

The Indian EXPRESS
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RAMNATH GOENKA
IN 1932
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Facing stress, economy will need a leg up

THE INDIAN economy grew at a healthy pace in the fourth quarter (January-March) of the last financial year (2025-26), despite the conflict in West Asia that had begun to cause widespread disruptions to global energy markets and trade towards the end of the quarter. GDP growth has been pegged at 7.8 per cent for the quarter by the National Statistics Office, driven by a buoyant services sector. This takes growth for the full year to 7.7 per cent — the highest in the last three years. However, at 8.9 per cent, nominal growth was the lowest. It was also significantly lower than the 10.1 per cent assumed in the Union budget.

The disaggregated data shows that the services sector grew at almost 10 per cent in the fourth quarter, with both segments — trade, hotels, transport, and communication and financial, real estate, IT and professional services — growing at a fairly healthy clip. Agriculture continued to hold up, while manufacturing growth slowed down. On the other hand, both private consumption and investment stayed steady. Growth over the full year — a period marked by tremendous uncertainty on the external front owing to Donald Trump’s tariff policies — is likely to have been supported by both fiscal and monetary policy. Measures such as the rationalisation of GST rates and low interest rates would have provided support to economic activities.

The outlook for the ongoing financial year (2026-27) is, however, less buoyant. In the June Monetary Policy Committee meeting, the RBI has projected the economy to slow down to 6.6 per cent this year, down from its earlier assessment of 6.9 per cent. This implies that growth this year is likely to be around 1.1 percentage points lower than last year. Some estimates are more pessimistic. Higher energy and commodity prices and continued supply chain disruptions, along with the possibility of a weak monsoon season, are heavily weighing down expectations. Economic momentum is expected to be particularly hit during the first half of the year. Growth is expected to slow down, while inflation is likely to edge upwards. Much will depend on how long the conflict in West Asia drags on. Then there is the stress on the balance of payments and the currency to contend with. On their part, the Union government and the RBI have taken several steps to shield the economy during this period of stress. Last week, measures were announced to attract foreign capital and ease the pressure on the rupee. But, considering the severity of the situation, more steps may be needed.

Rain & fertiliser shortfall can be an opportunity

INDIA’S FARM sector grew by 4.2 per cent in 2024-25 and 3.2 per cent in 2025-26 on the back of two good monsoon years. Rainfall for the country as a whole was 104 per cent of its long period average (LPA) in 2024 and 110 per cent in 2025, with the southwest monsoon season (June-September) alone registering nearly 8 per cent surplus precipitation in both years. This year, the prognosis isn’t great due to an El Niño, expected to return after a strong event from around June 2023 to April 2024. Global models indicate a weak-to-moderate El Niño developing in the current monsoon season. The India Meteorological Department has already forecast a below-normal monsoon, with overall rainfall at 90 per cent of LPA for the four-month season.

But the hit to agriculture may not come in the kharif crop season, whose plantings have just about commenced and will pick up as the monsoon advances. The real impact might be during the rabi (winter-spring) season, with strong-to-very strong El Niño conditions projected to emerge through November-January. El Niño is known to not only suppress the monsoon rainfall but also lead to warmer and shorter winters in India. If its intensity is relatively mild during the monsoon months and peaks after November, the rabi crops are the ones that will bear the brunt. The same goes for fertilisers, where the stocks seem reasonably comfortable to meet the requirements of the kharif season. The effects of the supply shock from the ongoing West Asia conflict and blockade of the Strait of Hormuz may be felt only in rabi. This applies even to food inflation, which has not spiralled so far (unlike energy, metals or industrial raw materials), thanks to record 2025-26 crop production levels both in India and globally.

India should turn the potential double whammy of rain and fertiliser shortfalls into an opportunity. The country imported an all-time-high 16.9 million tonnes (mt) of vegetable oils in 2025-26 and 7.3 mt of pulses the previous fiscal. The Narendra Modi government must work towards making 2026 India’s year of millets, pulses and oilseeds, which also consume less water and fertilisers — especially urea (nitrogen) — than rice, wheat or sugarcane. Indian farmers respond well to price signals. They will grow these crops once assured of minimum support prices (MSP), either through direct government procurement or payment of difference over open market rates. Such MSP assurance should, however, be conditional upon cost/market-driven pricing of water and fertilisers, which will promote efficient use of these scarce resources.

FREEZE FRAME

BY EP UNNY



Amid global shocks, activate growth drivers within domestic control

THE GROWTH-inflation mix is set to worsen for India this fiscal year, largely due to the West Asia conflict and expectations of a sub-par monsoon — factors not in our control. The longer the conflict persists, the greater the risk to growth and upside to inflation.

To be sure, GDP growth was unscathed in 2025-2026, according to the latest estimates of the National Statistical Office (NSO), despite the tariff turbulence of 2025 and the conflict, which began towards the end of February this year.

The NSO now sees GDP growth for the year at 7.7 per cent, slightly higher than the second advance estimate of 7.6 per cent released in February. The print is above the potential growth rate of 7 per cent noted in the recent Economic Survey and much stronger than projected by policymakers and analysts at the beginning of the year.

The revision is not unusual, considering the February estimate was based on incomplete information for the fourth quarter. High-frequency indicators such as auto sales and retail credit growth indicate domestic demand held up during the quarter. But what really makes the performance stand out is a combination of sustained high growth — measured through rebased GDP — and benign inflation, at a lower-than-expected 2.1 per cent.

Several factors helped sustain growth despite adverse external conditions. The impact of high tariffs imposed by the US was lower than initially feared as exporters front-loaded shipments. Services exports remained robust, while exemptions for fast-growing sectors such as electronics helped limit the damage. Low crude oil prices and a normal monsoon — the “good luck” factor for India — supported growth and kept inflation under control.

Policy interventions contributed, too. Rate cuts by the RBI’s Monetary Policy Committee supported financial conditions and demand. Fiscal measures, including rationalisation of GST rates, income tax relief and an increase in direct benefit transfers at the state level, provided additional support. These measures helped strengthen household purchasing power and business sentiment. Private consumption and investments emerged as the primary drivers last year, growing at 7.7 per cent and 8.2 per cent respectively.

Cut to this fiscal year. The ride is becoming more labourled. Growth expectations are being lowered as downside risks to the economy begin to materialise.

