands at a robust 74.3, signalling strong optimism about near-term export growth.

Yet, the Net Trade Confidence Score (NTCS), which adjusts for risks, drops sharply to 56.4. This 17.9-point gap is the quantitative expression of what may be called a 'confidence trap': firms believe in their capabilities, but not in the stability of the environment in which they operate.

This divergence becomes clearer when read alongside official data. Sectors such as electronics and engineering continue to show export momentum, and policy interventions like the Resilience and Logistics Intervention for Export Facilitation (Relief) scheme aim to cushion geopolitical disruptions. The survey data aligns with this resilience: 66% of SMEs expect export sales to grow and 85% are confident of the domestic economy. These are not speculative views—the average respondent has over 16 years of export experience and represents seasoned survivors who have navigated past shocks.

However, forward-looking risk indicators tell a different story. The Risk Momentum Index at 40.5 signals that conditions are not just difficult but deteriorating. Every major risk dimension—from tariffs and currency volatility to supply chain disruptions—is worsening. Geopolitical instability emerges as the most acute concern, not as an abstract threat but as an operational constraint

affecting payments, logistics and margins. The report identifies three specific 'crush points' that could derail the momentum:

First, the concentration trap. Over half of SME exporters depend on just one or two destination markets. In an era of fragmented trade blocs and sudden policy shocks, this creates systemic exposure.

While firms are eyeing frontier markets in Africa and Latin America, 25.4% are so risk-averse that they plan no new market expansion at all over the next year.

Second, the invisible retreat. More than 52% of respondents are planning to scale back international exposure, either by pivoting towards domestic markets or reducing export intensity. This shift is not yet visible in our trade data, which captures realized exports rather than strategic intent. But it signals a potential erosion of India's export base over time.

Third, the family fracture. In SME family businesses, external uncertainty is interacting with internal governance dynamics. The

survey finds that intra-family disagreements over internationalization are rising faster than even macroeconomic risks. As geopolitical uncertainty increases, generational differences in risk appetite become sharper.

The tragedy of this confidence gap is that it is being widened by institutional rather than structural factors.

While we celebrate the signing of mega-free trade agreements (FTAs), the reality on the ground is one of profound ignorance: 57.1% of SMEs do not use FTAs and 68.1% of them say this is because they don't know deals exist. This is not a failure of policy design, but of policy transmission.

With over 62% of respondents citing aggressive tariff policies as a major threat, the reliance on a few markets becomes a death trap. Schemes like Relief are providing temporary oxygen, but do not solve the underlying structural asthma. Over 36% of firms report difficulty accessing export finance even as expectations of improvement remain high, highlighting a persistent disconnect between

policy intent and firm-level experience.

India's export resilience is being sustained by firms operating under increasing strain. SMEs are absorbing geopolitical shocks through operational adjustments, financial stress and strategic caution. But resilience is not an inexhaustible resource. If current trends persist, the risk is not of an immediate collapse in exports, but of a gradual narrowing of our exporter base. Fewer firms may participate in global markets, with exports becoming more concentrated among larger players. This would reduce diversification, weaken supply chain integration and make the export ecosystem more vulnerable.

Policy must evolve from promoting exports to sustaining exporters, addressing the granular anxieties of the family firm. We need more than just fiscal incentives; we need a 'geopolitical concierge' for SMEs—one that provides market intelligence, guides them through FTA compliance, strengthens their access to trade finance and risk mitigation tools and helps bridge the generational divide within family boards.

Without these, the 17.9-point gap between optimism and reality will eventually close—not on account of risk reduction, but because confidence collapses under the weight of a fast-fragmenting world.

the hindu businessline.

THURSDAY - MAY 7, 2026

Worthy proposal

Brokerage net worth should be linked to number of clients

The surge in retail equity investors and the manifold increase in cash and derivatives trading since the pandemic has ramped up the risks faced by stakeholders — namely, stockbrokers, investors looking for quick returns and the markets ecosystem. The existing rules of the Securities and Exchange Board of India on net worth requirements for stockbrokers do not adequately cover risks in this regard.



In a welcome move, the regulator has proposed an improved formula on net worth requirements. Spelt out in a consultation paper, the formula addresses higher risk arising from aggressive client acquisition by the broking fraternity. Existing regulations lay down that brokers must maintain a minimum net worth, which is the higher of the base net worth or variable net worth. Base net worth is currently ₹1 crore for trading members and the variable net worth is fixed at 10 per cent of average daily cash balances of clients across exchanges, computed over the previous six months. However, with the new rules requiring brokers to move clients' funds to clearing members, the average daily cash balance with brokers has dropped. The variable net worth norm is not in line with the operational risks faced by them. The paper instead proposes that the variable net worth be linked to daily average credit balance and the number of clients a brokerage has. Substituting cash balance with credit balance is a good idea, since the latter is a better marker of a broker's volume of business.

Linking brokers' net worth to number of clients appears aimed at deterring brokers from trying to grow their client base too rapidly. SEBI proposes a variable net worth of ₹50 lakh for brokers with direct clients between 10,000 and 50,000 and ₹50 lakh for every additional 50,000 clients. If the clients are acquired and serviced through authorised persons (AP), brokers must maintain higher reserves. For instance, if 50,000 clients are acquired through APs, the variable net worth requirement increases to ₹2.25 crore. The regulator would be right in doing so since supervision and compliance requirements are lower for APs. They are not directly supervised by SEBI, but are registered with the stockbrokers, who take the onus of monitoring their business. SEBI's proposals suggest that there could be higher default risk in clients acquired through APs. While larger stockbrokers can easily meet the additional reserve requirement, smaller ones may run up against a liquidity crunch.

The proposals will also help slow down entry of new equity investors. The number of unique investors registered with the NSE has increased from 3.1 crore in March 2020 to 12.9 crore in March 2026, at a compound annual growth of 26 per cent every year. Stockbrokers and the APs have driven the entry of new investors in recent years. By linking variable net worth to number of clients, SEBI seems keen to rein in the frenetic pace of client growth. This is desirable to suck out market froth.

POCKET: The Summer of '26

RAVIKANTH



Remedies for digital payment frauds

KEEPING VIGIL. Static safeguards, targeting discrete acts of fraud, will only spur fraudsters to probe other vulnerabilities

BENI CHUGH
SARADA MAHESH

The recent rise in fraud in the financial ecosystem is a cause for concern. The RBI's 'Report on Trends and Progress of Banking in India', notes that the value of fraudulent activities in banking operations has risen from ₹11,261 crore in 2023-24 to ₹34,771 crore in 2024-25.

Apart from the obvious monetary losses, frauds cause a crisis of confidence and trust among customers that threatens the momentum of financial inclusion and the growth of the sector.

Considering these drastic and cascading effects of frauds, the RBI is deliberating important policy interventions to address frauds in digital payments.

First, the RBI's draft framework on limiting customer liability in digital transactions ("liability framework") recognises authorised push payments (APP) as a customer risk and proposes a redress mechanism for it. APPs comprise payment transactions that the customer may have authorised willingly but unintentionally.

This includes social engineering ploys where fraudsters manipulate customers to either share transaction credentials enabling the fraudster to transfer monetary sums to themselves or directly transfer monetary sums to the fraudster. The liability framework proposes a one-time compensation of up to ₹25,000 or 80 per cent of the transaction value

for victims of low-value APP fraud.

Further, the compensation is conceived as a low-burden mechanism, a de facto guarantee to remedy bona fide APP losses of up to ₹50,000.

Interestingly, this compensation is dispensed by the financial system. Banks vet complaints, establish their veracity and the RBI offers the compensation. It may reduce the proclivity of the customers to approach the legal system to seek redress for low-value APP fraud, thus, shielding the legal system from becoming overwhelmed by low-value, high-volume complaints that are expensive to investigate.

The one-time compensation, though illustrative of the central bank's resolve to make good to victims, does not offer any enduring solution for the customer who gets defrauded repeatedly. Its low-effort nature also does not have the effect of disciplining the customer by accounting for their role in enabling the fraud, which is characteristic of a good remedial measure. In addition to providing a remedy for APP frauds, the RBI has also proposed preventative safeguards to curb APP fraud. The RBI's discussion paper titled 'Exploring safeguards in digital payments to curb frauds' suggests four such measures: a lag in fulfilment of transactions above

Chase system-level resilience instead of individual fraud categories. This requires diverse financial and non-financial actors such as telecom operators and e-commerce entities to work together

₹10,000; an additional authentication system of trusted persons for older customers; commensuration of credit to accounts based on a relationship of trust established with the bank; and a customer-led kill-switch for digital payments.

These safeguards underline the RBI's 'stop and think' approach, encouraging customers to pause and reconsider the riskiness of the transaction at hand.

However, the application of these interventions is anchored in static demographic categories of age, physical condition or the sophistication of the remitter. These indicators alone may not be useful for detecting fraud.

RECHARACTERISING THE ISSUE OF FRAUD

Conventionally, fraud has been characterised as a static issue where bad actors exploit the gaps in the system and/or use their comparative operational advantage to cheat people out of money. Typically, static systems do not learn from or react to changes in the environment in which they operate.

However, fraudsters are known to improvise in response to policy developments. If policies make it difficult for fraudsters to cheat 70-year-old citizens, they will focus on the 68-year-olds. Put simply, static preventative safeguards do not terminate frauds, they only incentivise the fraudster to identify other exploitable vulnerabilities. This ever-evolving nature of fraud offers four lessons for designing fraud prevention policies:

First, static rules will be gamed. Fraud prevention needs to be reimagined as a system of continuous recalibration instead of a system rooted in 'static'

customer risk profiles. For instance, AI & ML tools can gauge the riskiness of a transaction by combining real-time, user-centric indicators such as recent account activity, device information and user behaviour patterns with aggregate patterns like emerging geographical hotspots, complaints and network traffic. Such assessments can detect fraud better than KYC-based risk profiles.

Second, chase system-level resilience instead of individual fraud categories. This requires diverse financial and non-financial actors such as telecom operators and e-commerce entities to continually work together to identify emerging frauds and close gaps in the system.

Third, defend at scale. This can be supported by building tools to continuously gather, harvest and share intelligence across the diverse stakeholders and using AI to build detective and predictive capabilities.

Finally, design adaptive policy interventions. Interventions should automatically recede from use when obsolete forms of fraud no longer pose active customer risk and vice versa.

RBI initiatives such as the Digital Payments Intelligence Platform, already embody some of these characteristics. It remains unclear where such initiatives sit alongside the remedial and preventative measures being discussed in the current policy proposals. Absent such clarity, it would appear that policies that seek to tackle discrete instances of fraud, such as the measures that have been just announced, may have limited effectiveness.

Chugh is Head - Future of Finance; Mahesh is Senior Research Associate, Dvara Research

The great white collar wipeout?

From offices to battlefields, machines are taking over faster than expected, leaving millions of workers exposed

THE WIDER ANGLE.



PARANJAY BALAKRISHNAN

Remember the lamplighters, the men who, as darkness fell in cities like London and Paris, walked along the streets lighting one lamp after another? They vanished without a trace, replaced by centrally controlled electrical systems that made their work obsolete.

We've lived through technological upheavals before in recent decades and yet employment has climbed. Armies of banking employees disappeared from behind counters, but they were usually able to find other jobs in that era of steady growth. Technology displaced roles, but expanding economies absorbed the shock.

Today, though, we appear to have reached a crunch era compounded by unstable geopolitical forces. There's the Russia-Ukraine War, the Persian Gulf conflict and Donald Trump's America-first unpredictability. And it's all happening as change approaches at unprecedented speed.

Consider agentic AI, a term coined only in 2024 to describe systems that can decide what needs to be done and do it. Only months ago, many people were first hearing of tools like Anthropic's

Claude and realising how fast and easy they are to use. At the same time, some of the people building these systems are issuing stark warnings.

"No-one knows what will happen next" but "some areas are, like, totally gone," says OPENAI chief Sam Altman. Anthropic CEO Dario Amodei says AI could drive unemployment among knowledge workers as high as 20 per cent globally in fields such as coding, finance and law, and eliminate large swathes of entry-level white-collar jobs. That matters because those roles are traditional middle-class gateways. As AI completes complex tasks in minutes that once took skilled teams weeks, the fear is this wave could decimate the middle class.

JOBS AT RISK

At Infosys, Nandan Nilekani says companies will need top-to-bottom reinvention. Cognizant has announced 15,000 layoffs, mostly in India. At Salesforce, 4,000 customer service roles have been cut after AI began handling half of all support interactions. Across sectors, the pattern is clear: small teams can now do work that once required many engineers and managers.

For India, this carries a deeper risk. IT services, outsourcing and back-office operations created vast numbers of mid-skill, entry-level white-collar jobs. If AI now handles much of this work, companies hire fewer people. Surveys



AI. Jobs threat looming GETTY IMAGES

suggest 17 per cent of companies have already laid off contact centre workers because of AI. These are large-volume roles, and AI doesn't just replace them in one company but across thousands, leaving far fewer alternative employers. For a country that needs to generate jobs at scale, that creates both a volume problem and a skills mismatch, with demand rising for highly skilled workers even as entry-level roles disappear.

Companies such as Coinbase, Atlassian and HP have all announced AI-linked layoffs. Freshworks is cutting 11 per cent of staff as AI writes more than half of its code. Duolingo is reducing headcount as AI takes over translation. Education firm Chegg has cut 22 per cent of its workforce after losing users to AI tools. At IBM and elsewhere, AI systems are replacing HR and administrative jobs. For India, there's an added concern that its role as

a global outsourcing hub could weaken if work is automated at source rather than sent overseas.

Elon Musk warns AI and robotics could eventually replace all jobs altogether. Yet not everyone agrees. Meta chief scientist Yann LeCun argues new technologies historically create as many opportunities as they destroy.

It's clear almost every industry, even the military, will be altered beyond recognition. This is already visible in Ukraine, where drones and robots are being used to attack troops, with efforts under way to make them fully autonomous. China, too, is changing warfare rules. At the Malan Airbase in Xinjiang, it's developing unmanned aircraft, meaning future ace pilots may be engaged in something closer to video games.

India's Border Security Force, meanwhile, has set up drone laboratories, while in Gwalior it has tied up with IITs to train students. The army now runs training schools where even lower-level soldiers are taught to operate and defend against drones.

All of this points to a moment that feels different from earlier technological shifts. Now, with geopolitical instability and AI advances colliding, the transition may be far sharper. For India, the challenge is greater because of the sheer numbers entering the workforce and the shrinking pool of roles that once absorbed them.

✉ **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.

Left needs recalibration

The Indian Left has lost its sole bastion in Kerala. Its decline must not be mistaken for a final verdict, as there can be no obituaries for ideas whose moral questions remain unanswered. Inequality still widens, work grows more precarious, and excesses of unbridled growth is heavy burden. These are the unfinished business of our times. What appears today as a weakening of the Left may, in fact, be a moment of incubation. If capitalism continues to deliver prosperity without inclusion, it must summon a resistance different from old rigid orthodoxy. A renewed Left could emerge as a pragmatic force: one that partners with markets yet

disciplines their excesses, embracing innovation while insisting on equity, that protects growth but humanises it more.

The Left is not fading into irrelevance but needs to be reshaping it: quietly, persistently, and perhaps more effectively than before.

R Narayanan
Navi Mumbai

Reforming WTO

It is with reference to the article 'Can the WTO get back on track?' (May 6). WTO faces significant challenges — including the inability to conclude the Doha Development Agenda, and a shift towards bilateral and regional trade deals. These issues stem from a struggling consensus-based model,

power imbalances favouring developed nations and stalled negotiations on agriculture and subsidies. Unless urgent reforms are undertaken, the global trading system may soon witness the demise of the institution once deemed indispensable.

P Victor Selvaraj
Palayamkottai (TN)

Handling gold

This refers to the Editorial "Gold rush" (May 6). Notwithstanding the geopolitical tensions, the growing imports of gold driven by sentimental consumer attachment more towards cultural, religious and investment motives will impact the

economy in the long run. With large scale stock piling, the intrinsic value of bullion has not been properly explored. The gold monetisation scheme 2015, allowing individuals to deposit gold in the form of jewellery and coins with attached incentives of nominal interest on deposits and capital gain tax exemptions, enabling banks to monetise the underlying gold assets, could not gain momentum due lower interest rates offered on deposits. As aptly suggested, by augmenting additional assaying infrastructure and offering more tax slops, the over 30,000 tonnes of gold lying idle with the households can be remonetised.

Sitaram Popuri
Bangaluru

Industrial policy

Refers to "New governments often bring fresh vision for industrial policy, says CII chief Rajiv Memani" (May 6). Political factors often shape industrial policy by influencing project approvals, regulatory clarity, and investor confidence. However, political uncertainty can discourage private investment and distort industrial planning. Governments must ensure continuity in contracts, stable frameworks, diversify risk across sectors, transparent dispute resolution, and predictable taxation.

O Prasada Rao
Hyderabad

Driving gig workers' safety

App-based prevention of traffic violations possible

Gopal Krishna Roy

The rapid growth of app-based delivery services, especially in urban areas, has created significant employment opportunities. However, it has also exposed delivery workers to significant safety risks on the roads. Recognising these vulnerabilities, the Code on Social Security, 2020, formally brought gig and platform workers within the scope of India's social security system, requiring aggregators to contribute a small portion of their turnover to a social security fund. Moreover, several State governments have also introduced laws to provide social security and accident insurance for these workers.



RISK PRONE. Gig workers operate under time pressure

incentives through their apps, which gives them the ability to influence safety behaviour. Technology integrated within these apps can be used to support preventive monitoring. For example, platforms can monitor route compliance against approved routes, track speeding and traffic signal violations, and verify adherence to basic safety requirements, such as helmet use. This would allow unsafe behaviour to be identified and addressed as part of regular platform operations. Importantly, such algorithmic supervision already exists in another form. Delivery workers are routinely penalised through lower ratings, reduced incentives, or fewer work opportunities when delivery delays occur. A similar approach can be extended to safety compliance, where unsafe riding behaviour affects performance ratings.

At the same time, government agencies can require platforms to incorporate safety monitoring standards and hold companies accountable for compliance. This would ensure that responsibility is shared between workers and platforms. Furthermore, delivery time commitments must reflect real-time traffic conditions and legal routes. Concerns raised by worker groups and policymakers have highlighted that very short delivery commitments, such as 10-minute delivery targets, can create pressure to take unsafe shortcuts.

Also, the government must bring gig and platform work under the scope of the Occupational Safety, Health and Working Conditions Code, 2020. Applying these requirements to platform companies would mandate the creation of safety departments. Such a framework would shift the focus from compensating accidents after they occur to reducing risks through prevention and shared responsibility.

The writer is Assistant Professor, Madras School of Economics, Chennai



AMARENDU NANDY
SAYANTAN KUNDU

The Bharatiya Janata Party (BJP) has won a majority mandate in West Bengal, ending 15 years of Trinamool Congress (TMC) rule. The economic policies of the TMC years saw a steady increase in welfare and transfer programmes (94 social welfare schemes since 2011), with clear populist imprints. While no serious observer can deny that these financial doles became important to many families, especially women and girls, they came at a cost.

Over the years, the penchant for populism, buoyed by repeated electoral success, narrowed the imagination of governance. The citizen was increasingly imagined as a beneficiary waiting to be compensated, not as a worker to be productively employed, an entrepreneur to be enabled, or a taxpayer whose future income depended on real economic growth. The result was a brand of politics rich in guarantees but poor in economic transformation and capital asset creation. A large part of Bengal's electorate, thus, grew impatient with policies that did not sufficiently expand opportunities for them. Should the new government miss this signal, it may fall back on the same political-economy model it has defeated.

To be clear, the BJP is not inheriting a failed State. Bengal remains India's sixth-largest economy, with GSDP at ₹21.32 lakh crore, almost five times the 2010-11 level. In FY25, its GSDP grew 6.80 per cent, slightly above the national estimate of 6.37 per cent. It has also built a visible social floor. The infant mortality rate, at 17 per 1,000 live births, is well below the national average of 25. Multidimensional poverty, estimated at 11.89 per cent as per NITI Aayog's 2023 report, compares favourably with the national rate of 14.96 per cent.

However, these numbers mask underperformance on other, more structural, counts. Bengal's per capita NSDP in FY25 was ₹1.63 lakh, well below India's per capita net national income of about ₹2.05 lakh. Its large MSME base (around 89 lakh units employing 1.36 crore people) remains substantially informal and low in productivity. The debt-GSDP ratio of 38.4 per cent positions it above the median State, while its own tax and non-tax revenue mobilisation remains below the median. The State received only \$1.79 billion in FDI equity inflows from October 2019 to December 2024, compared with \$13.84 billion for Tamil Nadu.

The State's economic structure is heavily service-oriented (58.3 per cent of GSDP), while industry contributes only 21.6 per cent and agriculture 20.1 per cent. A large services share is not necessarily a weakness, but Bengal has neither become a high-wage services economy on the scale of Bengaluru,



Bengal looking for change in economic policy

GROWTH DRIVER. The State needs a new industrial policy that focuses on clusters where land, infrastructure, skills and administrative authority can easily align

Hyderabad, or Pune, nor rebuilt a manufacturing base capable of absorbing marginal labour into more productive work. It has therefore remained caught between a still-large agrarian base, a thin industrial sector, and services that have not generated enough upward mobility. That is the macroeconomic challenge the new government must confront.

Foremost, Bengal needs a new industrial policy. Almost every other challenge the State faces, from fiscal stress to unemployment to agrarian stagnation, has a partial solution in a serious re-industrialisation drive. On that account, the new government needs to begin with the most urgent constraint — land.

The districts closest to markets, ports, labour pools, and suppliers are also where large contiguous land is hardest to get, due to fertile farmland and fragmented landholdings. Farther west, though land pressure eases, connectivity, skills, urban services and supplier networks are thinner. Bengal's new industrial policy, therefore, cannot treat the State as one economic geography. It must treat different regions differently.

In the older industrial and peri-urban belts, more intensive use of existing industrial space should be prioritised

through the redevelopment of closed and underused factories, vertical MSME estates, common testing and effluent facilities, and negotiated pooling to bring fragmented ownership together without coercion, at fair market prices. In the western districts, the government will need freight links, reliable power, worker housing, training institutions, supply networks, and functioning towns.

Bengal has often announced industrial destinations before creating the conditions for industry. The new government should reverse that order.

LAND VALUE-SHARING

It is probably true that the Singur wound, now nearly two decades old, still shapes investor psychology as well as political behaviour. The new government must therefore move from land acquisition to land value-sharing. In peri-urban and older industrial belts, long leases, annuity payments, serviced plots, and continuing stakes for landowners may be more effective than one-time compensation.

The political test will be whether it can persuade landowners, farmers, and local communities to see industrialisation as a source of future income rather than dispossession. TMC, as a responsible opposition, must refrain from regressive politics on land deals that can transform Bengal's industrial landscape and brand image.

The industrial policy must also focus on a few clusters where land, infrastructure, skills and administrative authority can easily align. These could include food processing linked to agriculture, petrochemicals and downstream industries around Haldia,

engineering and auto components in the Asansol-Durgapur belt, labour-intensive manufacturing in older industrial districts, and logistics hubs in north Bengal. Kharagpur can support electronics and precision manufacturing if industry links are built around technical institutions. Kolkata's New Town should be pushed to attract global capability centres, fintech, health technology, and research-linked services, rather than remain a mere real-estate story.

But clusters alone will not suffice unless the everyday state works better. Bengal's industrial decline was not caused by one factor alone. Labour militancy, political conflict, weak infrastructure, land disputes, slow approvals, poor urban governance and loss of investor confidence all played their roles over decades.

The new government must therefore create a time-bound clearance system that is actually binding on departments, strengthen commercial dispute resolution, digitise land records, and make power, logistics and municipal services reliable in industrial areas.

For too long, Bengal's politics compensated citizens for the failures of an economy that offered too few pathways to upward mobility. While the new government must not dismantle the social floor, it must build the ladder above it, where farmers see value in industrialisation, workers see mobility in it, firms see reliability in it, and the government itself sees beyond the next election.

Nandy is Associate Professor of Economics & Public Policy at IIM Ranchi, and Kundu is Assistant Professor of Finance at IMI Kolkata. Views are personal

thehindubusinessline.

TWENTY YEARS AGO TODAY.

May 7, 2006

India weightage set to go up in Morgan Stanley index

Bharti Televentures, along with Reliance Communications, Suzlon Energy and NTPC are among the favourites expected to be included in the MSCI (Morgan Stanley Capital International) India Index. Analysts are also betting on India's weightage in the MSCI Asia index to go up from the present 9.6 per cent.

Insurance claims by stock traders up

The bull run at the stock markets has also sparked an increase in the number of insurance claims arising out of punching errors by stock traders. Insurance brokers say the margin of error has increased with more number of trades being conducted per minute. It is mandatory for all stockbrokers to have liability and professional indemnity cover.

'India will stick to own fiscal direction'

The Finance Minister, Mr P. Chidambaram, on Saturday made it clear that India will not change its fiscal correction directions based on the ratings of the International rating agencies, whether upwards or downwards. "I take note of a rating agency's rating. But I don't allow myself to be pushed in one direction or other by the rating," he said.

World scrambling to remake semiconductor supply chains

Ian King

The chip industry is on course to become a \$1 trillion business in 2026. But as revenue skyrockets and investors pile in, creating some of the world's most valuable companies, strains are beginning to show. The truly global business of designing and manufacturing electronic components, essential to everything from supercomputers to household electronics, is facing unprecedented demand, and scrutiny.

Huge changes in the industry are manifesting themselves in places like Phoenix, where Taiwan Semiconductor Manufacturing Co. has turned a patch of desert into one of the world's most advanced facilities. TSMC's first major

foray into US production reverses the migration of a crucial skillset from a nation that still dominates electronic component design — but has lost much of its manufacturing base.

And just an hour north of Dallas in Sherman, Texas, the industry's oldest company also is bucking that trend. Not only is Texas Instruments Inc. building simple analog chips in a state-of-the-art facility and spending billions of dollars on new plants, it's doing it in a high-cost US location. The company's leadership is eyeing competition that's emerging in China, and betting that so-called leading-edge manufacturing will give them an advantage in countering heavy spending on new production by the world's second-largest economy.



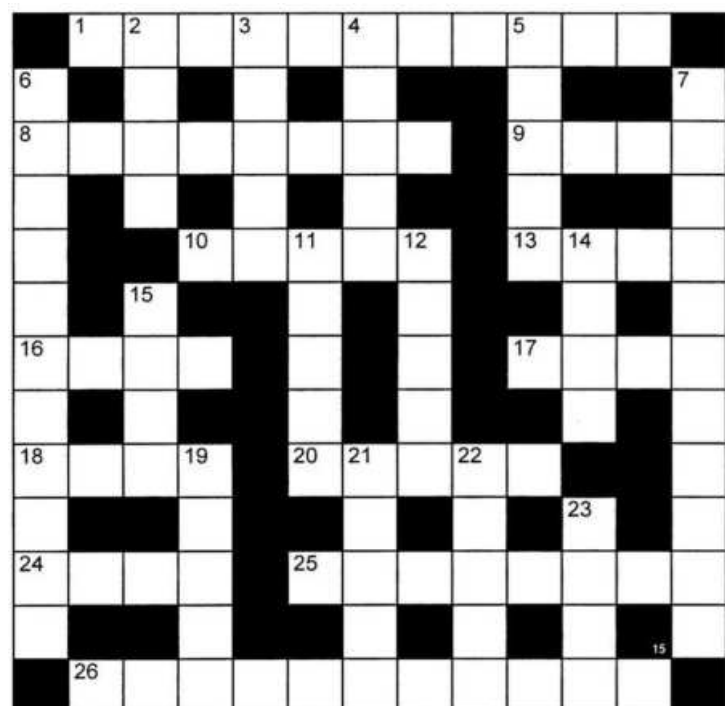
BIG PUSH. For chip manufacturing

For aspiring and current leaders in chip manufacturing — TSMC and Texas Instruments included — all roads lead to Veldhoven, the Netherlands. There, ASML Holding NV is working on machines that are essential to chip-making. The company now has a market value of more than half a trillion dollars. But while its

technical prowess has given it a virtual monopoly in extreme ultraviolet lithography, the process by which cutting-edge chips are made, it's not safe from the crosscurrents of geopolitics. The US, seeking to limit China's ability to build its own chip industry, has sought to curb the export of chip equipment to the country.

As a result, ASML has yet to sell its most advanced products into the biggest market for the technology. That growing tension between China and the US over chip-making also has added fuel to long-running fears that Beijing will someday seek to take Taiwan by force, given that the home of TSMC has the biggest concentration of advanced chip-making facilities on the planet. BLOOMBERG

BL TWO-WAY CROSSWORD 2674



EASY

ACROSS

1. King's, nobleman's factor or steward (11)
8. Apt. to the purpose (8)
9. Commit to the flames (4)
10. Is at worship (5)
13. Particle of dust (4)
16. Snare (4)
17. Feel the absence of (4)
18. Egg-shaped (4)
20. A foppish person (5)
24. Sword handle (4)
25. Fence of stakes (8)
26. Affliction, harassment (11)

DOWN

2. Cherish a desire of good (4)
3. A Scrooge (5)
4. Way in (5)
5. Blank-leaf book (5)
6. Sudden calamity (11)
7. Effective through simplicity (11)
11. Give a prize (5)
12. Lustre (5)
14. Leave out (4)
15. Buddhist priest in Tibet (4)
19. After a while (5)
21. Space below roof (5)
22. Old European gold coin (5)
23. Wood skirting round room (4)

NOT SO EASY

ACROSS

1. Former PM with the duties of a steward (11)
8. As to pipe, it may be directed to the point (8)
9. Use up uranium in a small stream (4)
10. Earnestly asks for it to sound like laudation (5)
13. It may be archaic as a speck of dust (4)
16. It catches one a bit in reverse (4)
17. Fail to make contact with a schoolmistress (4)
18. Where batsmen may get into shape (4)
20. Smart vessel like a sloop (5)
24. Handle with which to strike about fifty (4)
25. Takes cod out of the barrier of stakes (8)
26. Harassment turns into curse with European Parliament (11)

DOWN

2. What did Pandora have left from both operations? (4)
3. Sir, how mean he is with me! (5)
4. Appearance on stage with the list of competitors (5)
5. Book a record presentation (5)
6. Sudden disaster or taste chap has of it (11)
7. Is not made much of with dates turned around (11)
11. A guardian's charge gets the prize (5)
12. Polish hens moved around the East (5)
14. Fail to mention how I'm to change (4)
15. Tibetan priest whose mother turned up in Los Angeles (4)
19. Subsequently it would change with the second at the head (5)
21. It's at the top of the house of Athens (5)
22. A three thousandth part of Antonio's debt to Shylock (5)
23. It could add nothing to the block of the pedestal (4)

SOLUTION: BL TWO-WAY CROSSWORD 2673

ACROSS 1. Cuckoo 4. Scoter 9. Lineage 10. Rebel 11. Amok 12. Giro 13. Eve 15. Root 16. Pass 19. Awe 21. Echo 22. Flea 24. Index 25. Persist 26. Newest 27. Father

DOWN 1. Collaboration 2. Candour 3. Opal 5. Corporal 6. Table 7. Roller-coaster 8. Devil 14. Poleaxes 17. Selfish 18. Shape 20. Endow 23. Aria

Liquidity support

The credit-guarantee scheme will help businesses

Decisions taken by the government since last week suggest that necessary adjustment is being made to deal with the fallout of the crisis in West Asia. Prices of some categories of fuel were adjusted last week, which will help oil-marketing companies and the government contain the damage to their finances. However, higher prices of fuel and the limited availability of gas, for instance, are also affecting businesses, particularly small and medium enterprises. Given the disturbance in a critical trading route, businesses may also be facing demand issues. To help firms tide over the period of uncertainty, the Union government announced an Emergency Credit Line Guarantee Scheme (ECLGS 5.0) on Tuesday.

The scheme aims to provide 100 per cent credit-guarantee coverage for micro, small and medium enterprises (MSMEs) and a 90 per cent guarantee for non-MSMEs, along with a special facility for the airline sector. Under the scheme, eligible businesses will get additional credit up to 20 per cent of their peak working capital utilisation in the March quarter of 2025-26. The additional credit will be capped at ₹100 crore. In the aviation sector, companies will be able to borrow up to ₹1,500 crore, subject to certain conditions. The sector has been particularly affected by the increase in prices of aviation turbine fuel and other factors, leading to a reduction in operations in some cases. According to the government's estimates, the scheme will enable an additional credit flow of about ₹2.55 trillion, including ₹5,000 crore for airlines. The credit guarantee, to be provided through the National Credit Guarantee Trustee Company, will help firms address immediate liquidity requirements.

Given the credit guarantee, banks will be less reluctant to lend, particularly to MSMEs. Small firms usually do not have financial buffers to navigate this kind of exogenous shock. In the absence of financial support, there would be a risk of closures, which must be avoided. Once firms go out of business, it is always difficult to revive them. Therefore, it will be important for the government, along with lenders and other relevant institutions, to carefully monitor how the scheme is implemented. It should also be prepared to make necessary intervention if the crisis persists.

As things stand, it is difficult to say with certainty when the crisis in West Asia will end, though there are renewed hopes that hostilities will be resolved soon. It has been reported that the United States and Iran are actively working towards an understanding, leading to a correction in prices of crude oil and a rise in stock markets on Wednesday. An early resolution to the conflict and the reopening of the Strait of Hormuz are critical. About one-fifth of the supply of global oil passes through the strait, and a near-complete stoppage of flows for over two months has significantly depleted reserves. Some analysts are of the view that reserves could fall below critical levels in the coming weeks, leading to a sharp increase in oil prices. Thus, it is important that the Strait of Hormuz is opened as soon as possible. Nevertheless, even if an agreement is reached to restore the flow of crude oil and gas in the coming days, the ECLGS will help firms because it will take a while before the price and availability of fuel, particularly of gas, adjust to desirable levels.

Digital push

Shifting processes online boosts productivity

A recent International Monetary Fund (IMF) working paper on India shows that digitising public administration is not just about better governance. It also improves productivity. Examining reforms in the state-level business environment between 2010 and 2015, the paper finds that states that undertook greater digitisation in public administration — across tax filing, permits, inspections, dispute resolution, and single-window systems — saw higher productivity growth among microenterprises. Significantly, productivity gaps among firms narrowed, pointing to a better allocation of resources.

This finding goes to the heart of a longstanding structural problem in India's economy: Pervasive informality. A significant share of India's small businesses is still unregistered. These firms dominate employment and contribute substantially to manufacturing output and exports, and yet remain small and fragmented. The reasons are not hard to identify. High compliance costs, complex regulations, weak contract enforcement, and discretionary bureaucratic processes make formalisation unattractive. For a small firm, the fixed costs of dealing with the state can be disproportionately high. Staying informal thus becomes a rational choice. This also explains why average firm size in India remains small and why firms often hesitate to scale up. Growth brings visibility, and visibility brings regulatory burden, which also explains the "missing middle" — a vast number of tiny enterprises and a handful of large firms, but relatively few mid-sized ones. In such an environment, productivity suffers not only because firms are small but because capital and labour too are misallocated across firms.

In this context, administrative reforms matter most, and digitisation reduces some of the friction. By moving processes online, standardising procedures, and limiting discretion, it lowers compliance costs and curbs rent-seeking. For microenterprises, this can be transformative. It levels the playing field and allows more efficient firms to compete and grow. The results are visible not just in average productivity gains but in the reduced dispersion of productivity across firms. The paper finds that improvement is linked to better capital allocation, suggesting that reforms indirectly strengthen how resources flow within the economy. Reforms have been implemented across a diverse set of states, suggesting no strong link between a state's initial level of development and its adoption of reforms.

India's push for ease of doing business over the past decade, particularly the 98-point action plan launched in 2015 by the Department for Promotion of Industry and Internal Trade and the World Bank, appears to have delivered tangible benefits. The country has seen improvement in how businesses interact with the state. Interestingly, the paper also notes diminishing returns as reform intensity increases, suggesting that early-stage digitisation yields the largest dividends. This makes the case for prioritising lagging states and sectors where basic administrative friction remains high. The broader lesson is clear. Administrative reform and digitisation can, to an extent, help address deep structural problems, including low productivity, high informality, and firms' reluctance to scale up.

India in reverse Goldilocks

With on-again, off-again tariffs and whimsical wars, the US has become a friend without benefits

ILLUSTRATION: BINAY SINHA



With passage through the Strait of Hormuz still restricted, the spectre of stagflation that I outlined in my April column is now becoming an even starker reality for India and the world. Oil prices are now likely to be about \$20 per barrel higher than previously expected in 2026 due to the war, according to the World Bank's latest commodity forecast. This would mean that the International Monetary Fund's world gross domestic product (GDP) growth forecast for 2026 of 3.4 per cent will drop down to around 3 per cent. Global inflation would also rise by almost 1 percentage point over the baseline forecast.

India will be even harder hit. GDP growth will drop from over 7 per cent to around 6-6.5 per cent in 2026 and inflation will rise to over 5 per cent, according to the IIM's Business Expectations Survey, well above the inflation target of 4 per cent. While at the end of 2025, India was described as a Goldilocks economy, it is now in what is being called "reverse Goldilocks". The hold on petrol pump price increases because of key state elections cannot last too long without damaging the finances of oil public-sector enterprises (PSEs) and the fiscal deficit targets. LPG prices have already been increased and export duties on diesel and jet fuel have been imposed. The rupee has breached 95 against the dollar and is amongst the weakest currencies in Asia. The Reserve Bank of India (RBI) intervened briefly but realised that this was a losing battle as foreign portfolio investors have pulled over \$21 billion from Indian markets since the start of the Iran war due to the oil shock.

The rupee, however, weakened even before the Iran war (see chart 1) and was the weakest Asian currency in 2025, as foreign portfolio investors pulled over \$19 billion out of Indian markets. This was due to the tariff shock, with India ending up with 50 per cent tariffs, surprising everyone. But also contributing to this was the much less discussed artificial intelligence (AI) shock, where India's information technology (IT) sourcing model is perceived to be a loser.

The government has countered this perception through a much-hyped AI summit and announced a comprehensive AI mission to build a robust AI ecosystem by 2030, including creating indigenous smaller AI models and fostering startups and public-private AI projects. But questions remain on whether AI will be a boon or a bane, as India's big IT companies have not

seen fit to invest in AI research and their outsourcing model is taking a hit. How quickly they can use AI to revamp their business model remains to be seen.

Nevertheless, India emerged reasonably well from 2025. But now, the oil shock and war-related supply disruptions have again driven funds out of India and significantly weakened the rupee. The tariff shock has ebbed, as India now pays only a 10 per cent import duty into the United States, the same as others. But Donald Trump is getting trade reviews done and intends to return to selective country tariffs — that dog might still bite; stay tuned.

Oil prices may eventually reverse, but for now, India's currency has been hit hard again, despite its sizeable reserve holdings (see chart 2), and is among Asia's weakest currencies. Cumulatively, the Indian rupee has weakened by 10 per cent against the US dollar since the beginning of 2025. As a result, according to the IMF, in dollar terms, India has been eclipsed by the United Kingdom and is now the sixth-largest, not the world's fifth-largest, economy, with even Bangladesh's per capita income is now higher than India's.

The rapid exchange rate depreciation will, of course, help counter another big worry, the current account deficit, which in 2026 may exceed 2 per cent of GDP, a danger level. By making imports more costly and encouraging exports, a weaker rupee will help reduce the current account deficit. But this may be dwarfed by weaker global demand. All past empirical work shows that exports are dependent hugely on global growth — which is weakening. India's exports to the Gulf states — a major market — have also been hugely impacted by the war. This means finalising and executing the free-trade agreements (FTAs) India has signed, especially with the European Union, the United Kingdom, Australia and now New Zealand will be critical.

The war has affected not just oil but also gas and fertiliser. While reports say India has managed to obtain sufficient fertiliser for the Kharif crop, this might be a time for much-needed reforms in fertiliser, where subsidies will rise by 20 per cent under a business-as-usual model. The over-reliance on subsidised urea (nitrogen) has severely affected soil nutrient ratios, requiring a shift towards nitrogen, phosphorous, and potassium balance. Moving towards direct cash transfers to farmers (e.g., a flat per-acre payment) to replace the current

Asian currencies against USD

% change	In 2025
Malaysian ringgit	9.64
Thai baht	8.86
Singapore dollar	5.61
Taiwan dollar	3.94
Chinese yuan	3.67
HK dollar	-0.16
Japan yen	-0.16
Korean won	-0.63
Philippine peso	-1.44
Indonesian rupiah	-3.98
Indian rupee	-4.35

Movement since the Iran war

% change	
Chinese yuan	0.34
HK dollar	-0.16
Taiwan dollar	-0.71
Singapore dollar	-1.28
Malaysian ringgit	-1.98
Japan yen	-2.78
Korean won	-3.23
Indonesian rupiah	-3.58
Indian rupee	-4.26
Thai baht	-5.51
Philippine peso	-6.53

input-based subsidy, allowing market-driven pricing for fertilisers to truly solve inefficiency is long overdue.

India must also look for diversification in its gas needs. The US is a potential source, but the next US administration may not be so keen to export and may cancel plans, as happened under the Biden administration. Had Joe Biden not banned LNG exports, India would not be in so much trouble today with its gas needs. Australia, Russia, Malaysia, and Indonesia may provide a more reliable solution in the future to diversify from the Gulf.

The oil shock will hopefully lead to a faster shift to renewables. The supply disruptions have shown that more physical buffers in oil and other critical inputs are desirable. Longer-term oil contracts with dependable partners like Russia should be made, despite US pressure. While a trade deal with the US is vital, India must signal that it cannot be pushed around at will and has certain key strategic interests.

It is time to come together with like-minded countries, such as Australia, Canada, and the EU, as well as its Brics+ partners, and be counted in this volatile world, instead of trying to please an unpredictable American administration and getting rebuffed repeatedly. If the US can wage a whimsical war with such huge costs to the rest of the world, and inflict on-again, off-again tariffs at will, it has become a friend without any benefits.

The author is distinguished visiting scholar, Institute for International Economic Policy, George Washington University



IF TRUTH BE TOLD

AJAY CHHIBBER

deficit. But this may be dwarfed by weaker global demand. All past empirical work shows that exports are dependent hugely on global growth — which is weakening. India's exports to the Gulf states — a major market — have also been hugely impacted by the war. This means finalising and executing the free-trade agreements (FTAs) India has signed, especially with the European Union, the United Kingdom, Australia and now New Zealand will be critical.

Trai's long tryst with emergency calls

At least 15 years before last week's trial disaster management siren was unleashed on millions of mobile phones, formal consultation of stakeholders had already taken off on emergency communication services in the country. It was in November 2011 that the Telecom Regulatory Authority of India (Trai) came out with a pre-consultation paper on "priority call routing in mobile networks during emergencies". The trigger was the Mumbai bomb blasts of July 13, 2011, which shook India's financial capital. The crisis led to severe congestion in the city's cellular networks, prompting Trai to initiate its consultation process on the subject.

The idea was to ease mobile network congestion for personnel engaged in response and recovery during emergencies, while highlighting the importance of modern telecom infrastructure. The paper referred to the July 2006 Mumbai suburban train bombings as well as international disasters, including the 9/11 terrorist attacks in 2001, the Thailand tsunami in 2004, and the Northridge earthquake in 1994, to bring out the need for robust communication systems during periods of network congestion.

"Historically, major disasters are the most intense generators of telecommunications traffic, and the resulting surge of demand can clog even the well-managed networks," the regulator noted back in 2011.

This historical context is worth recalling amid the overwhelming response to the government's latest mobile siren experiment as a disaster management measure. Using cell broadcast technology, the mobile-based disaster warning system has been developed by the Centre for Development of Telematics (C-DoT) along with the National Disaster Management Authority (NDMA).

Since the start of its journey on emergency communication more than 15 years ago in 2011, Trai brought out several consultation papers related to disaster management, the last one being in 2017.

aster management, the last one being in 2017.

The 2017 consultation paper of Trai revolved around the logic that rescue operations cannot be stopped or delayed even if the responding agencies are unable to communicate with one another. Citing the Indian Ocean tsunami of December 2004, the regulator said that while seismic monitoring stations throughout the world detected the massive sub-sea earthquake that triggered the tsunami, a lack of procedures for communicating these early warnings to governments and inadequate infrastructure in the regions at risk delayed the transmission of these messages. "Therefore, it is clear that better communications can save several lives."

Explaining that many times the communication networks of certain public safety agencies are not interoperable or compatible with the networks of other agencies, Trai cited the example of the United States (US) nine years ago in its consultation paper. Public safety agencies have joined together to design, develop and deploy information and communications technologies to support policing, criminal justice, public safety and homeland security in the US, resulting in the creation of the Public Protection and Disaster Relief (PPDR) communication network for rapid action in times of disasters.

Based on the PPDR model of the US, the regulator posed many questions for stakeholder consultation, including those on the deficiencies of a fragmented PPDR system in India at that point, frequency bands that could be identified exclusively for public protection and disaster relief, and the quantum of spectrum needed for this.

Flowing from the consultation paper of 2017, the telecom regulator issued recommendations a year later. The PPDR network was the foundation of that recommendation. Trai pointed to a core weakness in

its paper, that Indian PPDR agencies — including the police, fire departments, emergency medical professionals, paramilitary forces and many others — rely on narrow-band or old analogue systems meant for voice communication.

To put things in perspective, PPDR communication networks are run by independent state agencies and are issued licence by the Department of Telecommunications (DoT) under the Captive Mobile Radio Trunking Service category. Spectrum for this category is allocated by the Wireless Planning & Coordination Wing of DoT in a few select bands. Trai argued that this framework resulted in fragmented spectrum allocation and inefficient use of prime sub-GHz frequencies. PPDR agencies working in silos was another red flag raised by the regulator. After meetings with stakeholders, mainly the Ministry of Home Affairs and the NDMA — major users of PPDR communication — Trai finalised its recommendations.

The top recommendations included setting up an integrated broadband PPDR communication network, the formation of a special purpose vehicle (SPV) under the Ministry of Home Affairs to steer network operations, a timeline for DoT to phase out the existing analogue networks, and pan-India pilots through state-owned telcos BSNL and MTNL before executing the service.

On spectrum, which would ensure the seamless functioning of a nationwide broadband PPDR network, the regulator recommended dedicated bands across several frequencies, including 20 MHz of spectrum in the 440-470 MHz frequency range (preferably 450-470 MHz) for the future evolution of broadband PPDR.

Eight years later, much of it still remains a work in progress, even as millions of Indians got a glimpse of the country's disaster management strategy last Saturday. Even as the telecom regulator has been formally engaged with the subject of disaster management for 15 years, the cell broadcast system developed by C-DoT in collaboration with the NDMA did not find any mention in the Trai papers.



NOT FOR PROFIT

NIVEDITA MOOKERJI

Flowing from the consultation paper of 2017, the telecom regulator issued recommendations a year later. The PPDR network was the foundation of that recommendation. Trai pointed to a core weakness in

How government should use AI



PROSENJIT DATTA

It is not often that one would recommend a book that is decidedly stodgy to read and contains no sweeping, grand insights. Yet this is an honest book, a prosaic book that seeks to do exactly one thing and succeeds quite well in the task.

The contents of *Reimagining Government* are exactly what the title says. It is about how the government should use artificial intelligence (AI) to improve its functioning, provide better services to

citizens, and to become more efficient. The volume has been put together by three co-authors — or perhaps authors and editors — whose names appear on the front cover. But the book credits five other contributors, all of whom have provided their expertise in putting together the book.

The volume they have produced is a sort of handbook or practical guidebook. The authors understand that many policymakers — both elected representatives as well as career bureaucrats — would not be very familiar with AI. Indeed, they assume that most of the policymakers at whom this book is aimed at would need a crash course in the simplest terms. This is what the first chapter — "Understanding the AI Tech Stack" — seeks to do, in terms that anyone, including AI phobes, would understand. It is really chapters two to eight that

cover everything from the uses of AI in governance to implementation plans and frameworks, the options available, why the government needs to partner with private players for AI implementation — and more importantly, the kind of organisation it should partner with. The chapters also discuss AI adoption and maturity curves, as well as the kind of government leadership required in the AI age.

The frameworks, the pros and cons of open versus closed AI models and systems, risk assessments and implementation challenges are some of the most useful areas covered.

The authors understand that too much information can be counter-productive to their audience and stick to the broad issues, without being superficial. The approach seems to be that policymakers need to understand both the big

picture as well as have an understanding of the critical details but need not be an expert in all matters AI. Thus, most chapters present readers with the main issues that need to be debated and decided upon when choosing the partner for implementation, selecting the model that will work best for their particular use cases, and identifying the main issues to be scrutinised while designing the AI implementation framework and processes. Policymakers will obviously hire an expert — but he or she also needs to know enough to ensure that the expert does what is required. This means, he or she also needs to first understand what AI can and cannot do — and what is required for his or her department.

While the book is written obviously for policymakers in the United States,



Reimagining Government: Achieving the Promise of AI

by Faisal Hoque Erik Nelson and Thomas H Davenport and others
Published by Post Hill Press
249 pages ₹2,521

it can actually pretty well be used by most governments in both developed nations and fast-developing nations like India.

There are a few case studies that the authors use for explaining how AI has already achieved much in specific areas. Unfortunately, they are too concise. Also, more case studies would have been good. The authors could have looked at more countries for use cases of AI in government.

Chapter nine, which is on organisational redesign is a mixed bag. Like the previous chapters, it covers the basics in short. But because the areas covered are very complex — the evolving nature of AI-human relationship in government, for example — it would have merited a deeper, more nuanced examination. The final chapter is both a summa-

tion as well as a continuation of the previous chapters, focusing on how to achieve the promise of AI.

One area that should ideally have been covered in some detail are the guardrails that are needed to be put by the government, both for preventing AI from going off the rails and creating havoc and to address societal risks. The authors do try to explore the main issues in chapter four, with the CARE framework, but it is dealt with in too little detail for something so important.

In India, NITI Aayog and others have published several white papers and strategy reports for the government on how best to implement AI. They go into great detail and may sometimes be intimidating for some people. This book deals with almost all the issues covered in several reports in an easy-to-digest form.

The reviewer is former editor of *Businessworld* and *Business Today* magazines, and author of *Will India Get Rich Before It Turns 100? A Reality Check*

Opinion

THURSDAY, MAY 7, 2026



STRATEGIC PARTNER

Prime Minister Narendra Modi

A decade ago, Vietnam became India's first comprehensive strategic partner in ASEAN (Association of Southeast Asian Nations). Since then, our relations have made rapid and comprehensive progress

AGR reset questions

Relief for Vi may be justified, but the recalibration basis must be transparent and applied consistently

THE GOVERNMENT'S DECISION to pare Vodafone Idea's (Vi) adjusted gross revenue (AGR) dues from ₹87,695 crore to ₹64,046 crore, coupled with Kumar Mangalam Birla's return as non-executive chairman after nearly five years, suggests the company may finally be moving beyond mere survival. The twin developments signal both regulatory pragmatism and renewed promoter confidence in a telecom operator whose future had appeared uncertain for years. For the government, the move reflects a calibrated intervention in a sector where prolonged financial stress has threatened market structure and competition. Importantly, the relief follows a reassessment enabled by the Supreme Court's willingness to permit a review of certain components of AGR liabilities. In that sense, the Centre has acted within the legal framework rather than outside it. Given its dual role as policymaker and a near-49% shareholder in Vi, the decision is also consistent with its stated objective of preserving a three-player telecom market. On principle, therefore, the move is defensible: it does not overturn the Supreme Court's core AGR judgment, but uses the limited flexibility permitted within it to recalibrate dues in the interest of sectoral stability and continuity of services.

What remains unclear, however, is the basis of this recalibration. The government has yet to explain whether the reduction arises from the correction of arithmetical or computational errors in earlier assessments, or from a reinterpretation or waiver of certain components within the legal boundaries allowed by the court. This distinction matters. If the revision stems from error correction, it inevitably raises questions about the credibility of earlier calculations that operators had long disputed but which were ultimately upheld through an extended legal process. If, instead, it represents a conscious policy choice within the contours of the court order, then the principles governing such relief—and their limits—must be transparently articulated. In either scenario, clarity is essential, particularly in a sector where regulatory consistency and predictability are critical.

The issue becomes more significant in the context of operators such as Bharti Airtel and Tata Teleservices, both of which had earlier challenged the Department of Telecommunications' AGR calculations and submitted their own estimates. Those challenges were rejected, with the government maintaining—and the court affirming—that the dues as computed were final. Following the Vi reassessment, the Centre has indicated that any comparable relief for other operators would require them to seek appropriate directions from the court. Procedurally, that position is sound and respects the judicial process. Yet it does not entirely resolve the substantive question: if discrepancies have indeed been identified in one case, should similar calculations not be examined across the board rather than requiring each operator to embark on fresh litigation?

The larger principle at stake is one of administrative consistency. If the Vi exercise has uncovered genuine computational discrepancies, the government has both the authority and arguably the obligation to review comparable calculations for other operators suo motu—limited strictly to correcting errors and without reopening issues conclusively settled by the Supreme Court. Such an approach would draw a necessary distinction between rectifying mistakes and granting fresh concessions. It would preserve the integrity of the judicial outcome while ensuring fairness and uniformity in implementation. After years of litigation, financial distress and regulatory uncertainty, the telecom sector needs less ambiguity, not more. A transparent and rules-based follow-through would help restore confidence in the regulatory framework and provide a firmer foundation for future investment and competition.

AI boom's chipmaker moment ignores history

SEMICONDUCTORS ARE PULLING ahead of everything else in the stock market, including the vaunted hyperscalers that helped drive extraordinary returns from 2022 through 2025. The divergence is part of a high-stakes tussle among investors to pick the winners and losers of the artificial intelligence revolution.

In recent months, investors have piled into the companies getting rich from the technology right now—and grown less patient with those banking on big payoffs down the line. Still, history suggests the greater risk may be in assuming that today's leading beneficiaries will remain on top.

The S&P Semiconductors Select Industry Index has returned a staggering 144% in the past year, crushing the 19% advance for the equal-weighted S&P 500 and the 36% gain for a basket of hyperscalers. That's by far their greatest outperformance since the AI boom got underway. On a cumulative basis since the release of ChatGPT started the AI hype, semis are about to catch hyperscalers as the biggest beneficiaries. It's no exaggeration to say that semiconductors have put the US stock market on their backs: In 2026, the S&P 500 would only be up around 2.2%, instead of the current 6%, if you zeroed out the gains from semis.

The sector is on pace for 83% growth in earnings per share from a year earlier, early-season results show, driven by ceaseless demand and structural supply constraints that are pushing prices and profits to the moon. The gains have now spread from Nvidia, the maker of the most coveted and superior AI chips, to much more humdrum chips. Concerningly, however, history has shown that ultra-juicy semiconductor margins tend to lure more capacity to the market, which eventually leads to oversupply, making today's 44% net margins look suspiciously unsustainable.

It's simply part of semiconductors' DNA that their margins widen and narrow. Helped by smartphone adoption, they expanded for years after the financial crisis, only to cool dramatically thereafter. They boomed during the early years of Covid-19, too, as everyone's lives went online, then shrank in 2022 when pull-forward computer demand waned and the supply glut arrived.

The "this time is different" crowd is convinced the AI boom is no ordinary cycle. For one thing, the hyperscalers are engaged in an arms race, and demand looks strong at least through 2026. Semiconductor "fabs" often take two to three years to build and get running. And AI itself is so technologically demanding that even the highly cyclical, "commodity-like" components aren't as interchangeable as they were. The high bandwidth memory used for AI GPUs is essentially only produced by three companies globally. Nevertheless, the semiconductor family of stocks has seen such an extraordinary rally that a lot of upside is already in the price.

Goldman Sachs Group's Jim Covello, co-head of equity research, said last week he recommends hyperscalers themselves as the better way to play the AI story these days. Microsoft, Oracle, and Meta Platforms are all well below their recent highs and lagging the broader index. That's at least partially due to concerns they're spending too much with little to show for it. If they start generating positive returns on AI investments, the hyperscalers will have more upside than the semicon stocks, he reasoned.

If they cut back on spending, investors could celebrate that as well in the short term, as it would help shore up free cash flows, he reasoned. But it would be a major headwind to the semiconductor stocks.

Ultimately, you don't have to be an AI doomer to worry this semiconductor rally is due for a pause, or worse. For second and third-tier semiconductor firms to keep rallying like Beanie Babies in the '90s, they'd need demand to remain at least this extraordinary and supply constraints to remain in place. Perhaps the demand really is as strong as we're told, but never beat against human ingenuity to sooner or later help meet it.

JONATHAN LEVIN
Bloomberg

POWER POINT

THE SURVIVAL OF FAMILY CAPITALISM INCREASINGLY DEPENDS ON BEHAVING LESS LIKE A FAMILY ENTERPRISE

Beyond the bloodline

KIRAN MAZUMDAR-SHAW'S decision to identify her niece, Claire Mazumdar, as a potential successor at Biocon has reignited one of the oldest and most uncomfortable debates in corporate India: when family-owned businesses choose their next leader, where does legacy end and governance begin?

At first glance, the transition appears carefully thought through. Claire Mazumdar is no untested inheritor parachuted into a leadership role by virtue of surname alone. A Stanford-trained scientist and chief executive of Nasdaq-listed Bicara Therapeutics, she possesses precisely the sort of global credentials modern investors expect from successors in founder-led companies. In an interview with *Reuters*, Mazumdar-Shaw repeatedly emphasised competence, continuity, and long-term institutional stewardship rather than mere family inheritance. In any case, Claire will have the benefit of long-term mentoring as the transition would move step by step from director to vice-chair and eventually chair.

Yet the announcement also raises a question that corporate India still struggles to answer honestly: How exactly are successors chosen in promoter-led companies?

Was Claire selected after a formal evaluation process? Did Biocon's board or nomination committee examine internal and external candidates? Was there an institutional succession framework with measurable criteria? Or was the decision essentially the founder's own judgement, later communicated to the board and investors? At the moment, there are no clear answers.

That ambiguity is important because succession in family-controlled businesses remains one of the least transparent areas of corporate governance. Even listed companies that comply with every formal disclosure norm often treat leadership transition as a deeply personal promoter decision rather than an institutional process. Boards frequently ratify succession choices rather than shape them.

This is where the tension lies. Family businesses argue—often legitimately—that founders have the best understanding of culture, strategic direction, and long-term stewardship. But investors increasingly expect large listed companies to distinguish between ownership

SHYAMAL MAJUMDAR

shyamal.majumdar@expressindia.com



rights and managerial appointments. The larger and more systemically important the company becomes, the harder it is to justify succession purely as a private family matter.

In many ways, Biocon sits at the intersection of these competing realities. It remains strongly identified with its founder even after decades of growth and globalisation. Mazumdar-Shaw is not merely the chairperson; she is the company's central symbolic figure, strategic architect, and public face. Such founder-driven institutions often struggle to separate the individual from the enterprise itself.

That is precisely why succession becomes the ultimate governance stress test. Globally, family-owned businesses have approached this challenge in sharply different ways. Some have institutionalised succession with rigorous board-led processes. Others have retained tightly controlled family transitions while attempting to professionalise the heirs. And some have descended into destructive uncertainty because founders delayed difficult decisions for too long.

Among the more successful examples is Walmart, where the Walton family retained ownership influence while progressively institutionalised professional management. Leadership transitions there increasingly resembled those of large public corporations rather than hereditary transfers.

Similarly, Ford Motor Company survived multiple generational transitions because the family gradually separated strategic ownership from operational management. While family influence remained intact, professional executives were repeatedly brought in when required.

In Europe, luxury giant LVMH offers another interesting model. Bernard Arna-

ult has visibly groomed family members, but succession discussions there are embedded within a highly institutional corporate structure where performance expectations are brutally high even for heirs. India's experience has been far more uneven. The transition at Reliance Industries under Mukesh Ambani is perhaps the most closely watched example today. Ambani has gradually inducted his children into leadership roles across telecom, retail, and digital businesses while simultaneously building professional management layers underneath. Yet even there, the process has remained largely promoter-driven rather than board-led in any visible sense. The market has accepted the transition partly because the businesses continue to perform strongly and the next generation appears operationally involved.

At Infosys, founders consciously moved away from dynastic succession altogether. Leadership transitions increasingly became professional and board-driven, reflecting the company's effort to position itself as an institution independent of promoter families.

Meanwhile, succession battles at several Indian family conglomerates—from the Singhs of Ranbaxy to disputes within real estate and infrastructure groups—have shown how opaque succession planning can damage both governance and shareholder value. The latest spectacle over succession in the Tata group is yet another example.

The broader issue is that Indian corporate governance norms have evolved much faster in areas such as disclosures, related-party transactions, and board independence than in succession planning. There are elaborate frameworks governing financial transparency, but relatively little scrutiny of how future leadership

is identified and evaluated.

This matters because succession is not simply about continuity. It determines strategic direction, capital allocation, management culture, and investor confidence for years, sometimes decades. In founder-led companies especially, the successor effectively inherits not just an office but an entire ecosystem of influence built around the founder's personality.

Markets today are therefore asking tougher questions than before. Would the identified successor have emerged through an open leadership search? Is the board genuinely exercising independent judgement? Has the company built a pipeline of professional leadership beyond the promoter family? And critically, is the transition being designed around institutional interests or family preferences?

None of this necessarily argues against family succession. In fact, some of the world's most successful businesses remain family-controlled. Long-term orientation, promoter commitment, and continuity of vision can be enormous strengths. But modern investors increasingly expect such succession to be accompanied by transparency, preparation, and institutional checks.

To her credit, Mazumdar-Shaw appears aware of the need to project professional legitimacy alongside family continuity. Claire's global biotechnology credentials are clearly being foregrounded precisely because markets today are sceptical of unqualified dynastic transfers.

Still, credentials alone do not settle the governance question. The real issue is whether India's large promoter-led companies are willing to treat succession as an institutional process rather than a private inheritance decision. That distinction will define the next phase of Indian capitalism.

For decades, promoter authority itself was considered sufficient legitimacy. Increasingly, it is not. Investors now want evidence that companies can outlive their founders without becoming captive to family discretion. In the end, the strongest succession plans are not those that merely preserve legacy, but those that convince markets the institution matters more than the bloodline.

The irony is unmistakable: the survival of family capitalism increasingly depends on behaving less like a family enterprise.

Banking likely to be steady in FY27



MADAN SABNAVIS

Chief Economist, Bank of Baroda

For banks, two primary concerns will be quality of assets and the prospect of caution around new investment projects or expansion in the first half

THE BANKING SECTOR fared quite creditably in FY26 notwithstanding tariff threats and war. Bank deposits grew by 13.5% and credit by 16.1%. The question now is, how will business be in FY27?

Several developments in March and April have a bearing on banking this year. The GDP growth number is the primary factor that will guide bank credit growth.

While there are links with nominal GDP growth, it can be said with reasonable confidence that a double-digit growth rate looks likely more on account of a higher GDP deflator than a real GDP growth rate. The latter would slow down to 6.9%, according to the RBI. The Budget had spoken of a growth rate of 10% in nominal GDP, which could be exceeded given the higher inflation potential this year on account of both the war as well as possible monsoon effects with El Niño developments later in the year. Growth in credit could thus be more in the region of 12-14%, which is still impressive albeit lower than last year.

Growth across sectors is something to watch out for. It appears companies in the larger size bracket would come back to the investment board this year. Much uncertainty delays as there is just too war uncertainty. More important is the action that the government may take on petrol prices. Although there may not be any immediate price hike, budgetary concerns will cause a change in view at some point. This can upset the consumption story. Also,

there is a possibility of rate hikes this year, which the OIS (overnight index swap) market indicates. These factors will play on the mind of companies which could be looking to invest in capital.

So, it looks like retail credit will be the driver once again, and housing and auto loans will be the focus. Gold loans may be less buoyant given that prices have come down and it is believed that the boom may be behind us. Unless there is a direct impact on job creation and therefore income, retail credit will be on the upward trajectory this year. Curiously, the threat to employment is linked more to AI and its proliferation than the war.

Other sectors like agriculture and micro, small, and medium enterprises would be on a steady path with their nature of mandated credit likely to help maintain momentum. The services segment typified by trade and non-banking financial companies would also continue to see traction. For the former, a growing economy augurs well while for the latter, funds from banks are like a raw material needed for business.

The fate of deposits is interesting. All this while, there has been considerable competition from the capital market. In a declining interest rate scenario, house-

holds in particular have tended to look for alternatives, especially in the capital market. Interestingly, while small savings offer higher returns than deposits, the shift has been marginal. It is the capital market that provides a viable alternative with returns of 10-14% depending on circumstances.

Is the capital market well-valued today? This is a call that investors have to take. The major correction seen due to the war has meant there can be a smart upside purely on the grounds of returning to a past equilibrium. That can mean Sensex crossing the 80,000-mark. This will be a consideration for those who weigh the two markets all the time. Bank deposits did gain substantially in March with an increase of ₹10.39 lakh crore of the ₹31.15 lakh crore witnessed during

the year, which is almost a third of the incremental deposits. While a part of the increase was due to the year-end phenomenon, the war's impact on stock markets also contributed to this migration. The Sensex fell by 11.5% in March.

It is believed that while a high deposit growth of 13.5% won't be maintained, it would be in the region of a steady 10-12%. And if the repo rate is increased during the course of the year, it could touch the upper end of this estimate.

It is believed that while a high deposit growth of 13.5% won't be maintained, it will be in the region of a steady 10-12%

Therefore, banking business will be steady and should contribute well to GDP growth. Last year, growth for the component of GDP denoted under "financial, real estate, IT, dwelling" was 9.9%. It should be 9-10% if deposits and credit maintain the growth rates forecast for the year.

Banks will have two primary concerns. The first is the quality of assets. The present situation of stressed supply chains and higher cost of petro-based inputs could persist even if the war ends soon. This will impact profit and loss accounts of companies in sectors such as petrochemicals, fertilisers, paints, glass, ceramics, textiles, and auto. Smaller units are more vulnerable, so they will need close monitoring. The second is that new investment projects or expansion would be cautious in the first half of the year, which means the focus has to be on alternatives.

A related issue concerns the space of treasury income. Typically, higher interest rate regimes mean lower profits but higher margins on credit. This can be a likely scenario especially if the RBI increases rates (based on evolving conditions). At any rate, the regime of declining interest rates appears to have ended, so the possibilities of an upside in treasury income are limited. This is reflected in bond yields which have been intransigent for quite some time.

Views are personal

LETTERS TO THE EDITOR

Body blow for Left

Apropos of "Left behind" (*FE*, May 6), the Kerala election results have sounded the death knell for communist governance in India. By losing its final bastion, the Left faces

more than a political defeat; it confronts an existential crisis. For decades, the movement has failed to bridge the chasm between rigid Marxist-Leninist dogma and the soaring aspirations of a globalised populace. Its persistent anti-industrial

and anti-capitalist stance—the very engines of modern employment—has effectively choked growth and alienated the youth. While global Leftist movements have adapted to 21st-century realities, Indian comrades remain shackled to

stagnant 20th-century rhetoric. This refusal to recognise that sustainable welfare requires wealth generation has rendered the party a political relic. —N Sadhasiva Reddy, Bengaluru

● Write to us at feletters@expressindia.com

Economy

THURSDAY, MAY 7, 2026

IN THE NEWS

NMDC HIKES IRON ORE PRICES BY ₹200 TONNE

State-owned NMDC on Wednesday said it has increased prices of both iron ore lump and its fines by ₹200 per tonne, with immediate effect. It has fixed the price of balla lump ore at ₹5,500 per tonne and fines at ₹4,700 a tonne, the miner said in a regulatory filing.

UNREGISTERED BUSINESS ENTITIES GROW 8% IN 2025

UNREGISTERED BUSINESSES grew by 8% to reach 79.2 million and added 7.45 million jobs between January and December 2025, according to a government survey released on Wednesday. It said that the number of such establishments rose to 79.2 million in 2025, growing by 7.97%.

'India should adopt dual-track trade strategy at WTO'

INDIA SHOULD ADOPT a dual-track approach, upholding the core principles of the multilateral system while selectively and strategically engaging in plurilateral initiatives that serve its interests, say experts. They said the World Trade Organisation (WTO) is relevant as countries are benefiting from its rules.

Indian Potash floats tender for ammonia

TO BOOST DOMESTIC output, the state-owned Indian Potash issued a tender on Wednesday to import 0.52 million tonne (MT) of anhydrous ammonia, a primary raw material for urea production. The state-owned - company authorised for sourcing soil nutrients. will buy 0.37 MT through the east coast.

'Manufacturing growth sentiment positive in Q4'

GROWTH SENTIMENT IN India's manufacturing sector stays positive during the fourth quarter of FY26 despite rising input costs and geopolitical uncertainties, according to a survey released on Wednesday. The only impact seen was in the capacity utilisation.

FE BUREAU & AGENCIES

13 PACTS SIGNED TO PROVIDE FOR DEEPER ENGAGEMENTS

India targeting \$25-bn trade with Vietnam by 2030: PM

PRESS TRUST OF INDIA
New Delhi, May 6

INDIA AND VIETNAM on Wednesday elevated their ties to an enhanced comprehensive strategic partnership and set a \$25 billion annual trade target by 2030 as Prime Minister Narendra Modi and Vietnamese President To Lam held talks focusing on expanding bilateral ties in areas of trade, defence, and critical minerals in the face of increasing geopolitical upheavals.

Following the Modi-Lam meeting, the two sides signed as many as 13 agreements which will provide for deeper two ways engagements in a range of areas including digital payments, rare earth minerals, pharmaceuticals, education, banking and culture.

Modi and Lam also deliberated on the situation in the Indo-Pacific amid China's increasing assertiveness in the region, and agreed to continue to contribute to the rule-of-law, peace, stability, and prosperity. It is understood that China's growing military muscle-flexing in the South China Sea also figured in the delegation-level talks between the two sides.

Elected as president earlier this month, Lam began his first state visit to India on Tuesday, leading a high-level delegation for a three-day trip.



Prime Minister Narendra Modi and Vietnam President To Lam exchange a handshake at Hyderabad House in New Delhi on Wednesday

"A decade ago, Vietnam became India's first comprehensive strategic partner in ASEAN (Association of Southeast Asian Nations). Since then, our relations have made rapid and comprehensive progress," Modi said in his statement.

"Building on this strong foundation, today we are elevating our relations to the level of Enhanced Comprehensive Strategic Partnership. We will now advance our partnership to even higher goals," he said.

"Our cooperation will reach new levels in every area culture, connectivity, and capacity building, as well as security, sustainability, and supply chain resilience," Modi added.

He noted that the bilateral trade between India and Vietnam has doubled in the last decade to reach \$16 billion and that the target now is to increase it to \$25 billion by 2030.

Modi also cited a plethora of agreements signed between the two countries to

emphasise that the economic engagement is expected to witness a significant upswing going forward.

"The MoU between our drug authorities will now increase access to Indian medicines in Vietnam. Exports of Indian agricultural, fisheries, and animal products to Vietnam are also set to become easier. Very soon, Vietnam will taste India's grapes and pomegranates," he said.

FY26 exports rise marginally to \$863.1 bn after revision

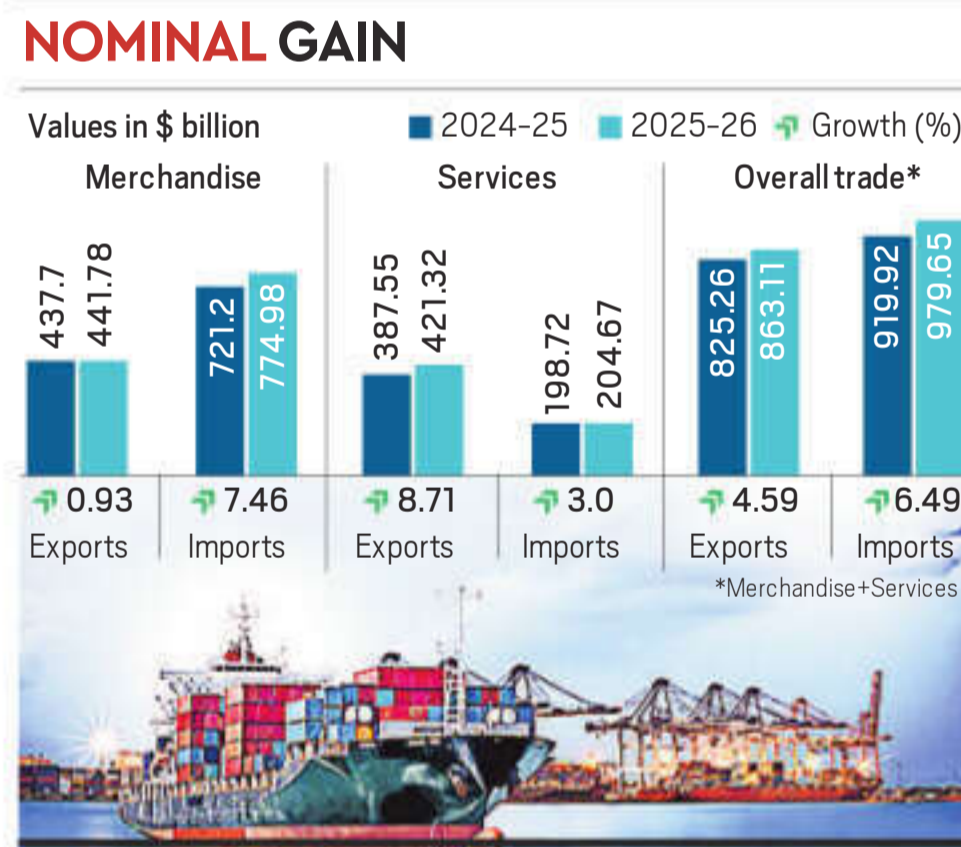
FE BUREAU
New Delhi, May 6

OVERALL EXPORTS — GOODS and services — from India rose to \$863.11 billion in FY26, up 4.59% from \$825.26 billion in the previous year, according to the revised data released by the Ministry of Commerce and Industry on Wednesday.

Earlier, the total exports for FY26 were reported at \$860.09 billion as the data for services exports for the month of March was not available. The commerce ministry had used an estimation of services exports for the month. The updation of services exports numbers by the Reserve Bank of India (RBI) has resulted in the revision of the figures.

"This marks the highest level of overall exports so far, sustained by steady performance across sectors despite ongoing global challenges. Moreover, the highest-ever total exports were recorded in each quarter of 2025-26," a ministry official said.

Merchandise exports grew at a modest pace and continued to provide a stable foundation, rising 0.93% to \$441.78 billion last fiscal



from \$437.70 billion in FY25.

Despite global uncertainties and challenges in goods trade, India's merchandise exports maintained upward trajectory, contributing significantly to the total export basket, the official added.

The standout performer, however, remains services exports, which surged to a historic high of \$421.32 billion in FY26, compared to \$387.55 billion in the previous year FY25, recording a strong growth of 8.71%.

"This sharp rise underscores the expanding global demand for services such as IT, business solutions, and professional expertise, reinforcing the country's strength in the services sector," the official said.

Together, the combination of steady merchandise exports and rapidly growing services exports pushed total exports to an all-time high, highlighting a structural shift toward a more service-driven export economy while maintaining stability in goods trade.

Foodgrain stocks hit 60.4 MT

PRESS TRUST OF INDIA
New Delhi, May 6

THE GOVERNMENT'S WHEAT and rice reserves held in Food Corporation of India (FCI) godowns rose to 60.4 million tonne as on April 1, nearly three times the mandatory buffer requirement of 21.04 million tonne, official data showed.

Rice stocks stood at 38.61 million tonne, well above the buffer norm of 13.58 million tonne, while wheat reserves were at 21.79 million tonne against the required 7.46 million tonne. Buffer norms are revised quarterly — the current figures apply from April 1, with the next revision due on July 1.

The government maintains buffer stocks of wheat and rice to ensure adequate supply for beneficiaries of the Public Distribution System (PDS) and other food welfare schemes.

Procurement of wheat and rice from the 2026 rabi season is currently underway. About 97% of the wheat sown area of 33.41 million hectare has been harvested, along with the completion of pulse harvesting.

India, Korea to hold talks to upgrade CEPA in late May

Both sides aim to double trade to \$54 bn by 2030

FE BUREAU
New Delhi, May 6

INDIA AND KOREA will start negotiations for the upgradation of their existing Comprehensive Economic Partnership Agreement (CEPA) from May 25, a senior official said on Wednesday.

Through the upgrade, both sides are aiming to double bilateral trade to \$54 billion by 2030 from \$27 billion at present.

India is inclined to negotiate an entirely new agreement with Korea to make it more contemporary but that would depend on how the initial rounds of the talks progress.

The decision to expedite the discussions for upgrading the CEPA and conclude it in a year was taken during the state visit of Korean President Lee Jae Myung to India from April 19-21, 2026.

CEPA between the two countries was signed in 2009 and it came into force in 2010. Since the outcome of the agreement was in Korea's favour, the review of the agreement was agreed to in 2016. Since then, 11 rounds of talks have been held with no conclusion in sight.

MAJOR PROGRESS

India is inclined to negotiate an entirely new pact with Korea to make it more contemporary

CEPA between the two countries was signed in 2009

India's exports to Korea have gone up from \$3.7 bn in 2010-11 to \$5.8 bn in 2024-25

Imports from Korea increased from \$10.4 bn in 2010-11 to \$21 bn in 2024-25



The officials said, this time the talks would be different as in the last 2-3 years India has concluded several FTAs.

Since the CEPA, India's exports to Korea have gone up from \$3.7 billion in 2010-11 to \$5.8 billion in 2024-25. During this period, imports from Korea increased from \$10.4 billion in 2010-11 to \$21 billion in 2024-25.

Review of AITIGA

On the progress in the review of AITIGA, the official said the 13th round of meeting of the Joint Committee (JC) that is leading the effort would be held from July 6. The 12th meeting of the committee was held on March 30-31.

The review of AITIGA was

agreed to in 2020, but the process actually began with the formation of the Joint Committee in 2022. The demand for the review was made even earlier as India's exports to ASEAN remained stuck despite the trade agreement, while its imports from the 10-nation bloc soared.

India's aim in the talks is to liberalise trade in 80% tariff lines and product-specific rules of origin in the review of AITIGA. For each individual country, India wants liberalisation of at least 70% tariff lines, Secretary (East) in Ministry of External Affairs P Kumaran said while briefing reporters on the state visit of Vietnam's President To Lam to India.

Power transmission sector faces execution risks: Industry

SAURAV ANAND
New Delhi, May 6

INDIA'S POWER TRANSMISSION build-out is facing rising execution risks, with industry flagging that critical renewable-linked projects are being awarded to inexperienced developers, potentially threatening grid reliability and delaying energy transition targets.

In a communication to the Ministry of Power, the Electric Power Transmission Association (EPTA) has highlighted that several key transmission projects awarded in FY26 lack adequate developer experience, raising concerns over timely commissioning and system stability.

The industry body highlighted that transmission projects — critical for evacuating renewable power — require specialised capabilities including right-of-way acquisition, land aggregation, statutory clearances and multi-agency coordination, apart from strong operations and maintenance systems.

Flagging systemic risks, EPTA said transmission assets are highly interconnected, and failure in one project can trigger cascading disruptions across the grid, affecting large volumes of renewable energy connectivity.

The concerns are backed by

DELAYING TARGETS

Several key transmission projects awarded in FY26 lack adequate developer experience

Transmission assets highly interconnected and failure in one project can trigger disruptions across the grid



At present, bidders are required to meet aggregate capacity thresholds that can be drawn from any infrastructure sector

This provision does not adequately capture sector-specific expertise

past precedents. Projects awarded to developers such as Essel Infra and Isolux Corsan have seen delays ranging from four years to over six years, along with ownership transfers due to non-performance and financial stress.

"Thus, awarding critical transmission projects to entirely inexperienced players significantly increases risks for

both the transmission segment and the overall power sector," EPTA said.

At present, under the tariff-based competitive bidding (TBCB) framework, bidders are required to meet aggregate capacity thresholds that can be drawn from any infrastructure sector, a provision the industry body said does not adequately capture sector-specific expertise.

To address the gap, EPTA has proposed that bidders or lead consortium members should have developed and successfully commissioned transmission assets within the past five years, with at least one year of operational experience post commissioning.

The association stressed that while expanding participation in transmission development is necessary, it must be aligned with robust pre-qualification norms to ensure execution reliability and long-term system outcomes.

With India rapidly scaling up renewable energy capacity and transmission infrastructure to support it, the industry has cautioned that delays or failures attributable to weak developer capabilities could undermine grid security and clean energy integration, making stricter qualification norms imperative at this stage.

Sugar mills seek hike in floor price, ethanol compensation

SANDIP DAS
New Delhi, May 6

THE SUGAR INDUSTRY has asked for an upward revision in the minimum selling prices (MSP) of the sweetener and ethanol procurement prices by oil marketing companies, given the increased raw material costs due to the hike in the fair and remunerative prices for sugarcane.

The Indian Sugar and Bio-energy Manufacturers Association (ISMA) said these revisions are necessary for maintaining operational stability and ensuring timely cane payment to farmers.

The sugar mills had earlier urged the government to increase the MSP of sugar from the current level of ₹31/kg to at least ₹36-37/kg in line with the hike in the FRP. MSP has remained unchanged since



2018. In June 2018, the government introduced the concept of MSP of sugar so that the industry could get at least the minimum cost of production of the sweetener to enable them to clear cane prices due to farmers.

"Escalating production costs, coupled with subdued ex-mill realisation, are exerting significant pressure on mill cash flows and contributing to a rise in cane payment arrears," ISMA stated in a note.

In Maharashtra, the biggest sugar producer, cane arrears

stood at ₹2,130 crore in mid April compared to ₹752 crore reported during the same period last year. On Tuesday, the government approved a 3% hike in the Fair and Remunerative Price (FRP) of sugarcane, raising it to ₹365 per quintal, which mills must pay farmers for the 2026-27 sugar season (October-September) to ₹365/quintal.

Stocks decline

Shares of major sugar companies — Triveni Engineering, Balram Chini, Shree Renuka Sugar and Mawana Sugar — declined on Wednesday, after the government announced a hike of ₹10/quintal in the FRP of sugarcane for the next sugar season.

Shares of Balrampur Chini and Triveni Engineering declined by 1.06% and 1.52% to ₹525.15 and ₹407.05 respectively on the BSE on Wednesday.

One in 3 BFSI staff plans to quit: Report

MANU KAUSHIK
New Delhi, May 6

INDIA'S BANKING, FINANCIAL services and insurance (BFSI) units face a looming retention crisis with one in three employees planning to quit, according to the latest report by Great Place to Work.

The BFSI workforce is under strain because roles are evolving faster than job design, and skills remain uneven, causing burnout even as nearly half the workforce requires reskilling.

"Artificial intelligence (AI) is advancing rapidly and accelerating how work gets done, reshaping BFSI roles faster than organisations can redesign them. The mandate for leaders is to align job design, skills, and culture with evolving ways of working across levels," the report stated.

Despite the lag in learning systems, the report said that leaders in the BFSI sector are making steady progress

UNDER STRAIN

Leaders in the BFSI sector are making steady progress towards building more technology-enabled organisations

This is coupled with 83% of employees across BFSI expressing positive sentiment towards AI at work



87%

of employees identified automation of manual tasks and increased speed and efficiency as the primary benefits of AI at work

towards building more technology-enabled organisations. This is coupled with 83% of employees across BFSI expressing positive sentiment towards AI at work, and 87% of employees identifying automation of manual tasks and increased speed and efficiency as the primary benefits of AI at work.

The Great Place To Work India study shows that learning today is largely reactive with nearly 70% of employees

engaging in learning only when it's tied to current roles or career progression, and a mere 7% of the workforce investing in learning proactively. This creates a persistent capability lag, where organisations are catching up to secure future readiness.

Meanwhile, the study listed the top 50 companies in the sector with Axis Max Life Insurance, Bajaj Finance, Kotak Mahindra Bank, One97 Com-

munications, HDFC Life Insurance Company, Tata Capital, MetLife PNB and MetLife Global Capability Center (MGCC) leading the chart.

While BFSI is discussed as a single, monolithic sector, the people experience across it is anything but uniform. Sub-sectors operate at different levels of maturity, face distinct customer and regulatory dynamics, and attract diverse talent segments. Banking,

which sits at the top in terms of scale, scrutiny, and speed by taking in deposits, extending credit, and moving money safely across the economy, has recorded a 5% improvement in overall employee workplace experience. On the other hand, data shows that 25% of employees in the fintech sub-sector report high-to-medium burnout, thereby making it harder to sustain performance and retain critical talent.

"Best workplaces in the BFSI sector have shown resilience and strategic clarity by redesigning roles and strengthening leadership capabilities. This is reflected in the fact that 89% of employees express positive sentiment, reinforcing BFSI's position as a leader in growth and talent development. The next frontier for BFSI lies in integrating AI adoption with role and skill transformation," said Balbir Singh, CEO of Great Place To Work India.



Editor's TAKE

Capital flight tests market resilience

Driven by global uncertainties, rising oil prices, and a weakening rupee, FDI outflows are raising concerns about the resilience of India's markets

Far from the hustle and bustle of elections, Indian markets are bleeding. In January 2026, over 400 stocks with a market capitalisation of at least \$1 billion declined by more than 20 per cent from their peaks, with some falling as much as 71 per cent. As of mid-January 2026, the market experienced a sharp decline, with some reports indicating a 5 per cent loss for the month. This is not a one-time event, but a trend that is becoming increasingly pronounced. The reason, of course, is the flight of capital from the country, as foreign investors have been withdrawing heavily. Foreign Portfolio Investor (FPI) outflows from India were over ₹60,000 crore in April alone and nearly ₹2 lakh crore in the first four months of 2026. This is not routine. If this continues unabated, the Indian economy may slide back, and growth projections may have to be revised.

It is true that the Indian story is still going strong, and there is demand in the market which gives impetus to manufacturing, while many sectors are performing well. India's macroeconomic fundamentals – steady growth, improving infrastructure, and a large domestic market – remain intact. But there are factors eroding profits, and many of them are beyond control. Crude oil prices are rising amid tensions in West Asia. Rising oil prices widen the current account deficit and put pressure on the rupee. The recent slide of the rupee, breaching the ₹95 mark, has left investors anxious. Currency depreciation is an important marker for foreign investors, as it eats into their profits, and the Indian rupee is making new lows rather frequently.

Besides, changes in US banking policies are yet another reason. Interest rates in the US are going down. Large institutional investors would not like to take risks in emerging markets when safer assets back home offer competitive returns. The only saving grace for Indian markets is the Domestic Institutional Investors (DIIs), who have played a stabilising role. Their buying has cushioned the impact of foreign outflows. If FPI outflows continue, they will have far-reaching implications for the Indian economy. They exert downward pressure on the rupee and raise inflation.

The big question is: what can be done to check the outflow and instil a sense of confidence among foreign investors? First, containing inflation and managing the current account deficit – especially by diversifying energy sources – can reduce vulnerability to external shocks. Overdependence on imported oil must end. Second, exchange rate management requires careful calibration. While the Reserve Bank of India interventions have helped smooth volatility, excessive defence of the currency can deplete reserves. A balanced approach that allows for gradual adjustment may be the best strategy. Third, foreign investors value predictability. Continued reforms in taxation, ease of doing business, and financial sector regulation can reinforce confidence even during periods of global uncertainty. Finally, India must continue to deepen its domestic financial markets. Indeed, the current episode of outflows is not a verdict on India's economic fundamentals. The challenge is to ensure that India remains among the most attractive destinations for capital in the long run.

Op Sindoor: No room for complacency

The success of Operation Sindoor must be backed by a strong and adaptive internal security framework. Better inter-agency coordination, real-time intelligence sharing, and the use of advanced technology are essential for early detection



ASHOK KUMAR

India launched Operation Sindoor on May 7 last year in response to the April 22 Pahalgam terror attack, targeting terror infrastructure in Pakistan-controlled areas. The operation marked a shift in India's counter-terror approach, combining precision strikes, real-time intelligence, and advanced technology, while signalling a willingness to act proactively against cross-border threats.

Despite Operation Sindoor demonstrating India's strength, its deterrent effect on Pakistan appears limited, with Pakistan-backed networks continuing activities in more covert and sophisticated ways, reflecting a sense of confidence. Pakistan's ISI, long driven by anti-India rhetoric, continues to follow the doctrine of "bleeding India through a thousand cuts." Pakistan appears to be in an upbeat mode, and it would be unrealistic to assume passivity. Recent intelligence inputs and recoveries of explosives and weapons suggest ongoing preparations, raising concerns about coordinated rather than isolated attacks.

A key concern is the renewed focus on urban terrorism. Major cities and symbolic locations remain prime targets due to their high psychological and media impact. Investigations into the 2025 Red Fort blast have revealed a wide conspiracy involving operatives across multiple states, highlighting the growing coordination and reach of such networks.

Uncovering a hidden network

In recent months, arrests by the National Investigation Agency (NIA) and state police have increased, exposing the depth of these networks. In the Red Fort blast case alone, over ten individuals were arrested, including key planners and logistical supporters linked to groups like Ansar Ghazwat-ul-Hind. They were not just foot soldiers but played crucial roles in arranging weapons, managing logistics, and executing plans.

What is particularly concerning is the changing profile of those involved. Some accused were educated professionals, including doctors and technically skilled individuals. This reflects the rise of "white-collar terrorism," where expertise in IT, engineering, and finance is used to support extremist activities. Such actors are harder to detect as they operate within legitimate systems and maintain a low profile.

At the same time, ISIS-linked modules are becoming more visible in India. Investigations in Maharashtra and Pune have uncovered sleeper cells involved in recruitment, surveillance, and explosives training. Arrests across states show these are not isolated groups but part of a broader, interconnected network. In one major case, a planned ISIS-inspired attack was foiled, preventing a potential large-scale incident.

Illegal arms trafficking is another concern. Cases like the Muzaffarpur AK-47 seizure reveal organised supply chains with cross-border links, highlighting the nexus between external support and domestic operatives. Together, these trends point to a well-integrated



system of recruitment, funding, logistics, and execution.

This growing sophistication is also visible in subtle ways. In March, a Pakistan-linked espionage plot involving covert, solar-powered CCTV cameras at Delhi Cantt railway station was uncovered. These were allegedly meant to stream real-time footage of military movements to foreign handlers, showing how surveillance is becoming more discreet and technology-driven. Such tools can map movements, identify vulnerabilities, and aid future attacks. It also demonstrates how small and unusual findings can form part of a larger plan, underlining the need for constant vigilance.

These developments do not necessarily indicate an immediate large-scale attack. Instead, they reflect ongoing efforts to gather information and prepare. In simple terms, the threat is not decreasing; rather, it is changing its methods.

Emerging trends: The new face of terrorism

Terrorism today is undergoing a major shift. It is no longer limited to conventional methods such as guns and bombs, but is becoming more decentralised, technology-driven, and harder to trace.

The rise of white-collar involvement is a key trend. Professionals with technical expertise are increasingly becoming part of these networks, making operations more efficient and less detectable. There is also growing involvement of women in support roles such as logistics, communication, and facilitation, often exploiting societal assumptions to avoid suspicion.

Another concern is the misuse of legitimate business platforms for extremist purposes, sometimes described as "corporate jihad." A case involving a BPO in Nashik highlights how businesses can allegedly be used as fronts to channel funds, build networks, and provide operational cover, showing how such strategies are expanding beyond traditional methods.

Digital radicalisation is also playing a major role. Online propaganda, encrypted platforms, and targeted messaging are being used to recruit and influence vulnerable individuals, especially youth, making the threat more diffuse and long-term.

Pakistan's evolving strategy

External financial support, including assistance from the International Monetary Fund, has given Pakistan eco-

nomical breathing space. Its elevation to roles such as vice-chair of the United Nations Security Council counter-terrorism committee, along with its involvement in mediating tensions between the United States and Iran, has boosted its strategic confidence. Together, these factors have reduced external pressure and kept Pakistan in an upbeat mode, allowing its ISI to continue pursuing proxy activities against India. This makes it essential for Indian agencies to remain alert and prepared to respond to any emerging threats. At the same time, efforts to revive fault lines such as the Khalistani issue aim to create multiple pressure points within India. Recent incidents, including the explosion at a BJP office in Chandigarh, the blast outside the BSF headquarters in Jalandhar, and the exposure of ISI-linked modules in Punjab, reflect this trend. These activities are often supported by digital propaganda campaigns aimed at deepening divisions and shaping public perception.

Strengthening internal security

These developments point to a serious and evolving challenge. Terror networks are no longer on the margins; they are gradually embedding themselves within society. Recruitment is becoming more diverse, operations more technology-driven, and coordination more global, making the threat increasingly complex and difficult to predict.

In this context, India cannot afford complacency. The success of Operation Sindoor must be backed by a strong and adaptive internal security framework. Better inter-agency coordination, real-time intelligence sharing, and the use of advanced technology are essential for early detection. Quick-response systems, such as PRAHAAR-type frameworks, can ensure swift action when required. At the same time, addressing the root causes of radicalisation is crucial. Educating youth about extremism and misinformation can aid prevention. Basic awareness of internal security within school education can help build a more alert society. Promoting social harmony and inclusive development is equally important, as alienation is often exploited by extremist groups. The fight against terrorism is not only physical but also ideological, requiring strong counter-narratives.

Conclusion

Operation Sindoor has demonstrated that India possesses both the capability and resolve to act decisively against terror threats. However, the wave of arrests, emerging modules, and incidents like the suspicious surveillance devices near Delhi Cantt Railway Station reveal a deeper and more complex challenge. The threat is no longer distant or confined to borders; it is internal, networked, and constantly evolving. India's challenge is not merely to respond to attacks, but to anticipate and prevent them. In an era of hybrid terrorism, where external and internal threats are increasingly interconnected, constant vigilance and preparedness remain essential. Complacency is not an option.



The writer is former DGP Uttarakhand
 @dailypioneer
 @AshokKumar_IPS
 The Pioneer

PICTALK



Farmers work in a field with the Taj Mahal in the backdrop, in Agra. PHOTO: PTI



RAJYOGI BRAHMA KUMAR NIKUNJ JI

2ND OPINION

A peaceful and harmonious society is a universal aspiration, yet it cannot be sustained if individuals and groups remain narrowly self-centred. A society defined by competing interests, rather than shared purpose, loses its essential cohesion. Without a unifying sense of common good, it becomes merely a loose arrangement of communities, classes, and institutions, each seeking advantage over the other. In such a setting, when faced with a choice between collective welfare and individual gain, the latter often prevails, giving rise to conflict, division, and instability.

This tendency weakens the moral and social fabric. Pressures from ego-driven cultural, religious, ethnic, caste, and political groups intensify tensions across social, economic, and political spheres. Law and order suffer, and

The perils of unrestrained selfhood

the collective pursuit of progress is disrupted. Though individuals may outwardly appear civilised, demonstrating manners and etiquette in daily life, their actions can be guided by narrow self-interest. In pursuit of personal or group advantage, they may adopt unfair or harmful means, often at the cost of others and, ultimately, society itself.