Crisil expects GDP growth to slow to 6.6 per cent from 7.7 per cent last year. The RBI, in its June monetary policy, also pared its growth outlook to 6.6 per cent, while keeping rates and stance unchanged. A slew of measures announced by authorities was aimed at encouraging foreign capital inflows, which, along with a depreciating rupee, have been a wrinkle in an otherwise healthy macroeconomic story.

Though the government is likely to maintain its investment momentum, a pick-up in private corporate investment will be delayed due to a highly uncertain environment.

Inflation, on the other hand, will move up to 5.1 per cent, with risks tilted to the upside. Despite the slowdown in real GDP, the nominal GDP growth is set to be higher due to higher inflation based on both the Wholesale Price Index (WPI) and Consumer Price Index (CPI).

The main reason for the worsening growth-inflation mix is the West Asia conflict that has brought



DHARMAKIRTI JOSHI

The expected slowdown in major export destinations, could reduce opportunities for goods exports. Also, the two ‘good luck’ factors that supported growth and kept inflation benign last year have turned adverse

a major energy shock and a wider trade disruption. It has led to a sharp rise in freight and insurance costs, intensified uncertainty and, coming on top of the unresolved tariff shock of 2025, rendered the external environment more challenging.

The expected slowdown in major export destinations, including the US, Europe and West Asia, will likely reduce opportunities for India’s goods exports. Also, the two favourable “good luck” factors that supported growth and kept inflation benign last year have turned adverse.

Crude oil is expected to average \$90-95 per barrel this fiscal, compared with \$70 last fiscal. India’s high dependence on imported energy increases its vulnerability to both price increases and supply disruptions. Higher costs reduce availability of energy at affordable prices and weigh on growth, particularly in manufacturing, construction and services such as travel, transport and restaurants.

The forecast of El Niño reducing rainfall to 90 per cent of the long-period average could become another headwind to both growth and inflation. Although the development of the Indian Ocean Dipole can provide some offset, it is a bit early to predict how this will play out. The risks from monsoons remain tilted to the downside.

Crisil’s Financial Conditions Index shows the conflict significantly tightened India’s financial conditions in March and April through capital outflows, sharp depreciation of the rupee and rising bond yields. Tighter financial conditions can affect borrowing costs, investment decisions and overall confidence.

The upside risks to inflation have started materialising, with the pressure currently more visible in wholesale inflation than retail in-

flation. WPI inflation, which is directly affected by global commodity shocks, came in at 8.3 per cent in April, while CPI inflation remained benign at 3.5 per cent.

We expect CPI inflation to rise to 5.1 per cent as manufacturers pass on higher input costs to consumers. The government has also begun passing through higher crude prices to petrol and diesel, which will have both direct and indirect effects on inflation. A weaker rupee further raises the risk of imported inflation.

Food inflation may also come under pressure due to disrupted agricultural production from heatwaves and expected below-normal rainfall. The household survey of inflation expectations released alongside the June monetary policy report suggests rising inflationary expectations.

On the positive side, Crisil Ratings notes that strong balance sheets, with the median debt-to-equity ratio currently at a low of 0.45, provide a cushion to a majority of medium and large corporates.

However, the policy space to support growth through easy monetary policy has evaporated because of rising inflation risks. Fiscal policy will need to balance several priorities: Supporting MSMEs, managing a higher fertiliser subsidy bill and accelerating efforts to improve energy security and affordability.

With the rising frequency of global shocks and geopolitical reset towards protectionism, this is the moment to activate medium-term growth drivers that are within domestic control. Removing the bottlenecks in the economy, fast-tracking ease of doing business and pushing ahead with remaining reforms will be crucial to revive private capex and realise the export potential of recently signed foreign trade agreements.

The writer is chief economist, Crisil

Let’s resist easy indictments of Indian Knowledge Systems



SWATI RAMANATHAN AND RAMESH RAMANATHAN

YOGENDRA YADAV is among modern India’s serious public intellectuals. He brings depth and domain knowledge to most subjects he writes about. But Indian Knowledge Systems (IKS), to our understanding, is not one of them. This is only reasonable, given the scale and complexity of the topic.

Yadav begins a recent article (‘State push for Indian knowledge systems is a farce. But dismissing them is a mistake’, *IE*, May 19) with a disparaging critique of state patronage for IKS as “a state-sponsored farce”. But can it happen without state leadership? Globally, every major intellectual and cultural shift has required not just social energy but political leadership as well. Many of us disagree with the BJP on many counts. But its centrality in creating the context for the recent flowering of IKS activity is hard to dispute. The larger issue, though, is not political. It is intellectual.

Yadav makes several critiques of the current IKS effort — that it is backward-looking, overly text-based, dismissive of oral traditions, excessively Brahmanical (read Sanskrit), and seeks validation through Western categories. Essentially, IKS is little more than a selective glorification of ancient Sanskrit texts, dismissive of, in his words, “farming and artisanal communities that we call uneducated and backward”.

But who is making this argument? There is no prescribed pedagogy for IKS. No scholar or practitioner suggests Indian knowledge systems begin and end with Sanskrit. We ourselves support an open-source IKS initiative focussed precisely on the oral and folk traditions Yadav describes as ignored. That work is independent of the state, but exists because of the opening the state created.

Yadav’s indictment of Sanskrit reflects an old intellectual habit. Part of this is Dravidian politics. But part of it comes from the long shadow of the Macaulay project. Even while critiquing the “pathetic political project” of seeking validation from the West, Yadav wants IKS to be “future-oriented” and “connected to modern science” — categories emerging from a Western framework.

Can we really imagine a serious, vibrant IKS without the richness, diversity and depth of Sanskrit material? Tamil, Bhakti, Buddhist, Jain and countless vernacular traditions all carried deep philosophical and spiritual insight. But Sanskrit functioned as a connective layer — a space where India debated consciousness, selfhood, ethics, reality and liberation in a systematic way.

Acharya Tripathi’s book, which Yadav praises, is about India as a knowledge culture in which Sanskrit is connective tissue across regional streams of meaning-making; his larger concern is the rupture colonial education inflicted on that inheritance. Similarly, Allama Prabhu and Basavanna, in the 12th century, were not seeking to dismantle Sanskrit civilisation. Their Kannada *vachana* movement was a spiritually grounded social reform emerging from Indic traditions.

This is not to deny the historical exclusions of Sanskrit and Brahmanical learning. But Vivekananda, Sri Aurobindo and scholars like Kapil Kapoor pointed to a balanced approach. Vivekananda’s answer was not to reject Sanskrit but to take knowledge beyond enclosures and make it available to all. Aurobindo warned that “it will not be a good day for India when the ancient tongue ceases entirely to be written or spoken”.