Everyday examples illustrate this reality. A well-connected individual may manipulate influence to secure scarce resources, bypassing those who have waited their turn. Similarly, organised groups may demand preferential treatment in exchange for political support, disregarding fairness or broader social harmony. Such actions reveal that superficial civility does not guarantee a just or stable society. True progress requires a willingness to subordinate narrow interests to the larger good.

The path forward lies in embracing values that promote collective well-being. The ancient Sanskrit ideal "Sarve bhavantu sukhinah, sarve santu niramaya" — may all be happy and free from illness — offers a guiding principle for building a just society. It calls for an inclusive vision where prosperity and well-being are shared, not monopolised. Complementing this is the philosophy of "Vasudhaiva Kutumbakam", which views the entire world as one family. This perspective encourages individuals to move beyond divisions and recognise the interconnectedness of all human lives.

Adopting these principles is not merely a moral exercise but a practical necessity. A society grounded in empathy, cooperation, and mutual respect is better equipped to ensure stability and sustainable progress. When individuals understand that their own well-being is tied to that of others, they are more likely to act with responsibility and fairness.

However, such transformation must begin at the individual level. Values like truth, non-violence, compassion, and cooperation cannot be imposed solely through institutions; they must be cultivated in daily life. Homes, schools, and workplaces play a crucial role in shaping this ethos. When these spaces become centres of ethical practice and mutual respect, they collectively contribute to a more value-based society. Ultimately, the future of Bharat — and indeed of humanity — depends on how sincerely these timeless principles are implemented. Peace and prosperity cannot be achieved through policy alone; they require a shift in mindset. By aligning personal conduct with the greater good,

society can move towards genuine harmony and enduring progress. The responsibility rests with each individual, and the time to act is now.



The writer is a spiritual teacher and a popular columnist

DIGITAL EXPERIENCE

www.dailypioneer.com

facebook.com/dailypioneer @TheDailyPioneer
 instagram.com/dailypioneer linkedin.com/in/ThePioneer

JUSTICE MUST BALANCE SEVERITY WITH SAFEGUARDS

The Supreme Court of India has rightly underlined the need for stricter punishment in heinous crimes and hinted at a calibrated shift in the burden of proof.

However, such changes must be grounded in thorough and credible preliminary investigations to prevent wrongful implication. Any presumption against the accused should arise only after solid evidence is established, ensuring safeguards against misuse of the law. Punishment must also be proportionate to the nature of the crime. Offences involving premeditation, sustained cruelty, or deliberate infliction of harm — such as forcibly administering harmful substances — reflect a higher degree of malice and should attract harsher penalties than impulsive acts like acid attacks carried out without prolonged planning. The justice system must

carefully distinguish between these levels of intent.

Equally important is the rehabilitation of victims. Survivors deserve comprehensive and free medical care, including reconstructive procedures, funded jointly by the offender and the State, as directed by courts. Justice, therefore, must strike a balance between deterrence, fairness, and restoration — ensuring accountability for the guilty while protecting the innocent.

A just legal framework must combine firm punishment with procedural safeguards, ensuring no innocent is wrongfully implicated. It should distinguish intent, prioritise victim rehabilitation, and uphold fairness. Only by balancing deterrence with due process can the system deliver justice that is both credible and compassionate.

RS NARULA | PATIALA

Please send your letter to the info@dailypioneer.com. In not more than 250 words. We appreciate your feedback.

LETTERS TO THE EDITOR

Bengal verdict and the shadow of distrust

The refusal of Mamata Banerjee to accept the electoral verdict in West Bengal has deepened political tensions in the state. Alleging large-scale rigging and accusing the Election Commission of India of bias, she claimed that the mandate was "stolen" rather than lost. These serious allegations, including claims of violence at counting centres and tampering with surveillance systems, raise troubling questions that demand impartial scrutiny. The Bharatiya Janata Party's victory — securing 207 seats in the 294-member Assembly — marks a decisive political shift, ending the Trinamool Congress's 15-year rule.

However, the scale of the win contrasts sharply with the intensity of the accusations, creating an atmosphere of uncertainty and distrust. In a democracy, electoral outcomes must be respected, but credible grievances cannot be dismissed outright. Transparent investigation into the claims is essential to maintain faith in democratic institutions.

The situation carries the risk of escalating unrest if not handled with restraint and accountability. West Bengal stands at a sensitive juncture, where restoring trust in the electoral process is as crucial as ensuring political stability.

BHAGWAN THADANI | MUMBAI

Every vote counts, every citizen matters

The recent Tamil Nadu Assembly elections offer a compelling lesson in the value of every single vote. In Tirupattur, R Sreenivasa Sethupathy secured victory by just one vote — an extraordinary reminder of how individual choices can shape democratic outcomes. At the same time, sweeping victories like that of ECR P Saravanan in Sholinganallur demonstrate that even large mandates are built on countless individual decisions. Choosing not to vote, or missing the opportunity, weakens democracy.

Voting is not merely a right but a civic responsibility that ensures representation and accountability. When citizens abstain, they diminish the collective voice that drives governance. Encouragingly, many voters travelled long distances, even from abroad, to participate in the electoral process. Their commitment highlights the enduring faith people place in democratic institutions. Such dedication should inspire others to engage more actively. Ultimately, democracy thrives on participation. Each vote carries weight — not just in determining winners, but in shaping policies and the direction of society. Responsible and informed voting strengthens the system and ensures that governance reflects the will of the people.

AP THIRUVADI | CHENNAI

A mandate for change in Bengal

The electoral verdict in West Bengal marks a decisive rejection of the All India Trinamool Congress and its prolonged incumbency. The Bharatiya Janata Party capitalised on public discontent through strategic alliances, a focused campaign, and the appeal of leadership associated with the "Modi factor." The outcome signals that voters sought both accountability and change. Concerns over governance, allegations of corruption, and dissatisfaction with administrative functioning contributed to the erosion of support for the outgoing regime led by Mamata Banerjee. Issues such as illegal infiltration and deteriorating law and order also emerged as significant electoral themes, influencing voter sentiment, particularly among urban and middle-class communities. With a resounding mandate, the responsibility now lies with the new government to deliver on its promises. Addressing security concerns, restoring public confidence, dismantling entrenched systems of corruption, and reviving economic activity must be prioritised. The electorate has not merely voted for change, but for effective governance. This transition presents an opportunity to strengthen institutions and ensure stability. Meeting public expectations will be crucial in determining whether this political shift translates into meaningful and lasting progress.

YUGAL KISHORE SHARMA | FARIDABAD



The Lotus and India's Changing political landscape

The lotus grows in the darkest silt, drawing sustenance from decay. Yet, when it rises to the surface, it remains untouched, and its petals are not stained by the very mud that enables its existence. In politics, as in life, the question is not whether one encounters the mud, but whether one transcends it



MANOJ SINHA | **RAMANAND SHARMA**



THE POLITICAL ENVIRONMENT OF INDIA HAS LONG BEEN SHAPED BY OLD AND MUDDY SYSTEMS, VISIBLE ACROSS STATES SUCH AS WEST BENGAL, ASSAM, TAMIL NADU, AND KERALA. POLITICAL STAGNATION MANIFESTS IN DIFFERENT FORMS, YET SHARES A COMMON THREAD OF IDEOLOGICAL NARROW-MINDEDNESS OVER DYNAMIC GOVERNANCE

Manoj Sinha, Principal, Aryabhata College, University of Delhi and Ramanand Sharma, Assistant Professor, Aryabhata College, University of Delhi
 @daily_pioneer
 @TheDailyPioneer
 The Pioneer

Operation Sindoor: An emphatic win for India



GIRISH KUMAR GARG

During Operation Sindoor in May 2025, Pakistan conceded defeat before the Indian forces within just 88 hours. Not only did Pakistan acknowledge India's might, but the entire world was left stunned upon witnessing India's power.

India executed a deadly strike at a distance of over 100 kilometers deep inside Pakistan; through the remarkable coordination of its three-armed forces, India neutralized nine dangerous terrorist hideouts spread across Pakistan and Pakistan-Occupied Jammu and Kashmir (POJK). These hideouts were the hubs of dangerous terrorist organisations like Lashkar-e-Taiba, Jaish-e-Mohammed and Hizbul Mujahideen where terrorists were trained against India and then secretly sent to spread terrorism in India.

Through these long-range attacks, India sent a strong message to Pakistan that no terrorist hideout established there, is beyond India's military reach. In these attacks, India gave the enemy a clear example of its precision targeting, operational reach, and unwavering resolve.

More than 100 terrorists were killed in these attacks, including the dreaded terrorists Yusuf Azhar (involved in the IC-814 aircraft hijacking), Abdul Malik Rauf, and Mudassar Ahmed (involved in the Pulwama attack).

The most significant aspect of Operation Sindoor was that India remained undeterred by Pakistan's threat of a nuclear attack and exposed it as hollow. India shattered the illusion regarding the very nuclear capability that Pakistan considered to be its defensive shield.

Another remarkable aspect of this conflict was that India brought it to a conclusion — on its own terms — within just four days of achieving its objectives. We are seeing the Iran-America and Russia-Ukraine wars where the wars start but they cannot end due to lack of diplomatic and military support. The swift and successful conclusion of 'Operation Sindoor' was the direct result of India's clarity of objectives, military prowess, restraint, and astute diplomacy. This achievement is unprecedented in world history and is being praised across the globe; indeed, major global institutions are currently conducting research and analysis on this very subject.

Most wars result in extensive damage — effects that often extend beyond the borders of the nations involved and impact not only their economies but also their ordinary citizens. A distinctive feature of Operation Sindoor was that, while terrorist strongholds in Pakistan were successfully dismantled, the conflict had absolutely no adverse impact on India. The missiles fired by Pakistan were intercepted and destroyed mid-air, failing to inflict any damage within Indian territory. This conflict neither triggered instability in any third country — unlike the current Iran-US situation, where oil shortages have created an atmosphere of global instability — nor did it cast any negative shadow upon India's economy. This stands as a testament to India's robust strategic planning, modern technology, and precise execution. As a nation, this demonstrates India's maturity.



In addition to terrorist targets, 11 key Pakistani military installations were also targeted, including Nur Khan Airbase, Rafiq Airbase, Murid Airbase, and Sargodha Airbase, causing significant damage to Pakistan's military capabilities.

India is the first country in world history to target 11 military bases of a nuclear-armed nation in a single operation. In that, India destroyed 20 per cent of Pakistan's Air Force. Moreover, India accomplished all of this within a mere four days — an achievement unprecedented in history.

'Atmanirbhar Bharat' (Self-Reliant India) made a substantial contribution to this conflict. The 'BrahMos' and 'Akash' missiles, the 'Akashteer' system, the 'Tejas' aircraft, along with various other modern indigenous weapons and military equipment, delivered exceptional performance and played a decisive role in the war. The world witnessed a tangible demonstration of India's technological self-reliance and acknowledged its prowess. Today, there is an immense global demand for our indigenous military hardware. Not only does this contribute to strengthening our economy, but it also safeguards us from military dependence on other nations — a factor of paramount importance for our national security.

Operation Sindoor will be written in golden letters in the history of our nation. It presented to the world a powerful testament to India's military might, diplomatic acumen, self-reliance, and unwavering resolve against terrorism. It showed the world what a restrained attack is and how it is carried out directly.

This war has delivered such a resounding message to Pakistan — and to the terrorist organizations dancing to its tunes — that they will not be able to forget it for a long time to come.

This war established new dimensions of inter-service coordination among India's three armed forces, a factor that contributed to the spectacular success achieved in this conflict. The lessons learnt in this will be very helpful in making the framework of our country's proposed 'Joint Theatre Command' more effective.

According to the Government of India, we have not yet ended the war, but have merely called a temporary halt; should Pakistan dare to undertake any further acts of terror, this war will be resumed — with consequences far more dire than before.

This was merely a trailer; the movie is yet to come, my friend! (Yeh to sirf ek trailer tha, picture to abhi baki hai mere dost !!)

The writer is a retired Rear Admiral of the Indian Navy
 @daily_pioneer
 @TheDailyPioneer
 girishkgarg

From decriminalisation to discretion: New law to redefine India's regulatory landscape



ANISH SRIVASTAVA 'LALL'

The passage of the Jan Vishwas (Amendment of Provisions) Bill, 2026 marks a decisive shift in India's regulatory philosophy. It seeks to replace fear-driven compliance with trust-based governance. By decriminalising hundreds of minor offences and substituting imprisonment with civil penalties and administrative action, the reform attempts to correct a long-standing imbalance where procedural lapses were often treated with disproportionate severity. The intent is clear: unclog courts, reduce harassment, and create a business environment aligned with a modern economy. Yet, as with all structural reforms, the real test lies not in legislative ambition but in institutional execution and judicial interpretation.

At its core, the reform acknowledges a basic truth: criminal law must be used sparingly. For decades, India's regulatory architecture blurred the line between mala fide intent and technical non-compliance. Entrepreneurs, especially MSMEs, operated under the constant threat of prosecution for delays or minor infractions. By removing imprisonment

for such violations and introducing graded enforcement — advisories, warnings, and monetary penalties — the new framework promises proportionality. This is a welcome correction that aligns with constitutional guarantees of fairness and reasonableness under Article 21, while also strengthening economic freedom under Article 19(1)(g).

However, the reform is not merely about ease of doing business. It also signals a broader recalibration of the State-citizen relationship. The move towards administrative penalties and compounding mechanisms reflects a governance model that prioritises compliance over coercion. In theory, this reduces friction between regulators and stakeholders. In practice, it risks shifting discretionary power from courts to administrative authorities. Without strong safeguards, transparency norms, and accountability frameworks, the danger of regulatory overreach or selective enforcement cannot be dismissed.

Complicating this evolving landscape is the judiciary's recent posture, particularly in high-value economic offences. The role of the Supreme Court of India in endorsing settlement-driven resolutions, particularly in the Sandesara-Sterling Biotech case, has introduced a parallel dimension to decriminalisation. The Court's decision to quash criminal proceedings following substantial financial recovery underpins a pragmatic approach: prioritising restitution



over prolonged litigation. While this ensures recovery of public funds and reduces judicial backlog, it also raises uncomfortable questions. Does the emerging "pay and settle" model risk creating a two-tier justice system where economic offenders can negotiate outcomes while ordinary offenders cannot?

This tension strikes at the heart of Article 14 — equality before law. If settlement mechanisms become the norm in complex economic crimes without a clear statutory framework, the line between judicial discretion and policy-making begins to blur. One can argue that such

precedents may dilute deterrence, particularly in cases involving systemic fraud or public money. Supporters counter that prolonged criminal trials often fail to deliver timely justice or recovery, making pragmatic settlements a rational alternative. Both positions carry merit, but neither can substitute the need for codified guidelines.

From an economic standpoint, the reform is undeniably positive. A less punitive regulatory environment enhances investor confidence, reduces compliance costs, and improves administrative efficiency. For citizens, it

removes the stigma and stress of criminal prosecution for minor infractions, making governance more humane. Yet, economic gains cannot come at the cost of regulatory credibility. Deterrence remains essential, particularly in sectors involving environmental protection, financial integrity, and public safety.

The way forward demands balance. Decriminalisation must not translate into deregulation. Clear statutory frameworks for economic settlements, uniform enforcement standards across ministries, and robust judicial oversight are essential to prevent arbitrariness. Serious offences involving intent, fraud, or public harm must continue to attract stringent criminal liability. Equally important is the creation of transparent mechanisms to monitor administrative discretion, ensuring that trust-based governance does not become discretion-based governance.

India stands at a critical inflection point. The shift from punishment to compliance is both necessary and overdue, but it must be anchored in institutional integrity. The success of this reform will depend not on how many provisions are decriminalised, but on how fairly, consistently, and transparently the new regime is implemented.

The writer is an Advocate, Arbitrator & Mediator at the High Court, Lucknow
 @daily_pioneer
 @TheDailyPioneer
 The Pioneer

The curse of cinema and Dravidian politics

WITH wolf-whistles ringing in the air highlighting the party symbol during the recent Assembly polls, Tamilaga Vettri Kazhagam (TVK) has been successfully ushered in with a chance to rule Tamil Nadu for the next five years. At the time of writing, the suspense is not over yet whether 'Ilaya Thalapaty' Vijay or C Joseph Vijay, as he is now being addressed in the media, will have a chance to sit on the CM gaddi, which was his ambition when he floated his party two years ago. Yet, Dravidian politics, a subject of numerous case studies by political scholars and election observers from around the world for decades

now has always had an umbilical link with cinema. Right from the 1950s, few years after the DMK was formed, a cocktail of cine talent – beginning with script writers like C N Annadurai, followed by his staunch disciple M Karunanidhi, had a host of young actors, groomed in the field of theatre and street performances (M G Ramachandran, Sivaji Ganesan and S S Rajendran, among others) had mesmerized the post-Independence Tamil population with underlying political messages in most of their social-themed films to telling effect.

It was not surprising that an impressionable population of youth,

hooked to the 'social justice' ideology, heavily critical of casteism and Brahminical hegemony sustained the party with their support, term after term since 1967. Ironically, that cinema-dependent trend was both the threat and opportunity which has now ended up halting the Dravidian juggernaut, as it looked to extend its run well into the seventh decade from. The first jolt was felt by Dravida Munnetra Kazhagam (DMK) in 1977 when M G Ramachandran, a favourite of the party top brass till not long ago, split it and became the Chief Minister after floating Anna Dravida Munnetra Kazhagam (AIADMK). Precisely 14 years

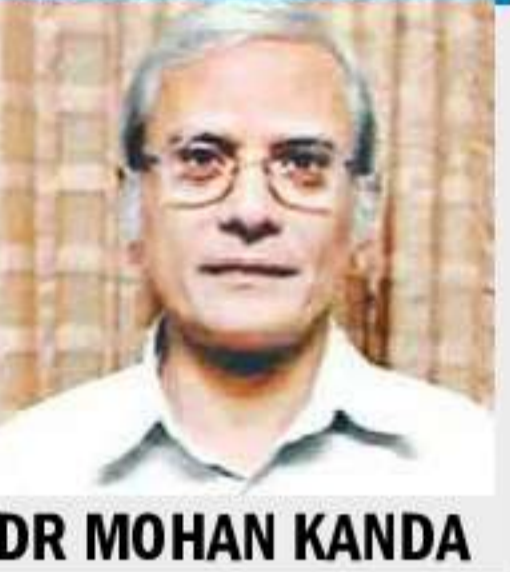
later and just two years after DMK wrested power from AIADMK, J Jayalalitha, a wounded tigress waiting for the kill after having been physically assaulted inside the Assembly premises a year ago, catapulted to the CM post in 1991. Once again, a cine heroine, who was groomed by MGR had pipped the ideologically oriented parent party.

Jayalalitha may not have enjoyed the unprecedented run of MGR, who was termed 'permanent CM' for being in power continuously from 1977 till his death in 1987, but she was a thorn in the flesh for the DMK, which attacked her administration and Brahminical origins,

a state of affairs which triggered a counter reaction from the star, who was unabashed about owning it up, given the slightest opportunity. After a lull and the not-too-impressive attempts of Superstar Rajinikanth and the doomed moves of 'World Star' Kamal Haasan, it is Vijay who has used the same cine glamour to shoot past his rivals like a meteor. If cinema was the breeding ground for the peculiar brand of politics in Tamil Nadu, it has also been its undoing even as the State looked like shrugging it off since the death of Jayalalitha a few years ago. It is too early to say now whether reel will continue to dominate politics over real in the southern state.

Films have depicted the saga of brilliant achievers with gusto

TALKING OF MANY THINGS



DR MOHAN KANDA

THE lives and times of many illustrious personalities have been depicted in motion pictures and have, as a matter of fact, often proved even more absorbing and instructive than books, as a certain degree of artistic license is permissible in movies.

For instance, Richard Attenborough's magnum opus 'Gandhi' is a critically acclaimed biographical film, featuring Ben Kingsley's near-flawless, Oscar-winning portrayal of Gandhi. While praised for its sweeping, respectful depiction of Gandhi's philosophy and non-violent movement, it is often seen as a polished, conventional biopic that focuses on sanctifying its subject rather than exploring political complexities.

'The Man Who Knew Infinity', likewise, is a notable biographical drama starring Dev Patel as Srinivasa Ramanujan, chronicling journey of the mathematical genius from poverty to Cambridge University, focusing on his collaboration with G H Hardy, English mathematician known for his work in number theory and mathematical analysis.

Also belonging to the same genre is 'Emergency', a Hindi language biographical drama starring Kangana Ranaut as Indira Gandhi, on whose life the film focuses, from her upbringing to her tenure as the Prime

Minister, with a significant emphasis on the 1975-1977 Emergency period. It highlights her political challenges, such as the 1971 war and Operation Blue Star, and her relationship with son Sanjay Gandhi. It may be recalled that yet another remarkably realistic portrayal of Indira Gandhi was rendered by the legendary actress Suchitra Sen in 'Aandhi'.

Quite apart from dealing with the lives and times of people, some movies have even described the exciting and most gripping journey of the universe itself.

For instance, 'Journey of the Universe' is a notable documentary biopic that traces the 14-billion-year evolution of the universe from the Big Bang to the present. It weaves together scientific discoveries in cosmology, biology, and ecology with a humanistic perspective.

'Yatra' is a biographical political drama chronicling the 1,500 km 'Padayatra' of Dr Y S Rajasekhara Reddy (YSR), Chief Minister of Andhra Pradesh 2004-09. Starring Mammootty, the film depicts YSR's rise to power, focusing on his empathy for the poor and the welfare strategies developed during his journey.

I had the privilege of serving as the Chief Secretary of the government of Andhra Pradesh when he was the Chief Minister, a period that will remain etched in my memory as one of the best of my professional career. The movie also briefly showed a young man playing me in my sub-collector's days, in conversation with YSR.

'Jagadguru Adi Shankara' is another prominent Telugu biopic film depicting the life of Adi Shankaracharya, showcasing the philosopher-sage's journey in spreading Advaita Vedanta.



The Telugu biopic 'Mahanati', which chronicles the rise, stardom, and tragic downfall of Savitri, is a film I found most engrossing. Likewise, the Hindi biopic 'Gunjan Saxena: The Kargil Girl', is a biographical drama following Gunjan Saxena, one of India's first female combat aviators, who overcame systemic gender bias to fly helicopters in the 1999 Kargil War.

The lives of movie actors make for a fantastic read. Their childhood, the struggles they faced in their personal life and how they overcame them to emerge as icons can be a matter of awe. The beautiful Savitri made a lasting impression in south Indian cinema. However, in her short life, she provided enough fodder for her biographers who, with their sources, have etched a graph that rose, reached the zenith and plummeted irrevocably.

The Telugu biopic 'Mahanati', which chronicles the rise, stardom, and tragic downfall of Savitri, is a film I found most engrossing. Likewise, the Hindi biopic 'Gunjan Saxena: The Kargil Girl', is a biographical drama following Gunjan Saxena, one of India's first female combat aviators, who overcame systemic gender bias to fly helicopters in the 1999 Kargil War. A most inspiring depiction of the life of an ambitious and daring young lady who defied established social and professional traditions and proved the point that women can do anything that

men can, and even better. As was the Hindi movie '83', which recorded India's historic World Cup triumph in 1983.

'M.S. Dhoni The Untold Story' is another Hindi biopic of a great sportsman, covering Mahendra Singh Dhoni's journey from a railway ticket collector to trophy collector, including the World Cup. It held a special appeal for me as a former President of the Hyderabad Cricket Association (HCA). Belonging to a similar genre is 'Shaabash Maithili', that traces the remarkable career of former captain of Indian women's cricket team, Mithali Raj, which also I found equally absorbing.

The book 'Trekking Over Pebbles: Life Through a Hyderabad's Looking Glass' authored by me has been reviewed "... as a reflective memoir offering insights into life, management, and personal experiences from a seasoned Hyderabad perspective..." and described as a personal narrative capturing unique life moments, "... as a book that blends personal memories with professional

reflections, providing a unique vantage point on various challenges, often metaphorically referred to as 'pebbles' in life's journey..." Characterized as "a reflective look at life's challenges and experiences" it, has been recommended to readers for its in-depth understanding of the perspective of a senior civil servant.

Service in the IAS offers the opportunity to work in a variety of assignments. It is, however, generally accepted that working as the Collector of a district, the Chief Secretary of a state government and as a secretary to the government of India are regarded as positions occupying which offer a sense of completeness, satisfaction and fulfilment in a civil servant's career. The reviewer notes that the author had worked in all those three positions, appreciating the author's belief that a sense of humour is the best stress buster, being evident in his approach.

It also notes that the book offers a comprehensive bird's eye view of the author's life and times, from his birth as a premature child through his experiences as a civil servant till after his superannuation. It is appreciative of the description of the author's ability to handle unruly crowds during agitations, adjust with different styles of functioning with many chief ministers and central ministers, persuade peers and superiors to choose the best way of approaching issues and handle with tact and sound judgement, sensitive crisis situations.

The reviewer also highlights the sharp manner in which the principle; namely that those in high positions should guide and direct those at the grass roots level, should learn to implement sincerely and efficiently, is brought out in the narrative; it notes the value of some of

the author's perceptions such as describing the manner of the administration in the states as 'office-driven' and that at the national level as 'officer-driven', and the view offered, that while corrupt people are easy to identify, what constitutes an honest and principled civil servant is difficult to define.

The reviewer recommends the book to readers saying that while it entertains, it is also a sound guide for administrators to understand the way the system functions. If I was able to pen 'Mohana Makaramandam', it was entirely on account of the genius of my friend, noted writer and well-known journalist MBS Prasad. As we began the exercise, he taunted me, asking what was so special about my life. All people, after all, he said, have favourite singers, have played games well at certain levels and passed certain examinations, all things which they can brag about. Or about having had meetings with famous people and been to exotic places all over the world. What then, he pressed me, was so special in my case?

And thus began the process of his drawing out of the innermost recesses of my mind and heart things which I never knew about myself and acts I never remembered having done. It is then that I realised that a person's achievements and failures are best described in a biography rather than in an autobiography.

But truth to tell, the book proved to be popular with readers more because of the somewhat exaggerated accounts so skillfully narrated by Prasad, rather than on account of my own accomplishments!

(The writer was formerly Chief Secretary, Government of Andhra Pradesh)

MEDLEY



LETTERS

Defiant Mamata's unprecedented stand

THIS refers to "Mamata refuses to resign" (May 6). Her refusal to resign despite losing her seat has triggered an unprecedented constitutional standoff. In India, once results are officially declared, the Election Commission certifies the mandate, while the Governor ensures constitutional order. If a Chief Minister defies the verdict, the Governor can recommend President's Rule under Article 356, citing breakdown of governance. The Union Government may deploy central forces to contain violence in Bengal, while courts can enforce compliance. Arrest, however, is not automatic—political defiance alone is not a crime. Only if linked to incitement, corruption, or unlawful obstruction could police action be justified under the IPC. Ultimately, removal is constitutional, not punitive. This episode highlights the need for stronger safeguards against post-poll brinkmanship and defiance of democratic norms. During President's Rule, the Assembly may be kept in suspended animation. If MLAs demonstrate majority support for a new leader, the Governor can invite that person to form government once stability is assured.

Dr O Prasad Rao, Hyderabad

Work out an energy balance

YOUR editorial 'Rhetoric vs reality: India's energy situation demands urgent action' (May 6) rightly highlights the widening gap between our stated energy goals and ground realities. Heavy dependence on imported oil and gas remains a serious vulnerability, especially amid global uncertainties. The government must move beyond announcements to accelerate domestic exploration in promising areas, while steadily scaling up renewables with better grid integration and storage solutions. Simplifying regulations, ensuring policy stability and improving energy efficiency across sectors would also help. A balanced approach that combines conventional sources with green technologies is essential to secure affordable energy and support long-term economic growth.

S M Jeeva, Chennai-32

Promote renewable energy sources

A PROPOS "Rhetoric vs reality: India's energy situation demands urgent action". The West Asian crisis exposed the unfavourable underbelly of India's energy sector. The war and a choked Strait of Hormuz found India gasping for precious crude oil and LPG. Eateries downed shutters, while food prices soared. Unfortunately, India isn't 'gifted' with an abundant native oil source. Tapping deepwater oil hasn't been forthcoming, leaving the country relying on import for crude-oil requirements. Imports meet 85 per cent of India's crude-oil requirements. The war implores the government to reduce India's dependence on precious crude by maintaining equidistant diplomatic ties with oil-producing nations, a tall ask, considering the unpredictability of their heads-of-state. Increased dependence on renewable energy sources like solar and wind, and thrust on green hydrogen initiatives, electric mobility, dependence on public transport, and pooling modes of transport must be encouraged.

Dr George Jacob, Kochi

Empowering women: Learn from the panchayat experience

WITH reference to the article "The paradox of political power for women in India" (May 6). The numbers tell a familiar story. Women vote in record numbers yet secure a fraction of the seats. The reason is straightforward: parties field women in unwinnable constituencies as a formality, not a commitment. The Women's Reservation Act means little if implementation is deferred or diluted through delimitation timelines. What is needed immediately is a mandatory minimum number of tickets. The panchayat experience is instructive. Wherever women have been given real authority, outcomes in health, sanitation, and local governance have measurably improved. Legislatures should draw the obvious lesson from that record.

K Sakunthala, Coimbatore-641016

thehansreader@gmail.com

BENGALURU ONLINE

No link between IPL final shift and MLA ticket distribution: DKS

BENGALURU: Deputy Chief Minister DK Shivakumar on Wednesday dismissed speculation linking the relocation of the IPL final from Bengaluru to Ahmedabad with ticket distribution demands from MLAs, calling such claims baseless.

Speaking to reporters near his residence in Sadashivnagar, Shivakumar said the final was likely shifted due to logistical reasons and Ahmedabad's larger stadium capacity. "Ahmedabad has a much bigger stadium and can accommodate more spectators. The decision to shift the IPL final must have been taken for that reason. There is absolutely no connection between ticket distribution for MLAs and the relocation of the final match," he said.

When asked about reports suggesting the Board of Control for Cricket in India (BCCI) had cited ticket-related concerns as a factor in shifting the venue, Shivakumar responded sharply. "Let them make such statements. I will respond appropriately," he said.

Read more at <https://epaper.thehansindia.com>

India has emerged as a decisive and responsible power after Op Sindoor



AIR VICE MARSHAL (DR) ARJUN SUBRAMANIAM (RETD)

EVEN as the war in Ukraine shows no signs of ending and the Middle East remains stuck in a 'no-war-no-peace' quagmire, it is important to benchmark Operation Sindoor against other conflicts in recent times.

The stand-out features of Op Sindoor were the decisive application of sharp and controlled military force along a manageable escalatory ladder to achieve calibrated strategic outcomes with a clear withdrawal plan that were in sync with Modi government's political objectives. Initiating the conflict to strike at the heart of Pakistan's anti-India terrorist networks and inflict pain on Pakistan's armed forces should they militarily respond to India's initial counter-terrorist strike were not maximalist objectives that required the widespread and expansive application of military force. It was a precise and restrained coercive operation by a responsible power to punish repetitive acts

of state-sponsored terrorism.

Though India had experimented in 2019 with the use of offensive air power in counter-terrorist operations at Balakot, its willingness this time to hit the Jaish-e-Mohammad and Lashkar-e-Taiba headquarters at Bahawalpur and Muridke, respectively, revealed a fresh risk-taking propensity and willingness to climb the escalation ladder in pursuit of national interests. There was, however, a clarity of thought at the political level that an expanded conflict was not in India's interest even though the military temptation of inflicting more damage on Pakistan's military assets existed.

Wisdom and restraint are two concurrent themes of responsible statecraft and military operations that India played well during Op Sindoor, particularly in terms of not causing any collateral damage during its strikes, and then of accepting Pakistan's offer for a ceasefire even while on the military ascendancy. In retrospect, the pay-offs of an extended and expanded conflict now seem insignificant as compared to the potential economic and human costs – the hundreds of crores saved in terminating the conflict after four days has added to India's demonstrated economic resilience during the ongoing conflict in the Middle East where the US is believed to have spent over \$27 billion with no



end in sight to the conflict. India's existing higher defence organisation functioned well during the conflict. There was a clear model of centralised and directive control during the planning and preparation phase of the operation by the troika of the PM, National Security Advisor and the Defence Minister as the first tier, backed by the second tier of the CDS and the three service chiefs. It is quite apparent that clear and cogent strategic outcomes were conveyed to the service chiefs and the intelligence agencies, leaving them thereafter to create a doable operational mosaic.

Even though the character of war has undergone several changes over millennia, most of the cardinal principles of war as elucidated by ancient and modern strategists such as Kautilya, Sun Tzu, Clausewitz and Liddell Hart have stood the test of time. In the final analysis, while India's success in Op Sindoor pushed the boundaries of escalation and

deterrence, it could do so because it also adhered to some of the time-tested principles of war and decision-making in times of crisis. Among these, selection and maintenance of aim; concentration of force; offensive action; surprise; unity of command; security; simplicity; morale and adaptability are the ones that merit further examination.

At the operational level, the choice to use the IAF as the sword-arm of India's emerging multi-domain military strategy was a bold one that reflects the changing face of contemporary conflict that must be carefully tracked and analysed. After bypassing and jamming Pakistan's Chinese-supplied air defence systems, India struck deep into the Pakistani heartland on May 7 destroying 9 high-value terrorist launchpads across Pakistan and PoJK, dismantling key hubs of Lashkar-e-Taiba, Jaish-e-Mohammad, and Hizbul Mujahideen. On May 10, within hours, India expanded the scope, targeting 11 key mil-

itary installations, including Noor Khan Airbase, Rafiqi Airbase, Murid Airbase, Sukkur Airbase, Sialkot Airbase, Pasrur Airbase, Chunian Airbase, Sargodha Airbase, Skardu Airbase, Bholari Airbase, and Jacobabad Airbase; degrading critical air and operational capabilities.

The ferocity of the IAF's airstrikes has revealed that the damage inflicted on these airfields and aircraft and weapon systems based there far surpasses the cumulative damage inflicted by the IAF on PAF airfields in the 1971 War on the Western Front. Op Sindoor also validated the coming-of-age of India's integrated air defence system to counter the adversary's missile and drone-heavy strategy. The IAF, however, will have to continue to remain on a fast-track learning curve to harness its platforms, weapons, and systems in any future limited conflict scenarios with more powerful adversaries.

Future battlefields will demand greater integration and synergy to cope with conflicts of longer duration. Many ongoing reforms and structural initiatives may have to go back to the drawing board to come with an organisational mosaic that is 'India specific' based on what has been learnt during Op Sindoor. While there are many strategic and operational lessons from ongoing global conflicts, India must guard

India is facing external economic shock from energy supply disruptions. As the duration of the West Asia crisis rises, we see newer stress points emerge. The rupee weakening and oil prices rising are a double whammy of sorts
-Dharmakirti Joshi, Chief Economist, Crisil

BIZ BRIEFS

Project Serotonin's Gut Health Protocol

Serotonin, a preventive healthtech company, announced the launch of its first specialised protocol, the Gut Health Protocol, developed on its eighth-generation scalable AI/ML-enabled precision health platform. Smiles Institute of Gastroenterology, Bengaluru, a centre for gastroenterology and digestive sciences, will deploy the Protocol across its patient care pathways. The platform identifies an individual's inherited predispositions to digestive conditions, then validates and contextualizes them through biomarker data. This is a planned series that will extend Project Serotonin's precision platform.

vivo X300 ultra debuts in India

Vivo India announced the launch of the vivo X300 Ultra, marking the India debut of the X Series' ultimate imaging flagship. Featuring the ZEISS Master lenses collection, the device delivers a professional-like camera system with advanced color science, powerful telephoto capabilities, and cinematic video performance. It is powered by Snapdragon 8 Elite Gen 5, it includes a 6600mAh battery, fast charging, and a 2K display. The phone is available in Eclipse Black and Victory Green colour options in a 16GB+512GB variant

JLR slashes car prices

In anticipation of the India-UK FTA, JLR India announced the repricing of Range Rover CBU models imported from UK. The key models benefiting from the FTA are Range Rover SV and Range Rover Sport SV. As part of this announcement, the Range Rover SV has been repriced from Rs4.25 crore to Rs3.50 crore. Also, Range Rover Sport SV has been repriced from Rs2.075 crore to Rs2.35 crore.

HMIL celebrates 30 years in India

Hyundai Motor India Limited (HMIL) celebrated its 30th Foundation Day, marking three decades of pioneering smart mobility solutions for India. Established on May 06, 1996, HMIL has grown into one of India's most trusted and loved automotive brands. Tarun Garg, MD, HMIL, said: "HMIL's 30-year journey is defined by trust earned over time and the pride of our teams delivering consistently for customers across India. It is also marked by Progress - our collective contribution to advancing the mobility journey of India."

LinkedIn reveals research report

New research from LinkedIn's Job Search Safety Pulse reveals that Indian professionals are becoming increasingly cautious about job scams during their job search, with more than four in five (82%) pausing to assess whether a role is legitimate before applying. More than half (53%) say they are more likely to question whether a job is a scam than they were a year ago. The report highlights a growing awareness of job scams.

Oil price drop sparks market rally

GLOBAL CUES AND PEACE TALK OPTIMISM DRIVE SHARP REBOUND IN EQUITIES

- Improved global sentiment: Asian, European, and US markets traded higher, supporting domestic equities.
- Relief for Indian economy: Lower oil prices improve fiscal balance, reduce input costs, and support corporate margins.
- Fag-end buying momentum: Strong late-session buying pushed indices close to day's highs.
- Sectoral support from heavyweights: Gains in banking, aviation, and consumption stocks like SBI, HDFC Bank, and InterGlobe Aviation.



INVESTORS' WEALTH SURGES BY NEARLY ₹6 LAKH CR AS MARKETS SOAR

NEW DELHI: Investors' wealth surged by Rs 5.99 lakh crore on Wednesday as a sharp decline in crude oil prices after US President Donald Trump claimed progress in negotiations with Iran toward an agreement to end the war brought cheers to the Dalal Street. The market capitalisation of BSE-listed companies surged by Rs 5,99,107.83 crore to Rs 4,72,80,559.98 crore (USD 4.97 trillion).

S&P flags slower growth, calls for energy, food security reforms

NEW DELHI

INDIA'S GDP growth is projected to moderate to 6.6 per cent in the current fiscal from the earlier estimated 7.1 per cent, and energy and food security reforms would be essential to achieve the Viksit Bharat goal by 2047, S&P Global said on Wednesday. S&P Global and Crisil's joint report, titled 'India Forward', said India is facing external economic shock from energy supply disruptions, rising oil and gas prices and currency volatility, and India should devise a comprehensive energy storage policy to create strategic buffers. "As the duration of the West Asia crisis rises, we see newer stress points emerge. The rupee weakening and oil prices rising are a double whammy of sorts. It all creates pressure on growth," Crisil Chief



Economist Dharmakirti Joshi said while releasing the report. Joshi said amid the West Asia conflict, India should focus on energy and food security, and the fertiliser sector. "If the crisis continues, the winter crop could face (fertiliser) shortages, but for summer crops, we are reasonably well placed," he noted. Calling for more reforms to deal with the crisis, Joshi said India needs to become

EAC-PM pitches for changes in priority sector lending to boost efficiency

NEW DELHI

THE priority sector advances norm should be changed from economic to social equity, as diversion of credit to potentially inefficient sectors can harm total factor productivity, the Economic Advisory Council to the Prime Minister (EAC-PM) has suggested. EAC-PM, in a working paper titled 'Economic impact analysis of Priority Sector Lending', said emphasis should be placed on its original goals of making credit available to small and marginal farmers (SFs/MFs), small-scale industries and weaker sections. "Given this economic inefficiency, the focus of prior-

Air India board to meet today

NEW DELHI: LOSS-making Air India's board is expected to discuss financials, cost-saving measures, selection of new CEO and other issues during their meeting scheduled for Thursday. The meeting also assumes significance against the backdrop of the Tata Group-owned airline facing significant headwinds, including higher jet fuel costs, due to the West Asia conflict.

Sources said the airline's board meeting is sched-

Fevicol launches 'Kursi Pe Nazar' TV commercial

HANS BUSINESS HYDERABAD

PIDILITE Industries Limited has unveiled its latest Fevicol television commercial, 'Kursi Pe Nazar', a film anchored in a sharply observed, unmistakably Indian cultural insight. Rooted in everyday life, the film captures how the humble kursi transcends its role from just being a furniture to become a powerful symbol of aspiration, authority across homes, offices, and institutions. With characteristic Fevicol wit and warmth, the commercial reflects a truth deeply embedded in Indian society, where who sits on the chair, who waits for it, and who eyes it next often mirrors shifting equations of ambition, influence, and progression. The film transforms this everyday observation into a memorable narrative, reinforcing Fevicol's ability to find extraordinary storytelling in ordinary moments.

The campaign also marks a significant milestone in the brand's journey. 'Kursi Pe Nazar' is the final Fevicol campaign created by advertising legend Piyush Pandey, a creative partnership that has, over decades, shaped the brand's distinctive voice and etched Fevicol's humour and insights into India's collective memory.

line for airlines hit by the West Asia crisis.

Trent rose by 3.91 per cent, Asian Paints by 3.56 per cent, State Bank of India by 3.38 per cent, HDFC Bank by 3.11 per cent, and Eternal by 2.98 per cent.

Reliance Industries was the biggest loser, shedding 1.8 per cent. Larsen & Toubro, Power Grid and NTPC were also among the laggards. Broader markets also rallied with the BSE SmallCap Select index jumping 2.25 per cent and the MidCap Select index by 2.10 per cent. Among sectoral indices, banking, financials, and realty led the rally, while energy and FMCG remained relatively subdued.

"The trigger was largely global — renewed optimism around a potential US-Iran peace deal led to a sharp decline in crude oil prices, offering immediate relief to an import-heavy economy like India," Hariprasad K, Research Analyst and Founder, Livelong Wealth, said.

Rupee rallies amid cooling Gulf tensions, dollar weakness

MUMBAI: The rupee appreciated 61 paise to close at 94.57 (provisional) against the US dollar on Wednesday, as Brent crude prices retreated from elevated levels towards USD 100 per barrel after US President Donald Trump hinted at a possible deal with Iran. Forex traders said that with the Indian rupee facing severe pressure, the Reserve Bank of India (RBI) is also actively pursuing a "non-direct" strategy to support the cur-



rency. Moreover, market sentiment was boosted after Trump paused "Project Freedom," a US operation to escort ships through the Strait of Hormuz.

At the interbank foreign exchange market, the rupee opened at 95 against the US dollar, then lost ground and touched an

intraday low of 95.18. The rupee finally settled at 94.57 (provisional), registering a rise of 61 paise over its previous close.

On Tuesday, the rupee settled at 95.18 against the US dollar, after witnessing an all-time intraday low of 95.44, on possible RBI intervention after investors retreated from riskier assets amid renewed clashes in the Gulf and targeting of UAE infrastructure, which reignited supply chain fears.

wards an agreement to end the war. In a post on Truth Social on Tuesday, Trump said, "Great progress has been made toward a complete and final agreement with representatives of Iran."

Domestic engine drives services PMI to 5-month high

New orders and output accelerate as firms pivot toward domestic markets

NEW DELHI

INDIA'S services sector growth climbed to a five-month high of 58.8 in April with new orders and output expanding at quicker rates, as firms indicated a shift from international to domestic suppliers amid the West Asia crisis, a monthly survey said on Wednesday.

The seasonally adjusted HSBC India Services PMI Business Activity Index rose from 57.5 in March to 58.8 in April, showing the strongest rate of expansion since last November.

The HSBC India Services PMI Business Activity Index is based on a single question asking how the level of business activity compares with the situation the month before. In the Purchasing Managers' Index (PMI) parlance, a print above 50 means expansion, while a score below 50 denotes contraction. According to survey participants, competitive pricing, e-commerce and particularly strong customer demand for relocation and logistic services boosted sales growth.

"India's services PMI climbed to a five-month high of 58.8 in April. Activity and new orders strengthened, even as new export orders eased, suggesting that demand is rotating from over-



- Expansion zone: PMI above 50 signals growth; April reading indicates strong expansion
- Demand shift: Growth driven by domestic demand, with export orders slowing due to West Asia crisis
- Sector drivers: Strong traction in logistics, relocation services, and e-commerce
- Cost pressures: Input costs remain elevated with food, gas, labour key contributors
- Limited price pass-through: Firms absorbing part of cost increases, keeping output inflation moderate

seas markets to domestic consumers amid the Middle East conflict," said Pranjal Bhandari, Chief India Economist at HSBC. International demand for Indian services lost strength. Companies indicated that the war in the Middle East and subdued inbound tourism dampened the expansion. Service companies reported another substantial increase in their operating expenses.

Despite slowing in April, the rate of inflation was one of the highest seen since

November 2024. Monitored firms cited food (cooking oil, eggs, meat and vegetables), gas and labour costs, as well as gas shortage. However, only part of this additional cost burden was transferred to customers, as signalled by an increase in selling prices. The overall rate of charge inflation receded to a three-month low. "Input cost inflation moderated but remained elevated, while output price inflation stayed subdued, indicating that some firms are absorb-

ing higher costs rather than passing them on," Bhandari said.

Going ahead, Indian services companies were confident of a rise in output over the course of the coming 12 months. However, the level of positive sentiment nevertheless fell from March, dampened by worries surrounding the West Asia crisis and cost pressures. On the job front, companies recruited more workers at the start of the first fiscal quarter. According to them, rising volumes of new business boosted the recruitment of short-term staff and junior-level trainees. Meanwhile, the HSBC India Composite PMI Output Index was up from 57.0 to 58.2, signalling a historically strong rate of expansion, but the rise was among the slowest in around two-and-a-half years. Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices.

The HSBC India Services PMI is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies.

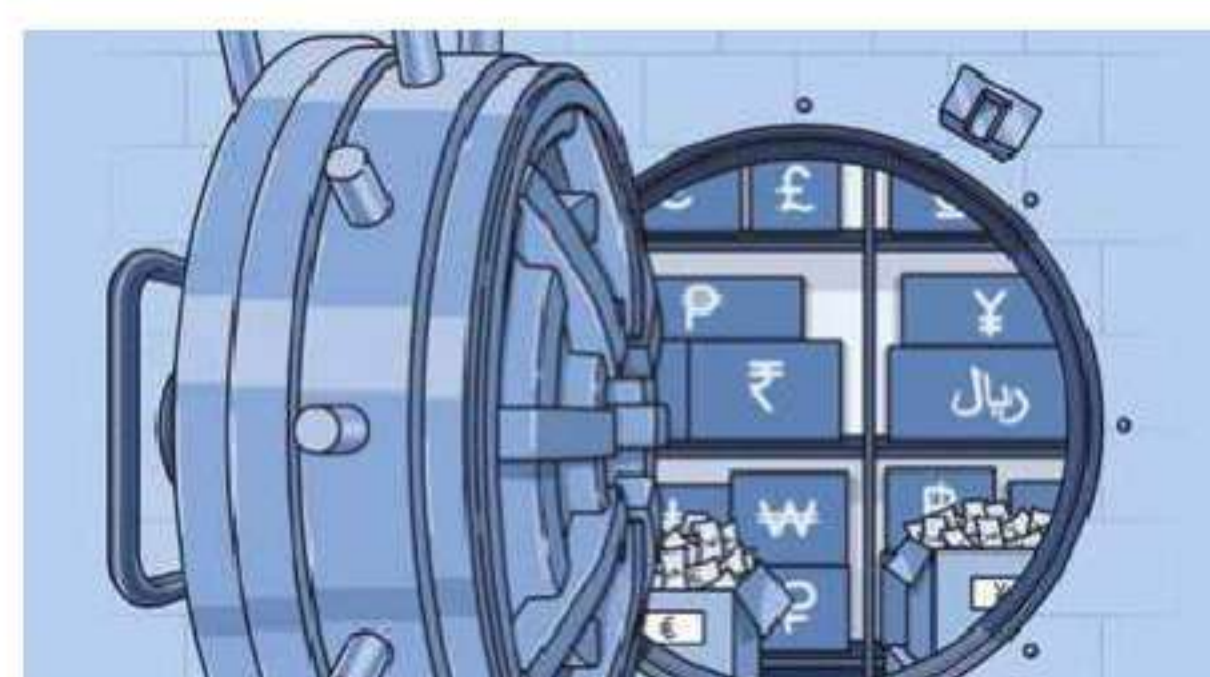
The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Gulf NRIs shift remittances toward investments, signals wealth strategy pivot

Indian equities emerge as top destination amid shift from real estate

MUMBAI

AMID reports of a surge in remittances despite the West Asia conflict, the diaspora is moving beyond routine money transfers to sending funds for investments, according to a survey released on Wednesday. This transition from obligation-led to strategy-driven remittances marks India's consolidation as the primary wealth creation geography for GCC NRIs, the survey based on 8,300 respondents across the Gulf region said. Nearly half of the remittances by non-resident Indians (NRIs) based in the Gulf Cooperation Council are driven by investments and retirement planning, the April 2026 report by Equirus Wealth said. The investment purpose



dominated the remittance pool from the Gulf region at 27 per cent, followed by retirement planning (22 per cent) and family support (26 per cent), according to the survey. The report noted that the shift in remittance behaviour is aligned with a broader change in investment stance, with a majority of investors remaining actively engaged with markets. About 75 per cent of respondents de-

scribed themselves as either active long-term investors or balanced and selective, indicating a forward-looking approach despite global uncertainties. Indian equities continue to dominate capital deployment, with 73 per cent of respondents increasing exposure, while fresh allocations are also expected to remain tilted towards domestic markets over other asset classes.

Goods, services exports up 4.59% to \$863 bn in FY26

NEW DELHI: The country's goods and services exports rose 4.6 per cent to an all-time high of USD 863.11 billion during 2025-26, up from USD 825.26 billion in 2024-25, despite global economic uncertainties, according to revised commerce ministry data. Merchandise exports grew 0.93 per cent to USD 441.78 billion in the last fiscal year from USD 437.70 billion in 2024-25, the data showed. "Despite global uncertainties and challenges in goods trade, India's merchandise exports maintained its upward trajectory, contributing significantly to the total export basket," an official said. The standout performer, however, remains services exports, which surged to an all-time high of USD 421.32 billion in 2025-26, compared to USD 387.55 billion in 2024-25, recording a growth of 8.71 per cent.

The Statesman

Incorporating and directly descended from
the Friends of India -founded 1818

Reel to Rule

The ascent of actor Vijay to the pinnacle of power in Tamil Nadu marks more than a celebrity's political success - it signals a structural shift in how democratic legitimacy is now manufactured and transferred. This is not merely the story of an actor converting fame into votes. It is the story of how cultural capital, when patiently organised, can rival and even dismantle entrenched political machinery.

For decades, Tamil Nadu's political arena has been dominated by the binary of DMK and AIADMK, a duopoly rooted in ideology, identity, and welfare politics. Even the iconic M. G. Ramachandran did not emerge from outside this ecosystem; he repurposed it. Vijay, by contrast, represents a cleaner rupture. He did not inherit a political tradition, he engineered one. What distinguishes his rise is not charisma alone, but infrastructure. The transformation of fan clubs into welfare networks, and eventually into a political organisation, reflects a disciplined long-term strategy. This is politics built not through party cadres in the conventional sense, but through communities - networks bound by admiration, identity, and emotional investment. In an age of social media amplification, such communities can be mobilised faster and more effectively than traditional grassroots structures.

But this model carries inherent risks. Emotional mobilisation is excellent at winning elections; it is far less reliable at governing. The expectations the chief minister-to-be now faces are not cinematic, they are administrative. Welfare promises, law and order, employment generation, and institutional delivery cannot be managed through narrative control or symbolic gestures. They demand bureaucratic depth, policy clarity, and political negotiation. Here lies the central contradiction of his mandate. Voters have endorsed him not because he has demonstrated governance capacity, but because he embodies an alternative to perceived stagnation. This is a negative mandate as much as a positive one, a vote against the old order rather than a fully informed endorsement of the new.

History offers both inspiration and caution. The legacy of MGR shows that cinematic legitimacy can translate into durable political authority, but only when coupled with administrative acumen and organisational consolidation. Without that transition, charisma risks dissipating into disillusionment. Moreover, Mr Vijay's political ambiguity on national questions - federalism, economic alignment, and Centre-state relations - will soon become untenable. State leadership in India does not operate in isolation. The ability to navigate New Delhi's political and fiscal frameworks will be critical to sustaining both governance and credibility.

Ultimately, Mr Vijay's victory represents a broader evolution in Indian democracy: the rise of personality-driven, media-amplified politics that bypasses traditional party structures. It reflects a public increasingly willing to invest hope in individuals rather than institutions. But hope is a volatile currency. Winning power through disruption is one achievement. Converting that disruption into stable, effective governance is another entirely. Mr Vijay has mastered the first. His political future - and perhaps the future of this new model of politics - depends on whether he can now deliver the second.

Kerala Reset

Kerala's 2026 verdict is not simply the defeat of a government. It is the collapse of a political assumption that welfare delivery alone can indefinitely protect incumbents from the public desire for renewal. For a decade, the Left Front chief minister Pinarayi Vijayan was considered one of the most formidable regional leaders in India. Under his leadership, Kerala navigated floods, landslides, and the Covid-19 pandemic with a degree of state capacity rare in Indian politics. The Left Democratic Front also retained credibility in public health, education and social welfare at a time when many Indian states struggled to preserve institutional depth. Yet voters have now decisively turned to the Congress-led United Democratic Front.

The significance of the result lies in what it reveals about contemporary Indian politics. Electorates are becoming less ideological and more transactional, but not in the narrow sense of short-term benefits. Voters increasingly judge governments on whether they appear politically responsive, emotionally accessible, and institutionally humble. Long incumbencies often fail not so much because governments stop functioning, but because they begin to look permanent. That perception appears to have hurt the Left in Kerala.

Over time, the distinction between the CPI-M as a party and Mr Vijayan as a leader narrowed considerably. The centralisation of authority around one personality created efficiency, but it also generated fatigue. Corruption allegations, factional unease and the perception of an increasingly insulated leadership damaged the moral authority that historically distinguished Kerala's Left politics from other power structures in India.

The Congress, by contrast, benefited from being the vessel for accumulated dissatisfaction rather than from any dramatic ideological reinvention. The UDF's victory therefore says less about a sharp rightward or centrist shift in Kerala and more about the electorate's instinctive resistance to political permanence. Nationally, however, the implications are larger.

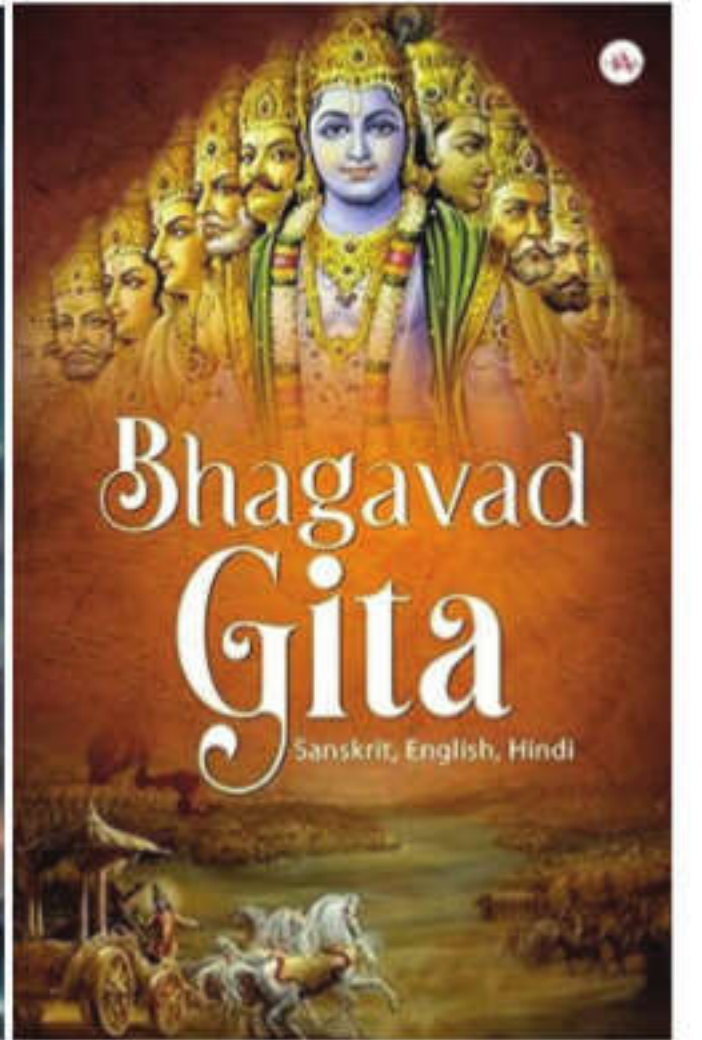
At a time when several regional pillars of the INDIA opposition bloc have weakened, the Kerala result gives the Congress a badly needed political recovery narrative. It restores the party's credibility as a viable governing force rather than merely an opposition platform. Leader of the Opposition Rahul Gandhi, whose political future has often been framed through electoral setbacks, now gains an important psychological and organisational advantage.

But the result also exposes a deeper crisis within the opposition ecosystem. The decline of the Left in its last governing bastion leaves Indian opposition politics increasingly dependent on personality-driven regional formations and the Congress. That reduces ideological diversity within the anti-BJP space and may eventually sharpen competition among opposition parties themselves for national leadership.

Kerala's verdict therefore marks both an ending and a warning. It ends the last chapter of communist state power in India, but it also reminds every long-serving government that governance records alone cannot substitute for political renewal. In democratic politics, efficiency may win respect, but the desire for change still wins elections.

God in Man~ I

In the 8th century AD, the advent of Sankaracharya as a seer among the Hindus was a landmark phenomenon. Hinduism was then passing through a phase of decay and decadence. He meticulously purged it of the evils and dross that had openly and surreptitiously crept into it for centuries. He reinstated its pristine purity rejuvenating the core content - "Atman alone abides" - of its message, and became an unparalleled spiritual path-finder to Hindus who were utterly confused and had got stuck in a blind alley



People of all religious faiths admit that God is the Creator and controller of the universe, therefore He is Almighty. Hindus worship Him as an omnipresent, omnipotent, and omniscient Being. He is Atman (Self), being subtler than the subtlest, and Brahman, being bigger than the biggest. He is thus unsurpassable, and in Him alone opposites (Dwanda) coexist side by side with no disputes.

Hindus realized God as the Absolute all-inclusive Deity. He is, to them, the ultimate Reality. Since all animate and inanimate things are made by Him, they are also real, but then, changeable and bound by His Law of Karma which is described by them, in another word, as Dharma. They say Dharma holds the universe and maintains it impeccably in a perfect order by means of reward and retribution in a process that is eternally functional in an inscrutable self-sustained sacrosanct manner, hence synonymous with God.

Hindus believe that God is manifested in everything in varying degrees, in some less and in others more, but in man the most. Yet, man suffers because he is ignorant and unaware of it.

So, they take life as a spiritual journey to lead on the path walked by realized souls destined to the God within. Man is miserable because he forgets that he is God in reality, falsely believing himself a being with a name (Nama) and a form (Rupa) - including their adjuncts like birth, descent, faith, caste, country, etc. - which are, in fact, adventitious, and indeed have no bearing on his true nature.

However, one of the most profound aspects they discovered about God was the truth that He is immanent as well as transcendent. Concentrating on one's own self, when one attains the state of Samadhi, one realizes

God and knows for good that Self (Atman) and God (Brahman) are one and identical. One now perceives God within oneself and in everyone else simultaneously. Getting rid of the sense of separateness forever, one becomes liberated from all delusions of worldly discrimination and loves all unconditionally.

One enjoys unity in diversity really and says sarvam-khalu-idam-Brahman (everything is full of Brahman), aham-Brahma-asmi (I am Brahman), and ayam-atma-Brahman (this self is Brahman). One in this condition is called Brahma-Jnani (one who is knowledgeable about God), and Atma-Jnani (knowledgeable about the Self) as well.

Such a person is recognized by them as Yoga-Yukta (established in yoga) and Samadarshi (one who sees all equally). He is, accordingly, established in the vision of sameness.

The Gita corroborates this, saying: "With the heart concentrated by yoga, viewing all things with equal regard, he beholds himself in all beings and all beings in himself" (6/29). Sri Krishna declares Himself as the Supreme Self in the Gita. He says the next verse: "He who sees Me everywhere, and sees everything in Me, to him I am never lost, nor is he ever lost to Me" (6/30).

Seers at the dawn of Hindu civilization had experienced this themselves spiritually and described its comprehensive egalitarian effect on them which is available in extant Vedic texts. They said in verse six of the Isa Upanishad: "He who sees all beings in himself and himself in all beings never hates anybody."

In the 8th century AD, the advent of Sankaracharya as a seer among the Hindus was a landmark phenomenon. He became

legendary due to his unmatched applications, spiritual experiences, and expertise.

Hinduism was then passing through a phase of decay and decadence. He meticulously purged it of the evils and dross that had openly and surreptitiously crept into it for centuries. He reinstated its pristine purity rejuvenating the core content - "Atman alone abides" - of its message, and became an unparalleled spiritual path-finder to Hindus who were utterly confused and had got stuck in a blind alley. In order to revive and reorganize it, and propagate its immutable truths all over the country, he established four monasteries (Maths) in its four corners and gave their charge to his four most competent disciples.

He wrote prolifically and interpreted Hinduism logically. He famously wrote commentaries on the Gita, ten principal Upanishads, Brahma Sutras and many Vedantic treatises in verses, besides a large number of Stotras. In verse 254 of Viveka Chudamani, he says:

"jati-niti-kula-gotra-duragam nama-rupa-guna-dosa-varjitam desa-kala-visayatvarti yat brahma tat-tvam-asi bhavayatmani"

God, who is far from caste, creed, family, and lineage; who excludes the defects of name and form and qualities; who transcends place, time, and sense objects; think yourself, Thou Art That.

Sankaracharya saved Hindus from downfall and fortified Hinduism from self-destruction. Twelve hundred years later in the nineteenth



SWAMI SANDARSHANANDA

The writer is associated with the Ramakrishna Mission Ashrama, Narendrapur

Viet Nam News

Top leader's upcoming visit to India to shape new cooperation framework: Deputy FM

General Secretary of the Communist Party of Viet Nam (CPV) Central Committee and State President Tô Lâm's state visit to India from May 5-7 will create new momentum and shape a framework to elevate Viet Nam-India ties to a new level in the next phase, said Deputy Minister of Foreign Affairs Nguyễn Mạnh Cường. Speaking to the press, Cường called the trip a major diplomatic event of special significance as it is the first visit by the top Vietnamese leader in his dual top roles and timed with the 10th anniversary of the Viet Nam-India Comprehensive Strategic Partnership.

The visit demonstrates Viet Nam's high regard for its Comprehensive Strategic Partnership with India and the broader South Asian region. It also offers a meaningful

opportunity for both countries to review a decade of their Comprehensive Strategic Partnership framework and consolidate their multifaceted cooperation.

The trip will highlight the shared vision and strategic interests of Viet Nam and India, reinforcing each country's position as a substantive priority in the other's foreign policy. It will also allow both sides to share views on issues of shared concerns and enhance mutual support at global and regional forums. According to the deputy minister, the visit stands as a clear testament to the Vietnamese Party and State's foreign policy in the new era, as set out in the 14th National Party Congress's Resolution.

This policy highlights independence,

self-reliance, self-strengthening, peace, friendship, cooperation and development, diversification and multilateralisation of external ties and being a responsible member of the global community.

Through the visit, Viet Nam continues to affirm that it is a friend, a trusted partner; and an active, responsible member of the global community that tackles shared global and regional challenges. Bilateral ties have grown steadily in depth and substance in recent years. The establishment of their Comprehensive Strategic Partnership in 2016 marked a qualitative leap. The two countries now maintain more than 20 bilateral cooperation mechanisms across various sectors and have signed numerous important agreements shaping their relationship. Political trust continues to

be stronger through regular exchanges of all-level delegations, including those at high level. National defence-security collaboration has deepened considerably, with joint training and capacity building activities reflecting a high level of mutual trust. Economic and trade ties have expanded robustly, with two-way trade reaching about US\$15-16 billion annually in recent years. India ranks among Viet Nam's top 10 trade partners. Two-way investment flows continue to grow, with nearly 500 projects in place and ample room for further expansion.

Cooperation is rapidly extending into emerging fields, including sci-tech, innovation, digital transformation, artificial intelligence, clean energy and satellite data. Cultural and people-to-people ties have also progressed.

(To Be Concluded)

Letters To The Editor | editor@thestatesman.com

Stormed

Sir, Apropos 'Storm Modi sweeps Bengal' (May 5), the emphatic victory of the Bharatiya Janata Party in West Bengal marks a decisive political shift with implications far beyond the state. The defeat of Mamata Banerjee after a prolonged tenure sends a clear message that voters are no longer guided by legacy or welfare promises alone.

The verdict reflects evolving aspirations. While welfare schemes once proved decisive, the electorate now appears to prioritise governance, development, and effective delivery. The BJP's "double-engine" narrative seems to have resonated with those seeking better coordination between the Centre and the state. The influence of Narendra Modi also cannot be overlooked. His leadership appeal and national visibility appear to have complemented local factors such as anti-incumbency and strong party organisation.

Equally significant is the fragmentation of traditional vote banks, which has made electoral outcomes more competitive and less predictable. This shift indicates a maturing democracy where performance

weighs more than populism. However, such a sweeping mandate comes with responsibility. Delivering on promises - jobs, infrastructure, and social harmony - will be crucial to sustaining public trust.

Yours, etc., Vandana, Chandigarh, 5 May.

Lone furrow

Sir, Please refer to today's report "Storm Modi sweeps Bengal". The BJP has turned the tables on the ever-combative Mamata Banerjee with typical ruthlessness, ending her 15-year reign in West Bengal.

The saffron party has not only breached a regional fortress with a landslide victory over the Trinamool Congress but also jolted the already vulnerable Opposition. Using every weapon in its formidable arsenal, the BJP invested heavily in cadre-building and outreach in rural areas, while its top brass - PM Narendra Modi and Home Minister Amit Shah in particular - went all out to persuade voters that the state direly needed pariborton (change).

Ms Banerjee's campaign largely revolved

around the Special Intensive Revision (SIR) of electoral rolls, which saw the deletion of around 90 lakh names. The chaotic, contentious exercise, which she described as the Centre's ploy to reduce her voter base, influenced the outcome.

The fact that Ms Banerjee chose to plough a lone furrow, having no truck with the Congress and Left parties, also worked in the BJP's favour.

Yours, etc., Khokan Das, Kolkata, 5 May.

Fandom

Sir, The poll outcome in Tamil Nadu is a stunner. The temptation to script Vijay as the next M. G. Ramachandran is irresistible in Tamil Nadu's political theatre. Both emerge from cinema with a crafted moral aura: champions of the underdog, and embodiments of popular justice.

MGR, however, converted that charisma into the formidable structure of AIADMK, fusing welfare politics with a disciplined grassroots network that endured. Vijay's Tamilaga Vettri Kazhagam begins with a

different inheritance: not cadre, but fandom. The proposition that a mass following can be swiftly repurposed into an electoral machine within months is alluring, even reminiscent of Emmanuel Macron's rapid ascent and in contrast to MGR who had long been groomed in the DMK.

Tamil Nadu's political terrain is now far more entrenched, its voter expectations more exacting and shrewd. Fandom can summon crowds; it cannot, by itself, manage booth committees, negotiate alliances, or sustain policy credibility.

The leap from screen adulation to ballot consolidation is neither automatic nor immediate. If Vijay compresses years of institution-building into a moment of political ignition, it would be remarkable. But the truer measure of his journey lies beyond a debut victory.

Can he transform fleeting enthusiasm into a durable, governing force? Vijay can gainfully pick up the "Don'ts" from Arvind Kejriwal's AAP that too reached orbit in one burst.

Yours, etc., R Narayanan, Navi Mumbai, 5 May.



A defining moment for eastern India



GOURAV VALLABH



VIPUL ANEKANT

For the first time in more than five decades, eastern India stands at the threshold of political alignment, policy stability, and economic possibility. The 2026 electoral verdict is not merely another change in government; it may well mark the beginning of a structural shift in the destiny of a region that once represented the intellectual, industrial, and commercial heart of India.

In a historic milestone for independent India, the BJP now governs all four major eastern states, Bihar, West Bengal, Odisha, and Assam, becoming the first party since 1974 to simultaneously hold power across the eastern belt while also having government at the Centre. The last time such an alignment existed was during the Congress era, when the political and economic map of India looked entirely different.

The significance of this development lies not only in electoral arithmetic, but in the strategic opportunities it creates for one of India's most underutilised regions. The verdict in Assam and West Bengal is particularly noteworthy.

In Assam, the BJP crossed the majority mark on its own strength, increasing its tally from 60 seats in 2021 to 82 seats in 2026, while raising its vote share from 33.21 per cent to nearly 37.8 per cent. In West Bengal, the party achieved a historic breakthrough by securing

a majority on its own for the first time in the state's history and crossing the two-thirds mark in the 294-member Assembly. Its vote share climbed dramatically from 10.16 per cent in 2016 to 37.9 per cent in 2021 and an impressive 45.85 per cent in 2026.

This verdict reflects a larger national trend: voters increasingly preferring governance stability, development orientation, and institutional coordination over fragmented regional politics. Across multiple states, there appears to be growing fatigue with politics built primarily around welfare dependency, identity mobilisation, and anti-industry rhetoric. Nowhere is this shift more consequential than in West Bengal.

At the time of independence, Bengal was among the most prosperous and culturally influential regions of India. Calcutta was not merely a city; it was India's gateway to the world, a thriving centre of trade, manufacturing, finance, arts, literature, and intellectual excellence. Bengal produced Nobel laureates, industrial pioneers, thinkers, artists, and reformers who shaped modern India.

Yet over the decades, the state steadily lost its economic dynamism. Successive governments failed to build an enabling environment for industry, investment, and enterprise. A deeply entrenched anti-business culture, policy unpredictability, labour militancy, and ideological rigidity gradually eroded investor confidence. The result was prolonged industrial decline, capital flight, and large-scale talent migration.

The numbers tell a sobering story. West Bengal's share of India's GDP has fallen from nearly 10.5 per cent

in 1960-61 to around 5.6 per cent today. Per capita income, once substantially above the national average, has now fallen below it. More than 6,600 companies are estimated to have either shut down or relocated after 2011, further reinforcing the perception of Bengal as an uncertain destination for investment. What makes this decline particularly tragic is that Bengal never lacked natural or strategic advantages. It possesses fertile agricultural land, a long coastline, major ports, proximity to Southeast Asia, and perhaps the most strategic geography in eastern India. West Bengal serves as India's gateway to Bangladesh, Nepal, Bhutan, and the Northeast. Few regions in the country enjoy such geographic leverage.

Yet geography alone does not create prosperity. Institutions do. For decades, the absence of political alignment between the Centre and eastern states prevented the emergence of a coherent development strategy for the region. Major projects requiring intergovernmental coordination, logistics corridors, port modernisation, industrial zones, trade infrastructure, and border connectivity suffered from fragmented execution and competing political priorities.

That barrier may now be removed. A politically aligned eastern corridor creates the possibility of long-term planning on a scale not seen in decades. The East Coast Economic Corridor, development of Tajpur Port, expansion of logistics infrastructure, industrial manufacturing clusters, and deeper integration with the Centre's Act East Policy can now move with greater policy coherence.

The economic potential is immense. India-Bangladesh trade alone has



crossed Rs 1.8 lakh crore annually, yet West Bengal captures only a fraction of the value generated by this trade flow. Nepal and Bhutan depend heavily on Bengal's transit infrastructure, while the entire Northeast relies on the region for maritime connectivity. Kolkata and Haldia remain the only major maritime gateways in eastern India, and the proposed Tajpur deep-sea port could become a transformational asset for the entire region.

But infrastructure alone will not revive Bengal. The real challenge is restoring confidence - fiscal, investor, and citizen confidence. West Bengal today carries a public debt burden estimated at nearly Rs 7.7-8 lakh crore, limiting fiscal flexibility. Productive capital expenditure has often lagged behind welfare-driven spending. The task ahead is therefore not to dismantle welfare programmes, but to transform welfare into a foundation for productivity and participation. This distinction is crucial. Programmes such as Lakshmi Bhandar, Kanyashree, and Krishak Bandhu have created extensive social protection networks and must continue. However, long-term prosperity cannot emerge from transfers alone. Welfare must evolve from being merely a safety net into a launchpad for entrepreneurship, skills, women-led enterprise, MSME growth, and agricultural value addition.



The future of Bengal lies not in subsidy politics, but in enabling ordinary citizens to participate meaningfully in the economy. Equally important is governance modernisation. A transparent, digitally driven administrative framework with predictable approvals, digitised land records, direct benefit transfers, and time-bound clearances is now indispensable. Investors seek predictability as much as incentives. Young talent seeks opportunity as much as identity. Bengal's large-scale brain drain is not irreversible; it reflects the absence of an ecosystem that rewards ambition and innovation. The opportunity before Eastern India is therefore historic. For the first time in nearly 50 years, the region has the possibility of political coordination, strategic continuity, and a unified developmental direction. If governance remains stable, if investment confidence is rebuilt, and if infrastructure is matched by institutional reform, eastern India could once again emerge as one of the principal engines of India's growth story. The rise of Bengal would not merely benefit Bengal. It would reshape India's economic geography itself. After decades of drift, Eastern India may finally be approaching its defining moment.

(The writers are, respectively, part time Member, Economic Advisory Council to the Prime Minister, and a Deputy Commissioner of Delhi Police.)

100 Years Ago



Front page of The Statesman dated 07 May 1926

OCCASIONAL NOTE

DAMAGES of one pie without costs as awarded in the Madras High Court to Rai Bahadur O. Kandaswamy Chetty are an adequate expression of the sense of the court that the action should never have been brought. Contemptuous damages of this character are rare enough in Indian litigation to make the case notable. The case may serve as a warning to those who are active in politics not to cultivate an undue sensitiveness to criticism. A man who by his position in public affairs is frequently under the necessity of attacking others should cultivate a hard skin himself, for if he looks to the court for redress when the pungent retort comes he is likely to find that the law has little sympathy with his sufferings. Those who are not prepared for the rough and tumble of political agitation can find other fields for their talents, but if they choose the political arena they must accept the conditions that apply to all who enter.

News Items

SUGGESTED MEETING OF PARTY LEADERS

WITHDRAWAL OF THE GENERAL STRIKE NOTICE

Fourth Day of the Strike
Following upon Wednesday's debate in the House of Commons on the Emergency Powers Regulations, arising out of the general stoppage of labour, the first step has been taken towards a settlement of the dispute.

In the course of the discussion Liberal and Labour leaders condemned the precipitancy with which the final negotiations were broken off. As a result the suggestion was put forward that the Speaker should preside over a conference, possibly between Mr. Ramsay MacDonald, Mr. Lloyd George, and Mr. Baldwin, to evoke a basis on which negotiations might be re-opened.

In the course of the debate the Premier said the Government were prepared to resume negotiations immediately the general strike was unconditionally called off, and Lord Buxton made a similar statement in the House of Lords.

Explaining the Emergency Powers proposals, Sir William Joynson-Hicks said that summary action would be taken against persons inciting to mutiny or disaffection. The Government was empowered to call on the Crown forces to carry on vital services.

He declared that the railway, tramway, and omnibus services were improving, and the food supply was satisfactory.

INDIA AND THE AIR FORCE

COST OF KARACHI HANGAR

LONDON, MAY
IN the House of Commons, replying to a question to-day, Sir Samuel Hoare said that approximately £170,000 was being spent on the new Karachi airship hangar, £90,000 of which would be spent on British materials, the difference being represented by freight, insurance, import duties, foundation, and work of erection at the site.

In reply to a further question regarding India's total indebtedness to the Imperial Government on account of the Air Force, Sir Samuel Hoare said that no agreement had been reached regarding the basis of calculation and therefore it was impossible to give the total.

The Air Ministry, however, had been asked for an increase in the present provisional rate in respect of effective charges, and advance payment in respect of non-effective charges. Negotiations were proceeding. —Reuter.

WHY THE PACT FAILED PANDIT MOTILAL'S ATTITUDE

AHMEDABAD, MAY
SINCE the breakdown of the Pact last evening, the Responsivists have been holding discussions regarding their future policy. Pandit Malaviya met Sir Moropant Joshi, Dr. Paranjpye, and other members of the National Party with a view to bringing them and the Responsivists together. On an invitation from Messrs. Kelkar and Jayakar, Sir Moropant Joshi, Mr. B. S. Kamat and others the Responsivists in an informal conference. Further developments are expected in Bombay in the course of the next few days.

Beijing beset by cross-border militancy

HINDU SANSKRITI KARKI

Beijing's Durand Trial reflects an escalating struggle to project domestic security logic beyond its western frontier, specifically the Xinjiang Uyghur Autonomous Region (XUAR). At the core of Beijing's security doctrine are the "Three Evil Forces" - terrorism, religious extremism and separatism - viewed as threats to state stability. This framework underpins the Chinese Communist Party's (CCP) "Strike Hard" campaigns to suppress the anti-state elements.

Consequently, this domestic securitisation strategy has split over borders as Beijing seeks to mitigate instability in Afghanistan and Pakistan. Although it has attempted to mediate cross-border militancy between Kabul and Islamabad, these efforts have exposed clear limitations. From Xinjiang to the Durand Line, China's security model reveals a widening chasm between operational reality and strategic ambition.

The second phase of the China-Pakistan Economic Corridor (CPEC) faces mounting challenges in Balochistan - the corridor's gateway to the Arabian Sea. Local opposition has intensified through insurgent violence led by the Baloch Liberation Army-Jeeyand (BLA-J) under the Baloch Raaji Aajohi Sangar alliance. Deploying 'hit-and-run' and 'fidayeen' (suicide) tactics under Operation Zir Pahazag, these groups target Chinese-linked projects and personnel, accusing Beijing of resource exploitation and demanding an immediate halt and exit.

This insurgency is rooted in underlying grievances over socio-economic exclusion, unequal resource distribution, and state repression. In this context, Chinese investments are perceived as an extension of a government-centric model that marginalises locals. Eventually, this persistent insecurity has delayed projects in Gwadar and disrupted timelines. While China remains apprehensive, Islamabad's reaction is preoccupied with external threats - specifically India, leaving the fundamental drivers of instability unaddressed.

For China, such setbacks are significant. Despite expanding counterterrorism support through intelligence and finance, outcomes remain unchanged. Pakistan appears reluctant to adopt China-style counterinsurgency measures or to permit Chinese 'boots on the ground'. The all-weather partnership is constrained by domestic sentiments and strategic limits, including its relationship with the United States.

A significant gap persists between China's security expectations and Pakistan's capacity to realise them. As BLA actions display signs of regional spillover in Iran and Afghanistan, Beijing's concerns have intensified. Did the CCP underestimate the complexity of Pakistan's internal unrest and its broader strategic limitations?

The two major crossings along the 2640 km Durand Line - Torkham and Chaman-Spin Boldak - remain plagued by militant activity. Since the establishment of the Second Islamic Emirate of Afghanistan, cross-border violence by Tehrik-e-Taliban Pakistan (TTP) has surged, deteriorating Pakistan's domestic security. Moreover,

underlying grievances over socio-economic exclusion, unequal resource distribution, and state repression. In this context, Chinese investments are perceived as an extension of a government-centric model that marginalises locals. Eventually, this persistent insecurity has delayed projects in Gwadar and disrupted timelines. While China remains apprehensive, Islamabad's reaction is preoccupied with external threats - specifically India, leaving the fundamental drivers of instability unaddressed.



Balochistan friction provides space for TTP expansion in Pakistan's Pashtun regions, particularly the former Federally Administered Tribal Areas (FATA).

Both the TTP and Taliban reject the Durand Line as a legitimate boundary and criticise Pakistan's border control mechanism of dividing the Pashtun communities along the border. For the Taliban, this rejection reflects continuity with the position of its founding leader, Mullah Omar. Consequently, any move by the Emir to prioritise Pakistan's interests risks being perceived as national betrayal, particularly given the significant Pashtun population within Afghanistan.

Moreover, Taliban support to TTP remains critical for maintaining internal cohesion against threats like the Islamic State's Khorasan Province (ISKP) and the Al-Qaeda linked East Turkestan Islamic Movement (ETIM), while also providing strategic leverage against Pakistan.

Recently, the expanding operations of the ISKP against Chinese investments and local ventures have further complicated the security landscape. Designated as a Foreign Terrorist Organisation (FTO), ISKP adheres to a takfiri ideology that frames Chinese presence as a symbol of intrusion and condemns the Taliban for engaging with foreign powers.

As a result, it justifies its attacks as ideologically motivated retaliation and a warning to foreign actors.

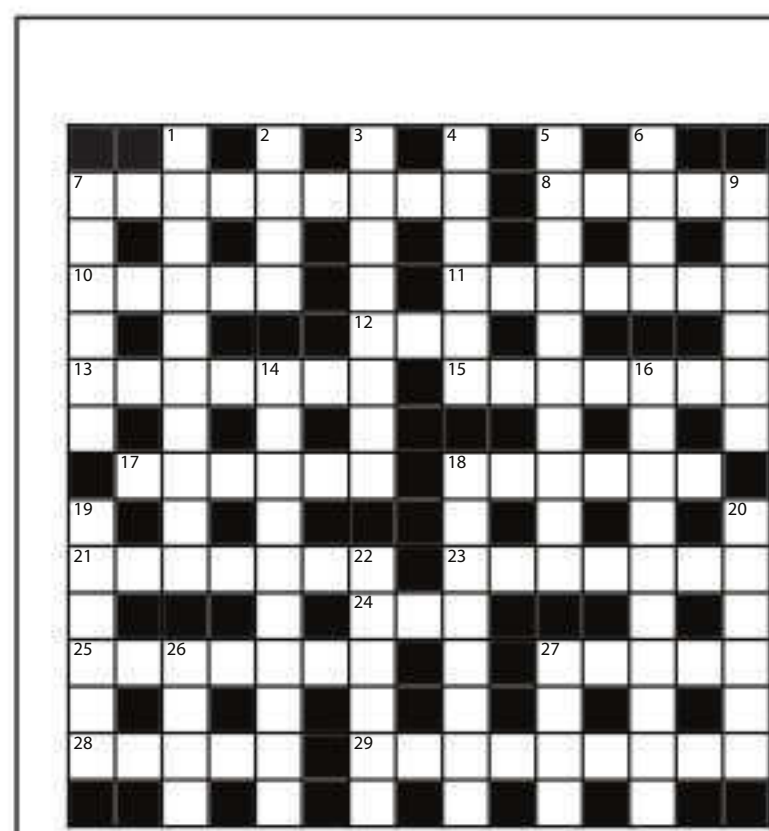
Similarly, concerns over ETIM, headquartered in Afghanistan, intersect with this security environment. China emerges as a shared target, albeit for motivations distinct from the ISKP. Although evidence of sustained coordination remains limited, the potential for ideological convergence shapes Beijing's cautious posture towards Kabul. Notably, both the TTP and ETIM assisted the Taliban in taking over power in 2021, compelling it to adopt a calibrated strategy shaped by ideological affinity, structural limitations, and concerns over potential defections to ISKP.

Mired in these overlapping challenges, it is doubtful the Taliban can guarantee the level of security Beijing expects in exchange for its de jure recognition and economic assistance. Instead, the bleak security architecture may compel China to reassess both its financial commitments and plans to connect Xinjiang to Kabul via the Wakhan corridor.

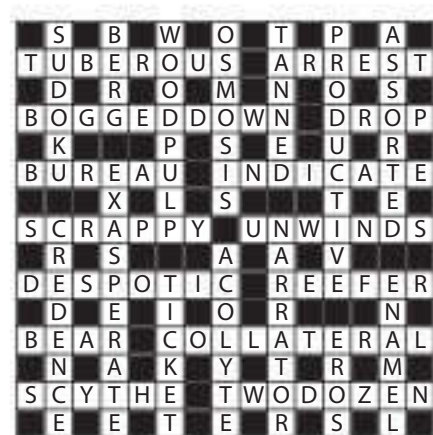
Much like the Lernaean Hydra, China's approach in Xinjiang has inadvertently decentralised the threats - transforming a localised security issue into a fragmented transnational crisis. Research by the Afghan Studies Centre indicates that the ETIM operates across Central Asia and the Afghanistan-Pakistan border region, often coordinating with the BLA, TTP and the Islamic Movement in Uzbekistan (IMU) to target Chinese ventures.

Likewise, ISKP advances a transnational agenda centred on 'Greater Khorasan' that overlaps

Crossword | No. 293454



Yesterday's Solution



- ACROSS**
- 7 Characters in male drama dancing like some queens? (9)
 - 8 Capital agency produces statistics (5)
 - 10 Painter's adult representation of sex acquired by religious scholar (5)
 - 11 Quiet land occupied by new Welsh community (7)
 - 12 Member of Parliament exposed in a despicable manner (5)
 - 13 University dons fabricated claims

- 15 Saw stuff stored in electronic memory (7)
- 17 Reference standard article about person from ... (6)
- 18 ... man engaged to earn right for current state (6)
- 21 Garden confines male prisoner (7)
- 23 I shout out loud and stare (7)
- 24 Lecturer's about to make careless mistake (3)
- 25 Dick Tracy's second in command gets tough (7)

- 27/20 Performer at theatre school introduces prop? (5,6)
 - 28 Place to stay in Lesotho that's not so bad (5)
 - 29 Teller managed closure of East European banking company (9)
- DOWN**
- 1 Supplies argument for things of great beauty (10)
 - 2 See 19
 - 3 Piece to perform on 3/4-size string instrument (8)

- 4 Part of head office could be here (6)
- 5 Issue containing upside-down image is free (6)
- 6 13 creating frisson of fear just before 2 (4)
- 7 Nice woman prepared sandwiches before midday (6)
- 9 School starts to employ more educational programme (6)
- 14 Corresponding by telegram about politician involved in row (10)

- 16 Engineer enlarges core of junction boxes (10)
- 18 Cater for 20 responses to questionnaire? (8)
- 19/2 Burial ground's 4 wheeled cart (10)
- 20 See 27
- 22 Last goal about to preserve United's lead (6)
- 26 13 statutes diminishing America's position (4)
- 27 13 characters appearing in parentheses (4)

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



The Tribune

ESTABLISHED IN 1881

Left in limbo

Kerala defeat pushes the bloc to the brink

THE Left bloc is gasping for survival in India. The defeat of the Left Democratic Front (LDF) in Kerala has ended an era. For the first time in nearly five decades, there is no Communist government in any state across the country. What was once a formidable ideological and political force, capable of shaping national discourse, now finds itself without a firm foothold. Kerala was the Left's last bastion — from the historic election of the world's first democratically chosen Communist government led by EMS Namboodiripad in 1957 to the LDF's decade-long rule, the state embodied the viability of the Left model. The loss, therefore, is a huge setback for the Left not only in Kerala but also at the national level.

The decline has been relentless over the past decade and a half. The fall of West Bengal in 2011, when Mamata Banerjee's Trinamool Congress ousted the Buddhadeb Bhattacharjee-led Left Front, ended a 34-year rule; in Tripura, the curtains came down on the 25-year-long Communist reign in 2018. Notably, the BJP is now in power in both these states, underlining the rise of the Right at the cost of the Left. The bloc's parliamentary influence has also waned considerably: from a peak of about 60 Lok Sabha MPs two decades ago, when it was a key constituent of the UPA-1 government, the number is below 10 today. Beyond electoral arithmetic, structural changes have weakened the Left's traditional base. Economic liberalisation has fragmented organised labour, while identity politics has reshaped electoral loyalties. The Left's class-centric narrative has struggled to adapt to these new realities.

The current challenge is existential. Without the leverage of governance, the Left must rethink its strategies, reconnect with the masses and redefine its ideological relevance. The collapse of the Kerala fortress offers an opportunity to go back to the drawing board. The onus is on the Left to regroup; if it fails to do that, it might eventually fade into oblivion.

Blasts in Punjab

Low-intensity attacks, high-stakes warning

PUNJAB's twin blasts — first outside a BSF facility in Jalandhar and then near an Army cantonment in Amritsar — are too close in time and target to be dismissed as routine disturbances. Even if low in intensity, they carry a high strategic message: India's security grid is being tested at sensitive nodes. The confirmation by Punjab DGP Gaurav Yadav that an improvised explosive device was used near a military zone underscores the seriousness of the threat. These are not random acts; they suggest reconnaissance, planning and a deliberate attempt to probe vulnerabilities around defence establishments. Whether the hand behind them is local, cross-border or an opportunistic mix of both, the pattern is unmistakable.

Equally troubling is the political reaction. Chief Minister Bhagwant Mann has blamed the Bharatiya Janata Party (BJP) for destabilisation, while the BJP has accused the state government of security failures. This reflexive blame game may be politically expedient, but it is strategically myopic. Security crises demand coordination, not confrontation. Punjab's history makes it particularly sensitive to even low-grade disruptions. The state has, over decades, built a reputation for resilient policing and intelligence-led operations. A spate of recent incidents, including three blasts in under 10 days, risks denting that hard-earned credibility. The question is not merely who is to blame, but whether intelligence inputs were missed or responses delayed.

The need of the hour is a unified response: tighter intelligence sharing between Central and state agencies, immediate security audits of defence perimeters, and enhanced surveillance, especially against emerging threats like drone-based infiltration. Public reassurance must follow, but without downplaying risks. These explosions are warnings, not aberrations. Ignoring their pattern or politicising their aftermath would be a costly mistake.

ON THIS DAY...100 YEARS AGO

The Tribune

THE TRIBUNE, FRIDAY, MAY 7, 1926

Citizens' right of defence

THE Calcutta riots have brought out one important fact prominently for the consideration of both the Government and the general public. That is the citizens' claim to exercise their right of defending against attacks during riots and to form necessary organisations with this object. It will be remembered that at the commencement of rioting in Calcutta, JM Sengupta, the Mayor, finding the police ineffective to prevent riots, offered to send citizen volunteers to assist the police and protect the public. This suggestion was made to the Police Commissioner, JE Armstrong, at a very early stage of rioting, but for inexplicable reasons it was not approved. Subsequently, the Police Commissioner thought better of the proposal and wrote to Sengupta to organise a body of Hindu and Moslem volunteers who would be enrolled as special constables and ordered to patrol in affected localities and exercise police functions in suppressing riots. But it appears that Sengupta objected to the volunteers being asked to enrol as special constables, which role was very unpopular, and thus the suggested scheme fell through and nothing was done in the matter. It is a matter of deep regret that this extremely useful suggestion was not adopted at a time of great emergency in Calcutta. *Forward* publishes the correspondence that passed on this matter between the Police Commissioner and the Mayor. This correspondence shows that the idea of employing volunteers was made at the "beginning of the riots", that the volunteers should be drawn from both communities and that they should work in close cooperation with each other for the purpose of preventing attacks on temples and mosques.

Op Sindoor enforced our red lines

A future crisis with Pakistan must be treated as part of a wider collusive challenge



LT GEN DS HOODA (RETD)
FORMER NORTHERN
ARMY COMMANDER

ONE year ago, on the night of May 6-7, 2025, India carried out precision strikes on nine terrorist targets in Pakistan, including the headquarters of Lashkar-e-Taiba at Muridke and of Jaish-e-Mohammed at Bahawalpur. This came in response to the horrific massacre of Indian tourists in Pahalgam by terrorists linked to Lashkar-e-Taiba. Code-named Operation Sindoor, it marked a new phase in India's resolve to enforce its counterterrorism red lines.

The crisis escalated as Pakistan launched hundreds of drones into Indian airspace. As the fighting continued, the Indian Air Force carried out damaging strikes on Pakistani airbases at Chaklala, Rafiqi, Rahim Yar Khan, Sargodha, Bholari and Jacobabad on the night of May 9-10. On May 10, Pakistan's Director General of Military Operations called up his Indian counterpart with a request for a ceasefire, which was accepted.

Operation Sindoor lasted only 88 hours, but its brevity should not be confused with limited significance. It offers important lessons for how the Indian military should prepare for the next crisis with Pakistan. Four imperatives stand out.

The first is an intense and compressed battle cycle. Operation Sindoor demonstrated how quickly a crisis can escalate, both vertically through the expanding use of force and horizontally across a wider geography. While the operation was largely confined to the land and air domains, the next crisis could extend to the maritime domain, with naval forces playing a more active role. The geography of conflict will also



INFO WARFARE: Even though Pakistan suffered extensive damage, its narrative claimed victory over India. FILE PHOTO

expand into the digital realm, with cyber operations targeting critical infrastructure.

In such a conflict, war will no longer unfold in a neat sequence. Intelligence, targeting, precision strike, air defence, drone warfare, escalation management, diplomatic outreach and information operations will occur almost simultaneously. This demands a high state of military readiness as the side that enters the crisis with prepared options will enjoy a decisive advantage over the side that improvises under pressure.

This is also where jointness will be tested. In a short, high-intensity conflict, delays caused by service silos can become strategic vulnerabilities. What is essential is integrated planning, common target folders, interoperable communications, shared situational awareness and pre-agreed escalation options. Jointness, therefore, must not be treated as a fashionable slogan but the fundamental operational grammar of the compressed battle cycle.

Second, new technologies are no longer lessons to be drawn from distant wars but are already present on our battlefields. Operation Sindoor was described as South Asia's first drone war. In the year since, we are seeing a much greater induction of drones

India must be prepared for a compressed crisis that unfolds in hours and the larger war that may follow if escalation is not contained.

in the inventories of both militaries. Drone warfare will be central in the next conflict.

Future crises are also likely to see greater use of long-range standoff weapons and precision missiles, allowing air forces to strike without crossing borders. Because such attacks are launched from a distance and viewed on screens far from the battlefield, they can appear controlled, clinical and almost risk-free. That makes them politically attractive. But this perception is dangerous. When both sides believe they can strike from afar without paying an immediate price, the threshold for using force may lower, and escalation can become faster.

Third, information warfare is no longer a sideshow, but a central theatre of conflict. In Operation Sindoor, even as kinetic strikes were being carried out, a

fierce parallel battle of perceptions unfolded across television screens, media outlets and social networks. The information space was flooded with fake news, exaggerated claims, misinformation and disinformation. Even though Pakistan suffered extensive damage, its narrative claimed victory over India.

Pakistan has attempted to frame India's counterterrorism response as an unprovoked attack, and its own response as measured and aimed at protecting its territorial integrity. India must not allow that framing to take hold. The information campaign must, therefore, begin before the first strike, with credible evidence, prepared diplomatic briefs, rapid public communication and a clear explanation of the threshold that has been crossed.

There is also a domestic lesson. Some sections of the Indian television media became amplifiers of misinformation during Operation Sindoor. Such behaviour undermines national credibility and must be checked by the government. When media institutions distort reality, they inhibit India's ability to project a legitimate picture to the global audience.