The contrast with the West is striking. Throughout the Renaissance, Enlightenment, Romanticism, modernity and postmodernity, it kept engaging its classical inheritance. Greek and Latin were critiqued and reinterpreted, but never treated as foreign to the civilisation that grew from them. India, unusually, developed a habit of separating Sanskrit from the living traditions around it.

The IKS movement marks the beginning of something important — not a triumphalist declaration of past glory, but a serious effort to rediscover, study, debate, and revive India’s own knowledge traditions. The process will be messy. There will be exaggerations, oversimplifications and political appropriations. But the answer cannot be to retreat into strawman arguments.

The writers are co-founders of JANA Group. Views are personal.

What the Pope talks about when he talks about dignity



PIUS V THOMAS

THE CONCEPT of human dignity mediates and negotiates all rights. It encourages a closely and widely woven network of recognition and democratic inclusion. It is in this context that the encyclical of Pope Leo XIV, titled *Magnifica Humanitas*, becomes significant and worthy of debate. The crucial message of the encyclical is that governments should “regulate AI companies, protect workers who are displaced by AI, and ensure humans retain oversight of autonomous weapons”. “The primary choice is not between a ‘yes’ or ‘no’ to technology,” the Pope writes, “but rather between constructing Babel or rebuilding Jerusalem”.

As Anna Rowlands, theologian at Durham University, says, the encyclical challenges society to reflect on questions such as, “What do we think human life is?... What vision and goal are we aiming for in our humanity and in our lives together?” The Pope’s answer is “a rather beautiful vision of a civilisation of love”. The encyclical “urges humanity to recover a shared moral imagination, especially a way of seeing one another and the world that recognises the inherent value of the human person”.

It is interesting to read how such a stance can make Pope Leo a moral voice that can speak to the search for social justice and a harmonious coexistence. He reminds us that every civilisation and culture appears to present a story of growth from “disvalue” to “value”, from chaos to order. This is a spectrum. The disvalue-value structure ranges from self-aggrandisement to a sense of mystery and a genuine/creative idea of human ignorance when it comes to the claims of ultimate knowledge (as with Socrates) on the one side, and the rules and rituals of social formation and structural efforts to control and govern in accordance with enlightened ideas on the other. Our concept of god will tell who we are (even atheists fall into this litmus test, as most of the time atheistic “no-god” statements end up in some other god(s)). The biggest problem of technological civilisation and the currently dominant system of liberal-advanced capitalism is that it dehumanises people (Gandhi was a staunch critic of this system).

Democracy, therefore, should go beyond being a mere political system and become an effort to create new humanising values to reinforce peace and non-violence.

A deep sense of the dignity of all life will also act as a caution against slavery of all kinds. Uncontrolled manipulation of AI, driven by greed, may result in a form of human slavery. The dignity approach foresees this, acknowledges the irresponsible behaviours of the past, and recognises the threats of the future. Leo XIV issued an apology for the Holy See’s role in legitimising slavery. It is as Dostoyevsky says: “I did not bow down to you; I bowed down to all the suffering humanity.” Human dignity can enable the ability to apologise and propose pacifism and non-violence as the new pillars for a democratic and just coexistence.

The writer is professor, Department of Philosophy, Assam University, Silchar

40 YEARS AGO

June 8, 1986



Ten shot dead in Punjab

TEN PERSONS were killed by suspected terrorists in the past 24 hours in different places in Punjab. Suspected terrorists opened Sten gun fire on people who had come to buy ice from a factory at Duburji village near Amritsar, killing five and injuring several others. Rahim, an Iranian student who had come on a motorcycle to Punjab University, Patiala to seek admission for a PhD, was killed by the terrorists.

\$4 billion aid for India

INDIA WILL receive about \$4 billion from the Aid India consortium in 1986-87. The consortium of Western aid donors will meet

in Paris on June 16 and probably agree on a figure close to the \$3.9 billion India received last year. And the consortium will probably warn India to improve its export performance, increase the efficiency of its high-cost public-sector industries and so reduce its existing trade gap.

Queen urges sanctions

QUEEN ELIZABETH II has urged the British Prime Minister, Margaret Thatcher, to agree to economic sanctions against South Africa, the newspaper *Today* reported. A signed front-page article that did not quote the sources said the Queen gave Thatcher a “discreet warning” during a private audience recently at Buckingham Palace. It was

only the third time in her 34-year reign that the Queen had made known her dissatisfaction with government policy, the paper said.

More AIDS cases in TN

NINE MORE sex workers in Tamil Nadu are confirmed to have been infected with AIDS, said Dr Eric Simoes of CMC, Vellore. Six cases were reported earlier. Dr Simoes said 19 others whose blood samples indicated infection were awaiting confirmation. Their blood samples had been sent to the National Institute of Health in the US. The samples were obtained from various parts of Tamil Nadu where AIDS infection was fairly widespread.

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ARTIFICIAL INTELLIGENCE

Is a text AI-aided? Science, limits of detection tools



ABHINAV CHAKRABORTY

AS ARTIFICIAL Intelligence (AI) writing aids become more popular, authors and writers are navigating a tricky territory — there is almost no way to conclusively prove that they did not use AI in any stage of the writing.

The controversy around AI authorship exploded recently when the British literary magazine *Granta* announced the regional winners of its annual Commonwealth Short Story Prize, and three of the five winners faced accusations of AI use.

What makes the debate murky is that the AI detection tools generally used are far from fool-proof. In case of *Granta* winner Jamir Nazir, AI detector tool Pangram was used to term his story *'The Serpent in the Grove'* (winner for the Caribbean) "100% AI generated".

What is machine learning?

To understand how these tools claiming to detect AI-generated text work, one must first know the science of machine learning (ML). In simple terms, ML refers to the use of data and statistics to build an AI system: this is done by feeding large datasets into a computer so that it can recognise patterns.

"So you would take lots of examples of AI-written content and human-written content and feed it to a big model to do the classification for you. The model, through data, learns signals like, 'Oh, AI models tend to use em dashes', or use words like 'imperative' or 'delve'. These are statistical patterns that large ML models can learn when they're fed lots of examples of both human writing and AI writing," Danish Pruthi, assistant professor at the Indian Institute of Science Bengaluru, told *The Indian Express*.

There are also some AI 'tells'. Pruthi said that besides em dashes or certain words, other tells include text that is organised in bullet points, often with a heading. Also, AI-generated text tends to conclude things neatly, with Pruthi saying that "human conclusions sometimes introduce new content, but model conclusions rarely do". He also cited the instance of "negative parallelism": a rhetorical writing style

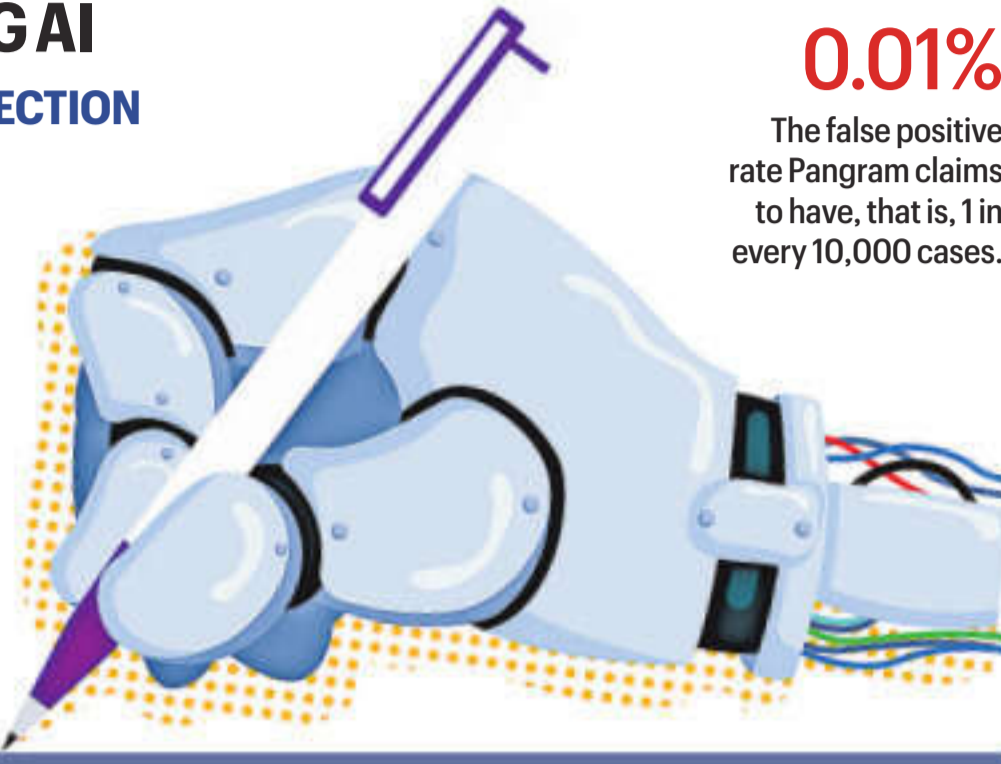
TEACHING, LEARNING AI

MACHINE LEARNING AND AI DETECTION

- Machine learning involves use of data and statistics to build an AI system.
- Done by feeding large datasets into a computer system so that it can reason at human or even superhuman levels.
- Requires lots of examples of both AI-aided and human-written content to be fed into the system.
- The system learns to identify statistical patterns in form of words, phrases, and punctuation, thus classifying content as AI-written or human-written.

AI 'TELLS'

- Refers to the signs that a piece of text is AI-generated.
- Excessive use of em dashes, or words not used generally in conversations.
- Text organised in bullet points, often with a heading of what the bullets are about.
- Negative parallelism, a rhetorical writing style marked by the formulaic "Not X, but Y" structure.



0.01%
The false positive rate Pangram claims to have, that is, 1 in every 10,000 cases.

marked by the formulaic "Not X, but Y" structure. "For instance, 'These headphones are not just hearing devices, but sound-cancelling devices.' Models are very commonly doing that now," he said.

As to where these tells come from, Pruthi said research was ongoing but there were no clear answers yet.

"One common hypothesis is that after you pre-train a model, you post-train it to make it safe and useful and able to follow instructions. That's typically done by contracting annotators and data vendors who create examples to answer questions of different types," he said.

"A lot of those datasets, which are private and constructed by large frontier labs, have these cues. People who are writing those answers write in this way, and therefore models replicate that behaviour," he added.

Can AI chatbots be good detectors?

Pruthi said people now want to move beyond this "binary framing" of what is AI versus human. "They are figuring out what the extent of collaboration is. Is it lightly assisted by an AI, moderately assisted by an AI, [or] heavily assisted by an AI?"

According to Pruthi, asking Claude, ChatGPT, or Gemini whether something is AI-written is a "very bad idea". "The model is not specifically trained for this. So it might take an educated guess, but that isn't going

Need for openness

Friedman said onus was on everyone in publishing or related fields to be on the same page, despite "very good reasons to be anti-AI".

"I think just saying, 'I don't want to deal with it and you can't make me', seems childish or naive. At some point, you have to realise that this technology is here," she said.

to be very accurate... This happens to be a task where you care about accuracy a great deal because of it being high stakes," he said.

The other key difference, Pruthi said, is that a lot of detectors are tuned in such a way to ensure "false positives are low". A false positive refers to an instance when a detector flags something human-written as AI-generated, as opposed to a false negative, wherein an AI-generated text might pass off as human.

AI detectors are also distinct from tools detecting plagiarism. Pruthi said since plagiarism largely concerns copying intellectual work without attribution, "plagiarism detectors tend to sophisticatedly score how well a given idea/work matches with existing work". "On the contrary, AI detectors just try to estimate whether a piece of text could be AI-generated given lots of examples they've seen," he said.

How reliable are these tools?

Pruthi said that Pangram — which claims a false positive rate of 1 in every 10,000 cases (0.01%) — is quite reliable, which was backed by some independent studies.

But he sounded a word of caution, saying that an ML model would "obviously not be 100% accurate all the time". Using the analogy of spam classification in emails, he said: "We still develop ML models to detect what is spam and what is not. There too, the content, the words used, the way it is phrased — all that is helpful to figure out whether it is spam or not. We still get a few

Making the debate murky is the fact that AI detection tools are not foolproof. What does this mean for the writing, publishing industries?

examples wrong."

This is because these tools have limitations. According to Pruthi, ML models are more likely to be wrong when there are fewer words, since there aren't enough signs to tell confidently whether something's AI-written or human-authored.

Another limitation is what Pruthi called "low-entropy text", which refers to text that is generally precise and accurate in nature, and thus hard to classify.

"If I ask you, 'Give me all the states of India in alphabetical order.' This has one clear, definitive answer, whether from a model or a human," he said.