The fourth and perhaps the most important lesson concerns the China-Pakistan nexus. India

was not dealing with Pakistan in isolation. It was dealing with a Pakistani military system increasingly equipped, enabled and diplomatically cushioned by China. The clearest warning came from India's Deputy Chief of Army Staff, Lt Gen Rahul R Singh, who said after the operation that India had "one border" but was facing more than one adversary, with Pakistan in front and China providing support.

The old distinction between the western and northern fronts is becoming less clear. China need not open a front in Ladakh to influence an India-Pakistan crisis. It can do so through platforms, sensors, intelligence feeds and diplomatic signalling. Operation Sindoor was not only an India-Pakistan clash, but a preview of collusive pressure below the threshold of a formal two-front war.

The implication for India is clear. A future crisis with Pakistan must be treated as part of a wider collusive challenge. Operational planning must account for Chinese-origin platforms in Pakistan's inventory, real-time data support and the likelihood that every engagement will be studied by Beijing as a live test of Indian tactics and strategy. Operation Sindoor showed that Pakistan may be the immediate adversary, but the system behind it is increasingly Chinese-enabled. India's preparedness must reflect that reality.

A final caution is necessary. Operation Sindoor offers important lessons for the next India-Pakistan crisis, but it should not be taken as a template for all future wars. It was largely an air and missile campaign, with the Army and the Navy playing peripheral roles. A longer war, especially one involving major ground operations and sustained maritime conflict, would impose very different demands in terms of logistics, reserves, industrial capacity and national endurance. India must be prepared for both a compressed crisis that unfolds in hours and the larger war that may follow if escalation is not contained.

THOUGHT FOR THE DAY

Operation Sindoor has set a new benchmark — a new normal. —Narendra Modi

Gluttony of the body and the mind

TARU BAHL

AFFLUENCE and success legitimise attributes which are generally categorised as vices. Overeating is branded as gluttony in the Bible and stamped as a sin. Today, having a gluttonous appetite or indulging in lavish, well-publicised gastronomical extravaganzas is considered delectable; it feeds tons of social media reels, creating FOMO (fear of missing out) for all those not so fortunate.

Traditionally, gluttony has been accepted as a trait unbecoming of the human race. Humans are supposed to be cultured and civilised and not prone to satiating their hunger in an animal-like fashion. In his celebrated novel *Ulysses*, James Joyce draws a parallel between people and animals in a chilling sequence. The hero, Leopold Bloom, walks into a restaurant to find his senses assaulted: "Stink gripped his trembling breath. Pungent meat juice, slush of greens. See the animals feed. Men, perched on stools by the bar swilling, wolfing, gobfulls of sloppy food; shovelling and gurgling soup down their gullets."

Readers feel that they have walked into a chaotic bar, not a classy restaurant. To Joyce, gluttony was a sin, mostly because it denied the existence of humanity and compassion. That's why he created Bloom, a character steeped in moderation — whether it is being faithful to his wife, eating slowly and consciously, living in homes he can afford and indulging only in what he needs.

It is easier to control gluttony of the stomach since it is a sin of the flesh. When we go on a food or drink binge, our body reacts by falling sick or gaining pounds, forcing us to acknowledge the problem. When the line is crossed from needs to wants to superfluous indulgence is something we remain oblivious to. This robs us of the ability to give away things we do not need, feeding our hoarding impulses and creating clutter that is hard to handle.

Gluttony of the mind manifests itself through our greed for riches, status symbols and clothes, while gluttony of the intellect pushes us to consume an overdose of information and entertainment. Our attachment to material things is hard to shrug off. Right from childhood, we see the "ownership" of things being glorified. Every time we buy a home, a car, a piece of jewellery, an artefact or a holiday package, we proudly celebrate it as an achievement and social trophy. This extends to people — in the name of love, passion and duty, we justify "owning" our partner, children, friends and old parents. This sense of exclusive ownership takes on a controlling hue, damaging and abusing relationships.

Research findings point to a reduced brain function owing to our overdependence on technology. Gluttony of the mind, which is the intellectual equivalent of overeating, is leading to dullness and lethargy, stifling creative thinking. This scary reality should make us review our gluttonous pursuits that go beyond food and drink.

The writer is an independent journalist

LETTERS TO THE EDITOR

Voters seek good governance

Apropos of 'Dent in Muslim vote bank hurt TMC'; this shift is a reminder that no vote bank is permanent. Voters — irrespective of religion or community — ultimately seek governance, dignity and delivery on promises. Muslims in Bengal failed to vote strategically to keep the party, which they are made to fear the most, away from power. But, the TMC must introspect whether it has truly served its loyal constituency or merely leveraged it. The lesson for all political parties including the BJP is clear: identity-based consolidation has limits. Substantive representation and inclusive governance are the only durable foundations of political trust.

FATEH NAJAMUDDIN, CHENNAI

Mamata's disregard for democracy

The refusal of West Bengal Chief Minister Mamata Banerjee to resign is deeply troubling for anyone who values constitutional propriety. BJP's landslide victory, reducing TMC to a mere 80 seats, reflects an unambiguous public verdict. Yet Banerjee's dismissal of the results as "engineered" and "a loot," and her attacks on the Election Commission betray a dangerous disregard for democratic norms. The office of the Chief Minister is a constitutional position, not personal fiefdom. When the head of a constitutional body refuses to acknowledge the people's verdict, it sets a perilous precedent.

AK JOSHI, AMRITSAR

Drug surveys & mental distress

Apropos of 'Punjab counts'; the state's drug crisis cannot be enumerated through surveys alone. While data may reveal the scale of addiction, it often fails to capture the emotional and psychological vacuum pushing many young people towards substance abuse. What is alarming is the growing normalisation of escapist behaviour among adolescents, often dismissed as temporary experimentation rather than emotional distress. Therefore, any meaningful solution must move beyond policing and administrative surveys. Schools, colleges and communities must actively create spaces for counselling, dialogue and mental health support.

HAVYA GARG, CHANDIGARH

Census overlap unwarranted

Census 2026 has already begun in India. However, the Punjab government has commenced its own enumeration. Instead, the Punjab government should coordinate with the Central government, while the Centre should entertain and develop a mutually acceptable formula. The overlap of the Central and state census can create confusion among the public that can lead to their reluctance in cooperating with enumerators. The state census will add to the already significant financial load on Punjab. The process places an additional burden on the state machinery, primarily on teachers who are already involved in state and Central schemes.

VARINDER PAL SINGH, PATIALA

No red tape in defence projects

Refer to 'The curious case of INDU'; the proposal to set up a defence university in Haryana was a far-sighted step for national security. However, despite approval, land allocation and foundation ceremony, the project remains unrealised even decades later even after repeated renaming and reviews. Moreover, the creation of a parallel Rashtriya Raksha University in Gujarat raises doubts on the ulterior motives of the government. Such drift undermines strategic preparedness and institutional credibility. Given India's sensitive borders, the government must take a final decision on the setting up of INDU to bolster national security and strategic readiness.

CHANCHAL S MANN, UNA

Irresponsible behaviour on board

Refer to 'Power bank explodes on taxiing plane in Chandigarh'; though a major mishap was averted, the question arises: what action was taken against the irresponsible passenger by the airline and the administration to act as a deterrent? Exemplary punishment should be given to the passenger overusing the power bank. The crew should have been more vigilant. Most importantly, passengers should be careful about their conduct so that it does not put other people's lives at risk.

VINAY KUMAR MALHOTRA, AMBALA

When India struck terror camps in Pak Punjab



LT GEN MK KATIYAR (RETD)
FORMER GOC-IN-C,
WESTERN COMMAND

APRIL 22, 2025 began like any other day at the Western Command: briefings on infrastructure projects, routine updates, the hum of staff work. Then the television flashed images that would change everything — a terror strike in Pahalgam, innocent civilians singled out and killed on the basis of their faith. The brazenness of the attack shocked the nation and demanded a response; swift, precise and unmistakable.

We had reasons to be alert. Recent flare-ups and public unrest across the border suggested a volatile mix of political turmoil and military posturing. Pakistan's internal dynamics — a powerful military leadership, religious rhetoric woven into public addresses and visible political fractures — all pointed to a dangerous willingness to use violence as leverage.

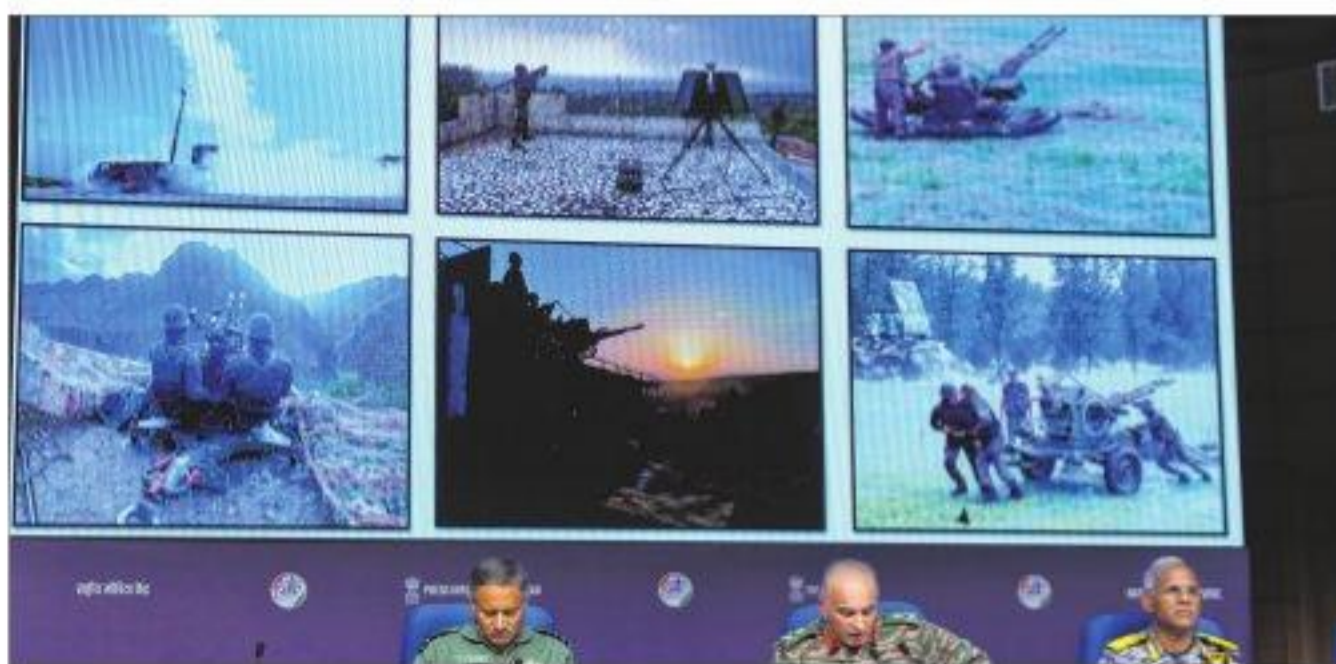
Pakistan Army Chief, himself a Hafiz, has fused the country's two most potent

forces — militarism and religion. So, less than a week before the Pahalgam terror attack, when he invoked the two-nation theory and declared Kashmir the 'jugular vein', it struck me not as grandiloquence, but as a calculated signal.

In the Western Command, we had anticipated conduct of military operations post cross-border provocations and deliberate of our response options in a war game in 2024. That preparation paid off: formations already understood their role and could move quickly when the alertness levels were enhanced. The secrecy of plans was crucial for the success of operations, so the targeting options were kept tightly compartmentalised; even formation commanders were not aware of the final list of targets. Deception and redundancy were built into the plan to preserve surprise.

The media grew impatient as days passed without visible action. I remember the Editor-in-Chief of *The Tribune* visiting my office at the end of April 2025, pressing for answers. I could only confirm intent, not timing or place. With a vast background in dealing with Pakistan, she asked bluntly, 'Are you going to strike Muzik?' I kept my face blank and said, 'All options are on the table.'

On May 7, 2025, at 0105 hours, we commenced preci-



SATISFACTORY: The armed forces executed a complex operation under intense scrutiny and pressure. **PTI**

sion strikes and by 0130, the identified terrorist bases were fully destroyed. The message was simple: justice delivered. In a just operation, we had deliberately targeted only terrorist infrastructure rather than civilian or military bases, which also constrained escalation options for the Pakistan military.

Predictably, the adversary retaliated. Pakistan launched drones and missiles against military installations; almost all those attacks were blunted by our air defence and counter-drone systems. We responded in kind, degrading a number of Pakistan's posts and military bases. In the middle of the fire assault, a Pakistani post even raised a white flag.

Each day, around noon, Army commanders joined the Army Chief in a secure video-



Deterrence must evolve into compellence — a posture that discourages aggression.

conference to review progress of operations and decide the future course of action. Implications of own actions and their second- or third-order effects were also deliberated upon. The latitude of military leadership to shape operations was quite evident.

The conflict exposed new realities. Drones were launched deep into our territory, even over cities once thought safe by virtue of distance from the border. On May 8, we had a blackout in Chandigarh consequent to drone sightings. But soon we realised that such blackout drills have limited value against modern-day precision standoff threats.

We adapted the drills and accelerated plans to harden and, where necessary, move critical operation centres underground. When Pakistan

publicly proclaimed that it might strike the Golden Temple, we treated it as both a signal of intent and an effort to pre-empt blame and immediately strengthened air defence and counter drone measures in Amritsar.

Public sentiment was overwhelmingly supportive. Small acts of solidarity — villagers bringing water to soldiers, a 10-year-old boy fetching *lassi* for troops — became national symbols of unity. The media, for the most part, backed our actions; some channels grew hyperbolic, but the intent was patriotic.

There were surreal moments. On May 9 morning, my wife woke me up with a channel breaking news that Indian troops had reached Lahore. Half asleep, I wondered aloud: did we order the move forward of offensive formations or the GOC of my Strike Corps had taken the initiative akin to Op Parakram days!

On May 10, it was already daybreak when we broke up from the operations centre, so I decided to head to the golf course to de-stress my mind. The DGMO was quite surprised when I took his call on a secure mobile from the golf course and so were a couple of veterans playing golf. They assumed the operation was winding down — and, lo and behold, Pakistan asked for a ceasefire a few hours later!

A year on, I look back on Operation Sindoor with pride and satisfaction. The Indian armed forces executed a complex operation under intense scrutiny and pressure. We delivered punitive effects, dominated the escalatory ladder and signalled capability and intent.

But the question remains: have we achieved lasting deterrence? The Pakistan Army appears politically stronger today and more prominent on the world stage. Emboldened and under an ambitious Field Marshal, it could well revive its decades-old strategy of 'bleeding India through a thousand cuts.'

If that happens, our response must be swifter, more forceful and integrated across domains. Deterrence must evolve into compellence — a posture that not only discourages aggression but also changes the adversary's cost-benefit calculus. That will require strategic imagination: better intelligence fusion, deeper resilience at home and a willingness to combine military action with diplomatic and economic levers.

Operation Sindoor was a major military success, the challenge in the next round will be to translate the tactical victory into a durable strategic advantage.

The writer was GOC-in-C, Western Command, during Op Sindoor and retired in 2026.

When Centre changed the calculus of restraint



AIR MARSHAL ANIL CHOPRA (RETD)
EX-HEAD, IAF (J&K)

ON the night of May 6-7, 2025, India launched Operation Sindoor — a calibrated, time-bound military campaign in response to the Pahalgam terror attack of April 22 that claimed 26 innocent lives. What followed over the next 88 hours was not simply a strike package but also a demonstration of a new and fully formed Indian strategic doctrine: one defined by clarity of purpose, technological self-reliance, political resolve and whole-of-nation cohesion.

Operation Sindoor's success was built on the principle of JAI Jointness, *atmanirbharta* (self-reliance) and indigenisation. The three services operated in seamless coordination.

The Navy's Carrier Battle Group dominated the Arabian Sea, effectively closing off Pakistan's naval options and preventing any southward escalation. The Air Force executed deep precision strikes across Pakistan. The Army neutralised incoming threats with indigenous air defence systems and deployed loitering munitions with lethal precision. This architecture, strengthened by the creation of the Chief of Defence Staff,

functioned without friction throughout the operation.

The indigenous dimension was equally decisive. India's investment in defence production has grown from Rs 46,429 crore in 2014-15 to a record Rs 1.54 lakh crore in 2024-25, with over 65% of equipment now manufactured domestically. This transformation — driven by liberalised FDI, production-linked incentive schemes, dedicated defence corridors and the iDEX innovation framework — meant that when the nation required advanced capabilities at short notice, it possessed the sovereign strength to act without any dependence on external supply chains.

Systems such as BrahMos cruise missiles, Akash surface-to-air missiles, the SkyStriker loitering munitions and DRDO's D-4 anti-drone platform gave the forces precision, protection and dominance across domains. A recovered, intact Chinese PL-15 missile — fired by Pakistan but failing to engage its target — became emblematic of the gap between Chinese equipment's advertised capability and its battlefield reality. It will be subjected to exhaustive technical analysis. Operation Sindoor marked a decisive shift from 'Made for India' to 'Made by India'.

Force of political will

Military capability, however formidable, is only as effective as the political direction behind it. Previous governments had responded to Pakistani-backed terror with dossiers that were dismissed,



CLARITY: PM Modi took full political ownership of Op Sindoor from the first hour to the last. **PTI**

diplomacy that went unanswered, and restraint that was exploited as weakness. That calculus was changed when Prime Minister Narendra Modi took full political ownership of Op Sindoor from the first hour to the last, providing the armed forces unambiguous clearance to act — without hesitation and without condition.

Modi provided the military with a precise mandate: strike terrorists and their backers wherever they operate; not a single civilian is to be harmed. Every measure — from the suspension of the Indus Waters Treaty to the precise sequencing of military strikes — was deliberate and timed. By signalling India's willingness to use water as a long-term strategic lever, it imposed a cost on Pakistan that extends far beyond any ceasefire and will be felt across generations.

As Pakistan escalated, the armed forces retained standing authority to respond with whatever means they deemed

Military capability is only as effective as the political direction behind it.

necessary, without needing to return for political clearance.

The campaign was reinforced by a diplomatic offensive of equal precision. India constructed a diplomatic iron dome: isolating Pakistan internationally and ensuring the narrative of legitimate self-defence was established globally before adversarial counter-messaging could gain traction. Seven bipartisan parliamentary delegations were dispatched to 32 countries. The international fault lines were exposed: most nations expressed solidarity with India against terror, while China and Turkey stood with Pakistan, supplying hardware, satellite intelligence and diplomatic cover. Their alignment was noted. It will shape India's strategic partnerships.

Whole-of-nation approach

Op Sindoor became a live exercise in a whole-of-nation approach — where military, industry, space, intelligence, civil administration and pub-

lic communication all functioned as a single integrated system, each component reinforcing the others.

ISRO dedicated at least 10 satellites around the clock to providing high-resolution surveillance for the services, while the National Technical Research Organisation (NTRO) provided critical target intelligence. Battle Damage Assessment (BDA) was photographed, verified and imagery released publicly within hours of each strike, shutting down Pakistani disinformation before it could find an audience. When Pakistan claimed to have destroyed India's S-400 systems, Modi travelled to the Adampur airbase and stood beside an intact battery for the world to see. The information war was fought with the same rigour and preparation as the air war.

Civil servants and district administrators were briefed alongside military planners. Nationwide mock drills built public confidence and signalled national resolve. Private firms and startups contributed real-time solutions through the iDEX framework, including loitering munitions and counter-UAS (Unmanned Aerial System), demonstrating that India's defence-industrial base had matured into a credible wartime asset.

Economic statecraft ran in parallel throughout. India suspended the Indus Waters Treaty, closed the Attari Integrated Check Post, revoked Pakistani visas, banned Pakistani artists and suspended all bilateral trade — imposing

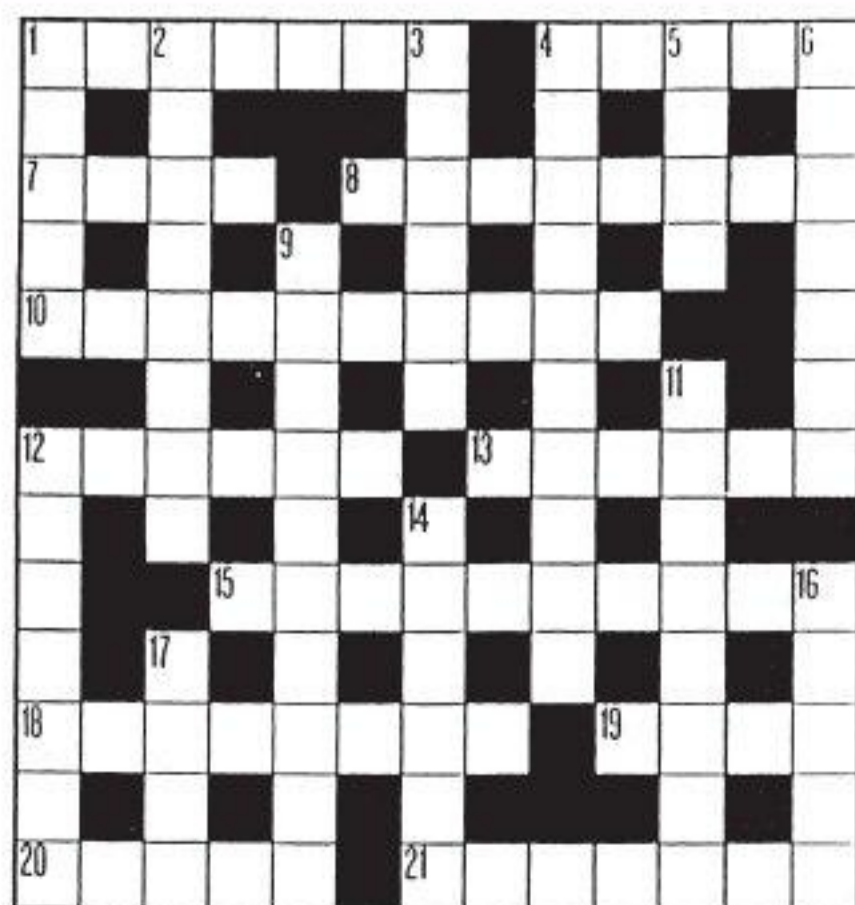
layered, compounding pressure that denied Pakistan the comfort of treating the conflict as a contained military exchange with no wider consequences for its economy or international standing.

A new normal

India has redefined the rules of engagement in South Asia. It demonstrated that a nuclear umbrella does not confer impunity for state-sponsored terror. It proved that a decade of indigenous defence investment can deliver decisive battlefield outcomes. It showed that democratic political will, clearly articulated and consistently executed, remains the most powerful force multiplier of all. For the broader region, the message is: the old architecture of Pakistani terror infrastructure, Chinese hardware and nuclear bluster as a deterrent has been tested in the field — and found wanting.

The work, however, is not finished. Fighter squadron numbers must be rebuilt, AEW&C (Airborne Early Warning and Control Systems) and flight refuelling fleets expanded, drone and loitering munitions inventories deepened and the defence budget raised to 3% of the GDP in phases. The hypersonic BrahMos II, the AMCA fifth-generation fighter and indigenous Harop-class drones must be accelerated. Op Sindoor has set a new normal. The strategic imperative now is to ensure that the asymmetric advantage it revealed is never allowed to erode — because the adversary has already taken note, and will not remain static.

QUICK CROSSWORD



- ACROSS**
- Throw off all restraints (3,4)
 - Beam supporting a floor (5)
 - Diversify (4)
 - Enroacher (8)
 - Go first as guide (4,3,3)
 - Country of east Europe (6)
 - Change course abruptly (6)
 - Stormy conditions (10)
 - Overtake alternately (8)
 - Performing area in circus (4)
 - Of lesser importance (5)
 - To shrink (7)
- DOWN**
- Seem to be as good as (5)
 - As a rule (8)
 - Small tower (6)
 - With equal reason (4,2,4)
 - 'Terrible' Russian tsar (4)
 - Left over (2,5)
 - To champion (5,2,3)
 - Wildly agitated (8)
 - Difficult to deal with (7)
 - In foreign countries (6)
 - Large bird of prey (5)
 - Unavailing (4)

Yesterday's Solution
Across: 1 Baker's dozen, 9 Trigger, 10 There, 11 Acme, 12 Beginner, 14 Gallop, 16 Chilli, 18 Titanium, 19 Open, 22 Flout, 23 Tactics, 24 On the market.
Down: 2 Axiom, 3 Edge, 4 Survey, 5 Outright, 6 Eternal, 7 Straight off, 8 Bear witness, 13 Top-notch, 15 Let down, 17 Custom, 20 Poise, 21 Scar.

SU DO KU

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

FORECAST

YESTERDAY'S SOLUTION

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

CALENDAR
MAY 7, 2026, THURSDAY

- Shaka Samvat 1948
- Vaisakh Shaka 17
- Vaisakh Purnimha 24
- Hijri 1447
- Krishna Paksha Tithi 5, up to 10:15 am
- Sadhya Yoga up to 2:00 am
- Purvashadha Nakshatra up to 6:46 pm
- Moon enters Capricorn sign 1:27 am
- Shri Tagore Jyanti

SUNSET:	THURSDAY	19:04 HRS
SUNRISE:	FRIDAY	05:34 HRS
CITY	MAX	MIN
Chandigarh	34	20
New Delhi	37	22
Amritsar	33	21
Bathinda	38	21
Jalandhar	33	21
Ludhiana	35	21
Bhiwani	38	23
Hisar	36	22
Sirsa	36	22
Dharamsala	—	—
Manali	20	08
Shimla	22	11
Srinagar	27	07
Jammu	37	21
Kargil	20	05
Leh	17	01
Dehradun	33	19
Mussoorie	22	11

TEMPERATURE IN °C

EASY



THE GOAN EVERYDAY

It is during our darkest moments that we must focus to see the light.
Aristotle Onassis

That sinking feeling: The chaos returns at Cutbona jetty

With the fishing ban twenty-three days away, a familiar worry of the past has resurfaced at the Cutbona jetty, Goa's largest fishing hub. Questions around cleanliness and upkeep are back in focus, bringing cholera and diarrhoeal outbreaks linked to the port back into sharp focus. For all the assurances and investments made since then, the ground reality appears far less reassuring.

A brief recap: Cutbona jetty was engulfed in a health crisis in September 2024, with cholera and diarrhoea claiming the lives of at least six migrant workers, besides affecting around 172 others due to poor sanitation triggered by overflowing waste, open defecation and lack of clean drinking water. Chief Minister Pramod Sawant drafted in the then Environment Minister Aleixo Sequeira, and a team undertook a major clean-up of the jetty. While scrap and garbage were discarded, unused vessels parked at the site were told to be moved. A major initiative was setting up a 50-toilet block in association with Sulabh International.

The Fisheries Department, which was passing the buck when the situation spiralled out of control in 2024, needs to either take full responsibility for upkeep or hand it over to stakeholders better equipped to manage the facility

The status now: A joint inspection by authorities on Tuesday and another one on Wednesday have exposed glaring gaps, with even the minimum safeguards missing. The taps in the toilets is running dry with inconsistent supply, fishing nets scattered around, dinghies, equipment and ageing vessels returning and overgrown vegetation bringing back memories of the past, even as questions have surfaced again about who maintains the jetty.

The problem is not entirely about infrastructure, but about neglect. It's a basic failure to oversee. Cutbona is a busy fishing hub where around 5,000 migrant workers are engaged. The volume of business is also high, and hence the consequences are predictable. If there is no supervision from time to time, and follow-up action, disorder is bound to return. Notices from the Fisheries Department appear to have had little effect. Fresh dumping continues, pointing to weak enforcement. Unauthorised welding work undertaken inside the jetty shed suggests a lack of monitoring that could pose safety risks. And that explains the story.

These are not minor lapses, especially against the backdrop of what Cutbona has witnessed in the past. All the progress that has happened since 2024 seems to be fading away, and there is no way authorities can ignore it. The hope is that while the State heads towards the ban period, it will give enough time for authorities to take stock of the situation and bring in some order.

The larger issue is systemic. Maintenance at the jetty appears sporadic at best. There is little evidence of routine cleaning or proper handling of essentials like ice used in fish storage. The Fisheries Department, which was passing the buck when the situation spiralled out of control in 2024, needs to either take full responsibility for upkeep or hand it over to stakeholders better equipped to manage the facility.

The issue cannot be treated lightly because it impacts public lives and the local environment. The department must crack the whip with regular inspections, firm penalties for violations, and clear lines of accountability. Nobody wants to revisit the horror of 2024. In the less than three months available before the season opens again, authorities need to ensure that hygiene returns, all the boxes are tick-marked and Cutbona resumes as a safe and sustainable fishing hub. No excuses.

OPEN SPACE >>

Ensure real powers to gram sabhas to protect villages

What powers do gram sabhas in India truly hold? They are often described as the foundation of grassroots democracy under the Panchayati Raj system, enabling direct participation by villagers. But in practice, do they have enough authority? Can they stop unwanted mega construction projects, demand post-audits of such works, access full budget records, or propose development schemes that are actually implemented? On paper, gram sabhas have significant responsibilities. They approve village development plans, select beneficiaries for welfare schemes, and conduct social audits of panchayat activities. They also review budgets, income, and expenditure, ensuring transparency and accountability. In addition, they are entrusted with managing local resources such as water bodies and minor forest produce, and resolving local disputes. All registered voters in a village are members of the gram sabha, making it a truly inclusive democratic body. Its authority is backed by Article 243A of the Constitution and relevant state laws. Yet, despite these provisions, the real empowerment of gram sabhas remains limited. If villages are to be protected and developed sustainably, gram sabhas must be given genuine, enforceable powers.

RAJESH BANAULIKAR, Arpora

Goa: All that changes is not gold...

Comunidades had a stronger continuity in land traditions. Panchayats are more influenced by electoral politics and changing governance priorities



>Frederick Noronha, besides writing, also publishes books

FREDERICK NORONHA

After every transition of power, it is a habit, in Goa too, to praise the new and critique the old. We like to believe that we are far better off now, compared to the decades behind us.

So our lives are seen as more 'developed' (forget about its unsustainability, food-insecurity and loss of traditional lifestyles). Our economy is growing by leaps and bounds (never mind the debt, and uncertainty over where our earnings really come from). Our fishing is showing impressive growth, and even Goa's forest area is actually increasing (leave aside what a visit to the market, or our own eyes, tell us).

So, we build myths and exaggerations, and then go on to believe them. For instance:

* "Goa was economically backward under Portuguese rule, and development started only after 1961." This is often overstated. While there were limitations under Portuguese rule, Goa had relatively high literacy, functioning local institutions (like comunidades), and a monetised economy. Post-1961 development did expand infrastructure, but it was not a case of starting from zero or complete backwardness.

* "All sections of Goan society benefited equally after Liberation." In reality, development gains have been uneven. Urban areas and tourism-linked regions grew faster. Also political links made a difference in terms who who gained and who lost. Land pressures and a loss of traditional livelihoods were a reality too.

* "Poverty was largely eliminated after 1961." This claim is not accurate. Although Goa has one of India's better human development indicators, pockets of poverty and economic vulnerability still exist, especially among agricultural workers, migrants and informal labour sectors. See people struggling to maintain their homes in good shape.

* "Modern governance under panchayats is fully more effective than older village systems" While democratic in structure, panchayats often face issues like political interference, limited funds and weak administrative capacity. Older systems like comunidades, though not covering all, were more efficient in managing local land and resources.

* "Tourism has been an unequalled benefit for all Goans." Portrayed often as universally beneficial, tourism has also contributed to rising land prices, environmental stress, seasonal employment and the uneven distribution of income.



* "Goa's identity and culture were fully preserved and strengthened after 1961." Mixed results here. Konkani and local traditions gained official support. Yet, there has also been strong external influence, migration-driven cultural change and concerns about dilution of local identity.

TODAY'S PANCHAYATS

Comparing the panchayats of today and the comunidades of the past in Goa is an exercise which tends to show the former in good light. But how true is this?

Agreed, both are different in structure and historical context. Today's panchayats, part of the constitutional system introduced after Goa's integration into India, are based on elections and a standardised administrative framework across the country.

By contrast, the comunidades were centuries-old village institutions that predated Portuguese rule and were later formalised under it. They were not elected bodies in the modern sense but were based on membership rights tied to ancestral landholding families. This made them more hereditary and community driven in nature.

Comunidades were primarily focused on land management and agricultural regulation. They managed the use of village resources and controlled village land (gaunkari lands). They also decided cultivation rights and maintained traditional systems of revenue and the community-based resource sharing.

Panchayats today deal with local infrastructure, sanitation, welfare schemes, water supply and implementing government programmes. While comunidades were deeply rooted in agrarian governance, panchayats are more connected with development administration and welfare delivery. At least on paper.

Both were different in participation too. Comunidades covered traditional gaunkar families, limiting participation in decision-making. Panchayats, at least in principle, are more inclusive. On paper, they have provisions for reservations for women, Scheduled Castes, and Scheduled Tribes and elections based on universal adult franchise.

However, while panchayats are more democratic on paper, comunidades are sometimes viewed as more stable and historically rooted institutions. Comunidades had a stronger continuity in land

traditions. Panchayats are more influenced by electoral politics and changing governance priorities. Today, our experience is that if the panchayat-level politicians support whoever is in power at Panaji, they can get away with anything.

Were the comunidades better in some ways? They had an approach of long-term continuity and local resource management efficiency. Comunidades were deeply rooted village institutions with centuries of accumulated customary law, especially in managing land (gaunkari lands), water resources and agricultural cycles.

Decisions were based on established traditions and collective ownership principles. This ensured stability in land use and prevented rapid fragmentation or arbitrary redistribution, as we see now.

Comunidades were stronger in community accountability and resource discipline, even despite the limited social context. Because membership was tied to traditional gaunkar families with clearly defined rights and responsibilities, there was often a strong sense of obligation toward maintaining village assets. So, agriculture and resource sharing was well coordinated.

Panchayats, while seemingly more democratic and inclusive, sometimes struggle with political competition. If the comunidades are criticised for being exclusionary of non-gaunkars and outsiders, the panchayats can be the same for anyone not favoured by those in power.

In today's Goa, one major shortcoming of panchayat functioning is limited financial and administrative autonomy. Panchayats, the backbone of local self-government, actually depend heavily on state government grants. So, they can't independently plan and execute development projects.

Thus, many local needs (waste management, roads, water supply) are decided by political priorities, not village requirements. Then there's the issue of power concentration, with panchayats influenced by dominant political groups. Contractors and influential families can also dominate the same. Favouritism, uneven distribution of resources or reduced transparency is the fallout.

As it is often said: what you see, depends on where you stand. We need to question what we're being led to believe.



One major shortcoming of panchayat functioning is limited financial and administrative autonomy. Panchayats, the backbone of local self-government, actually depend heavily on state government grants

THE INBOX >>

Calangute beach has lost its old charm

Once upon a time, Calangute was famous for its beach shows, football, etc (both of which have now been stopped and even the once famous Calangute Association football ground has been turned into a parking ground for all the domestic tourists) and was regarded as the queen of beaches across Goa for its sheer beauty and peaceful environment. Goans from different parts of Goa used to annually flock at the Calangute beach during summer, especially during the month of May to attend beach shows, to organise their family picnics and to have a lot of fun as it was less congested & had no domestic tourists or notorious elements loitering on the beach at that time. Unfortunately, today Goans have stopped going to the Calangute beach altogether as the same has been completely taken over by shack operators, water sports operators, misbehaving domestic tourists, drug peddlers, touts, etc. In fact, Calangute has lost its old charm and has become like one concrete jungle with numerous buildings in the area. It has become totally overcrowded/ congested and one can't even sit to relax in the evenings or roam around freely on the beach. **JERRY FERNANDES, Saligao**

Mamata must accept verdict of people

The news report 'Mamata defiant, says won't quit; calls poll verdict a conspiracy' (TGE, May 6) is something unprecedented in the history of Indian politics and elections and doesn't speak well of a chief minister holding a constitutional post. It must be recalled that people of West Bengal came out in record numbers this election to vote, and have given the BJP a landslide victory of 200 plus seats against a paltry 81

Harsher penalty needed for rape convict teacher

This is with reference to your report, "Rape convict teacher sentenced to 11 years rigorous imprisonment". I wish to criticise the verdict announced by a "Fast Track Special" court. None of those words were honoured - neither fast track nor special. It took two years to commence the case and four years to conclude it. Secondly, a teacher committing multiple crimes, sexually abusing a minor, and breaching a position of trust should be treated as a special case. Yet the verdict of 11 years and a Rs50,000 fine is a mockery of the word special. Recently, the brutal rape and murder of a young girl in Pune's Nasrapur village triggered widespread outrage. The accused was revealed to be a repeat offender. The purpose of fast track and special courts is not only to deliver fair and timely judgments but also to send a strong message to potential criminals. We have another similar case at hand - the Soham Naik POCSO case. With the way it is proceeding, we will soon lose hope in the judiciary. Swift, exemplary punishment is the only deterrent. **ALWYN FERNANDES, Benaulim**

secured by the Trinamool Congress party (TMC). This undoubtedly is a vindication of anti-incumbency in the state and their desire for a change of 15 years of TMC rule. Mamata Banerjee should realise this and humbly accept this verdict of the people instead of challenging it and calling it a 'loot and conspiracy' by the Election Commission of India. **AF NAZARETH, Alto Porvorim**

Flight of capital and a clueless government

Last year Foreign Institutional Investors took out Rs 1.6 lakh crore from the Indian stock markets. If last year was a tide, this year is a tsunami. In the first four months of this calendar year, they have taken out more than what they took out in the whole of last year. The first four months have seen an outflow of Rs1,92,000 crore. Yet, the markets are more or less stable and the reason for that is the massive inflow of SIP's that small investors have been sending the stock market way. A fall in value of

Indian rupee as compared to US dollar has only accelerated the process as repatriating the investment back leads to losses due to the depreciating rupee. As a nation, our FDI inflows have almost dried up, when seen on a net basis. The government is still not tackling the problem aggressively. The conflict in the Gulf is going to shave off 1% of India's GDP as per IMF estimates. 1% of India's GDP is Rs 3,75,000 crore, a massive blow to the economy. This government, 12 years into ruling has seen more economic advisors leave than any other. **VINAY DWIVEDI, Benaulim**

Pros and cons of solar energy for the country

On April 25, India met the peak power demand of 256 gigawatts (GW). This was the highest ever recorded on a single day during the ongoing scorching summer. Of the 256 GW, solar energy contributed 81 GW at 12.30 pm and 57 GW at 3.38 pm. India is in the top three countries to utilise solar energy. But at what cost? Under the pretext of 'development' large infrastructural projects are undertaken resulting in enhanced heat dissipation and temperature. Because of the rise in temperature, use of air-conditioners and air-coolers increases which deteriorates the environment. Buildings may use green technology but these pale in comparison to the natural cooling induced by trees and plants. Thousands of age-old trees are sacrificed and as compensation plants are grown, at faraway places from the site from where the trees were cut. The plants would take years to become trees. By then India may become the number one country to tap and use solar energy but it would be too late to reverse the effects of climate change, reduced monsoon, and onset of drought and famine. A prudent mix of development and a consideration for the environment and people is needed. **SRIDHAR D'YER, Caranzalem**



Send your letters to us at editor@thegoan.net. Letters must be 150-200 words and mention the writer's name and location

INTERNATIONAL EDITORIALS



COMMENT

Editorials

Tokyo's straying from Tokyo Trials judgments measures its push to advance neo-militarism

At a time when the world is marking the 80th anniversary of the opening of the Tokyo Trials, the hard-won lessons of history are once again being tested. Developments surrounding nuclear nonproliferation, regional security and Japan's political and military moves have raised serious concerns about whether the country is honoring its postwar commitments or drifting toward dangerous revisionism.

Speaking at a review conference of the Treaty on the Non-Proliferation of Nuclear Weapons in New York on Monday, China's Ambassador for Disarmament Affairs Shen Jian stressed that the global nonproliferation regime must not be undermined by double standards. As the cornerstone of international nuclear governance, the treaty relies on the authority of the International Atomic Energy Agency and the trust of nonnuclear-weapon states. Yet, certain countries' selective application of the rules is eroding that foundation.

Shen pointed in particular to Japan's recent trajectory. Tokyo has in recent years released a series of troubling signals. Discussions about revising the "Three Non-Nuclear Principles," the expansion of long-range strike capabilities, and interest in hosting nuclear weapons under so-called "extended deterrence" arrangements all suggest a shift that warrants vigilance.

These concerns are compounded by broader policy changes. Tokyo is pushing for a revival of the titles of the military ranks used during World War II for the country's Self-Defense Forces. As noted by Chinese Foreign Ministry spokesman Lin Jian, Japan's postwar choice to abandon militaristic rank nomenclature was an effort to break with its wartime past. It was aligned with the spirit of its pacifist Constitution. Reinstating these titles now, under the pretext of fostering a "sense of honor," sends deeply troubling signals.

The Tokyo Trials delivered a definitive judgment on Japan's wartime aggression, affirming international justice and establishing a framework for postwar peace. Any attempt to dilute that legacy or advance neo-militarism runs counter to the postwar international order.

Further raising alarm are recent remarks by

Japanese Prime Minister Sanae Takaichi, who has called for revising key security documents and preparing the country for a long-time emergency. Such rhetoric, coupled with efforts to strengthen military capabilities across maritime, cyber and economic domains, suggests a departure from the "exclusively defense-oriented" policy Japan has long professed.

Japan goes even further. During her recent visits to Vietnam and Australia, Takaichi promoted the so-called "free and open Indo-Pacific" strategy. Such initiatives risk creating division and confrontation, forming exclusive blocs rather than fostering inclusive regional cooperation.

Equally troubling are actions that touch on historical accountability. The recent visit by Japanese lawmakers to the Yasukuni Shrine, following Takaichi's monetary offering to the notorious shrine, once again underscores a persistent unwillingness among certain political forces to confront Japan's past. The site, which enshrines 14 WWII Class-A war criminals, remains a symbol of militarism. Such visits constitute a challenge to historical justice and the outcomes of WWII.

Likewise, Japan's unresolved obligations under the Chemical Weapons Convention continue to cast a shadow. The destruction of chemical weapons left in China by Japanese forces during the war remains incomplete, decades after the agreed deadline. These weapons still pose serious risks to public health and the environment, making their thorough elimination not only a legal duty but also a moral obligation.

The tragedies of the past were born of unchecked militarism, strategic miscalculation and the erosion of international norms. Today, as the world reflects on the legacy of the Tokyo Trials, it is imperative that all peace-loving countries uphold their commitments, reject double standards, and resist any resurgence of militarism.

Peace and stability in Asia and beyond depend on vigilance, responsibility and a shared commitment to the principles that emerged from the ashes of the war. The international community should remain resolute in safeguarding these principles, ensuring that history is not repeated.

Economic vitality reflected in holiday surge

The May Day holiday is one of the busiest travel times of the year in China. During the five-day period from Friday to Tuesday, large numbers of Chinese travelers take the opportunity to visit family, explore domestic destinations or go abroad. The surge in travel this year not only provides a boost to the country's transportation, tourism and retail sectors, but also serves as an indicator of the vitality and potential of the Chinese consumer market.

During this period, many travel figures reached new heights, with the number of cross-regional trips at home expected to total 1.52 billion, an average of 304 million per day — a 4 percent increase over last year. International air travel bookings are expected to surpass 1.12 million, while daily border crossings are projected to reach a peak of 2.25 million. This travel frenzy reflects a marked rise in the overall demand that has been facilitated by improvements in China's infrastructure as well as its policy and business environment.

Tourist consumption patterns have changed, with travelers no longer merely sightseeing but engaging in immersive experiences. Customized interest tours, intangible cultural heritage workshops and immersive performances have seen strong demand, with orders for "interest-based custom tours" on some platforms increasing by nearly 80 percent year-on-year.

China boasts a diverse tapestry of attractions, from breathtaking natural landscapes to profound cultural heritage sites, all supported by modern infrastructure such as high-speed rail and 5G networks. This combination provides a robust foundation for continued consumption growth.

The evolving consumption habits of the younger generation are also reshaping market dynamics, as they are driving the shift toward cultural tourism and more tailored experiences, and opening new opportunities for related sectors, including dining, accommodation and transportation.

This rise in cultural tourism has led to new business models, such as nighttime cultural tourism. The cross-industry integration invigorates the consumer market and injects new vitality into the cultural tourism industry.

Government initiatives have also played their part in the tourism boom, with over 284 million yuan (\$41.58 million) in tourism vouchers distributed. Moreover, financial institutions have introduced interest subsidies and zero-interest coupons, reducing consumer credit costs and driving cultural tour-

ism and dining spending. These policy dividends have helped unleash consumption.

Meanwhile, China's optimized visa policies, immediate tax refunds for departing tourists and the convenience of mobile payments have markedly lowered travel barriers and enhanced service convenience for overseas tourists. The country has expanded its unilateral visa-free access to 50 countries and extended mutual visa-exemption agreements to 29 countries. Plus, travelers from 55 countries can take advantage of a 240-hour visa-free transit policy to visit China.

The expansion of visa-free policies has directly spurred a surge in inbound tourism. Visitors from countries such as Russia, the United Kingdom and Spain have increased significantly, with inbound tourism extending beyond traditional hot spots, indicating China's growing international appeal. Destinations such as Lhasa, Chengdu, and Taiyuan have seen marked growth in foreign visitors thanks to the appeal of their intangible cultural heritage and local customs.

According to the World Travel and Tourism Council, China's travel and tourism economy grew 9.9 percent last year — more than twice the global average. The growth was largely driven by a more than 10 percent increase in foreign tourist spending in China in 2025. "China could become the world's largest tourism economy by the end of the decade," WTTC President and CEO Gloria Guevara told the media.

While the five-hour radius is still the mainstay of outbound tourism, longer trips are trending, with Italy, the United States and Australia ranking among the top 10 destinations for Chinese tourists. Young travelers are increasingly taking "extended vacations" to embark on long journeys. This not only helps boost the holiday economy, but also helps shape China's international image.

The strong holiday consumption is not only a result of the organic integration of residents' consumption upgrading and high-quality economic development, it also resonates well with China's first-quarter economic data, reflecting the smooth circulation of the economy and the release of domestic demand potential.

China's tourism consumption boom during the May Day holiday is a vivid reflection of the country's pursuit of high-quality development. The world sees an increasingly open, prosperous and confident China. What China offers to the world is opportunity, growth and innovation.

Cai Meng



Opinion Line

Bid for pomp and circumstance leaves Lai floundering in a flop

While the Democratic Progressive Party authorities' outreach to their "partners" is theater, their secessionist-minded leader Lai Ching-te's latest sneaky outing to Eswatini is more like an old-school farce.

The star of this curious production, Lai, did not so much depart China's Taiwan island as slip out, reportedly aboard the King of Eswatini's private jet.

The so-called "diplomatic achievements" painstakingly fabricated by Lai are nothing but petty tricks that make him a laughingstock to the world, as Chen Binhua, a spokesman for the Taiwan Affairs Office of the State Council, said.

Lai's original itinerary — reportedly envisioned as a high-profile "visit" — ran into a wall of refusals, as multiple African countries along his flight path declined overflight permissions, adhering to the one-China principle. Some European countries also shut their doors to transit requests.

Chen stressed that the historical trend of China's national reunification is unstoppable.

Back in Taiwan, the timing has raised eyebrows. Taiwan is dealing with the aftermath of a damaging

earthquake — one of those moments when local authorities are measured not in air miles but in presence. Yet Lai pressed ahead, prioritizing a symbolic overseas appearance over the island's urgency. The optics, to put it mildly, are not flattering.

That just added yet another scandalous escapade to "Taiwan independence" separatism.