Similarly, code — written instructions that tell a computer to execute a certain task — can also "be tricky to detect" at times. "There's only a certain way it can be written," Pruthi added.

Pruthi mentioned another limitation — one that he and his colleagues presented in a recent paper at an ML conference — in a scenario when one slightly polishes a piece of text using a language model. "Even though the base ideas and content were written by you, instead of saying that it is slightly edited or mixed text, models might flag it as fully AI-generated," he said.

This can dissuade writers from even refining their writing using AI, out of fear that their work could be mistakenly flagged as AI-generated. "There's a lot of AI slop on the internet right now. A lot of Kindle books that are published are fully AI-written," he said. "So if a good detector is able to weed out most of that and at least label that this is AI-generated, then maybe a careful reader can choose not to consume that content. In some way, good AI detectors are helping channel attention to legitimately human-written content."

How should writers, publishers navigate this?

Recently, Nobel Prize-winning Polish writer Olga Tokarczuk's comments about using AI for research while writing her last novel had invited criticism. Tokarczuk later clarified she did not use AI in the writing process itself.

Jane Friedman, an American publishing professional with over two decades of industry experience, told *The Indian Express*, "Everyone needs to be on the same page about where these tools are touching the process and, to the best of everyone's ability, track how they're being used."

"One of the problems here is that everyone is kind of doing their own thing behind the curtain. Part of that has to do with the taboo around it and everyone being uncertain about the technology and the different attitudes towards it," she added.

SHIPPING

Why energy tankers are using risky dark fleet ploy to cross Hormuz

Sukalp Sharma

New Delhi, June 7

FOR YEARS now, ships involved in sanctioned and illicit trade have "gone dark" to avoid detection — that is, switched off their automatic identification system (AIS) transponders to make themselves virtually invisible to authorities and other vessels.

This dark shipping practice has largely been limited to the "shadow fleets" transporting sanctioned Iranian and Russian oil. But as the US-Iran war drags on, for energy tankers looking to sail through the blocked Strait of Hormuz, avoiding detection is increasingly becoming a necessity. This has brought this risky tactic out of the margins.

Surge in dark transits

According to International Maritime Organization (IMO) guidelines, AIS should always be in operation when a ship is sailing or at anchor, unless the master of the

ship decides that broadcasting the information is a threat to its safety or security.

Switching the transponder off makes the vessel untrackable and invisible to other ships' systems, which can significantly increase the risk of collisions at sea. This risk becomes even greater in crowded waterways such as the Strait of Hormuz.

According to energy and freight markets analytics firm Vortexa, dark transits through the Strait of Hormuz — between March 1 and late May — represent 57% of all transits recorded over the period.

This trend of ships going dark while transiting the strait has intensified in recent weeks. The share of outbound laden vessels transiting dark stood at 58.5% in March, slightly dipped to 54% in April when vessel movements through the waterway picked up slightly through corridors regulated by Iran, and then rose sharply to 65.2% in May, as per Vortexa. "Commercial operators are simulta-

India-bound ships too

India depends heavily on the Strait of Hormuz, with over 40% of its oil imports, 60% of its LNG imports, and 90% of its LPG imports coming through this narrow passage.

Many of the energy cargoes that have reached India via the Strait of Hormuz over the past three months went dark as they crossed the strait.

neously adapting both operationally and physically to the environment through prolonged dark operations, altered routing, escort behaviour, and possible vessel hardening measures. Taken together, the Strait of Hormuz is increasingly functioning as a contested low-visibility operating environment where commercial transit continues, but under growing military pressure, degraded transparency, and sustained enforcement risk," maritime intelligence provider Windward said in a note last month.

Of the energy cargoes being transported by tankers that are going dark to cross the Strait of Hormuz, crude oil and condensates account for around 40%, 'clean products' (like petrol, diesel, jet fuel, and naphtha) account for about 25%, 'dirty products' (like bunker oil and bitumen) have a share of about 18%, and LPG accounts for about 14%, shows Vortexa data. LNG tankers, hitherto absent from dark shipping activity in the region, appear in

the data from April into May.

Accepted protocol

Ship tracking data shows that tankers belonging to or chartered by the national energy companies of countries such as the UAE, Qatar and Saudi Arabia are also going dark to cross the strait. In March, non-Iranian operators accounted for 37% of dark outbound laden transits through the chokepoint, which rose to 56% in April and 67% in May.

Vortexa analysis shows that UAE-linked vessels account for the largest share of dark transits at around 27%, followed by Iraq at about 11%, and Qatar at around 10%. Saudi Arabia, Kuwait, and Bahrain together account for another 9%.

Experts point out that with global energy flows disrupted due to the crisis, there is increasing pressure on major energy producers from the Gulf to keep exports going to the extent possible.

100 days of Iran war: Behind Tehran linking ceasefire more to Lebanon than Gaza

Iran's need for decisive outcomes

For Iran, Washington's overall preference for relying on its own blockade of the Hormuz without a full-scale war (for which its munitions still run low) is a concern. As several analysts have noted, the more days pass before a decisive outcome for Iran (unfreezing Iranian funds, sanctions removal, an end to the US blockade), the longer the break in Iran's strategy of maintaining multi-pronged pressure.

Ultimately, Hormuz restrictions are an indirect leverage — they are sufficient to deter full-scale American/Israeli attacks but evidently insufficient to force the US towards decisive concessions.

Hence, on June 5, Advisor to the Supreme Leader, Mohsen Rezaee, declared to CNN that the US failing to unfreeze \$24 billion in blocked Iranian assets and lifting the blockade would prompt Iran to expand its punitive actions to the Mediterranean, the Red Sea, and the Bab-el-Mandeb strait. Among Iran's allies, while the Yemeni Houthis' ability to threaten the latter two has been decisively proven, Lebanon's Hezbollah

maintains an underutilised ability to threaten military and commercial activity in the Mediterranean through its anti-ship cruise missiles.

However, while Iran maintains its reliance on UNGA Resolution 3314 to deem US bases in Arab countries as legitimate targets in response to limited US strikes on Iran, it is Israel's war in Lebanon which potentially allows Tehran to generate new *casus belli*. Despite a US-brokered ceasefire between Israel and Lebanon (Hezbollah) in April, Israel's campaign in South Lebanon continued largely unabated, until Iran once again threatened to call off talks over it. By June 3, tripartite negotiations led to a joint statement by Israel, Lebanon, and the US, recommitting all parties to the April ceasefire. US President Donald Trump even said the US was "speaking to Hezbollah" and that he "would like to meet" Iran's new Supreme Leader Mojtaba Khamenei.

Linkage of US war with Israel's in Lebanon

Lebanon is not important to Iran solely



An Israeli flag hangs on a destroyed building in southern Lebanon. AP

due to the formidable value that Hezbollah brings to Tehran's strategic power projection. Presently, the Israel-Lebanon ceasefire has a new characteristic — a fragile agreement that Iran knows Israel will inevitably violate.

This provides Tehran a unique strategic option: to determine that Israel's attacks in Lebanon warrant a tighter chokehold on Hormuz or a resumption of its missile attacks, at any point when Tehran perceives Washington to be slow-peddling a deal.

Already by June 4, Iranian Foreign Minister Abbas Araghchi reaffirmed that "this war will end only when it ends in Lebanon as well". Combined with Rezaee's statements, it is clear that while protecting Hezbollah is a clear Iranian objective, Lebanon principally serves as a pressure point to force Washington towards concessions vis-à-vis Iran itself.

For perspective, Iran has refrained from officially linking the ceasefire with Israel's war on Palestine, or at least making it an immediate imperative. Apart from reports from the semi-official *Tasnim News* that Tehran also requires Israel to cease hostilities in Gaza, Iran's negotiating posture since April has prioritised Lebanon. This is despite Israel's Gaza campaign pre-dating the current war on Lebanon, causing significantly greater casualty figures, and prompting in-

ternational investigations into Israeli conduct. Iran's regional posture has also been articulated historically as integrally tied with Palestine (Jerusalem or Al Quds).

Among other things, this reinforces Iran's awareness that Washington is more likely to pressure Israel on Lebanon than on Palestine; a compromise Iran is willing to make for its immediate strategic needs. The alternative would be a bogged-down Iran with reduced bargaining space in the face of the marginal likelihood of Israel withdrawing from Gaza, even if Tehran threatens military action.

Ultimately, these developments still retain both Iranian and American preference for a deal. However, it is now increasingly evident that just as Washington sought favourable terms through military action in March, Tehran is inching closer to adopting a similar posture. Functionally, this implies that organic pressures are building within the US-Iran equation that will either decisively break the ceasefire, or force Washington and Tehran into at least an interim arrangement, pending a larger deal.



Policy is undoing what science built. That's a challenge for Cotton Productivity Mission



FROM PLATE TO PLOUGH
BY ASHOK GULATI, AYUSHI GUPTA AND RITIKA JUNEJA

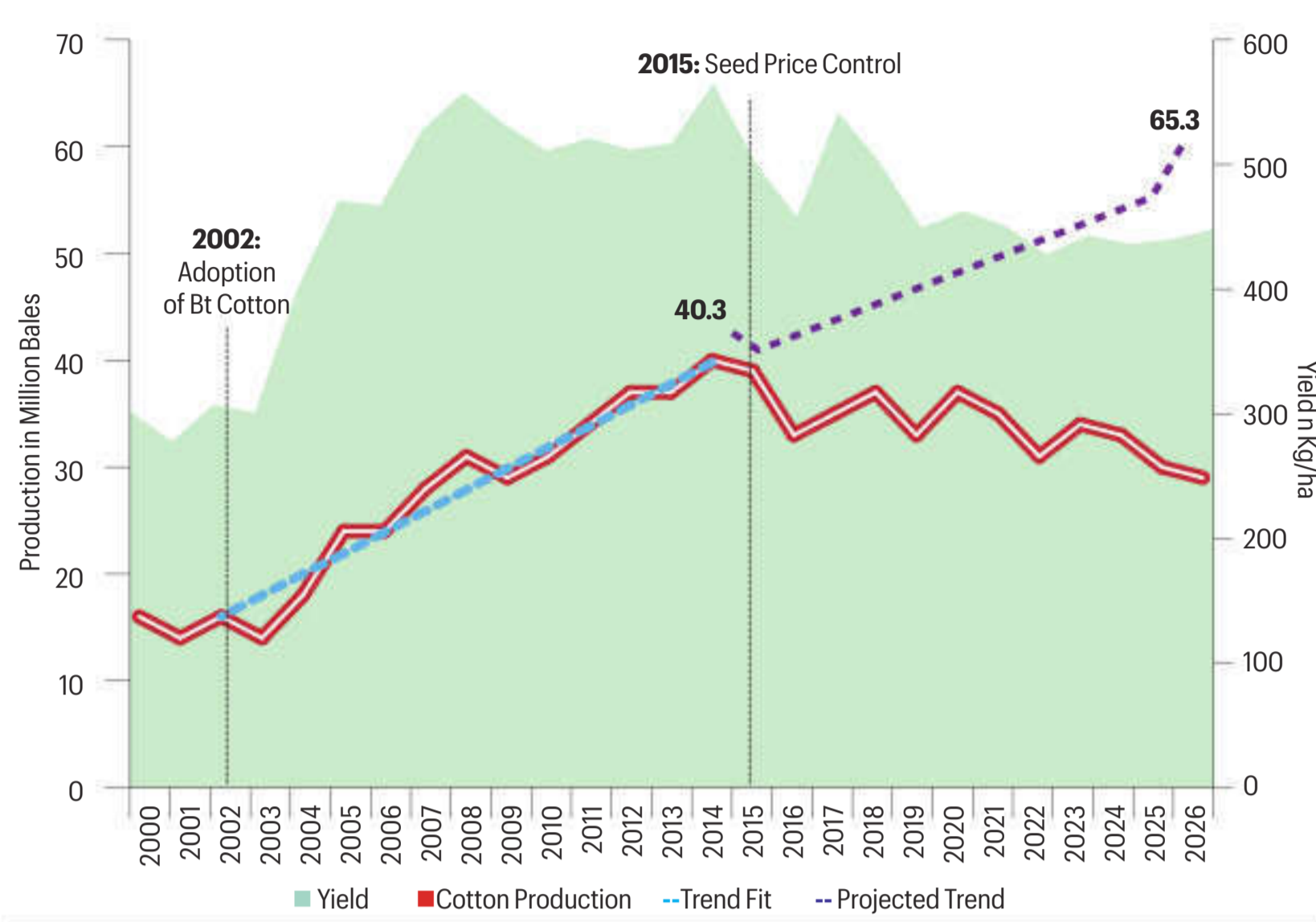
IN APRIL 2026, the Union Cabinet approved the Mission for Cotton Productivity with an outlay of Rs 5,659 crore, to run from 2026-27 to 2030-31. The intent is to raise lint productivity from 441 kg per hectare (in triennium ending (TE) 2025-26) to 755 kg/ha by 2031. But to understand whether this mission can succeed, it is worth recalling where India once stood and how deep the crisis in cotton fields runs.