The one-China principle has long been a basic norm in international relations and the prevailing international consensus, a Foreign Ministry spokesperson said.

Then there's the money. Critics argue that such trips are nothing more than expensive pageantry. The taxpayers on the Chinese island are footing the bill for a show whose ratings have plummeted.

Discontent in Taiwan appears to be bubbling. Polls suggest deep frustration. The sentiment points to a local leader whose performance has lost its luster.

Lai and his supporters have attempted to spin the visit as a "success". But that framing feels strained. Success in international engagement is usually measured by doors opened, not doors closed.

Lai's political ambition, untethered

from geopolitical realities and historical truths, has veered into empty performative politics.

In the end, this was not the "triumphant tour" it aspired to be. It was something stranger and more revealing: a glimpse into the narrowing space in which the "Taiwan independence" forces' ambition now operates.

The curtain falls on a show that was a very public reminder of the DPP's isolation dressed up as intrigue.

As the Chinese Foreign Ministry spokesperson stressed, no matter how the DPP authorities collude with external forces and keep those people in DPP's pay, it will always be a losing cause and nothing will ever change the fact that Taiwan is part of China. And no matter how "Taiwan independence" forces try to cover up their nature or change appearance, nothing can save their reputation or help them escape the denunciation of the international community.

Eswatini and some other individual countries are urged to see where the arc of history bends and stop serving as the prop of "Taiwan independence" separatists.

— LI YANG, CHINA DAILY

What They Say

Talent cultivation critical for progress in science

Editor's note: Chinese President Xi Jinping on Thursday urged greater efforts and more concrete measures to strengthen basic research, enhance China's capacity for original innovation, and further solidify the foundation for building the country's strength in science and technology. Xi made the remarks while attending a symposium on strengthening basic research in Shanghai. A commentary in People's Daily explains the importance of basic research for the country's development. Below are excerpts of the article.

Original innovation refers to "0-to-1" breakthroughs, which are the source of scientific innovation. Since the 18th National Congress of the Communist Party of China in 2012, China has placed greater emphasis on original innovation in scientific research and technological development.

As a result, a number of major basic research projects have been executed in recent years, leading to notable breakthroughs in fields such as quantum technology, materials science, physical sciences, life sciences, space science and artificial intelligence. The country's capabilities in basic research and original innovation have steadily improved and progress has moved from isolated advances to more coordinated development.

The world has entered an era of "big science", in which basic research is becoming more complicated. There is an urgent need for the country to strengthen its basic research and address key technology bottlenecks to keep pace with the international sci-tech competition, achieve greater self-reliance, foster a new development pattern and promote high-quality development.

China aims to become a strong

country in science and technology by 2035. Enhancing its original innovation capacity will be key to its economic strength, defense strength and comprehensive national strength, while also contributing more meaningfully to global scientific progress.

Building this capacity will take time and persistence, but it also requires clear priorities. At the heart of basic research lies high-quality talent. It is essential to integrate the development of education, science, technology and talent. Comprehensive efforts must be made to cultivate, introduce and utilize talent, and expand the talent pool for basic research. This is fundamental to sustaining original innovation.

At the same time, basic research has become more organized, with institutions and policy frameworks playing a larger role in shaping outcomes. Stronger and more consistent support is therefore crucial for genuine breakthroughs to emerge. Scientific and technological progress is a global issue. Integration into the global innovation network and deepening international exchanges and collaboration in basic research are intrinsic requirements of China's pursuit of self-reliance through openness and cooperation.

In the end, the competition between nations comes down to talent and education. It is essential to better integrate the foundational role of education, the driving force of talent and the leading role of science and technology. By improving coordination between education and research, China can build a more effective system for nurturing talent and ensure a steady pipeline of young researchers. This will create a multiplier effect, supporting high-quality development in basic research.

Advancing basic research requires not only material support but also a strong sense of purpose. On the new journey ahead, it is important to carry forward the spirit of scientists, encouraging dedication and a commitment to innovation. By stimulating the imagination and curiosity of young people, the country can ensure that the field of basic research continues to attract new talent and thrive.

Turning China into a leading science and technology country has long been a national aspiration. Today, that responsibility rests with the new generation, and a more ambitious vision lies ahead for the country.

CHINA DAILY WORLDWIDE

Contact us at:

China Daily
15 HuiXin Dongjie Chaoyang District,
Beijing 100029

News: +86 (0)10 6491-8366
editor@chinadaily.com.cn
Advertisement: +86 (0)10 6491-8631
ads@chinadaily.com.cn
Subscription: +86-400-699-0203
subscription.chinadaily.com.cn
App: www.chinadaily.com.cn/mobile/daily.html

China Daily UK
90 Cannon St, London EC4N 6HA, UK
+44 (0) 207 398 8270
editor@chinadailyuk.com

China Daily Asia Pacific
China Daily Hong Kong
Unit 1818, Hing Wai Centre, 7 Tin Wan
Praya Road, Aberdeen, Hong Kong
+852 2518 5111
editor@chinadailyhk.com
editor@chinadailyasia.com

China Daily USA
1500 Broadway, Suite 2800,
New York, NY 10036
+1 212 537 8888
editor@chinadailyusa.com

China Daily Africa
P.O. Box 27281-00100, Nairobi, Kenya
+254(0)20 692 0900 (Nairobi)
editor@chinadailyafrica.com
enquiries@chinadailyafrica.com
subscription@chinadailyafrica.com

VIEWS

China and the World Roundtable | Report Unveils World Security Challenges

Editor's Note: The China Institute of International Studies released the Report on the Global Security Situation 2025 in Beijing on April 20. CIIS President Chen Bo said the report identifies key characteristics of the global security landscape in 2025, including an increasingly tense global security situation, a polarized trend in contributions to world peace and justice, more frequent security challenges across various geopolitical hot spots, and China's prominent role as a stabilizing force for world peace. Below are excerpts from three speakers sharing their views on the topic.

Navigating a new global security situation

Four levers to safeguard global security

In response to the evolving international security landscape, efforts should be made to advance the building of a community with a shared future for humanity by focusing on four key dimensions: promoting peace, putting people first, taking preventive measures, and safeguarding the role of the United Nations in global affairs.



Yang Mingjie is the former president of the China Institutes of Contemporary International Relations.

First, curb the escalation and spread of regional conflicts. It is essential to stay committed to a political settlement. History has repeatedly shown that the use of force cannot resolve international disputes; it only intensifies tensions. Coordinating security with development offers both the framework and the practical pathway for achieving lasting stability.

Besides, adopt a people-centered approach to alleviating humanitarian crises. Hundreds of thousands of people in the Middle East have been displaced, and extensive civilian infrastructure has been destroyed. The food and energy crises triggered by conflicts are further spreading through global supply chains, severely impacting populations, particularly in less-developed regions. All parties must refrain from exploiting humanitarian assistance for political or military purposes. Moreover, humanitarian access and delivery methods should not be used as bargaining chips by stakeholders.

Additionally, take preventive measures to forestall potential crises. International security threats are becoming increasingly cross-domain and complex, exacerbated by certain major powers striving to maintain so-called absolute strategic superiority in areas such as nuclear technology and artificial intelligence. In light of threats to resume nuclear testing or military strikes targeting nuclear facilities, the international community must uphold international regulations on nuclear arms control and nonproliferation. It is also alarming that AI is being integrated into the kill chains and decision-making processes of warfare by certain countries. It is imperative to prevent technology from spiraling out of control.

Moreover, stay committed to the original aspiration and uphold the central role of the UN in international security affairs. The four global initiatives proposed by China align closely with the spirit of the UN Charter, forming an integrated framework that seeks to promote prosperity through development, ensure stability through security, enhance trust through dialogue among civilizations, and advance justice through governance.

Development remains a timeless theme

of human society, and it is essential to stay highly vigilant against the growing trend of security risks encroaching upon the development domain. It is vital to coordinate development and security on a global scale.

Redefining security in an era of global interdependence

In an era defined by unprecedented interconnectivity, rapid technological advancement, and shifting geopolitical dynamics, the concept of security has undergone profound transformation. Security, as we know it, is no longer confined to traditional military confrontation. In today's world security now encompasses a broad spectrum of risks, including cyber threats, climate change, pandemics, and the intricate interplay of economic and political instability.

Among the most urgent of these challenges is cybersecurity. Cyberattacks possess the capacity to disrupt economies, undermine governance, and threaten the safety and livelihoods of individuals. Their anonymity and the difficulty of attribution render conventional response mechanisms insufficient. This evolving threat landscape underscores the need for enhanced international cooperation in the development of robust and coordinated cyber defense strategies.

Terrorism remains another significant and evolving global threat. The proliferation of digital platforms has enabled extremist ideologies to spread with unprecedented speed and reach, facilitating recruitment and operational coordination. While governments continue to strengthen counter-terrorism measures, the underlying drivers — poverty, marginalization, and ideological extremism — remain deeply entrenched. Addressing these root causes through sustained diplomatic engagement, education, and inclusive economic development is essential to achieving lasting stability.

Climate change has emerged as a defining security challenge of our time. Beyond its environmental implications, it acts as a threat multiplier — intensifying resource scarcity, exacerbating displacement and migration, and heightening the risk of conflict, particularly in regions already burdened by political fragility. As pressures on natural resources increase, so too does the potential for competition and instability, reinforcing the urgent need for collective climate action.

At the same time, the global security architecture is being reshaped by a shifting balance of power. The post-Cold War unipolar moment has gradually given way to a more multipolar international system, characterized by strategic competition and evolving alliances. In this context, multilateral institutions — foremost among them the United Nations — have



MA XUEJING / CHINA DAILY

an indispensable role in conflict prevention, peace building, and the coordination of humanitarian responses, even as they confront increasing complexity and constraint.

The global security environment in 2026 is marked by fragmentation and the resurgence of nationalist tendencies. Major players are actively competing across technological, economic and environmental spheres, the result of which is spillover effects that disproportionately impact smaller and more vulnerable states. Yet, opportunities emerge out of this complexity. Interconnectivity, while presenting new vulnerabilities, also offers pathways for deeper cooperation and shared solutions. The international community must therefore renew its commitment to diplomacy, invest meaningfully in sustainable development, and strengthen collective mechanisms for addressing transnational threats.

Navigating the evolving security landscape will require sustained political will, mutual trust, and a steadfast commitment to multilateralism. While the challenges are considerable, they are not insurmountable. I remain hopeful that with coordinated action and a shared vision for global stability, we can navigate the complexities of global security.

SCO a sustainable contributor to global security

On the one hand, the international sys-

tem is moving toward a more just, equitable, and representative multipolar structure, which presents new opportunities for shared development and mutually beneficial cooperation among nations. On the other hand, intensifying geopolitical rivalries pose severe threats to regional and global peace and stability. Against this backdrop, many countries are seeking effective pathways to ensure both sustainable security and development.

Over the past 25 years, the Shanghai Cooperation Organization, making joint efforts with like-minded countries and international organizations and guided by the Shanghai Spirit, has continuously advanced multilateral cooperation in political, security, economic, people-to-people exchanges and cultural fields. This has contributed to lasting peace and stability in the region, enhanced the well-being of people and improved the global governance system.

The SCO supports the United Nations' central coordinating role in international affairs and adheres to the UN Charter and other universally recognized principles of international law. Our member states actively uphold both traditional and nontraditional security, opposing the pursuit of absolute security for oneself at the expense of others. Through SCO cooperation, we strive to lay the groundwork for an equal and indivisible security architecture in Eurasia, while promoting sustainable development to ensure sustainable security.

The CIIS security report serves as an important reference for understanding China's perspective and proposals regarding the global security landscape, particularly from the academic community. The SCO Secretariat maintains close communication with academic circles in member states and facilitates exchanges among scholars through platforms such as SCO forums. This year marks the 25th anniversary of the founding of the SCO. In autumn, Kyrgyzstan will host the SCO Summit in Bishkek. It is hoped that think tanks from member states, represented by the CIIS, will offer valuable insights on the SCO's future development. This will help contribute an SCO solution for reforming and improving regional and global governance and achieving lasting peace and shared development.

The views don't necessarily represent those of China Daily.



Piao Yangfan is the deputy secretary-general of the Shanghai Cooperation Organization.



Martin Charles is the ambassador of the Commonwealth of Dominica to China.

Niu Xinyi and Fan Beibei

ICT shows the way to empowering rural women

In the mountains of Gulin county in Sichuan province, ancient tea trees have stood for centuries, and wild honey has long been a local treasure. When internet connectivity arrived, it brought not only information but also opportunity.

Liu Qian, a young entrepreneur who returned to her hometown to vitalize its rich yet underutilized resources, quickly recognized this potential. She established an agricultural cooperative to sell local products and built a homestay, employing many elderly local residents. Liu is also supported by a women's cooperative leadership capacity development program in Sichuan supported by United Nations Women and Mengdingshan Academy for Cooperative Development, where she developed skills in digital applications and rural entrepreneurship. She uses short video platforms to showcase the beauty of the region and the local products.

Crucially, Liu ensured that connectivity benefited everyone in her community by introducing the elderly to artificial intelligence-powered voice assistance. When elderly workers encountered a problem such as understanding a new regulation, operating some equipment, or simply seeking information, they usually called their children working in distant cities for help. Now, AI provides immediate, spoken guidance.

Liu's story illuminates a broader reality:

when women are equipped with the tools of the digital age, they do not just earn a living — they reshape their futures and the communities. It is a vivid example of what happens when supportive policies, digital infrastructure, and a commitment to women's empowerment converge.

Behind every woman in China stands a robust, multilayered national framework designed to ensure that the digital economy empowers women. As articulated in a 2025 white paper titled China's Achievements in Women's Well-Rounded Development in the New Era, gender equality is identified as a key policy priority, and the advancement of women is seen as integral to the broader framework of Chinese modernization. The country has published four outlines for women's development, each building on the last to create a supportive policy environment.

One of the most transformative aspects of this policy landscape has been the integration of information and communication technology (ICT) into women's economic participation. For rural women entrepreneurs, leveraging ICT has enabled them to overcome the constraints of time and mobility.

Liu Mengyue, the founder of a tea factory in Qilong village in Sichuan province, has been an advocate for leveraging technology to bring upskilling opportunities to local women farmers. Since the tea trees are located along the highland

boundaries of the plateau, fertilizing and applying pesticides were always physically demanding tasks that only men could do. Nowadays, however, drone technology has made remote fertilization possible. She has also drawn on training received at the Mengdingshan academy to integrate digital technologies into agricultural production and management. In Liu Mengyue's tea garden, half of the drone pilots are women, including a former stay-at-home mother.

Such technological advancement enhances agricultural productivity and operational standardization, and brings equitable opportunities to women. ICT has effectively dismantled the physical barriers that once defined women's limits.

The stories are not random occurrences. The All-China Women's Federation, together with the Ministry of Commerce and the Ministry of Agriculture and Rural Affairs, rolled out nationwide e-commerce and live commerce training in 2015. The support ecosystem includes inclusive finance, brand creation, and rural service stations. Institutions such as the Mengdingshan academy have contributed to strengthening rural women's digital and entrepreneurial capabilities. The result is a growing cohort of women e-commerce experts selling local goods nationwide and globally, mastering advanced AI tools.

While the spread of ICT has resulted in tangible economic gains, the deeper sig-

nificance of this approach lies in its alignment with a proven theoretical framework for women's empowerment. Gender equality is not only about equal access to resources, it is also about cultivating agency — allowing women to become agents of their own development and make their own decisions.

This agency grows by building skills, knowledge, confidence, and experience. A combination of skills and positive self-perception is the proven gateway to empowerment. When a woman learns to use a smartphone to film, edit, and broadcast a livestream, she is not just learning a technical skill but gaining confidence to present herself and her products. When she sees her efforts translate into a sale and income, that confidence solidifies into a new self-image: she is an active creator of value.

The global community celebrates the potential of technology to open doors for young women and girls. The digital road is ultimately a road to empowerment. And for millions of rural women and men across China, that road is now wider than ever.

Niu Xinyi is a program coordinator, and Fan Beibei is a communication officer at the UNESCO International Research and Training Centre for Rural Education. The views don't necessarily represent those of China Daily.

Maya Majueran

Chinese public goods helping shape Asia-Pacific synergy

Asia-Pacific geopolitics is undergoing a subtle yet consequential shift. Where cooperation was once defined by Western-led rules, norms and security alignments, China is advancing a model focused on delivering tangible public goods rather than abstract principles.

At the core of this shift is a deeper contrast between two models of regional influence. The traditional Western approach focused on rules, standards, governance norms, and security alliances, drawing legitimacy from adherence to established principles. China, by contrast, is advancing a more functional model of leadership, where legitimacy flows from delivery: building infrastructure, mobilizing financing, and creating visible economic benefits. In this framing, Asia-Pacific cooperation is defined not just by rule-making but by the ability to implement solutions.

By prioritizing infrastructure, financing, digital connectivity, and the real economy, China is redefining both the terms of cooperation and the locus of leadership.

For decades, regional cooperation has been organized around frameworks governing trade, governance and security. While important, these frameworks can seem distant from the everyday realities of developing economies. China's approach begins differently by asking a practical question: What do countries actually need?

Across much of Asia, the answer has been consistent: roads, railways, ports, energy systems and access to capital. By focusing on these essentials, China has made cooperation visible, measurable and immediate. A railway that halves travel time or a port that unlocks trade is a concrete benefit in their daily lives.

At the center of this shift is infrastructure. Projects such as the China-Laos Railway, the Jakarta-Bandung High-Speed Railway and Hambantota International Port are connective tissues that bind the region closely together.

By reducing transport costs, opening inland regions to global markets and accelerating industrial growth, these projects are reshaping economic geography. Unlike traditional aid, infrastructure delivers visible, real-world benefits, making it one of the most persuasive forms of public goods in the region.

Yet infrastructure is capital-intensive, and this is where China's role becomes pivotal. Through the Belt and Road Initiative, its policy banks, investment funds, and the Asian Infrastructure Investment Bank, China has helped address Asia's long-standing financing gap. Many developing countries have struggled to secure adequate and timely funding. China's financing is often faster and less encumbered by political conditions, making it an increasingly attractive partner.

This financial role ensures that China is not only building projects but also shaping the broader system in which regional development unfolds.

China's influence is now deeply embedded in regional supply chains and trade networks, with the Regional Comprehensive Economic Partnership at the center. Its decision to offer zero-tariff treatment to least developed countries, with which it has diplomatic relations, shows that this cooperation is grounded in action, not rhetoric. It does not unfold solely in diplomatic forums, but is built in factories, logistics hubs and digital platforms. Rooted in the real economy, it is inherently more resilient, as supply chains are far more difficult to unwind than political narratives.

China's approach now encompasses food security, poverty reduction, green energy, and digital connectivity. These are areas that directly affect people's livelihoods. Meantime, it is advancing into frontier sectors such as healthcare, biotechnology, and artificial intelligence, signaling an ambition to shape the region's developmental and technological trajectory.

Beyond physical infrastructure, China's push into the digital domain is becoming equally consequential. Through the Digital Silk Road, it is expanding its presence in 5G networks, e-commerce ecosystems, digital payments and smart city development across the region. More importantly, this expansion is increasingly tied to standard-setting in emerging fields.

These are not merely technical domains, they are the building blocks of future economic and political influence. As digital systems become embedded in everyday life, the ability to shape their standards and architecture will matter as much as building roads or ports, positioning China at the forefront of a data-driven layer of regional integration.

Taken together, these efforts point to a larger ambition: China is positioning itself as a provider of comprehensive development goods.

Importantly, China is not dismantling existing regional structures. Rather, it is working through them. By engaging ASEAN-led mechanisms such as ASEAN+3 and the East Asia Summit, China reinforces the Association of Southeast Asian Nations' centrality rather than displacing it. Its participation in frameworks like the RCEP and institutions such as the AIB further complements this approach.

By delivering tangible public goods, China has shifted the region's center of gravity toward infrastructure, connectivity and real economic integration. Cooperation is becoming less about what is said and more about what is built. The defining question for Asia-Pacific cooperation is no longer who sets the rules but who builds the systems others depend on.

The author is the founding director of the Belt and Road Initiative Sri Lanka. The views don't necessarily reflect those of China Daily.



المال يسكت عن حق، وينطق في
بطل، وتجمع إكراماً له للشيخ
(ابو العلاء العربي)

YOUR DAILY ARABIC PROVERB

Money silences the voice of truth and gives tongue to falsehood and crowds assemble to honor it.

Abu Al-Alaa' Al-Ma'arri

(Abbasid-era Arab poet, intellectual and philosopher)

Opinion

Only a win-win formula can break US-Iran gridlock

OSAMA AL-SHARIF



Osama Al-Sharif is a journalist and political commentator based in Amman. X: @plato010

For full version, log on to www.arabnews.com/opinion

The US-Iran standoff over the dual blockade of the Strait of Hormuz has become the fulcrum of a global crisis unlike anything seen in modern times — at least not since the COVID-19 pandemic. This crisis is human-made, triggered by the start of joint American-Israeli military strikes on Iran in late February. What was intended to be a swift campaign with vague strategic objectives has since hardened into geopolitical gridlock, with cascading consequences for regional and global economies.

The ceasefire that President Donald Trump announced on April 7 has largely held. But Washington's original aim — forcing Iran into submission over its nuclear program — has given way to a more urgent objective: reopening the Strait of Hormuz.

The two sides have exchanged proposals and counterproposals since the ceasefire took effect. Trump has rejected all Iranian

overtures, dismissing them as unacceptable. While the full details remain undisclosed, it is understood that Tehran is using the Strait of Hormuz card as a bargaining chip for a comprehensive settlement — one that ends the war, reopens the strait, resolves the nuclear file, including enrichment rights, determines the fate of existing highly enriched stockpiles, allows international inspections, provides reparations, lifts sanctions, and unfreezes foreign assets.

Washington's conditions, by contrast, remain as maximalist as they were on the eve of the war: the denial of Iran's enrichment rights, dismantlement of nuclear facilities, surrender of approximately 450 kg of highly enriched uranium, limitations on Iran's ballistic missile program, and the severing of ties with regional proxies. These are not American conditions alone — they are, in substance, Benjamin Netanyahu's conditions. The Israeli prime minister is the only foreign leader who has been treated as a full and equal partner in this war. And it is

here that Washington is committing a grave strategic error.

America's Gulf allies were neither consulted nor informed before the war on Iran was launched. Yet they are the ones who have absorbed multibillion-dollar losses to their energy and civilian infrastructure. Most have been unable to export oil and gas since hostilities began. The Trump administration has shown little regard for this damage, hastily dismissing the Iranian overtures.

Washington would do well to consult its Gulf partners before deciding its next move.

Time is running out. Both sides must accept that only a political settlement — one acceptable to both parties and mindful of the broader Gulf region's interests — can break the current deadlock. Short of a return to full-scale military confrontation, the two sides must come to terms with a simple reality: only a formula in which both sides can claim a measure of victory will end this crisis.

Iran's latest 14-point proposal, delivered

through Pakistan and made public by Al Jazeera on Sunday, is instructive in this regard. It takes a far more comprehensive approach than previous overtures, essentially trading an exclusive nuclear deal for a broader regional security bundle.

Most significant for the region is the proposal's third phase, which envisages Iran entering a strategic dialogue with Arab and regional states to build a pan-Gulf security architecture. This should not be left to US-Iran bilateral bargaining. And it certainly should not be subject to Israeli veto or influence. A framework that safeguards freedom of navigation through the Strait of Hormuz and enshrines nonaggression is in the interest of every country bordering the Gulf.

Trump has said he remains unsatisfied with Iran's latest proposal, while allowing that Washington is engaged in "very positive discussions" with Tehran. Whether that reflects Iran's strengthened leverage or a weakened hand depends entirely on who is doing the reading — in Washington and in Tel Aviv.

It is understood that Tehran is using the Strait of Hormuz card as a bargaining chip for a comprehensive settlement

COURTESY: AMAAD WISMA SHARIQ AL-JAWISAT



The worst policies are the ones driven by hubris. The current claim over the Strait of Hormuz falls into this category

Iran will hurt itself with Strait of Hormuz power play

DR. DANIA KOLEILAT KHATIB



Dr. Dania Koleilat Khatib is a specialist in US-Arab relations with a focus on lobbying. She is co-founder of the Research Center for Cooperation and Peace Building, a Lebanese nongovernmental organization focused on Track II.

For full version, log on to www.arabnews.com/opinion

Iran is asking for acknowledgement of its sovereignty over the Strait of Hormuz. It knows that the US is being pushed into a corner by the absence of a silver bullet that can end the war and hand President Donald Trump a victory. Tehran feels it is in the driver's seat, especially after Trump backed down and extended the ceasefire. However, Iran should be careful, as this show of power — embodied by its claim over the Strait of Hormuz — is counterproductive and will ultimately end up hurting it.

The Iranian government should, for its own sake, rephrase its demand and its narrative. It is in the interest of Iran to have good relations with its neighbors. Tehran states that it is seeking brotherly relations with its Arab Gulf neighbors. It also wants American forces to leave the region, as it perceives the US presence as a threat.

The Arab Gulf states will not ask the Americans to leave as long as they sense a

threat coming from Iran. In this respect, it is in the interest of Iran to show humility toward its neighbors and give them assurances. The worst policies are the ones driven by hubris. The current claim over the Strait of Hormuz falls into this category.

Iran's claim is even set to serve American interests. It will drive the Arab Gulf away from Iran and closer to Washington. It will enforce the US narrative that Iran is seeking hegemony and only an American presence and weapons can prevent that.

This will make the Arab Gulf states more attached to the Americans than ever. Iran should have learned by now that its belligerent revolutionary-style narrative is counterproductive when it comes to its Arab neighbors. The more measured and conciliatory tone it adopts when addressing its neighbors, the more effective its messaging will be.

Former Qatari Prime Minister Hamad bin Jassim has already stated the obvious: The US wants the Arab Gulf states to confront

Iran; this way, it would be able to retreat from the fight and sell weapons to its Gulf allies. So far, the Gulf states have been able to dodge this bullet. Nevertheless, they will not cede their sovereignty to Iran. If they feel that Iran is trying to exert dominance over them, they will likely change their neutral stance. Once they succumb to US pressure and take an offensive stance, America will definitely change position.

Iran should change its narrative and say that, in the postwar phase, it will seek — after agreeing with its neighbors on a method and a time limit — to collect tolls in order to support the reconstruction effort. It should also state that once an end to the war is finalized, it will call for a conference under the auspices of the Organization of Islamic Cooperation to discuss the management of the Strait of Hormuz, as well as a regional security arrangement. It should also stress that no state

or ethnicity will dominate the system.

The tolls collected from the strait could be worth about \$10 billion a year. It is not that sum that will upset the Arab Gulf states but rather the significance of this levy. To them, this would be an unacceptable act of hegemony. Since the revolution in Iran in 1979, the leadership in Tehran has adopted a belligerent tone when addressing its neighbors, starting with Ayatollah Khomeini calling for the overthrow of "American-backed" Arab rulers and for exporting the concept of the Islamic revolution. This belligerent tone continued under Ali Khamenei.

Iran needs to understand that it will not have good relations with its neighbors as long as they see it as a threat. As long as they see Iran as a threat, they will ask for the help of a hegemon to preserve their security. The first step for Iran, if it is to no longer be perceived as a threat, is to stop this belligerent discourse and this show of power.

Opinion

Iran between fragmentation and change

ABDULRAHMAN AL-RASHED

Sparked by Hamas' attacks on Oct. 7, 2023, the war with Iran has been raging for more than two years.

With Iran's regional proxies now significantly diminished, a fundamental question arises: what is the ultimate goal of this war?

There appears to be broad American-Israeli agreement on waging the war, but the two sides seem to have a different vision of how it should end.

Israel wants to bring down the Iranian regime, while the Trump administration speaks of changing the leadership while preserving the regime's basic structure — the "Venezuelan model," so to speak — or compelling Tehran to make strategic concessions, foremost among them ending its domestic uranium enrichment.

I addressed Israel's objectives in a previous article that presented the view of Daniel Levy, who believes Israel wants to overthrow the regime and split Iran into smaller states, an outcome he argues aligns with its broader regional vision for managing large geopolitical entities.

Any serious discussion of such claims

requires taking a moment to go over the foundational principle that governs relations between states, even adversaries, resting on three pillars: preserving the unity of states, respecting their borders and refraining from regime change.

The domestic complexities of Iran, like all major regional powers, render radical change a massive regional risk. It is worth recalling that not a single shot was fired during the fall of the shah and the rise of

Ayatollah Khomeini in 1979. At the time, this was seen as a brief, peaceful transition, on the assumption that solid institutions such as the army and the civil state would remain intact. The years that followed revealed how misplaced that assumption had been: what happened in Tehran plunged the entire region into cycles of chaos and conflict.

The idea of regime change in Tehran is quietly accepted internationally to a degree, including among European countries, even as they diverge from Washington on the way it has conducted this war. Even some of Tehran's allies are uneasy with its policies. Moscow is not fully aligned with Tehran on the nuclear question and supports



Abdulrahman Al-Rashed is a Saudi journalist and intellectual. He is the former general manager of Al-Arabiya news channel and former editor-in-chief of Asharq Al-Awsat, where this article was originally published.
X: @alrashed

enrichment outside the country, while China opposes its regional conduct. Both powers, however, fear that either a government friendly to Washington in Tehran or chaos could threaten their vital interests.

In theory, neighboring states might welcome the overthrow of the Iranian regime, assuming its repercussions could be contained, as happened with the fall of Saddam Hussein, after which conditions beyond Iraq's borders remained relatively stable. This analogy, however, does not hold. Iraq was controlled by some 200,000 American troops; that is obviously not an option on the table in this case. Accordingly, the risks for regional countries are considerable and could reverberate for years.

By the same token, talk of breaking Iran up and the various separatist ideas floating around may seem politically convenient and appealing to certain parties, but they carry profound risks.

Great powers are taking a different approach from regional states. The US is a superpower that is protected by geography and capable of toppling regimes and destroying states; if its project fails, it can pack up and leave. Regional countries do not have this option; they

cannot escape the repercussions and consequences of crises on their doorstep.

None of this means countries should not seek to influence the domestic dynamics of Iran, which is a very different matter from pursuing direct, forcible regime change projects.

The reason Iran finds itself targeted today is that it did not respect the rules of the regional order. It bears responsibility for what is happening to it. Tehran's hold over four Arab

capitals helped drag Bashar Assad's regime toward its downfall, hollowed out the states of Iraq and Lebanon, and fueled the chaos and war in Yemen. As a result of these policies, Tehran now finds itself besieged and in the most dangerous ordeal it has confronted since the founding of the Islamic Republic.

Some ask if the regime is under genuine threat, why has it adopted such a hard line in negotiations instead of folding? The answer is that it knows making concessions to foreign powers would weaken the regime domestically, expose it to divisions and potentially lead to its collapse.

The regime has concluded that sustained "resistance" against a foreign enemy is easier than confronting domestic discontent and a potential revolution.

The domestic complexities of Iran, like all major regional powers, render radical change a massive risk

The reason Iran finds itself targeted today is that it did not respect the rules of the regional order

The human tragedy of missing people

YOSSI MEKELBERG

One of the least-discussed yet deeply tragic issues affecting people across the globe is that of missing persons. These personal misfortunes can arise

from armed conflicts, natural disasters and migration, as well as from accidents, crime, mental health struggles and personal crises. They impact not only those who disappear but, equally, their families and friends, who are left in a state of agonizing uncertainty.

In some cases, people vanish without a trace and the truth about what happened to them may never be known. This phenomenon is not limited to combatants in war; it affects civilians just as profoundly. However, in many

instances, there are individuals or authorities who do know the fate of the missing, whether they are alive, injured, dead or in captivity, but choose to conceal this information. Sometimes this concealment is deliberate, at other times, it may result from fear, political pressure or systemic failure. Yet, in the 21st century, it is deeply troubling that people can still disappear without explanation, leaving their families in prolonged anguish.

A moving event held last week at the Swiss Embassy in London, in collaboration with the International Committee of the

Red Cross, brought together art, personal testimony and policy experts to shed light on this issue. The event highlighted not only the emotional toll of disappearance but also the ways in which effective and proactive policies could help resolve many cases.

The number of missing persons continues to rise. According to the International Committee of the Red Cross, the number of people registered as missing worldwide as of the end of 2024 was

284,400, up nearly 70 percent from five years earlier. This underscores the growing scale of the problem and the urgent need for action.

In the war in Ukraine, for example, it is estimated that nearly 20,000 children have been unlawfully transferred to Russia or Belarus. In many cases,

their parents and guardians remain unaware of their whereabouts. Across parts of Africa, the number of missing persons is also steadily increasing, with approximately 71,000 cases reported last year alone, largely due to protracted armed conflicts.

Migration routes present another major dimension of this crisis. The International Organization for Migration reports that, since 2014, more than 83,000 migrants have gone missing. Many disappeared when boats sank at sea or while attempting to cross dangerous borders.



Yossi Mekelberg is professor of international relations and an associate fellow of the MENA Program at Chatham House.
X: @YMekelberg

For full version, log on to www.arabnews.com/opinion

Others may have fallen victim to exploitation by smugglers or traffickers. In such cases, there is little incentive for those involved, whether criminal networks or complicit officials, to disclose information that could implicate them.

The moral and humanitarian imperative to resolve the fate of missing persons is clear. Only those with something to hide would dispute the importance of this effort. Beyond the moral argument, there is also a firm legal obligation under international humanitarian law. All

parties to armed conflict, both states and nonstate actors, are required to take concrete steps to prevent disappearances, search for missing persons and share all relevant information with families. As on other issues, a lack of enforcement allows these travesties to happen.

Moreover, the UN International Convention for the Protection of All Persons from Enforced Disappearance, adopted in 2006, stresses the seriousness of this issue, defining enforced disappearance as a crime against humanity. States and nonstate actors are obligated to investigate such cases and bring those responsible to justice.

It is important to acknowledge that there are also success stories. Each year, thousands of cases are resolved through

the efforts of international organizations, as well as local nongovernmental organizations. These efforts help restore contact, trace missing individuals and reunite families. While these successes offer hope, they represent only a fraction of the total number of unresolved cases.

There is growing consensus that improving the situation will require stronger multilateral cooperation among states, international organizations and their

agencies, along with greater respect for international law. Initiatives such as the Global Initiative to Galvanize Commitment to International Humanitarian Law, launched in 2024 and now supported by more than 100 countries, represent important steps forward.

In addition, scientific and technological advances are playing an increasingly vital role. Breakthroughs in forensic science and DNA analysis have made it possible to identify remains and provide answers for families. Meanwhile, the rapid development of digital technologies, such as social media analysis, geospatial imagery and data archives, combined with predictive analytics, has enhanced the ability to trace missing individuals and uncover hidden information.

For families of disappeared persons, even the smallest piece of information can mean everything.

It is deeply troubling that people can still disappear without explanation, leaving their families in prolonged anguish

States and nonstate actors are obligated to investigate such cases and bring those responsible to justice

srmq
Saudi Research & Media Group

Established in 1987 by
Prince Ahmad bin Salman bin Abdulaziz

CEO
Jomana Rashid Alraheid

ARAB NEWS
is a daily international newspaper published by the
SAUDI RESEARCH & PUBLISHING COMPANY

Founded in 1975 by
Hisham & Muhammad Ali Hafiz

Editor-in-Chief
Faisal J. Abbas

Deputy Editor-in-Chief
Noor Osama Nugal

ARAB NEWS WELCOMES
FEEDBACK FROM READERS

Letters sent from within the Kingdom should include the writer's name, address, phone and ID numbers. E-mails from readers abroad should include a name and city. Letters should be mailed to P.O. Box 478, Riyadh 11471, Saudi Arabia. Tel: +966112128000 • Fax: +966114418071 • E-mail: general@arabnews.com

EDITORIAL: general@arabnews.com
MARKETING: marketing@arabnews.com

TOLL FREE NUMBER: 8002440078

PRINTED AT: HALA PRINTING CO., RIYADH

Bahrain 200 Fils; Iran 200 R; Egypt LE 3; India 12 Rs; Indonesia 2000 R; Japan 250 Y; Jordan 250 Fils; Kuwait 200 Fils; Lebanon 1000

Li, Morocco 2 D; Oman 200 P; Pakistan 10 Rs; Philippines 25 P; Qatar 2 QR; Singapore S\$; Syria 20 L; Thailand 40 BHT; UAE 2 AED; UK 50 P; US \$1.50; Republic of Yemen R 50; Sudan 25 P.

SRPC AND AFFILIATED AGENCIES

JEDDAH: Tel: (966-12)263-6200, Fax: (966-12)263-6228. RIYADH: Tel: (966-11)212-8000, Fax: (966-11)442-9094. DAMMAM: Tel: (966-13)835-3838, Fax: (966-13)834-0489. ABU DHABI: Tel: (971-2)681-5999, Fax: (971-2)681-7595. CAIRO: Tel: (202-3)749-2775, (202-3)749-2896, (202-3)338-8654, Fax: (202-3)749-2884, (202-3)749-2855. MOROCCO: Tel: (212-537)262-816, Fax: (212-537)883-919. JORDAN: Tel: (962-6)553-7101, (962-6)551-7102, (962-6)553-9409, Fax: (962-6)553-7103. LONDON: Tel: (44-20)7831-8181, Fax: (44-20)7831-2310.

ADVERTISING:
SAUDI RESEARCH AND MEDIA GROUP
KSA: +966-11-294 0500
UAE: +971 4 3918500
E-mail: revenue@srmq.com
Website: www.srmq.com

DISTRIBUTION AGENT
TOLL FREE: (866)800-244-0078
Head Office: (Riyadh): P.O. Box 6218, Riyadh 11585
Tel: (966-11)4419933, Fax: (966-11)2121774
E-mail: info@saudi-distribution.com
Western Region: Tel: (966-12)653-0809
Eastern Region: Tel: (966-13)847-3569
Southern Region: Tel: (966-17)221-8693
Northern Region: Tel: (966-16)324-3070
Dubai: Tel: (971-4)391-8503, Fax: (971-4)391-8354
Abu Dhabi: Tel: (971-2)673-3555, Fax: (971-2)673-3394
Kuwait: Tel: (965)483-4822, Fax: (965)483-4718,
Manama: Tel: (973-1)7617770

SUBSCRIPTION
Head Office: (Riyadh):
P.O. Box 22304, Riyadh 11495
Tel: (966-11)4419933 Fax: (966-11)4429555
TOLL FREE: +866-800-244-0078
Email: info@arabmediaco.com
Web: www.arabmediaco.com

PRINTING CENTER
Riyadh: P.O. Box 212
Riyadh 11383, Tel: (966-11)2657000
Fax: (966-11)2658000
Sales: Tel: (966-11)4705807
Fax: (966-11)4705826
www.halaprintpack.com

DISCLAIMER
Views expressed by writers
in this section are their
own and do not necessarily
reflect Arab News' point of view.

OPINION

Where Is Trump Going in the Gulf?



BUSINESS WORLD

By Holman W. Jenkins, Jr.

President Eisenhower was known to say that plans are worthless, but planning is everything. Donald Trump didn't have a Plan B (or C, D, E or F) when Plan A, a fairly instantaneous collapse of the Iranian regime, failed to materialize. He may well expect now to lose his domestic base over spiking gasoline prices due to the closure of the Strait of Hormuz. But by all signs, Mr. Trump consciously accepted this risk when he launched a war without seeking public or opposition buy-in (which he knew he wouldn't get). One mistake he has so far avoided and, hopefully, will continue to avoid is letting the very predictable action by Iran become Iran's leverage over him to abandon the aims he started with.

But if he's willing to power through the economic risk, there is another risk he won't power through. Don't expect him to deploy large numbers of ground troops if that's what it would take to secure the goals he keeps citing, which are pretty much tantamount to regime change (whether or not he now calls it that). Which is fine. The U.S. is blessed in one way. It can always swallow defeat and loss of face for its president by getting rid of its president and casting his party

into the wilderness. Mr. Trump, I think, is ready for this. And even an abject failure would only mean the U.S. and its allies must return to deterring Iran by other means.

But we're not there yet. The Trump administration still has a card or two to play. Sunday and Monday saw the introduction of Project Freedom. U.S. Central Command announced a very large force—"guided-missile destroyers, over 100 land and sea-based aircraft, multi-domain unmanned platforms, and 15,000 service members"—to support a very minuscule aim, helping to "guide" any ships stuck in the Gulf for the past two months that were willing to risk an exit.

Naturally, the world wonders what Mr. Trump has up his sleeve, especially after Iran responded to this minimalist effort by firing on U.S. warships and third-party vessels. To the disappointment of many, it's probably not a prelude to the pitched battle they've been seeking, the U.S. Navy against the drone and missile threat Iran has held over the strait. The problem: Even if the U.S. prevails handily in such a fight without losing a ship or a plane, an unreformed regime can resurrect the threat the moment we sail away.

The last card for the administration, as I've pointed out ad nauseam, is the destruction of the Iranian oil industry from the air. Oil money

is the ultimate prize of Iranian politics and let's credit its regime survivalists with some rationality. If Mr. Trump credibly threatened lasting damage to this money flow, its members would likely quickly unite around concessions he could present as a "win."

Yes, many in the regime might prefer to continue the war in search of their own "win." Stopping now means facing, on unfavorable terms,

The president is better at buying time than he is at figuring out how to use it.

their other existential threat, their own people, having invited and lost a destructive war. But the regime would still have billions of dollars a month in oil revenues to buy its way with.

Here we need to turn our thinking around a bit. Even critics like the Brookings Institution's Robin Brooks credit Mr. Trump with successfully manipulating stock and oil markets to create running room for himself—and he has, skillfully.

But had Mr. Trump declared his independence from the markets and indifference to the economic fallout from the get-go, he would have more leverage over Iran, not less. Indeed, puzzlingly, one of the stops he failed to pull out

on day one was blocking Iran's oil exports, depriving the regime of millions of dollars a day to defend itself. Mr. Trump keeps signaling that Iran will be an easy win, he's got them right where he wants them. In doing so, he makes it too easy on other countries' leaders. However aggravated U.S. allies and other nations might be with Mr. Trump, their pressure should be on Iran, not the U.S., to get energy moving again.

All this costs Mr. Trump leverage. He may well conclude he made a mistake, after his initial miscalculation, by not communicating a greater determination not to be dissuaded from his war aims by economic blowback. The world would have taken notice of his seriousness. Remind yourself: These aims are often shorthanded as curbing Iran's nuclear and ballistic-missile ambitions. The long-hand version: So Iran can't dominate the Persian Gulf and hold the world hostage to regime survival as it's now doing.

Ironically, had Mr. Trump sent the right signals, the net result might not be very different from today's—an indefinite interruption in oil from the Persian Gulf. But with one considerable exception: Both Iran and the world would have to bet with more certainty on the U.S. sticking to its aims and forcing Iran to abandon its hostile stance toward its region and the global community.

BOOKSHELF | By Luka Ivan Jukic

Strivers in a Strange Land

Credit to the Nation

By Rebecca Kobrin

Harvard, 296 pages, \$35

In 1880, three-quarters of all Jews in the world lived in Eastern Europe—specifically, in the territory of the former Polish-Lithuanian Commonwealth, partitioned a century before by Austria, Prussia and Russia. The lion's share went to the last, whose leaders generally viewed the millions of Jews now under their control as something between a burden and a curse.

Most of these Jews lived in rural poverty, struggling against onerous government restrictions and subject to the hatred of their Christian neighbors. These conditions often turned deadly, as they did in 1881-82 when pogroms swept across the Russian Empire, setting in motion an unprecedented wave of emigration that saw millions of Jews leave to seek new lives elsewhere. Most chose America. By 1920 there were 1.6 million Jews in New York City, representing the highest concentration of Jews anywhere in the world.

Passage to the New World via ocean liner was not cheap. Nor was it, in most cases, legal. For most, this meant first sneaking across the Russian border at night with the assistance of a guide. To help navigate the costs and complexities of the journey, a whole industry of agents and brokers emerged, connecting those in the Russian borderlands with points of exit in Hamburg or Bremen, Germany, and points of entry in New York.

Sender Jarmulowsky was one such agent. From his office in Hamburg, he used his "passage and exchange" business to sell tickets to Jews eager to leave the Continent for the United States. In 1873 he moved to New York and soon realized that a ticket was only the start of an immigrant's new life in America. Upon their arrival, immigrants would need help translating documents, writing letters, sending remittances and accessing credit. And so Jarmulowsky started Jarmulowsky Bank to provide these services alongside the purchase, usually on credit, of ship tickets to help more Jews come to America. While big American banks spurned poor, non-English-speaking immigrants, Jarmulowsky welcomed them and soon became a towering figure in the city's Jewish community.

In "Credit to the Nation," Rebecca Kobrin, a professor of American Jewish history at Columbia University, explores the ways in which the Russian-Jewish immigrant experience left its mark on America's financial capital. Immigrant banks such as Jarmulowsky's, the author writes, "were fundamentally American businesses, interested in reaping profits within the capitalist system by filling a gaping hole: serving the foreign-born." But, as Ms. Kobrin argues, these banks' practices differed from those of the established institutions because of peculiar attitudes that had been formed in the world the immigrants left behind.

At play is not some innate Jewish experience of capitalism but a specific set of lessons learned from the chaotic world of the Russian Empire, where banking was extremely unregulated even as the lives of Jews were extremely regulated. This is why, for example, Jewish immigrant banks were happy to make loans to those without collateral.

In the Old World, collateral was often unrelated to the ability to pay off a loan. Wealthy Polish noblemen, for instance, would often refuse to pay, shielded from any consequences by their superior social position. A poor Jew from a tightly knit community, meanwhile, "who feared social ostracism if he did not repay the loan, might offer a better return prospect," Ms. Kobrin writes.

Jewish immigrant banks happily loaned to those without collateral. Such policies were shaped by the circumstances of life in the Old World.

The author highlights three overarching attitudes formed in the Russian Empire that are central to understanding what made Jewish immigrant banks different from their American counterparts. First, Jewish bankers understood that defaults could happen to anyone and were unrelated to moral character, unlike what most Protestant Americans believed. Second, they believed that financial fortunes were made and unmade, above all else, by circumstance, meaning that defaults did not tar someone's financial reputation for life. Third, it was safer to have capital loaned out than in reserve, where it could be pillaged.

In practice, this meant that lenders gave more speculative loans, borrowers could get loans again even if they defaulted, and that instead of keeping a certain amount of the deposits in reserve, immigrant bankers thought it better to keep a "revolving door of credit."

Around the turn of the 20th century, this unique approach allowed immigrant Jews to participate in and drive forward the booming New York real-estate market. The pooled capital of small savers was loaned out to speculate on real estate. "The built environment of New York in neighborhoods like Harlem, Brownsville, and the Lower East Side," Ms. Kobrin writes, "stands as a testament to this investment in the dreams of immigrant strivers."

Many of these dreams ended with the financial crisis of 1914. Jarmulowsky Bank was one of many immigrant banks that failed, finally closing in 1917, due to runs on deposits they no longer held. The gap they left would in time be filled by the Bank of United States, which was started in 1913 by another Jewish immigrant, Joseph S. Marcus. By 1930 the Bank of United States would grow to become the largest retail bank in America—before a bank run that year led to its collapse the following year.

Reformers in New York who had long criticized the speculative practices of immigrant banks pointed to the Bank of United States' failure as support for their case for tighter banking regulation, but Ms. Kobrin is vague on how important this one bank failure was in the wider story of American banking.

What is clear is that when the Bank of United States "shuttered its doors, it also marked the end of the era of Eastern European Jewish immigrant banking." As Jewish immigrants became Jewish-Americans, perhaps these institutions were no longer needed.

Mr. Jukic is a journalist and historian.