In 2002, Prime Minister Atal Bihari Vajpayee approved the commercial cultivation of Bt cotton as cleared by the Genetic Engineering Appraisal Committee (GEAC). At the time, he said: "The next big revolution that is unfolding in the world is the biotechnology revolution. This is going to touch the lives of ordinary people in ways that we cannot even fully imagine today. We must not lag behind others in this revolution. India should aspire to be one of the leaders of this revolution. We must plant its healthy saplings in different parts of the country so that we can reap their fruits soon."

India did not lag behind. For a decade, it led. The first Bt hybrids incorporating the cry1Ac gene were approved to resist the bollworm complex. By 2006, GEAC had approved Bollgard II, a second-generation hybrid with two stacked genes. The results were unambiguous. Cotton production rose from 13.6 million bales in 2002-03 to 39.8 million bales in 2013-14, a 193 per cent increase. Annual output grew at 10 per cent, and area expanded by 56 per cent, from 76 million hectares (mha) to 11.9 mha. Yields improved by 88 per cent, from 302 kg/ha to 566 kg/ha. India became the largest producer and second-largest exporter of cotton. A technology decision taken by Vajpayee triggered an agricultural revolution. But thereafter, the policies by successive governments, both at the state and central levels, undid what science had built.

After Bollgard II, Mahyco-Monsanto

PRODUCTION AND YIELD OF COTTON IN INDIA



Biotech (MMB) India developed the next generation: Bollgard II with Roundup Ready Flex, and Bollgard III, incorporating three stacked genes with herbicide-tolerant traits designed to address evolving pest resistance and rising weed-management costs. But they were not released.

What killed them was a sequence of price-control decisions that made seed innovation commercially unviable. In 2006, Andhra Pradesh imposed a Maximum Retail Price of Rs 750 per packet, less than half the prevailing price of Rs 1,600, of which Rs 1,250 had been charged by MMB as trait fee. Maharashtra and Gujarat swiftly matched the cap. In 2015, the Centre formalised this through the Cotton Seed Price Control Order, slashing the trait fee by 74 per cent from Rs 186.95 to Rs 49 per packet. In 2018, the national retail price was cut further to Rs 740. By 2020, the trait fee had been abolished entirely.

The consequence was direct. Faced with unfriendly regulation,

Had India continued on the production trajectory between 2002 and 2014, cotton output in 2026 would have reached 65.3 million bales. The actual figure in 2025-26 is 29 million bales. The gap is the accumulated cost of a decade of policy failure

Monsanto withdrew Bollgard II-RRF from GEAC consideration. Meanwhile, advanced agricultural economies routinely plant Bollgard 3 ThryvOn with XtendFlex, a platform combining three-gene caterpillar protection, built-in biological defence against sucking pests, and tolerance to three separate herbicide groups simultaneously. Brazil, where 92 per cent of cotton is rainfed, has deployed technology and seed innovation to the point where 60 per cent of cotton-planted area supports a second crop within the same agricultural year.

Today, India is not a leader of the biotechnology revolution in agriculture. It's not even a serious participant.

Look at the productivity of cotton: Australia: 2,340 kg/ha; China: 2,311 kg/ha; Brazil: 1,943 kg/ha, and the United States: 976 kg/ha. These are lint yields for the TE 2025-26, reported by the International Cotton Advisory Committee. And India, which has the largest cotton-growing area in the world (11 million hectares), has a yield of just 441 kg/ha.

The gap between India and its competitors is a precise measure of the gap in technology adoption, research investment, and regulatory ambition.

What is painful to see is that since 2014-15, production has declined at an average annual rate of 2 per cent. Had India merely continued on the production trajectory established between 2002 and 2014, cotton output in 2026 would have reached 65.3 million bales. The actual figure in 2025-26 is 29 million bales. The gap, 36.3 million bales, is the accumulated cost of a decade of policy failure. India went from a net cotton exporter to importing 4 million bales in 2025-26. It won't take long for India to become a large importer of cotton if business as usual continues.

It is against this backdrop that one needs to evaluate the Cotton Productivity Mission. The Mission's intent is welcome, but does it have the technology that global giants provide? The simple answer is "no". How it will achieve the productivity target of 755 kg/ha by 2031 remains to be seen. And even if it does, it would still leave India at less than half of what Brazil, China, and Australia have achieved today. How will it compete with them?

Developing new seed varieties requires years of investment in plant breeding, biotechnology, and trait research, followed by a lengthy biosafety regulatory process with no guarantee of commercial approval. Without a policy framework that ensures adequate returns on that investment, private companies have no rational basis for undertaking it. Price controls that compress trait fees to zero do not merely limit profits; they eliminate the incentive to innovate at all.

The government, therefore, faces a clear choice. Either it restores the intellectual property framework that allows private innovators to recover their costs, which means revisiting the Cotton Seed Price Control Order, or it commits to funding public sector R&D at a scale sufficient to fill the gap the private sector has vacated. What is not sustainable is the current arrangement, where price controls suppress private innovation, public R&D is chronically underfunded, and farmers are left with dated technology. Can the Cotton Productivity Mission undo this policy damage? Only time will tell.

Gulati is distinguished professor, Gupta a research associate, and Juneja a senior fellow at ICRIER. Views are personal

Who gets rupee right: Economists, market wallahs or moralists?



ISHAN BAKSHI

IN TIMES of crisis, advice, often unsolicited, tends to pour in from all quarters. This time is no different. Economists, market wallahs and moralists — all have given their two cents on how the ongoing crisis ought to be tackled. What they have proposed, though, has been largely at odds. That should not be surprising. After all, the advice that is given, as is often the case, depends on where you sit.

Economists have, by and large, stuck to orthodoxy — that the central bank should not defend the rupee. It should neither draw down its forex reserves nor should it raise interest rates to defend the currency. An inflation-targeting central bank should focus on inflation, not the exchange rate. The rupee should, instead, be left to find its own level. A weaker currency would, at the very least, help maintain the competitiveness of the country's exports. It would also make Indian assets such as stocks and bonds cheaper in dollar terms, increasing their attractiveness for foreign investors.