America Is in a Red State



POLITICS & IDEAS

By William A. Galston

National Debt Now Tops 100% of GDP," the Journal's front page announced Friday. Unless we change course, the debt will only get worse—fast. The Congressional Budget Office estimates that we are on track to accumulate more than \$24 trillion in debt over the next decade, for a total of \$56 trillion—120% of estimated GDP in 2036.

These numbers are so large that it is hard to grasp what they mean. One key measure is the cost of financing this swelling debt burden. Twenty-five years ago, interest payments on the national debt were 2% of GDP. This year they will claim 3.3%; a decade from now, 4.6%.

This year the U.S. will spend about \$1 trillion on interest. In 2036, we will spend \$2.1 trillion, almost 19% of the total federal budget. A decade from now, more than 2 out of every 3 dollars we borrow will go to finance interest on the debt. The longer this continues, the worse it gets.

Four years ago CBO published an in-depth analysis of the effects of failing to rein in ever-expanding deficits and debt. These effects include diminished capital available for private investment, rising interest rates

and the increased risk of a financial crisis. Even in the absence of an abrupt fiscal crisis, CBO warned, heavy and growing debt could cause inflation expectations to rise, depress the value of Treasury securities and other domestic assets, erode confidence in the U.S. dollar as the world's reserve currency, and leave the U.S. vulnerable to the shifting assessments of foreign investors and governments.

Yes, I know—deficit hawks have been issuing these warnings forever, and the predicted crisis never seems to arrive. But the jump from "It hasn't happened yet" to "It will never happen" is unwarranted. We're gambling with the future of our country and the world's largest economy, the risks are mounting, and neither political party seems willing to do what's necessary to abate them.

It wasn't always this way. Three decades ago, a Democratic president and Republican Congress found enough common ground to eliminate the Reagan-era budget deficits and produce four straight annual surpluses. When Bill Clinton left office in 2001, the national debt had fallen to just 32% of GDP and was projected to disappear by 2009. Since then, presidents and lawmakers of both parties have pursued other priorities at the expense of long-term fiscal stability.

Faint signs of hope are

emerging. This January, a bipartisan team of 14 representatives—seven Republicans and seven Democrats, including the Republican chairman of the House Budget Committee and two Democratic members of the committee—cosponsored a resolution that would commit the country to reduce the budget deficit to

The national debt is now greater than the annual GDP, and it isn't about to shrink.

3% of GDP and maintain it at or below this level. In April, a bipartisan group of senators introduced a parallel resolution.

This target makes sense. Reaching an annual deficit at or below 3% of GDP would stabilize and then gradually reduce the national debt as a share of GDP. The debt burden would grow lighter, and confidence in America's capacity for prudent fiscal management would grow, at home and abroad.

A permanently balanced budget is neither economically necessary nor politically achievable. Reaching balance over the next decade would require a combination of increased revenue and decreased spending of a daunting \$18.5 trillion. This can be achieved on paper, but not in reality.

A Tax Break for Foreigners and Trial Lawyers

By Michael Toth

America's one-of-a-kind tort system generates many perverse incentives, but this one takes the cake: Foreign investors receive special tax treatment for financing lawsuits against American companies. Congress should close the loophole that lets Russian oligarchs bankroll legal battles in the U.S. without paying a dime in federal taxes.

America's already sky-high liability costs grew at an average 7.1% annually between 2016 and 2022, draining capital from productive investment. Litigation finance is a major driver. Funders shunt capital from around the world into U.S. lawsuits, taking a cut of any recovery. One recent estimate puts the lost productivity costs of third-party financed litigation at \$54.2 billion annually.

Worse, foreign funders in litigation finance are rewarded with a tax advantage. Take three identical cases.

One, a plaintiff pays a law firm \$100,000 and recovers \$1 million. Two, the law firm fronts the costs on contingency and achieves the same result. Three, a funder contributes \$100,000 for the same outcome.

In each scenario, someone invests in a legal claim that generates a positive return, but the tax consequences are very different. The plaintiff

This may be the most perverse incentive of the U.S. tort system.

and the law firm are hit with a higher tax bill as a result of tax-code provisions subjecting recoveries to ordinary income-tax rates, which top out at 37%.

Funders, by contrast, dress up their investments as pre-paid forwards and claim capital gains treatment, lowering their top federal tax rate to 23.8% while exempting for-

eign funders from U.S. taxes entirely. The last part isn't an error: Foreign investors pay to sue American companies in U.S. courts and owe nothing in U.S. taxes. The sweetheart tax treatment hasn't gone unnoticed. Russian billionaires with ties to Vladimir Putin have poured millions of dollars into U.S. litigation to avoid international sanctions, according to a 2024 report in Bloomberg Law.

Federal lawmakers have repeatedly revised the tax code's definition of capital assets to exclude compensation that isn't genuine capital investment. Last year a bill sponsored by Senate and House Republicans to exclude litigation finance from capital-gains treatment would have generated \$3.5 billion in federal revenue over 10 years, according to the Joint Committee on Taxation. GOP lawmakers should revisit this proposal to offset more pro-growth tax relief.

Critics claim that closing the litigation-finance loop-

hole amounts to picking winners and losers. The tax code already does that. Capital gets preferential treatment over income because it fuels economic growth. There's nothing growth-enhancing about foreign-funded litigation designed to extract value from U.S. companies while clogging American courts.

If congressional Republicans can't draw a distinction between investment in wealth-creating American companies and funding litigation against these same businesses, they will give fodder to their Democratic colleagues who propose to "fix" the preferential treatment for investment by getting rid of the tax code's preferences for capital gains altogether.

Congress doesn't need to go that far. It needs to stop subsidizing lawsuits against the American economy.

Mr. Toth is director of research at the University of Texas' Civitas Institute.

OPINION

REVIEW & OUTLOOK

Another Marty Makary Mistake

Good news: Vinay Prasad on Thursday served his final day at the Food and Drug Administration. Now the bad news: Commissioner Marty Makary has

tapped Dr. Prasad's deputy, Katherine Szarama, to replace him. Maybe the bigger problem at the FDA is Dr. Makary.

Recall that Dr. Makary tapped Dr. Prasad last May to oversee biologics, vaccines and gene therapies. The hematologist-oncologist quickly became a lightning rod by rejecting rare disease therapies. White House officials gave him the boot last July, but Dr. Makary brought him back. And what a blunder that was.

We've chronicled the innovative medicines Dr. Prasad has deep-sixed, including for the neurodegenerative Huntington's disease (UniQure), Hunter Syndrome (Regenxbio), Duchenne muscular dystrophy (Capricor), erythropoietic protoporphyria (Disc Medicine) and metastatic melanoma (Replimune), among others.

Time and again, the FDA moved the goal posts for approvals and reversed prior guidance to drug developers. Dr. Prasad demanded that they conduct nothing less than double-blind randomized controlled trials in diseases for which such trials would be unethical or next to impossible because of their rarity. All of this undermined President Trump's longtime support for the "right to try" new drugs for deadly or debilitating diseases.

The White House apparently had enough and pushed out Dr. Prasad a second time this spring. This brought hope that the agency might reverse its drug rejections and end its blockade on accelerated approvals. Maybe not. Ms. Szarama appears to share the same anti-innovation mindset as Dr. Prasad.

Ms. Szarama previously served as director of clinical trials at Arnold Ventures, an outfit launched by hedge-funder John Arnold that claims to support "evidence-based" policy. "Evidence-based" policy is code among the progressive healthcare crowd for restricting access to treatments that the left thinks aren't worth the financial cost.

Mr. Arnold's outfit financially supported Dr. Prasad's academic work criticizing the FDA for approving too many novel medicines. Mr. Arnold took to social media last week to promote Dr. Prasad's 2015 book "Ending Medical Reversal," which argues that many medical advances are dangerous and useless.

In her job at Arnold Ventures, Ms. Szarama urged the FDA to restrict accelerated approv-

als. In an echo of Dr. Prasad, she wrote in an agency public comment that trial data should be "considered incomplete for evidence-based

decisions when it lacks appropriate controls" and "relies on indirect measures of health," as those for rare disease drugs often do.

An FDA visitor log shows that Dr. Makary met with representatives from Arnold Ventures in March to discuss "Collaboration Opportunities." It's not unusual for agency heads to meet with outside groups. The problem is that Dr. Makary has let the Prasad ideology dominate agency decision-making.

Ms. Szarama's title will be "acting director," so perhaps she's a placeholder while the White House and Dr. Makary try to settle on a longer-term replacement. We're told that White House officials have been reluctant to let Dr. Makary appoint an outsider to the post. But if Trump officials don't trust his judgment, why is he in the job?

* * *

We had hoped Dr. Makary would restore credibility to an agency damaged by the Biden team's pandemic equivocations and lack of transparency. But Dr. Makary's deceptions about the agency's drug reviews and rejections would make Anthony Fauci blush.

In a CNBC interview on Monday, he defended the agency's rejection of Replimune's melanoma cancer drug RPI against our criticism. "I don't work for Replimune. I work for the American people, and I stand by the scientists at the FDA," he said. "Three independent teams arrived at the same conclusions."

That's false. The first review team recommended approval and was overruled by Dr. Prasad. A reviewer posted on social media that the staff had recommended approval but was later pushed out. When Replimune appealed the rejection, Dr. Prasad selected a new team to eliminate what the FDA referred to in its rejection letter as "bias" by the first team in favor of the drug.

It's unclear what Dr. Makary means by "three" review teams since there have only been two. Replimune has filed a Freedom of Information Act request for information on the review process, but the FDA has stonewalled its requests. So much for the radical transparency Dr. Makary has promised.

Dr. Makary has tried to dismiss his critics as in the pocket of industry, but we speak for desperately ill patients now and in the future. They need advocates, not bureaucratic dishonesty.

The FDA chief names Vinay Prasad's deputy to replace him.

LETTERS TO THE EDITOR

The Rush to Point Fingers at the Secret Service

Regarding William McGurn's column "Hooray for the Secret Service" (Main Street, April 28): After any incident involving presidential security, a predictable cycle begins. Media outlets elevate instant analysis from so-called "experts" eager to diagnose Secret Service failures. The recent event at the White House Correspondents' Association Dinner followed that script.

The problem isn't only speed—it's substance. In the immediate aftermath, there's rarely enough verified information to support meaningful conclusions. Yet confident claims emerge anyway, often from people with little experience in presidential protection. Assertions that breaching security requires nothing more than a hotel room key aren't insights; they're distortions.

I spent over 20 years as a Secret Service agent, including assign-

ments on the Counter Assault Team and Presidential Protective Division. I have conducted advance operations at venues like the Washington Hilton and operated in high-threat environments. Security at this level is complex, layered and defined by trade-offs.

Risk can't be eliminated, only managed. Plans must balance threats, resources, public access and the president's need to remain visible. Unlike restrictive regimes, the U.S. doesn't secure its leaders by shutting down society.

There will be an investigation, and improvements will follow. But one fact remains: The president and vice president were safely evacuated. That isn't failure; it's the system working as intended.

MITCH PRICE
U.S. Secret Service (Ret.)
Bozeman, Mont.

Climate Science and the Crisis of Credibility

In "You Can't Trust 'Climate Economics'" (op-ed, April 30), Roger Pielke Jr. expresses his frustration at the difficulty of replacing the scientific errors entrenched in the political, banking and economic spheres with new data based on impartial, realistic, provable scientific protocols.

The climate catastrophe propaganda machine has been urging a global corrective effort long enough to expose that there's a lack of valid data to support the calls for costly Earth-saving measures. Untested and unproven climate disaster claims have been pushed as factual. As renowned physicist Richard Feynman said, "It doesn't matter how beautiful your theory is, it doesn't matter how smart you are. If it doesn't agree with experiment, it's wrong."

Mr. Pielke gives examples of known false climate data being kept on the books and protected by those most dependent on its preservation for their own preservation in economic, political and academic circles. Eco-greening has enriched such people and impoverished the Earth.

CHARLES BATTIG
Crozet, Va.

Reading Mr. Pielke's op-ed reminded me of a remark by Upton Sinclair: "It is difficult to get a man to understand something when his salary depends on him not understanding it."

LARRY W. WHITE
Dallas

The most disheartening aspect of Mr. Pielke's op-ed is that his peer-reviewed efforts to correct the record were met with silence. ("Apparently, no one cared.") The scientific journal Nature's more than 18-month delay in retraction meant that errors had months to propagate throughout the body of climate science.

Mr. Pielke writes that "so-called settled science that is built on flawed data and shielded from correction fails both policymakers and the public." Writer Michael Crichton, author of "Jurassic Park," spoke to this problem in a 2003 Caltech lecture, saying: "There is no such thing as consensus science. If it's consensus, it isn't science. If it's science, it isn't consensus. Period."

ROGER H. LEEHIS
Southfield, Mich.

Pope Leo Fails to See That Some Wars Are Just

Avi Shafraan's op-ed "A Rabbi Takes On Pope Leo" (April 30) was spot-on. No one ever won a war with pacifism. Pope Leo XIV's problematic views on war are similar to those of Pope Francis. Both men spent a significant amount of time doing ministry in South America before becoming pope. Pope Leo, like Pope Francis before him, hasn't had the same knowledge of world politics that prior popes such as Pope John Paul II or Pope Benedict XVI had. John Paul II understood communism and lived under it, while Pope Benedict XVI was forced as a teen to join the Hitler Youth.

SUSAN KINKADE
Costa Mesa, Calif.

I'm quite certain the prophet Isaiah wouldn't chastise the Israelis by saying that their "hands are full of blood" for having defended themselves. Pope Leo should know that while all wars are bloody, many are not "unjust."

MEL YOUNG
Boca Raton, Fla.

As a lifelong practicing Catholic, I must say that it was refreshing to read Mr. Shafraan's account of Chief Rabbi Warren Goldstein's reply to Pope Leo. Many Catholics, myself in-

cluded, have grown increasingly weary of this current pope's war messaging that lacks clarity regarding justifiable national defense. If the nation of Israel hadn't responded effectively to the Oct. 7, 2023, terrorist attack on its homeland, it would likely have invited future attacks and more war, not less. Does anyone really think that Iran in possession of nuclear weapons would make the world safer? Sometimes lasting peace must be preceded by war.

MIKE RUGGIO
Kent, Ohio

My Family Was on the Front Lines of Pioneering Research

I didn't realize my parents had chosen the "Cadillac" of bone-marrow transplant centers for my brother until I read "The Radical Cancer Science That Saved My Life" (USA250: Innovation," A Special Report, April 27).

In 1988, I was a fifth-grader and a bone-marrow donor at Fred Hutchinson Cancer Center. My brother had already undergone a year of treatment for acute lymphocytic leukemia. During his first appointment in Seattle, my parents learned that their seven-year-old's illness was accompanied by the Philadelphia chromosome.

For several weeks, he was in an LAF (laminar air flow) room. All of his belongings, including his favorite blanket, were sterilized. He lived for eight months after the transplant. His body didn't reject my bone marrow. The transplant simply wasn't enough to overcome the cancer.

Thank you Laura Landro for providing the historical context for my family's experience, a pioneering era.

SARA VANDERWOUDE ANDERSON
Libertyville, Ill.

Government's Lopsided Logic

Regarding Cole Murphy's "Marylanders of Modest Means Bear the Cost of Public Disorder" (Cross Country, May 2): Prince George's County's solution to being unable to evict a homeless encampment is to evict tax-paying residents from their adjacent property. This "solution" could only come from a government.

DAN DOBRUSE
Oak Park, Ill.

Trump Halts the Blockade of U.S. Ports

President Trump has temporarily called off America's legal blockade of its own ports, and the White House says the results are positive. Under the 1920 Jones Act, waterborne cargo between two U.S. points must travel on ships that are built, crewed, and owned by Americans. Because that constricts supply and raises costs, Mr. Trump waived the law after attacking Iran.

So far, about two dozen waiver voyages have been reported complete as of April 30, according to the Maritime Administration. A ship flying the Singapore flag took 322,000 barrels of gasoline blend stock from Texas to California. A Maltese-flagged tanker brought 300,000 barrels of Bakken crude oil from Texas to a refinery in Pennsylvania. A second Singaporean vessel carried 300,000 barrels of gasoline from Louisiana to Florida. Useful commerce, amid Iran's blockade of the Strait of Hormuz.

Mr. Trump's initial suspension of the Jones Act was for 60 days, but late last month he extended that for another 90 days, with the White House calling it a great success. "New data compiled since the initial waiver was issued revealed that significantly more supply was able to reach U.S. ports faster," a spokeswoman said.

"This extension will help ensure vital energy products, industrial materials, and agricultural necessities are maintained."

Funny, it also sounds like a good argument for permanent Jones Act relief. In a crisis, such as a hurricane in the Caribbean or a menacing in the Persian Gulf, the archaic law becomes an acute problem, because it limits the flexibility of American supply chains to respond. Yet the Jones Act is always an economic drain, since it increases shipping costs and distorts markets for all sorts of products.

The Jones Act's defenders call it an America First policy to protect a U.S. shipbuilding industry and merchant marine. A century later, that clearly hasn't worked. Meantime, the law acts as an invisible tax on the public. It forces cargoes that should be waterborne to go by train or big rig. And it creates America Last results, such as when Puerto Rico buys natural gas from Nigeria and Norway.

Those who directly benefit from the Jones Act's protectionism will never be convinced. But if the Trump Administration thinks its waiver is helping oil supply during the Hormuz crisis, why not make that success permanent by repealing the Jones Act?

Justice Alito's Intriguing Footnote

Exchanges at the Supreme Court are getting testier, as one this week between Associate Justices Samuel Alito and Ketanji Brown Jackson attests. But more intriguing than the frosty back and forth is the footnote Justice Alito dropped in his opinion.

The exchange was related to the Court's Monday order letting Louisiana move ahead on redrawing its Congressional map to replace the one the Court last week found unconstitutional. Justice Jackson filed a dissent from Monday's order, using the highly charged rhetoric that is becoming her habit.

She says the Court abandoned its normal rules to let Louisiana proceed. "The Court unshackles itself from both constraints today and dives into the fray," she writes, by which she means the partisan political fray. She's upset that the Court's order will let Louisiana redraw its map in advance of this year's election. "And just like that, those principles give way to power," she writes.

Justice Alito, joined by Justices Clarence Thomas and Neil Gorsuch, rebuts Justice Jackson on the merits, and notably no other Justice joined her dissent. He calls Justice Jackson's charge of political motives "a groundless and utterly irresponsible charge," adding that "it is the dissent's rhetoric that lacks restraint."

Which gets us to that footnote, in which Jus-

stice Alito writes, "That constitutional question was argued and conferenced nearly seven months ago." He's calling unusual attention to the fact that the Justices privately discussed and decided the constitutional issue in *Louisiana v. Callais* shortly after they heard the oral argument on Oct. 15, 2025.

That means the Court waited an unusually long time to release its decision. Why the delay if the Court's ultimate ruling was clear? Opinions in cases the Court hears in October are often released early in the next year. Could it have been because concurring Justices other than Thomas and Gorsuch had demanded legal complications that Justice Alito painstakingly included in his opinion? Or did Justice Elena Kagan slow-roll her furious dissent?

We don't know, but it's a relevant question given that the later the decision was announced the more states would have passed their primary election deadlines under the unconstitutional map. In their concurrence last week, Justices Thomas and Gorsuch said they would have preferred a much more straightforward analysis that the Voting Rights Act bans all racial gerrymanders.

The footnote suggests some pique by Justice Alito about the Court's long gestation on *Callais*, and understandably so since Justice Jackson is accusing the majority of playing politics.

He hints at a delay in releasing the Louisiana v. Callais decision.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Dear God, thank you for giving us patience to not check our phones during dinner."

Free Expression From WSJ Opinion

A daily newsletter on life, politics and culture. Edited by Matthew Hennessey and featuring columnists Matthew Continetti, Kyle Smith, Louise Perry, Ben Sasse, James B. Meigs, John J. Miller, Meghan Cox Gurdon and other contributors.



Scan the QR code or visit [wsj.com/opinion/free-expression](https://www.wsj.com/opinion/free-expression)

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

OPINION

Prediction Market Cheating Gets Creative

By Alex Goldenberg

Max Meizlish and I argued in these pages in February that prediction markets had become an intelligence asset, vulnerable to insider trading by those with classified knowledge of future events. Two months later that warning was confirmed in court. In April, federal prosecutors in New York indicted Master Sgt. Gannon Ken Van Dyke, a special-forces soldier at Fort Bragg, N.C., for using his role in the planning of the January raid that captured Nicolás Maduro to win some \$410,000 on Polymarket. The Justice Department called it the first criminal case in the U.S. arising from prediction-market wagers. It won't be the last.

An Israeli journalist was threatened for reporting news affecting the payout of a bet on Iranian strikes.

The Van Dyke indictment is the legally easy version of the problem. Insider misuse of nonpublic information is a well-understood category of misconduct. Prosecutors charged Mr. Van Dyke with commodities and wire fraud, among other violations, and the platforms cooperated with federal investigators.

Three other recent cases show what the existing framework can't reach.

In March, a Times of Israel reporter, Emanuel Fabian, posted a routine update to his paper's live blog reporting that an Iranian missile had struck an open area outside Beit Shemesh, west of Jerusalem. Within hours, strangers began demanding he revise the story to claim the impact had come from inter-

cepted missile fragments rather than a warhead. When he refused, the threats began, referencing his family and his home address. More than \$14 million had been wagered on a Polymarket contract titled "Iran strikes Israel on . . .?", and the contract paid out only on confirmed impact. Mr. Fabian's accurate reporting had cost a particular set of bettors their wagers, and they were trying to coerce him into rewriting reality so that the market would resolve their way.

In April, a Polymarket trader walked away with \$21,398 on a \$119 bet that the temperature in Paris would exceed a given threshold on a particular day. The bet rested on a single Météo-France weather sensor sitting near the perimeter of Charles de Gaulle Airport on a publicly accessible road. The sensor recorded a spike of 6 degrees Celsius (nearly 11 degrees Fahrenheit) in 12 minutes before dropping back, and no other station in the area registered the anomaly. Météo-France filed a criminal complaint, and the leading theory in the press is that someone walked up to the sensor with a battery-powered hair dryer.

A third case shows the threat in its most scalable form. In March, a Polymarket contract on whether Benjamin Netanyahu would be out of office by year-end climbed roughly 15 points over the course of a week, with roughly \$9 million flowing into the market on March 14 and 15. The trigger was a rumor cycle, amplified by artificial-intelligence-generated content, claiming that Mr. Netanyahu had died. The rumor was al-



most certainly not seeded for trading purposes, and it was quickly debunked. The market moved anyway. Bettors who were positioned for the spike collected. The contract didn't need to resolve their way; it only needed to swing long enough for them to exit.

These three cases describe a new kind of financial manipulation that existing laws aren't built to handle. They aren't insider trading. They show that prediction-market prices can be moved through attacks on the information environment, the resolution sources, or the people producing the inputs the markets depend on.

The Netanyahu case is the most worrying, because it shows the mechanism working without anyone deliberately targeting the market. The toxic content, AI-generated rumor cycles and coordinated inauthentic activity that already saturate

the information environment are now sufficient, on their own, to move prediction-market prices in profitable directions. The next iteration won't be accidental. The infrastructure for manipulation already exists, refined over the past decade by affiliate marketers, engagement farmers and crypto pump groups—and now intensified by AI. None of it was built for prediction markets. All of it can now be pointed at them.

Three steps would help close the gap between the threats to prediction markets and the tools available to combat them.

First, the Commodity Futures Trading Commission should require prediction-market platforms to monitor on-platform activity and the resolution sources their contracts depend on. Platforms are continuing to build trading surveillance capabilities, but they haven't done the same for the information that resolves

fraud and market-manipulation statutes apply to conduct designed to move prediction-market prices. The behavior in the cases above is plausibly illegal under several existing frameworks, but no case has tested those theories against off-platform manipulation of prediction markets. Clarification would deter the next round of manipulation attempts and give regulators a workable tool before the problem scales.

Prediction markets aren't going away, and their trading volume is growing. The first wave of cases involved insiders betting on classified information they weren't supposed to share. The next wave will involve outsiders manufacturing the information itself.

Mr. Goldenberg is the founder of *Silent Index*, a national security consultancy, and a senior fellow at Rutgers University's Miller Center.



UPWARD MOBILITY
By Jason L. Riley

The fainting spells on the left after last week's Supreme Court ruling in *Louisiana v. Caltis* were probably to be expected. Democrats these days reject colorblind public policies that they championed in a previous era and scoff at clear evidence of America's racial progress. A court decision that reins in racially gerrymandered voting districts checked both boxes, so it is no wonder that Democratic elites from Barack Obama on down are outraged.

"Today's Supreme Court decision effectively guts a key pillar of the Voting Rights Act, freeing state legislatures to gerrymander legislative districts to systematically dilute and weaken the voting power of racial minorities," Mr. Obama wrote in response to the decision. "And it serves as just one more example of how a majority of the current Court seems intent on abandoning its vital role in ensuring equal participation in our democracy and protecting the rights of minority groups

Good Riddance to Racial Gerrymandering

against majority overreach."

What nonsense. The case before the court concerned Louisiana's 2024 decision, under pressure from the courts, to draw a congressional map that included a second majority-black district. Supporters said the racial gerrymander was necessary to comply with Section 2 of the Voting Rights Act of 1965, which bars the use of qualifications, standards or procedures that make it harder for minorities to cast a ballot. Opponents contended that the map violated the Constitution's equal-protection clause by sorting voters based on race. In a 6-3 ruling, the justices sided with the challengers and said Louisiana unlawfully discriminated by race when it created a second majority-black district.

Mr. Obama is pretending that the decision somehow threatens the black franchise, but it didn't touch Section 2 protections against efforts to restrict black voting. All the court did was scale back a judicially created doctrine based on the assumption that most white voters would never support black candidates. The former president, of all people, should appreciate that this is no longer the case.

When Mr. Obama won the presidency in 2008, he secured a larger share of the white vote than the two previous nominees of his party, John Kerry in 2004 and Al Gore in 2000, and he carried a majority of the white vote in nearly a third of the states. When he was re-elected in 2012, the black voter turnout rate

If there was any doubt, Barack Obama proved that white voters are willing to support black candidates.

exceeded white turnout. Today, black voter registration in the South, where black voter suppression was most pronounced in the Jim Crow era, is higher than in other regions of the U.S.

Arguably, Mr. Obama's race was more of a political advantage than a barrier to his success. Long before his arrival on the political scene, majority-white electorates demonstrated a willingness to vote for black candidates. When Carl Stokes became the first black mayor of

Cleveland in 1968, most residents were white. This was also true when Tom Bradley became the first black mayor of Los Angeles in 1973 and when David Dinkins won New York's mayoral election in 1989. The political website FiveThirtyEight reported in 2023 that most black members of Congress no longer hail from majority-black districts, "which indicates that Black representatives are winning more on multiracial or majority-white turf."

The real reason Mr. Obama is upset with last week's ruling has nothing to do with voting rights and everything to do with the ability of Democrats to use the 1965 act to gain a partisan advantage in drawing political maps. The Voting Rights Act was intended to ensure ballot access, not to ensure the election of black Democrats. Republicans and Democrats alike jockey to draw maps that give them an edge on Election Day. It's unseemly because it amounts to lawmakers choosing voters instead of the other way around, but it's legal. What's illegal, the court ruled, is throwing race into the map-drawing mix absent specific evidence of discrimination, as Democrats have been doing for decades in the name of

protecting the black vote.

The irony is that racial gerrymandering probably has done more to throttle black political ambitions and deepen our political divisions. "While the country has moved steadily, if unevenly, toward racial integration, the law has created a black political class too isolated from mainstream political discourse," political scientist Abigail Thernstrom wrote in her 2009 history of the act, "Voting Rights—and Wrongs." Race-based districts have kept "black legislators clustered together on the sidelines of American political life—precisely the opposite of what the statute intended."

Under segregation, black Americans generally shared a common experience of being second-class citizens. That's no longer the case, but the supporters of segregated voting districts and racial preferences in hiring and college admissions would have us believe that nothing has really changed. Racial-gerrymandering advocates today assume that black voters are essentially fungible and share identical political preferences. That's not only false but insulting, and this Supreme Court corrective couldn't come soon enough.

The Lawsuits Will Continue Until Morale Improves

By Cory L. Andrews

The California Supreme Court takes up a strange question Wednesday: Can a pharmaceutical company be sued for negligence not because its Food and Drug Administration-approved drug was defective or its warnings insufficient, but because the company didn't bring a better version to market sooner? The California Court of Appeal answered yes in a 2024 decision. It invented a tort out of failing to innovate fast enough. If the state high court lets this ruling stand, it won't merely distort product-liability law; it will punish medical progress.

Gilead developed tenofovir disoproxil fumarate, or TDF. The FDA approved it in 2001 as Viread and in 2004 as Truvada. These break-

through medications converted HIV from a death sentence into a manageable chronic illness, saving millions of lives. While working on TDF, Gilead explored an alternative therapy: tenofovir alafenamide, or TAF. Early tests looked promising, but the company paused development in 2004. The choice was rational: Long-term safety data was unavailable, efficacy thresholds hadn't been cleared, and further investment in an unproven compound risked starving proven therapies of resources.

Gilead returned to TAF in 2010, engaging in years of painstaking research and costly clinical trials. Gilead launched TAF-based medicines in 2015 with comparable antiviral power and meaningfully improved kidney and bone safety for some patients. Plaintiffs here don't

claim those drugs or the TDF ones were defective. They don't allege inadequate warnings about known risks. Their theory is that Gilead should have commercialized TAF earlier. They allege that the company dragged its feet to squeeze extra profit from TDF patents.

The Court of Appeal embraced that claim. It held that a manufacturer can breach a duty of reasonable care merely by pausing or delaying a "safer" alternative—even when the existing product met every regulatory and tort-law standard of its era. Traditional product liability demands a defect in the product or its labeling. This ruling discards both requirements. It converts ordinary scientific and business judgments into actionable negligence.

This is a radical break from the law. Product liability has always turned on product risks a manufacturer introduces to market, not on hypothetical improvements it might have rushed to consumers. Imposing a duty to accelerate every promising alternative would force companies to revisit every strategic pause, every resource allocation, and every clinical decision through the distorting lens of hindsight. Otherwise, juries lacking scientific or regulatory training could be asked to pronounce whether billion-dollar research-and-development choices were "reasonable" years after the fact.

The consequences of this new "tort" are predictable and perverse. Developing a new drug already costs more than \$1 billion and takes more than a decade. Follow-on innovations like TAF are the lifeblood of

medical progress. Yet they are among the first casualties when litigation risk spikes. Companies will respond by either rushing half-baked products to market, steering clear of high-risk diseases, or abandoning incremental advances that might later trigger should-have-done-it-sooner tort suits. Prices will rise, as the few drugs that still reach patients will carry a new tax of unpredictable liability.

A California court holds a pharmaceutical company can be found liable for not innovating quickly enough.

There is a proper place to regulate drug risks: the federal scheme Congress and the FDA designed. Regulators approve drugs on the evidence available at the time. They demand rigorous proof of safety and efficacy; they don't require clairvoyance. The California Court of Appeal's approach lets state juries override those contemporaneous judgments, declaring after the fact that a company should have moved faster with data that at the time didn't justify the leap. Judges and jurors are ill-suited to referee such intricate scientific and commercial calls. The proper arena for weighing innovation incentives against safety is the federal regulatory process—not after-the-fact state tort suits.

California, a historic leader in technology and life sciences, risks be-

coming the jurisdiction where tomorrow's cures are litigated into nonexistence. Activists may cast a reversal of the appeals court decision as a win for drug companies at patients' expense. But that is a false dichotomy. Patients today enjoy longer, healthier lives thanks to the iterative process this lawsuit would penalize. The earliest HIV therapies were crude and toxic. Each refinement arrived because companies had room to experiment, to fail and try again—without fearing that every prudent pause would invite a payday for lawyers. Penalizing the scientific caution that careful safety requires doesn't speed or improve cures.

The California Supreme Court has a clear path forward. It can reaffirm that product liability requires a defective product or inadequate warning—not judicial oversight of R&D timelines. It can safeguard the incentives that have made American pharmaceutical innovation the envy of the world. And it can do so while preserving every traditional tool for holding companies accountable when they truly cut corners on safety or conceal known risks.

The stakes reach far beyond this case. If California blesses liability for the pace of innovation, other states will feel the pull. The result won't be safer or faster drugs. It will be fewer of both. Medical miracles depend on risk-taking, not on risk-free litigation. California's patients—and the nation's—deserve no less.

Mr. Andrews is general counsel and vice president of litigation at the Washington Legal Foundation.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Lachlan Murdoch
Executive Chairman, News CorpRupert Murdoch
Chairman Emeritus, News CorpRobert Thomson
Chief Executive Officer, News CorpEmma Tucker
Editor in ChiefAlmar Latour
Chief Executive Officer and PublisherLiz Harris, Managing Editor
David Crow, Deputy Editor in Chief
Aja Whitaker-Moore, Deputy Editor in Chief
Sarah Ball, Features; Elena Cherney, Senior Editor; Dan Colarusso, Business, Finance, Economics; Chip Cummins, News; Taneth Evans, Digital; Gordon Fairclough, World; Alex Martin, Print & Writing; Bruce Orwall, Enterprise; Damian Paletta, Washington; Christopher S. Stewart, Investigations; Maral Usefi, VideoPaul A. Gigot
Editor of the Editorial Page
Gerard Baker, Editor at LargeDOW JONES AND CORPORATE HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036
Telephone 1-800-DOW-JONES

DOW JONES | News Corp

Opinion

The tragic decline of the American Navy

A 19th-century military strategist should be required reading at the Pentagon.

Robert D. Kaplan

Alfred Thayer Mahan, a 19th-century naval officer and pre-eminent military strategist, believed his young country was destined to be great because of its Navy. Toward the end of his service, Mahan, then a U.S. Navy captain, wrote a landmark book about the age of sailing ships. Read avidly by kings, prime ministers and presidents — including Theodore Roosevelt, Kaiser Wilhelm II and the young Winston Churchill — the book posited the idea of a free world anchored by American sea power.

Mahan believed America needed a large number of ships to fight decisive battles and to keep sea lanes open and international commerce flowing. This vision, which was both humanitarian and self-serving, soon came to pass, starting with the Spanish-American War of 1898,

global trade by tonnage is transported by water. That means the seas have to be relatively safe, especially around places such as Hormuz. The recent struggles of Dubai, an icon of globalization, demonstrates just how fragile our world is and always has been.

If the U.S. Navy doesn't grow significantly in size, the outcome could be disastrous for the whole world. Free trade, global capital flows and migration — the root of America's worldwide power — would be impossible without a great U.S. Navy. It's that simple.

A DECADE AGO I SERVED on an advisory panel to the chief of naval operations, and often the themes of the discussions were ship collisions, breakdowns and the general difficulty of maintaining warships, coupled with the rise of the Chinese naval threat.

Moreover, as I learned as a teacher at the U.S. Naval Academy during the Iraq and Afghanistan wars, it was the navies

supply ships and more.

All these vessels get old and have to be replaced every few decades. The cost of maintaining America's Navy, let alone improving it or expanding it, is a matter of trillions of dollars. It is no exaggeration to say that the money spent on the wars in Iraq and Afghanistan could have built a whole new Navy.

The Yale historian Paul Kennedy in his 2022 book, "Victory at Sea," shows how America's rise as a great power can be told through the number of warships it built. Whereas the Navy had under 800 ships at the beginning of World War II, it had nearly 7,000 at the end, while the other competing world navies had collapsed or were severely reduced in size. Now we have, at the latest measurement, about 290 ships in active service. Though they have vastly more firepower than the fleet of the mid-20th century, only about a third of them are deployed on the high seas at any time, since another third is on training maneuvers and another third is

problem was a factor in Defense Secretary Pete Hegseth's recent firing of Navy Secretary John Phelan, whom Mr. Hegseth felt was not moving fast enough to rebuild the fleet.

Amid all this, China's naval buildup has continued apace. Its efforts began in earnest following the Clinton administration's muscular deployment of not one but two aircraft carrier strike groups near the Taiwan Strait during a 1996 crisis. The Chinese were shocked at the administration's bold move, and determined that never again would they appear so weak and vulnerable. The result is now a rival navy bigger than America's. The United States probably could not get away today with a commensurate show of force near Taiwan without provoking armed conflict.

At the Bab-el-Mandeb Strait at the mouth of the Red Sea, Yemeni Houthis, a revivalist Shiite militia, have used drones and missiles to attack nearby shipping. The U.S. Navy, in an attempt to protect

Any way you look, we are heading toward an unstable multipolar environment.

With the transformation of warfare giving an advantage to weaker forces, China's rise as a great naval power, and climate change favoring Russia, the U.S. Navy in coming decades will be hard-pressed to maintain its dominance. The Iraq and Afghanistan wars were in many ways disasters, but they supplied the Army and Marine Corps with invaluable lessons. By contrast, the Navy, virtually abandoned in the public eye during a decade of Middle East wars, has not fought a fleet-level engagement since the Battle of Leyte Gulf against the Japanese near the Philippines in 1944.

America's Navy may appear dominant at the moment, especially amid President Trump's and Defense Secretary Pete Hegseth's bluster and proposals for more ships. But don't be fooled.

The 1956 Suez Crisis has been invoked as a comparison with America's current



MOISES SAMAN/MAGNUM PHOTOS

which Mahan avidly supported. After World War II, the U.S. Navy possessed some 7,000 vessels that went on to dominate the oceans for the next half century. The United States, with its blessed geography fronting two oceans, had embarked upon its imperial destiny, with the naval power to back up its values.

But there was a lurking paradox in this sudden explosion of American power. As Mahan wrote, "a peaceful, gain-loving nation" like the United States "is not farsighted, and farsightedness is needed for adequate military preparation."

More than 130 years after Mahan wrote, the United States, in downsizing military expenditures after conflicts and fighting a series of distracting land wars in the Middle East, has proved his maxim well. The U.S. Navy is in decline relative to its own history and to the growth of the Chinese Navy, and has surrendered the control of the world's vital choke points that it had at the beginning of the 21st century. The South China Sea, through which up to 40 percent of global maritime trade passes, in addition to oil and natural gas, is now dominated by China. The Strait of Bab-el-Mandeb, the crucial transit point out of the Red Sea, is harassed by the Yemen-based Shiite Houthis.

Now we can add the Strait of Hormuz to the list. Just 21 nautical miles wide at its narrowest, the strait offers oil tankers and other large vessels only a limited path through. Iran's Islamic revolutionary regime, aided by a coastline of mountains and caves, has managed to effectively shut down the waterway with drones, speedboats and mines. American warships may be able to enforce a blockade, but the Navy still can't open the Strait. And even then, this concentration of U.S. ships in the region is robbing the Navy of assets it should be using to patrol and project power in the Pacific. Whereas in the past the United States could cover all its bases or choke points, now in an age of gradual decline it has to make choices.

The global elite at watering holes like Davos and Bilderberg could never have prospered without the U.S. Navy, even if members of this elite are unaware of the fact. Though we live in the jet age, as much as 80 percent to 90 percent of

of China and India that had become avid followers of Mahan. His ideas languished somewhat at Annapolis, despite there being a building named after him. While the role of the U.S. Navy was, by then, already publicly diminished, Beijing and New Delhi were concentrating on naval expansion and warfighting. To compensate for its stagnating number of warships, the U.S. Navy was intent on partnering with allied navies as a means to mask its own relative decline.

In November 2007, in *The Atlantic* magazine, I warned of the Navy's "elegant decline." I emphasized that the number of hulls in the water would eventually be more important than the number of boots on the ground. But naval power was the furthest thing from people's minds amid all the fevered discussions about counterinsurgency in Iraq and Afghanistan and how to reverse the downward trajectory of America's fortunes in the chaotic deserts of the greater Middle East.

This is troubling, since the most accurate measure of U.S. national capacity has always been sea power. The U.S. Navy is America's primary strategic instrument, not its nuclear arsenal. Nuclear weapons are like trophy items that can never be used, according to Western military doctrine since the end of the Cold War, whereas the Navy is America's "away team," as a Pentagon official once told me. You can move an aircraft carrier strike group — with its cruisers, destroyers, frigates and submarines, not to mention its thousands of officers and sailors manning enough weaponry to destroy a city — halfway across the globe without a debate in Congress or in the news media. You can't do that with land forces.

But it's all frightfully expensive. A single fully operational Ford-class nuclear-powered aircraft carrier, with its up to 90 fighter jets and helicopters, costs almost \$20 billion. The United States maintains 11 carriers at any one time. The cost of a new ballistic missile submarine can be over \$10 billion, and that of a new guided-missile destroyer well over \$2 billion. The Navy operates roughly 70 submarines (most are cheaper attack submarines, not ballistic missile subs) and 80 destroyers, plus cruisers, frigates,

undergoing repairs. By comparison, the Chinese Navy has grown to around 400 ships, plus hundreds of supply vessels. Though the quality of America's Navy is higher, China has been swiftly closing that gap, too.

IT WAS DURING THE OBAMA ADMINISTRATION that the Chinese intensified occupying islands and smaller geographic features in the South China Sea, as well as building military installations and deploying more of their naval forces there. Because the aggression has been so calibrated and gradual, the U.S. Navy has had a difficult time responding without seeming to overreact and provoking conflict. America still hasn't quite figured out how to deal with this challenge.

The Houthis can fight inexpensively compared to America's multibillion-dollar destroyers. The transformation of war also favors poorer states and guerrilla groups.

Keep in mind that as a fleet stagnates, quantity increasingly equals quality, since a warship cannot be in two places at once. The U.S. buildup near the Strait of Hormuz hurts America's deterrence against China in the South China Sea and near Taiwan. And this is to say nothing about current U.S.

long deployments that have led to maintenance problems and put undue stress on crews and their families. The Gerald R. Ford, an aircraft carrier deployed in the Middle East with a crew of over 4,500, has been at sea for 10 months now, a post-Cold War record. It isn't clear that America could build a new Navy even if it had the funding and political will. Over the decades, the number of private and public shipyards has dropped, and the ones that remain have increasing trouble retaining their work force of welders and electricians, which means the knowledge base for these specialized shipbuilding skills shrinks and ages. It hasn't helped that in 2025 the Navy canceled most of the Constellation-class of frigates on account of enormous cost overruns. The intractability of the

waterway, has fired missiles from its destroyers nearby against the Houthis, but it would take a larger war to solve the problem. The Houthis can fight inexpensively compared to America's multibillion-dollar destroyers. The transformation of war also favors poorer states and guerrilla groups.

IN THE MIDDLE OF THE 19TH CENTURY, the British Royal Navy, acting in league with the British East India Company, was able to protect the Arab sheikhdoms and emirates of the Persian Gulf. This ensured the safety of the trade route from the Mediterranean to the crown colony of India. The choke points were all secured by virtue of European imperialism.

The Princeton scholar Aaron Friedberg argued in "The Weary Titan" that the decline of the Royal Navy, the guarantor of British imperial power, began at the turn of the 20th century when it became clear it couldn't perform all its tasks simultaneously. Britain thus began to look for help across the Atlantic Ocean just as Mahan was urging a greater U.S. naval presence overseas. Because Britain (with all of its faults) had help from another and bigger freedom-loving Anglo-Saxon empire in the making (with all of its faults), it could go on to win two world wars even after half a century of decline had set in.

We may not be so lucky. China and Russia are revisionist rather than freedom-loving powers. Protecting a global system against their intervention cannot be done without a great, expanding Navy. And the U.S. Navy is not expanding and is increasingly stretched thin. (In his first term, President Trump proposed a much larger Navy with over 355 warships. Whether any of this actually happens will be determined by partisan politics and available money in a debt-ridden economy. It doesn't help that on account of Mr. Trump's vanity, he is insisting on a new "Trump class" of battleships.)

The warming of the Arctic Ocean on account of climate change will make the situation more acute. China is already directing naval energies toward the Arctic. And Russia, a partly landlocked power in the north — where its ports are blocked by ice half the year — could see its naval power increase significantly.

operation in the Persian Gulf. After all, both involved principal maritime choke points and the contest over who should control them, Western forces or local powers. Suez, moreover, was a military success but a political failure. The British, French and Israeli militaries were able to control the canal zone, in a bid to stave off Egyptian nationalization of the waterway, but had to retreat in the face of President Dwight Eisenhower's demands and the ability of Egypt's leader, Gamal Abdel Nasser, to rally his population.

Though the final outcome of the Iran war is still unknown, even if America wins, it loses. The conflict is part of a process of being militarily and economically distracted while China and Russia threaten the global system.

Mahan was born in 1840 at West Point, the son of a professor at the United States Military Academy. His middle name, Thayer, honors the "father of the military academy," Sylvanus Thayer, who brought the institution up to modern standards. His great, burgeoning Navy may sound like a warmonger's dream. But Mahan was a realist. He wanted a great fleet for a purpose, because he believed in America's spiritual mission.

What kind of world do we want to live in? A world united by democracies that uphold a certain standard of human rights is incompatible with a weak Navy. That's because a stable, humane world requires economic prosperity. That, in turn, requires relatively unimpeded intercontinental trade and commerce. And that requires secure waterways.

Secure waterways helped make America great in the 20th century, and if America and the world are to continue to prosper, safe seas will be necessary throughout the 21st. It is easy to say a coalition of world navies can do this. The reality is such a coalition requires a leader. If the 21st century is not to be impoverished, Mahanian thinking will need to be at the heart of it.

ROBERT D. KAPLAN is the author of the forthcoming "China Whisperers: The Voices That Have Shaped America's Views of Its Chief Geopolitical Rival." He is a distinguished senior lecturer at the University of Texas, Austin.

The New York Times

INTERNATIONAL EDITION

A.G. SULZBERGER Publisher

JOSEPH KAHN Executive Editor

MARC LACEY Managing Editor

CAROLYN RYAN Managing Editor

SUZANNE DALEY Associate Editor

KATHLEEN KINGSBURY Opinion Editor

MEREDITH KOPIT LEVIE Chief Executive Officer

MICHAEL GREENSPON Senior V.P. and General Manager

HELEN KONSTANTOPOULOS V.P., International Circulation

HELENA PHUA Executive V.P., Asia-Pacific

SUZANNE YVERNES International Chief Financial Officer

A journalist. A missile. \$14 million on the line.

Sean Anthony Guillory
Amy J. Nelson

A military correspondent for The Times of Israel, Emanuel Fabian, began receiving death threats last month. His offense: reporting that an Iranian ballistic missile had struck Israeli soil on March 10. Gamblers on the prediction platform Polymarket had wagered more than \$14 million on whether Iran would strike Israel on that day, and those who stood to lose flooded Mr. Fabian with demands that he change his story — that he reframe the missile as intercepted debris and let them collect. Some offered him a cut of their winnings. Mr. Fabian refused and contacted the police.

The story seems absurd, but it may become typical. Over the last few months, traders placed bets on a raid in Venezuela suspiciously close to the actual event. (Recently, a U.S. Army soldier was charged with using classified information to win more than \$400,000 from these wagers.) Hundreds of millions of dollars poured into Polymarket predicting when the United States would strike Iran. The monthly trading volume on prediction platforms grew from under \$100 million at the start of 2024 to more than \$13 billion by the end of 2025. These markets are no longer curiosities at the fringe of finance.

We can reel in prediction markets. Here's how.

Prediction market companies argue that they perform something akin to a public service: They aggregate dispersed knowledge about global affairs and can outperform traditional forecasting on elections, conflicts and developing news. That may be true. But as the money grows, so do the incentives for manipulation and intimidation.

Congress has begun to notice, proposing legislation that would bar elected officials from trading on prediction markets and prohibit bets on deaths or casualties, among other bills. Last month, the White House warned staff members not to place bets on prediction markets. While these are good first steps, they address only the edges of the problem. What's missing is an approach that treats geopolitical prediction markets for what they are: tools that jeopardize security in many countries by enabling the misuse of classified information and distorting how conflicts are reported.

While the U.S. Commodity Futures Trading Commission enforces regulations and surveils markets, its efforts have focused largely on integrity issues in traditional finance and sports betting, not markets tied to war, intelligence or geopolitical events. It lacks enough personnel with intelligence backgrounds and is not structured to investigate cross-border or decentralized platforms that fall outside standard regulatory boundaries. The soldier's arrest was possible because Polymarket handed over necessary information to the U.S. attorney's office. In cases when prediction mar-

kets are not centralized and don't cooperate with law enforcement, there needs to be a dedicated watchdog positioned to track and investigate this kind of activity.

The tools for this sort of oversight already exist. In Germany, a financial regulator is using A.I. to identify suspicious trading patterns. Machine-learning systems — standard in financial compliance — can flag suspicious timing and coordinated account entries across large data sets in real time. Applied to prediction markets, the same approach could reveal the kinds of warning signals that preceded the Venezuela and Iran strikes.

The episode with Mr. Fabian, the Israeli reporter, points to a deeper, underexamined problem. When a bet turns on how a journalist characterizes an event — missile versus debris, strike versus interception — traders acquire a direct financial incentive to pressure, threaten or bribe reporters to alter the record. As trading volumes grow, so will the incentives to coerce and deceive not just journalists but the analysts, officials and sources whose words determine how bets settle. This is a threat to the public's access to accurate information, and it has no name yet in any regulatory proposal.

Mr. Fabian held firm and wrote about what happened to him. The next target may not have that platform. Prediction markets that claim to aggregate information cannot function properly if participants are trying to manipulate it.

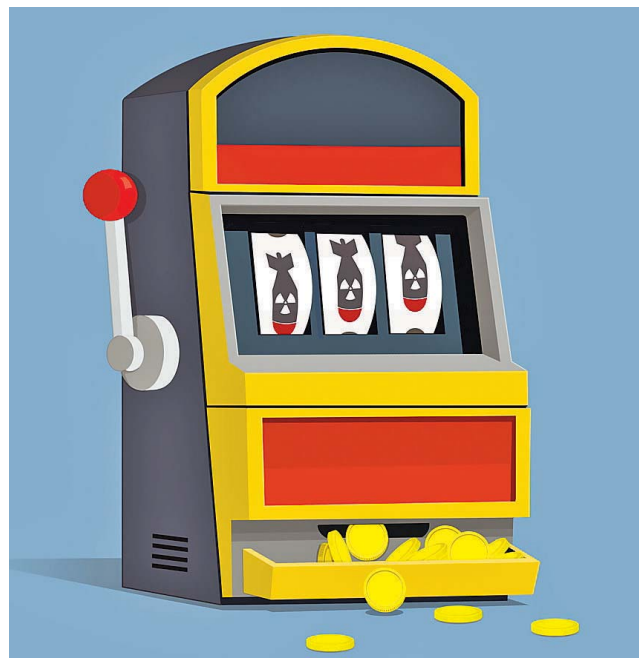
These vulnerabilities point to one conclusion: This is not a task that existing financial regulators or intelligence agencies can absorb through minor adjustments. Geopolitical prediction markets need real institutional capacity.

Several supporting measures could help a federal entity regulate prediction markets. Security clearance paperwork should ask applicants point-blank whether they bet frequently on prediction markets. Platforms should be required to halt trading once an outcome becomes publicly determined, closing the window for last-minute arbitrage. And the dispute resolution process needs an independent adjudication body so contested payouts don't automatically become litigation.

Prediction markets are not going away, and they may provide genuine value: cleaner and faster signals and a window into how risk is priced in real time. But that value depends on the integrity of the information these markets reflect. When gamblers threaten a military correspondent to change his reporting, when insiders trade on what the public doesn't know, and when a missile strike becomes a disputed data point worth \$14 million, that information is compromised.

The threats Mr. Fabian received will not be the last of their kind. Washington should govern betting markets as if national security were at stake, because it is.

SEAN ANTHONY GUILLORY is the founder of *Betting Intelligence*, which tracks activity on prediction markets. **AMY J. NELSON** is the director of *New America's Future Security Scenarios Lab*.



KERSTEN ESSENPREIS

India is pioneering a perilous model of web censorship

Arman Khan

MUMBAI, INDIA A standup comedian in India posted a seemingly harmless Instagram reel in March, parodying Prime Minister Narendra Modi's overly familiar behavior when he meets foreign leaders — the prolonged bear hugs, the verbal fumbles, the nervous bursts of laughter.

A couple of weeks later, after the video had amassed millions of views, it was blocked by Instagram. The same day, on X, several other accounts popular for their political satire and memes were blocked under Indian government pressure after they criticized Delhi's handling of a cooking gas shortage caused by the U.S.-Iran war, or otherwise poked fun at Mr. Modi.

Satire, it seems, is the latest target of the Modi government's systematic muzzling of public discourse in the world's largest democracy. Since his Bharatiya Janata Party came to power in 2014, it has steadily eroded civil liberties and increased its grip across all layers of society, including neutering legacy media that has historically demanded government

The Modi administration's systematic throttling of free speech sets a dangerous precedent for the world.

accountability. Now it is tightening control of the digital commons, weaponizing the threat of legal liability to ensure compliance from Big Tech players eager to maintain access to India's immense user base.

The worldwide reach of platforms like X, Instagram and Facebook makes what's happening in India a global concern. Mr. Modi's government is building a potential template for other countries that seek to restrict online self-expression.

The Indian government's main weapon is the Information Technology Act. Originally enacted in 2000, it empowers authorities to take down online content deemed to pose a threat to Indian sovereignty, security, public order or foreign relations. It has been used over the years by various Indian administrations to target content critical of them.

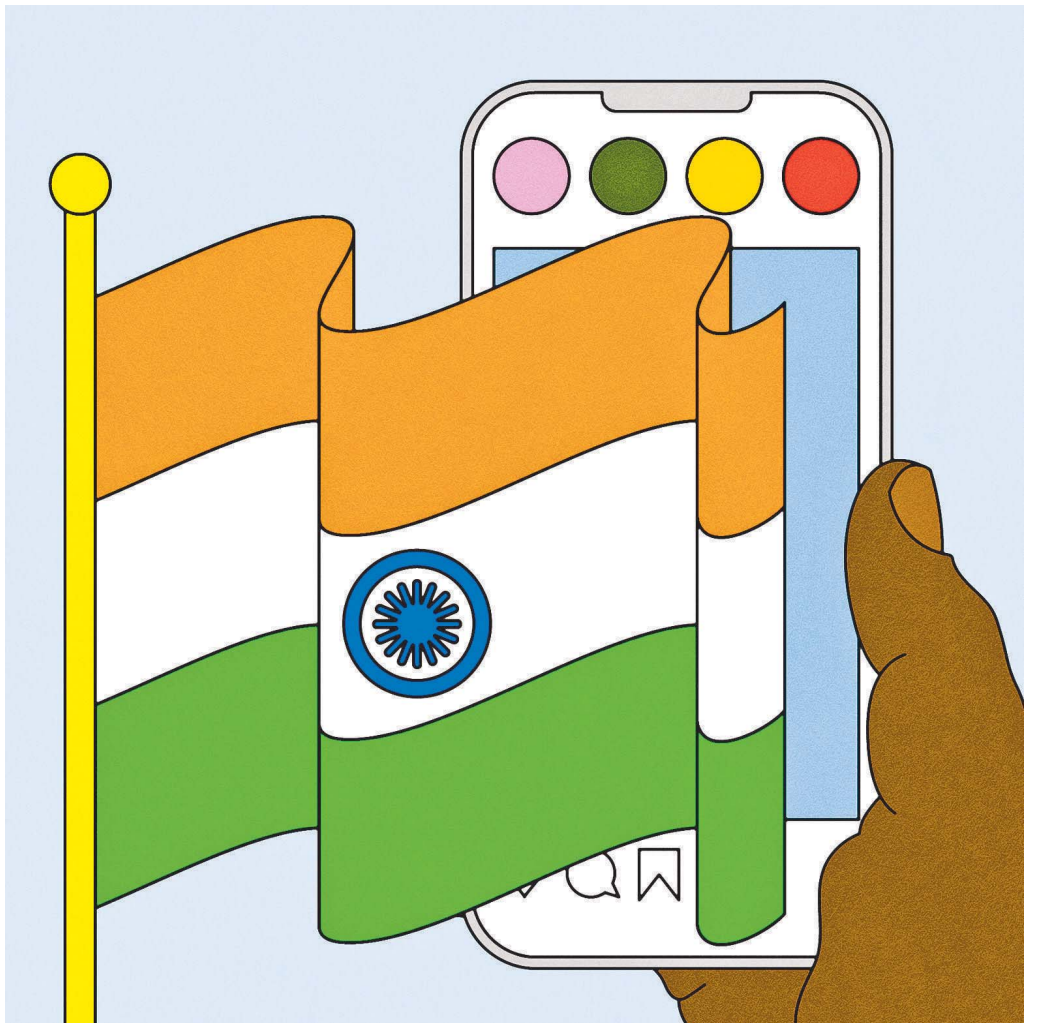
Mr. Modi's government has wielded the act with increasing frequency and strengthened it in recent years with a series of amendments.

His administration has now proposed new ones that take even more explicit aim at ordinary internet users who post — or merely share — online content on news and current affairs. That means if I, as an independent journalist, put up an Instagram reel

critical of Mr. Modi's policies, the post — and perhaps my account — could be blocked. Both the platform and I could face legal repercussions. The Press Club of India and the Internet Freedom Foundation have warned that the amendments will have far-reaching consequences on free expression and social media platforms in India.

college student was arrested after sharing a post that questioned the official narrative of India's brief military conflict with Pakistan in May 2025, and in the past few months new cases have resulted in independent digital news outlets and popular satirists being purged from social media. This is sending a chill through soci-

being completely extinguished. The political opposition proved its resilience in the 2024 elections in which Mr. Modi's party lost its parliamentary majority, and someday, Mr. Modi will be gone. But even more liberal future governments might find it hard to resist the machinery of silence being installed.



ALLIE SULLBERG

This is a logical extension of the ruling party's throttling of free speech. Its intimidation of the once-rambunctious traditional Indian media has left bloggers, YouTube content creators, independent journalists and the average internet user to fill the gap in holding the government accountable. Now we, too, are being targeted.

In 2021 the government ordered Twitter to shut down accounts that criticized Mr. Modi over unpopular new agricultural laws and related widespread protests by farmers. The laws were eventually repealed. Two years later, the government blocked online access to a BBC documentary critical of Mr. Modi. Lately, the policing has intensified: Last year, a 19-year-old

ety, forcing citizens to weigh whether speaking out is worth the risk. For many, it isn't.

The stakes are particularly high for Muslims like me, who face constant pressure in Mr. Modi's Hindu-chauvinist India to prove our patriotism even as the ruling party weakens our voting rights and otherwise marginalizes us. When I share a political post on Instagram, it is nearly always followed by a panicked call from my parents, worried about the legal repercussions. Every word I write, including in this essay, is tinged with fear. Like many others, I have become less vocal on social media. With each passing day, our voices are diminished.

Free speech in India is far from

And what's happening in India may not stay in India. Freedom of online expression has been under long-term strain globally even in democracies like the United States, where the Trump administration has repeatedly tried to squelch critical news coverage and satirical content, and where Silicon Valley executives have shown an increasing willingness to please the president.

India is showing where this leads: Even in the world's largest democracy, when people are afraid to express themselves, they don't.

ARMAN KHAN is a journalist and writer based in Mumbai, India, and a former executive editor at *Vogue India*.

Operation Epic Fury, meet Operation Colossal Blunder

ANDERSON, FROM PAGE 1

Much of this same dynamic has played out in Iran for the past two months, although without the staggering cost in human lives. Certainly, American and Israeli warplanes can bomb Iran's military infrastructure at will — and they have, tens of thousands of times — but no amount of bombing can remove the primary retaliatory weapon at its disposal.

On the contrary, Iran can continue to mass-produce drones at a fraction of the cost of the weapons being produced by the other side. What Mr. Trump calls his "excursion" in Iran has already cost the United States at least \$25 billion, according to the Pentagon, and significantly depleted its stockpile of sophisticated missiles. That depletion is already causing shortages in other strategic arenas and could take years to replenish. All the while, with their cheap and plentiful drones — assembling a top-of-the-line Shahed-136 drone costs Iran an estimated \$35,000 — Iran continues to dictate the terms in the Strait of Hormuz choke point.

But what about continuing the American naval blockade of the strait or launching a ground assault on Iran's shores, as Trump has also periodically proposed? Granted, matters might get ugly, but surely this will lead to American victory and an end to the impasse, right? Wrong. Build out an ironclad blockade or put 50,000 American troops on Persian Gulf beachheads, and the Iranians will still retain the ability to fire a drone over their heads to hit an oil-laden tanker and paralyze the global economy anew.

The future security of the Persian

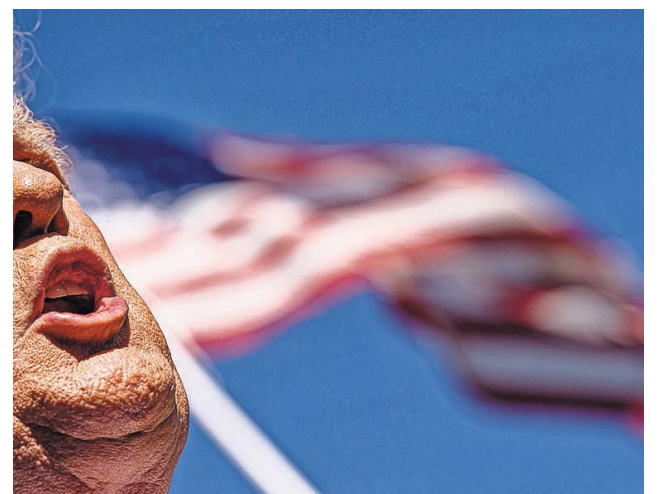
Gulf now depends on the Trump administration cutting a deal with the regime in Tehran. Despite the president's assertion that "We have all the cards," almost the exact opposite is true. It is Mr. Trump, rather, who is increasingly motivated to cut a deal and stanch the growing pain to the U.S. economy — and his collapsing approval ratings — at home. As a result, Iran is likely to try to drag out negotiations and extract greater concessions from Mr. Trump in the process, knowing that time is on its side.

Those concessions might involve a lifting of the onerous "maximum pressure" sanctions that Mr. Trump imposed on Iran during his first term and restored early in his second, or reparations for the destruction that the American and Israeli bombing campaign has inflicted. While a chief point of contention will be the stores of enriched

The standoff in the Persian Gulf underscores both a lasting and frightening shift on the modern battlefield.

uranium that remain, any final settlement will almost certainly leave Iran as the de facto gatekeeper of the Persian Gulf — or, in other words, in a far stronger position than before Mr. Trump started this war.

The standoff in the Persian Gulf underscores both a lasting and frightening shift on the modern battlefield. While specific, critically important sites can undoubtedly be made drone-proof — the White House, for example — defensive shielding on a large scale is impossible, as Israel has now discov-



NATHAN HOWARD FOR THE NEW YORK TIMES

ered with its much-vaunted and much-punctured Iron Dome.

Given the simplicity and cost of the weaponized drone, every one of the world's geographically strategic choke points — the Panama and Suez Canals, the Strait of Gibraltar and the airspace over New York — is now vulnerable to attack by a hostile force that has the ability to build such a weapon and a willingness to suffer the consequences. Alarmist? Think of some of the apocalyptic regimes or murderous guerrilla groups of the recent past — the Baader-Meinhof Gang in West Germany, or the Khmer Rouge in Cambodia, or bin Laden's Al Qaeda — and imagine

what they might have done with a \$2,000 weaponized drone.

When the American attack on Iran was launched in late February, the name chosen for the operation, Epic Fury, seemed an unusually apt description of the temperament of the man ordering it. In pondering where that military misadventure leaves both the United States and the future security of the world, a more fitting name might be Operation Colossal Blunder.

SCOTT ANDERSON is the author of "King of Kings: The Iranian Revolution: A Story of Hubris, Delusion and Catastrophic Miscalculation."

The FT View



FINANCIAL TIMES

"Without fear and without favour"

ft.com/opinion

Bypassing the Strait of Hormuz

Investing in alternatives to maritime chokepoints is costly but necessary

As the US and Iran skirmish for control of the Strait of Hormuz, in the ministries, boardrooms and financial hubs of the Gulf a different battle is under way. The unprecedented closure of the vital artery for oil, gas, fertilisers and other commodities has sparked a rush to maximise exports through alternative routes – and to develop new ones that, over time, promise to reshape Gulf trade flows. But new ports, pipelines and land links will take years to develop, can never fully bypass the strait, and will have their own risks. What has happened in the Gulf, moreover, has exposed the vulnerability of other maritime chokepoints to being used as geopolitical tools. Investing in reducing reliance on them today could pay dividends tomorrow.

Saudi Arabia and the United Arab Emirates have diverted a sizeable portion of the 20mn-plus barrels a day of crude that previously transited Hormuz by maxing out existing pipelines. Saudi Arabia's 1,200km East-West pipeline to the Red Sea is pumping at up to its full emergency capacity of 7mn b/d – from 2mn b/d before the Iran war. The kingdom is looking to pipe out more of its 10.2mn b/d production through an expanded East-West link or new routes. The war is providing impetus, too, to enlarge Abu Dhabi's pipeline to Fujairah, outside the Strait of Hormuz. Iraq has announced plans for pipelines to the Red Sea and Turkey.

Fewer alternatives exist for the one-fifth of global liquefied natural gas, mostly from Qatar, that transited the strait. But here, too, exporters are improvising workarounds and fast-tracking new connections. Plans are being dusted off for gas pipelines from Qatar to Turkey via Saudi Arabia, Jordan and Syria, or through Saudi Arabia,

Kuwait and Iraq, and another to Egypt. Quantities of other commodities are being transported instead by rail and truck to Omani and Red Sea ports. Gulf countries are also looking at ways of "Hormuz-proofing" non-oil sectors, including expanding capacity at ports away from the strait, accelerating rail links and potentially building dedicated chemical pipelines.

Completing all planned oil links would lift Hormuz "bypass" capacity from 40 per cent to perhaps two-thirds of prewar flows – enough to make a future closure less calamitous. But no route is entirely secure. The Saudi oil pipeline has suffered drone attacks, and the Red Sea has its own chokepoint in the Bab al-Mandab strait, vulnerable to attack from Iran-backed Houthi militants and reachable by some Iranian missiles.

Iran's attempt to levy tolls on Hormuz transit – which US President Donald Trump initially suggested the US might share in, but which he is now rightly

Experts have warned that Iran's closure of the waterway could provide a template for China in the Taiwan Strait

condemning – is also a highly dangerous precedent that breaches existing maritime rules. Indonesia last week had to deny any plans to monetise the 550-mile Malacca Strait, also bounded by Thailand, Malaysia and Singapore and another crucial oil artery, after musings by its finance minister.

China experts have similarly warned that Iran's closure of Hormuz could provide a template for China in the Taiwan Strait – making it all the more vital to diversify global sources of the most advanced semiconductors, of which Taiwan supplies more than 90 per cent. In an era of rising international instability and even freak weather events, the lesson of Hormuz is that trade highways previously taken for granted can suddenly be closed off. As in the Gulf, investing in reducing the centralisation of energy and other supply chain networks cannot bypass narrow corridors entirely. But it has gone from being seen as an expensive luxury to an economic and geopolitical necessity.

Email: letters.editor@ft.com

Include daytime telephone number and full address

Corrections: corrections@ft.com

If you are not satisfied with the FT's response to your complaint, you can appeal to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

Opinion Medical science

When rare viruses return



Anjana Ahuja

As I lean into later life, the idea of a cruise is not quite as off-putting as it used to be. Recent events, however, are newly crushing the appeal of dining at the captain's table.

Three passengers on an Atlantic cruise have died after suspected hantavirus infection, according to the World Health Organization. The rodent-borne virus can be transmitted to people via bites or rat droppings, saliva or urine. Another passenger, a UK national, is in intensive care in South Africa and two more still aboard are unwell (a third patient is improving).

As of Tuesday, the Dutch-flagged ship, with 147 passengers and crew, was anchored off Cape Verde and local health officials have boarded, but nobody can leave the ship, with

This ongoing tragedy highlights the challenge of public health emergencies in enclosed spaces

passengers confined to cabins. Oceanwide Expeditions, the ship operator, said Dutch authorities are looking to evacuate the sick, with the boat sailing on to the Canary Islands to disembark. A WHO official said the agency was assuming some human-to-human transmission had taken place but added the risk to the public remained low.

The ongoing tragedy highlights the challenge of public health emergencies at sea. Ships are enclosed environments that expose travellers to new people and new places, with shared water and ventilation systems, and communal dining. That can make cruises potential floating hotspots of infection that are hard to escape if the worst happens. In early 2020, the Diamond Princess cruise ship boasted the highest number of Covid cases outside China, with more than 700 infected.

The MV Hondius left Argentina on April 1. The first death, a 70-year-old Dutchman, happened on April 11; his wife, also Dutch, died about two weeks later. The WHO was informed on 2 May, when a third passenger died. On May 4, the WHO said there were seven cases in total, with two lab-confirmed hantavirus cases and five suspected.

Hantaviruses are rodent-borne viruses named after the Hantan River

in South Korea, where the first one was identified in the 1980s (scientists speculate it could explain a mystery illness seen in UN troops during the Korean war). They are harmless to the rats, mice and voles that carry them, and fall into two groups that cause distinct illnesses in humans.

Old World hantaviruses, found mostly in Africa, Asia and Europe, attack the kidneys, causing a disease known as haemorrhagic fever with renal syndrome. It affects around 150,000 people annually and kills between one and 15 per cent of those infected.

New World hantaviruses, found in the Americas, attack the lungs, causing hantavirus pulmonary syndrome (HPS), and are regarded as deadlier. Early symptoms resemble the fatigue and chills of flu; this can progress to diarrhoea, vomiting and breathing problems. HPS kills around one-third of those who develop respiratory symptoms.

Hantaviruses are not generally thought to spread between people but in 2020, some human transmission was documented for the Andes hantavirus, found in Argentina and Chile. While genetic sequencing, currently under way, will reveal which virus is responsible, Maria Van Kerkhove from WHO said on Tuesday that the Andes was a prime suspect.

There is no cure and no treatment, only supportive care like ventilation or dialysis. There is no vaccine to prevent infection, though scientists at the UK Health Security Agency are among groups trying to develop one.

Fortunately, life-threatening illness is rare. In December, WHO issued an "epidemiological alert" on HPS in the southern Americas, triggered by 229 confirmed cases in 2025 (a quarter of whom died). Argentina, from where the ship sailed, was one of the worst-affected countries.

The virus can incubate for between one and eight weeks, making it hard to know yet whether passengers were infected before leaving Argentina; on a cruise stop to a remote island; or on board. According to the WHO, the Dutch couple had travelled around South America before boarding. Hantavirus poses the biggest risk to farming and forestry workers, pet owners, and those clearing old buildings, who can inhale droppings that have turned to dust.

Contaminated food is another possibility. Outbreaks of gastrointestinal illnesses, such as norovirus, are not uncommon on cruise ships. Not that such outbreaks put off diehard cruisers. According to one industry report, around 38mn people cruised in 2025, with four out of five passengers intending to sail again. The pull of the captain's table is strong indeed.

The writer is a science commentator

Letters

A turnaround in the north of England economy

Helen Miller ("Unequal Britain can't work out what to do about it", Opinion, April 27) argues that past efforts at regional policy (urban development corporations, regional development agencies and more) have failed and that creating another major economic hub beyond London would be problematic.

She is too pessimistic on both counts. Recent research by my colleagues Professor Cecilia Wong and Dr Helen Zheng at Manchester University proves the point. Wong and Zheng used AI to create a taxonomy of local economic areas, based on a basket of growth and

productivity-related indicators. Their work demonstrates the reality of strong economies stretching from Liverpool to Manchester, Leeds and York. These are places substantially turned round since the dark days of the 1980s, by UK and EU regional policy.

What is equally remarkable is that, Oxford and Cambridge apart, they are stronger economies than other areas in the so-called Oxford-Cambridge Arc, consistently seen as an investment priority by Rachel Reeves, the chancellor, and her advisers. Unlike the "OxCam Arc", this "Northern Arc" has the capacity to grow, with housing,

infrastructure, airport capacity and water supply. A young family can buy a home and build a life here, without crippling costs.

What's required is simply a policy to help the Northern Arc to grow, upgrading the rail connections north from HS2 (it currently ends in a Staffordshire field) and building on the unsung success of the TransPennine rail route project, where over £11bn has been invested in electrification, faster speeds and modern infrastructure. That investment needs to be completed, drawing together these successfully regenerated cities,

with a short east-west tunnel in central Manchester. The tunnel would help to solve acute congestion problems in the Manchester hub, where rail, road, bus and tram systems have no growth capacity.

A northern equivalent of the Elizabeth Line, this could be built at a fraction of its cost – and named after the man who substantially turned Manchester round, Sir Howard Bernstein.

Professor Ian Wray
Heseltine Institute for Public Policy,
Practice and Place, University of
Liverpool, UK

US defence sales delays – it's no longer theoretical

The FT's reporting on US delays to arms shipments destined for Europe highlights a structural feature of transatlantic defence that is often overlooked ("US warns Europe of delays to arms shipments as Iran war drains stockpiles", Report, FT.com, May 2).

Many of these arms systems are supplied through the US Foreign Military Sales (FMS) framework. Countries do not purchase equipment in the conventional sense; they pay into a US-managed system in which Washington controls production, cash flow and allocation.

As US stockpiles are coming under pressure, Washington is reprioritising production and deliveries to European countries are slipping. The starkest example of this comes from Switzerland and its purchase of the Patriot air defence system, delivery of which the US has now delayed by at least five years. As a result, last Autumn Bern froze payments for Patriot and is considering cancellation. However, the US reportedly redirected funds provided by Switzerland for its F-35A Lightning programme to sustain the US Patriot programme cash flow. The move has opened budget gaps in Switzerland's F-35 programme, forcing the Swiss defence ministry to advance tens of millions of francs ahead of schedule.

The US is now considering redirecting Ukraine-bound Patriot interceptors to the Middle East.

Last week, the UK was wargaming how its defence supply chains might function under sustained conflict conditions. This is, however, no longer a theoretical exercise. Under the US system for FMS, European states can commit funds for one system they may not receive on time, while their money supports another.

If US supply cannot be relied upon when Europe's demand surges, the question is no longer what has been purchased, but whether it will be available when needed.

Lady Walker
Melton Mowbray, Leicestershire, UK

Takes one to know one

Thank you for publishing the opinion piece from Andrew Puzder, US Ambassador to the EU ("EU's methane regulation could spark an energy crisis", Opinion, April 28).

It is good to know that EU regulations on methane emissions are the greatest threat to European energy supplies. In my naivety I had assumed it was an erratic US president crashing energy supplies through an unnecessary war.

Dr David Lythall
London W6, UK



Build data centres near the populations they serve

The comments of Fintan Slye, chief executive of the UK's National Energy System Operator, on data centre location ("National grid boss calls for data centres in Scotland", Report, April 30) deserve a measured response.

TechUK, the trade association for the UK tech sector, and its members share his commitment to a stable, affordable grid. But we would caution against reading the near 100GW connection queue as a reliable indicator of actual demand. A substantial proportion of those applications are speculative, and the pipeline will reduce considerably as projects are scrutinised and prioritised.

More fundamentally, data centres are not interchangeable with other large electricity consumers. They are precision infrastructure, and proximity to end users is not a preference – it is frequently an operational requirement. Latency is physics.

This does not dismiss the genuine grid constraint challenge in south-east England. But the solution lies in harnessing smart data to use the existing grid more efficiently, accelerating build-out where vital, and scaling tried-and-tested flexibility solutions such as battery storage and vehicle-to-grid charging, not in redirecting critical digital infrastructure away from the population centres it serves.

None of this is to say that there isn't a big role to play for regions with abundant renewable energy such as Scotland.

But this should complement, not substitute for, continued investment in capacity close to the UK's main centres of demand. Data centres are foundational to the UK's ambition to be an AI superpower. Getting location policy right matters enormously.

Matt Evans
Chief Operating Officer, TechUK,
London EC4, UK

Europe must not close door to Chinese green tech

A recent report on European dependence on Chinese green technologies, covered in the FT (Report, April 30), identifies as a key security risk the possibility that the US requests Europe to remove Chinese technology from its energy systems.

So much for European sovereignty. The authors might as well have argued that it is in Europe's strategic interest to delay the energy transition in order to keep honouring US demands, backed by the threat of tariffs, to purchase expensive American liquefied natural gas.

The report, which was co-authored by Michael Collins, a former deputy head of national security strategy in the UK Cabinet Office, cites Pakistan as a cautionary tale of Chinese energy geopolitics.

Yet it entirely omits the tremendous energy security benefits the country is currently reaping from its solar boom, largely driven by affordable Chinese panels.

With oil prices approaching \$120 a barrel and no end in sight to the blockade of the Strait of Hormuz, Europe would have much to gain from replicating that example, rather than closing the door to the cheapest source of clean energy available.

Anatole Boute
Professor, Faculty of Law,
The Chinese University of Hong Kong,
Special Administrative Region, Hong Kong

The 4Ps marketing mix

In a timely FT special report your correspondents rightly point to the impact of AI in transforming the marketing industry ("The Future of Marketing", April 27).

Potentially AI has turbocharged "promotion" and "place" in the original marketing mix, or 4Ps (Product, Place, Price, Promotion).

This was originally pioneered by the marketers and academics Philip Kotler and Jerome McCarthy.

The 4Ps have provided a framework for marketing decision-making since the 1950s.

While the 4Ps have remained influential in marketing theory and practice, serving as a cornerstone for analysing and optimising marketing strategies across most industries, a company's product remains the core foundation of marketing, underpinning its relevance, differentiation and credibility.

Customers still need to relate to the company's product or services in addressing their pressing needs and why that product performs better than the alternatives.

David P Doyle
Author of 'Adding Value to Marketing',
Saint-Cloud, France

My Moscow student days help me parse this FT piece

It's interesting to see the capitalist-oriented FT propagating Marxist-Leninist political theory, namely in the piece entitled "What the Grasset affair tells us about modern elites" (Opinion, April 29).

While I may have missed out on some Marxist-Leninist lectures when I was a post graduate student in Moscow in the Leonid Brezhnev era – due to the need to leave lectures early to make it in time for Mass at the Catholic church, which was situated next door to the KGB/secret police headquarters – I recognise from what I learned back then that the article is closely aligned with basic Marxist-Leninist theory.

For example, the final sentence, in what, it must be said, was an erudite and interesting article, reads: "In the struggle between rising and established elites, the war is never over."

Micheál O'Callahan
Dun Laoghaire
County Dublin, Ireland

Invidious comparisons with the cult of FDR

It's true enough that Donald Trump is not the only president to inspire a "cult-like" following ("America's Trump Makeover", The Big Read, May 2). Your piece notes the reverence many felt towards Franklin D Roosevelt, and there were good reasons for this. FDR led the US out of the Great Depression via the New Deal federal agencies, created our Social Security system (pensions, provision for the disabled and surviving children), and led the allies to victory over fascism in the second world war.

President Trump, on the other hand, has cut taxes mostly for the wealthy, fired thousands of climate scientists and public health workers, attempted to overturn an election, and has now plunged the world into the Iran quagmire.

Comparing popular support for Franklin Delano Roosevelt to the cult of Trump does a disservice to the 32nd president.

Sim Gurewitz
El Cerrito, CA, US

No machine can possibly write such a Brechtian pun

Saturday's editorial was, as usual, insightful and enlightening ("The irresistible rise of authorial AI", The FT View, May 2).

AI has indeed come a long way in a very short time, however, as regards the "tells" cited in the piece, I suspect it will never be capable of producing a brilliant Brechtian pun like the author of the headline. Bravo!

Dr Andrew Stoddart
Jalón, Alicante, Spain

Opinion

The age of the American Pharaoh

AMERICA

Edward Luce



Were America's 25th amendment to be used on Donald Trump, his ejectors would surely cite the monuments he is building to himself. "Me," was Trump's answer about the object of his proposed 250ft triumphal arch in Washington. That solved the riddle of which triumph that obelisk was meant to commemorate. Since the Freudian answer is "Arc de Trump", the US public can take their minds off future glory in Iran or elsewhere. The same applies to the 90,000 sq ft ballroom that will take the

place of the demolished White House east wing.

In the real world, there is scant chance Trump will be removed by his underlings for mental incapacity or anything else. Yet his detractors cite his self-branding mania as evidence of cognitive decline. In practice, Trump's behaviour is constant. He has always put his name on things. In his view, it is good business practice.

But is there more to it than egotism? Those accused of TDS (Trump derangement syndrome) are already relishing the moment when those yet-to-be-built landmarks will be demolished. Clinical accuracy, however, would assign TDS to those who encourage Trump's pharaonic dreams.

Whether it's lawmakers sponsoring bills to add his likeness to Mount Rushmore or advisers saying he's the greatest US president in history, staff are only responding to what he wants. Trump

recently declared: "As everyone knows, I'm an extraordinarily brilliant person."

But there are grounds to suspect that he is thinking of something bigger than self-adulation. The best way to perpetuate your name is to arrange for a successor with the same name. Among Trump's children, Barron is too young

estimates that Eric's net worth has risen 10-fold to \$400mn since November 2024. Don Jr's has risen sixfold to about \$300mn.

Between them, Don Jr is the one who most craves to please his father. Poly-market puts his odds of winning the 2028 Republican nomination at four per cent, well behind the secretary of state, Marco Rubio, at 21 per cent and vice-president JD Vance at 39 per cent. Tucker Carlson, the former Fox News anchor, who lately denounced Trump as a "slave" of Israel, is ranked third at six per cent (Ivanka and Eric have one per cent apiece). But there are reasons to think Don Jr is underweighted.

Chief of these is that Trump's oldest son can be controlled. Though Vance and Rubio would each be far more qualified, neither could be banked on to stay loyal after Trump handed over the keys. Ignoring the 22nd amendment, which says that no president shall serve more

than two terms, would amount to a coup d'état. Even this US Supreme Court would be unlikely to greenlight a third Trump term. Nor is demoting himself to being Vance or Rubio's running mate a way to circumvent the US constitution, which explicitly debars that ruse.

Which leaves one of his sons. Trump's recent flurry of self-naming looks like more than just a bid for legacy. Many of his vanity projects will take years to bear fruit. The triumphal arch, for example, is projected for completion in 2028. The ballroom will take a year or two. Trump recently forced out his navy secretary, John Phelan, in part for moving too slowly on the "Trump-class golden battleships" that he has ordered built.

In February, Trump offered to unfreeze funds for two New York infrastructure projects if Democrats agreed to rename Washington's Dulles Airport and New York's Penn Station

after him. They turned him down.

Other name grabs, including the renamed Donald J Trump and John F Kennedy Center for the Performing Arts and the US (now Trump) Institute for Peace, were quick work. That is also true of the \$1mn "Trump gold card" for life-long US visas, his signature on dollar bills, and draping his likeness on federal buildings, including the Department of Justice. But these can be taken down as quickly as they were put up.

It is often observed that Trump loves the pomp of monarchy and craves the power of the autocrat. Last week he hosted Charles III. Next week he will be the guest of China's "president for life", Xi Jinping. What seems overlooked is his admiration for royal succession. Given Trump's monumental ambitions, it would be strange if dynasty were not on his mind.

edward.luce@ft.com

Trump's recent flurry of self-naming looks like more than just a bid for legacy

(20), as is Tiffany (32), which leaves Ivanka, Eric and Donald Jr.

Of these, Ivanka has noticeably distanced herself from her father since 2021. Which leaves Eric and Don Jr. Neither lacks for ambition. Each is also getting very rich very fast. Forbes

Imbalances are back on the global agenda

Martin Wolf Economics

Policy makers must overcome the fallacy that the way to get rich is by running surpluses forever



Again? Didn't we just have this debate? This is how the opening chapter of a collection of essays published by the Centre for Economic Policy Research, on "The New Global Imbalances", starts. Yes, we did. We did so in the 1980s, in the 2000s and now, once again, in the 2020s.

Once roughly every 20 years, it appears, the issue comes to the fore. This is so for two good reasons. One is that current account imbalances drive protectionist sentiment. The other is that they are harbingers of financial crisis. In the 1980s, protectionist sentiment rose against Japan, which is also where the financial crisis struck. In the 2000s, the era of "the China shock", protectionism began to rise against China and a financial crisis hit the western world. In the 2020s, the protectionism is already here, in the US above all. But the financial crisis is not — yet.

The view of many economists today is that if a crisis is going to strike, it is likely to be triggered in the US. Thus the authors of the chapter quoted above, Beatrice Weder di Mauro and Jeromin Zettelmeyer, state that "the stock of external liabilities of the central country in the global financial system is already high and projected to rise further. At the same time, asset managers hold increasingly concentrated exposures, equity valuations are stretched, and signs of investor nervousness are emerging, with greater efforts to hedge risk." In other words, be afraid, be very afraid.

So, how similar are today's conditions to those of two decades ago? What might go wrong? What should be done? How might today's situation end?

The answer to the first question is that there are similarities and differences.

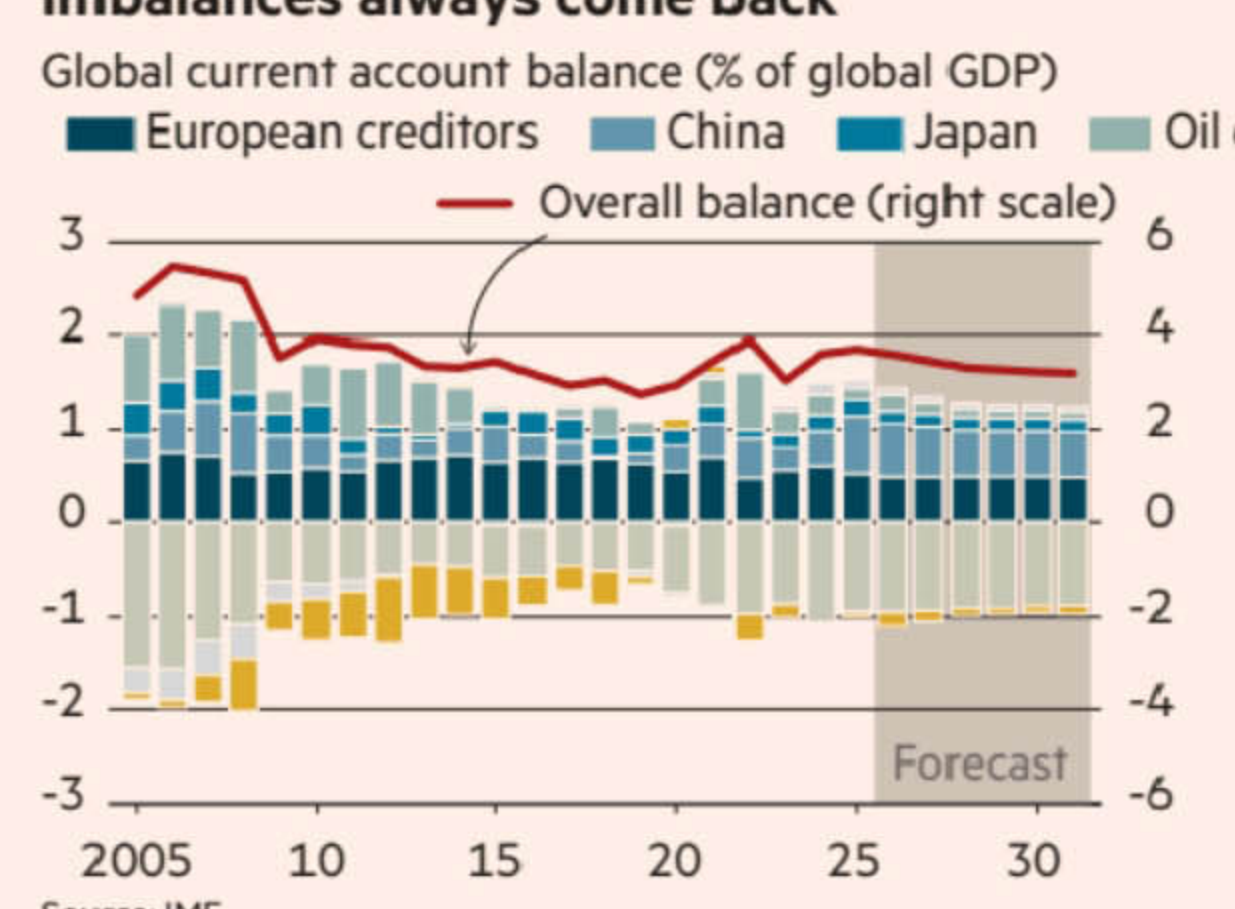
One similarity is that the main surplus and deficit economies are the same: China, European creditor countries (especially Germany), Japan and oil producers are yet again the main surplus countries, while the US is the main borrower. Meanwhile, China's reported surplus is much the same size now relative to the world economy as it was in 2008, though it is a far smaller share of its own GDP because the relative size of its economy has more than doubled. One difference is that former deficit European countries are now running a small surplus. More important differences are that net US liabilities reached 24 per cent of global output in 2024 against a mere 6 per cent in 2008, and that the US private sector has moved into balance. So, the domestic counterpart of its external deficits today is borrowing by the US government.

What might end up going wrong? One answer is protectionism. A part of what we see today is the lagged result of the first China shock on today's US politics, now demonstrated in Donald Trump's blunderbuss approach to tariffs. Another is the impact of Chinese success in advanced manufacturing, particularly against Europe.

As Michael Pettis has long argued, trade, protectionism and finance are



Global current account imbalances always come back



closely linked. If a country has an extremely low share of household consumption in GDP (40 per cent in China's case), it will also have an enormously high share of savings in GDP. Surplus savings then have to be absorbed abroad, especially after the alternative of a domestic property boom (as in Japan in the 1980s and China in the 2010s) collapses. If a country is to export surplus savings, it needs to produce a surplus of tradeables. In China's case, that means manufactures. In sum,

China and the EU need to generate enough domestic demand to balance their own economies

US net international liabilities have risen hugely since the global financial crisis



China's trade surplus of \$1.2tn last year is not just a product of competitiveness, but also of its macroeconomic imbalances. Moreover, if China has huge savings surpluses, others must have offsetting deficits. The US is the world's most creditworthy country and so naturally its safest borrower.

"If something cannot go on forever, it will stop." This is known as Stein's law (after the late Herbert Stein). But if it is to be stopped wisely, policymakers need to rid their minds of some nonsense.

One such piece of nonsense is that US trade deficits can be eliminated by trade or exchange rate policy alone. It also requires macroeconomic adjustment, notably a reduction in a US general government fiscal deficit forecast by the IMF at 7.5 per cent of GDP in 2026.

Another and opposite piece of non-

Households and corporations became frugal after the financial crisis



sense is the idea that the borrower is always at fault: all that is needed is for it to reduce its spending, especially its fiscal deficits. That is the creed of the irresponsible creditor. In the case of small borrowers, this makes some sense. In the case of the US, it does not.

If the only adjustment is US fiscal tightening we will get a global slowdown. Aggregate demand matters. Big economies like China and the EU need to generate enough domestic demand to balance their own economies without forcing foreigners to borrow incontinently. The latter will end up in crises.

The final piece of nonsense is the mercantilist fallacy that the way to get rich is by running surpluses forever. This runs into two dangers. The first is that sooner or later debtors will default. The second is that, fairly or not, they will also end up

hating the surplus countries for ruining their domestic industries. That will be seen as creating poverty and insecurity, on multiple dimensions. That China is now doing this to Germany is mildly amusing. But the amusement must stop and action start now.

So, what should be done? The sensible action would be to follow the advice for macroeconomic adjustments and changes to trade and industrial policies offered by the IMF and by an excellent recent paper for the G7 summit in Paris. The chances of such pre-emptive action are close to zero. Whatever ability we had to do this has vanished in an age of populism, nationalism and multiple follies. The second best option is to prepare for a crisis. Now is the time to start.

martin.wolf@ft.com

We must be mindful of the risks of private credit

Andrew Bailey

Much has been said of late about the economic role of private credit and the risks it may pose to financial stability. The sector has grown more than 10-fold since 2009, with current estimates ranging from \$1.5-2tn (when measured by direct lending). And while activity is concentrated in developed economies, where it has average annual growth rates of more than 10 per cent, emerging markets have also seen a five-fold increase over the past decade. Given its growing global role, international co-operation on risk management is ever more important.

There is no doubt that private credit offers significant benefits to the financial system and can support much-needed economic growth by offering alternative credit solutions to borrowers, providing financing to underserved sectors and diversifying lending. In recognising the benefits, however, we must be mindful of the potential risks.

Among these is that private credit remains untested in a severe or prolonged economic downturn. We have seen recent examples of poor underwriting in risky credit markets leading to high-profile corporate defaults.

The current environment is becoming more challenging: heightened geopolitical risks, a weaker growth outlook and sector-specific issues including AI's potential disruptive impact. Such risks could impact the earnings and value of companies served by private credit. Any sharp or sustained rise in debt-servicing costs, or deteriorating asset

quality, could place pressure on private credit funds.

What is more, the opacity of these markets, combined with questions about how some funds would manage redemptions under stress, could in turn

The sector remains untested in a severe or prolonged economic downturn

trigger a broader loss of confidence, even if the precise causes of problems are borrower-specific.

Private credit has significant interlinkages with banks, asset managers, insurers and private equity. These multiple layers of leverage deserve deeper scrutiny. While direct bank exposure to private credit funds may be limited,

indirect connections are extensive.

Banks are establishing partnerships with asset managers that have a credit focus and often provide revolving credit facilities to companies simultaneously borrowing from private credit funds. Insurers actively invest in private credit markets while also establishing indirect connections to private credit through participation in reinsurance arrangements. Private equity managers increasingly own the insurance companies. These interlinkages can be difficult to detect, assess and manage — and so can the related risks.

Valuation practices and data transparency pose a challenge. Borrowers typically lack public ratings, which complicates risk monitoring and management, including at a system-wide level. Frequencies and approaches to valuations differ, while a question remains as to whether some investors in, and lenders to, private credit can

access timely valuations. Concerns over stale valuations could amplify uncertainty during times of stress, create incentives to reduce exposure, and limit future allocations. All of this weakens private credit's resilience.

So, what should be done? While all participant firms are responsible for sound risk management practices, the primary responsibility lies with private market fund managers themselves. But central banks and regulators also have an important role to play too.

The Financial Stability Board intends to build on the work set out in its new report. First, this means continued close monitoring for vulnerabilities across the ecosystem — including assessing interlinkages between participants as well as liquidity mismatches in private credit funds.

Second, work must be done on mapping and defining the private finance ecosystem to tackle inconsistent defini-

tions — speaking the same language is necessary if we are to have effective oversight.

Third, the FSB will seek to improve cross-sector information sharing between authorities on risk management, strengthening supervisory co-operation. And finally, the data gaps — such as lack of sufficiently granular information on private credit funds' loan exposures, valuation practices, liquidity profiles and on interconnected exposures — must also be addressed. Improved transparency is important not only for regulatory authorities, but also for market participants.

These are clear and necessary next steps. We must remember that financial stability is a global public good, that resilience is collective — and that we are only as strong as our weakest link.

The writer is chair of the Financial Stability Board and governor of the Bank of England