Efforts to defend the currency are, in any case, likely to be futile as the rupee's problems run deep. The energy shock that has exposed India's vulnerability, the absence of a domestic AI play alongside the rapid global adoption of AI models that threatens India's growth engine, the possibility of the China+1 dream fading away and the risk-return calculus on domestic investments souring even for Indian firms — all raise deeper questions about the country's growth prospects. It is these concerns that have prompted a flight of capital and put pressure on the currency that need to be addressed, not the rupee's decline.

Market wallahs, including some from India Inc, however, have a different view, with many in favour of supporting the currency. Some have even called for raising interest rates to defend the currency. Never mind that the economy isn't overheating — core inflation (excluding precious metals) is around just 2.2 per cent. But, for them, "100" is not just another number. Worries of a vicious cycle — the decline in the rupee triggering more capital outflows, which in turn compounds balance of payments pressures and further weakens the currency — have gained traction. The Indian markets, which find little mention among global investors at the moment, are fearful of a further loss of investor confidence. The defence of the currency is, in some sense, also a defence of the markets.

The Indian central bank has often tended to side with this line of thinking despite its pronouncements to the opposite. There have been numerous

episodes when, in the face of sustained depreciation pressures, it has intervened through various tools in order to defend the rupee — an approach it has pursued across governments of varying ideological dispositions.

But, if there is one thing that both economists and the market wallahs agree on, it is the need to facilitate foreign capital flows through various channels. While their preferences may differ, the proposals have ranged from eliminating taxes on investments of foreign institutional investors in markets to encouraging flows through FCNR deposits and/or ECBs, and facilitating greater FDI flows, among others. Some of these suggestions have been acted upon. On Friday, the government and the central bank announced a slew of measures to attract foreign capital. But the question is: In an environment where the India-US yield differential isn't that large, how much can be realistically mopped up? And would it be enough to ease the pressure? If not, will the RBI follow this up with an interest rate defence as the market wallahs have argued for?

The moralists, on the other hand, have a different take. In times of distress, personal sacrifices must be made, and those profiting, the speculators, must be punished. So, there is a need for market interventions and restrictions on economic activities, demands for austerity and exhortations to curb the use of foreign exchange.

Of course, the distinction between these categories isn't neat. Overlaps do exist. But all these groups are currently jostling to influence the direction of policy at this critical juncture for the Indian economy. At the moment, it does appear that the market wallahs and the moralists have the upper hand. They may well believe that their measures will help tide over this crisis. But any relief is likely to be short-lived. The focus should instead be on addressing the core issues facing the economy.

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LETTERS TO THE EDITOR

Gen Z's frustration

THE FIRST street protest staged by the nascent Cockroach Janta Party (CJP) in Delhi captured the imagination of the people ("At first protest, CJP calls for Pradhan's resignation, IE, June 7). The "cockroaches" moved from screens to streets. The BJP's electoral victories cannot obscure the fact of growing frustration and anger among the youth for a host of reasons, with limited job opportunities being a major concern. The protest has given some visibility to Gen Z's disillusionment with traditional politics.

G David Milton, Maruthancode

Restoring public trust

WHEN YEARS of effort and investment are undone by negligence, public trust in national examinations is eroded ("Impunity for exam leaks undermines trust", IE, June 6). Education cannot thrive on an ad hoc system. Restoring confidence in India's examination system will require not only strengthening institutional guardrails and technological platforms but also political accountability.

SS Paul, Nadia

Paper incentives

THE CENTRAL bank's decision to maintain a wait-and-watch stance while slashing GDP growth projections to 6.6 per cent exposes a structural trap. ("Rates on hold, focus on bringing foreign capital", IE, June 6). While the co-ordinated tax waivers on government bonds and concessionary forex swap facilities are administratively sound mechanisms to entice foreign portfolio investors, financial engineering alone cannot reverse a \$28.6-billion capital flight. Global capital chases robust ground-level economic vitality, not just subsidised hedging costs. Until domestic inflation settles permanently below the pump, fiscal concessions remain paper incentives against volatile global headwinds.

Krishan Kumar Chugh, New Delhi



PRIYANKA CHATURVEDI

ET TU, BRUTE? This iconic line from the play *Julius Caesar*, written in 1599 by William Shakespeare, is a reminder for anyone in politics that the ultimate betrayal does not come from one's enemies, but from one's closest allies. This is the everyday political reality in India, in this time of breaking news content. It is the age of "Shah Neeti".

A mere 24-hour window may see twists and turns, political parties losing, and engineered splits. In 2022, we saw how the Shiv Sena split. Of course, this wasn't a first in India's history — even Congress split in 1969. That, however, was an outcome of organisational revolt. In the Shiv Sena's case, it was an engineered revolt that then became a model to use against other regional parties. We are seeing it play out now in West Bengal with the All India Trinamool Congress.

In Shakespeare's play, the deepest wound to Caesar was not inflicted by steel blades, but by a single face among the crowd of assassins: Marcus Brutus, his protégé and trusted friend. With that final, heartbreaking realisation, the Roman dictator stopped fighting and succumbed to the daggers. The scene is a haunting reminder that in the theatre of power, the sharpest betrayal is always the one you never saw coming.

As a member of the united Shiv Sena, I watched every day as party

As TMC weakens within, I remember Shiv Sena split

members chose sides during the unfolding saga. Some were pushed, others lured, some had pending cases, some just wanted to align with the powers-that-be.

Having seen this in my party, I can relate to the AITC's current problem as many of those who were once fiercely loyal have started to express anguish with the party's functioning. It always begins the same way. Of course, some grievances could be genuine. But when it becomes a template before every party split, it shows that "Shah Neeti" is at work. The party led by Mamata Banerjee has the stomach to fight on, and she will certainly rebuild and resurrect. I recall my party president, Uddhav Thackeray, once saying that old leaves need to fall in order for new ones to

grow. This is how we live to fight another day. The current way of doing politics doesn't shock people anymore. It has become a spectator sport, with real-time betting regarding the movement of individuals, amid source-based media speculation. Politicians who have long been part of the system see immediate rewards being handed out — corruption cases closed, tickets handed out, a ministerial berth or standing committee chairmanship offered as a quid pro quo — and then switching becomes lucrative. Many justify this as political survival. In real terms, however, it is about opportunities, because having an ideology now means hanging on to perks rather than fighting a battle of ideas.

The new politics also has a curated "party split option", which can be chamber-specific, like how the AAP was split up only for the Rajya Sabha. The formula involves getting two-thirds of either the political party itself or its representatives in the Assembly or Parliament. It is a game of numbers that can even end with the party name and symbol being handed over to the rebels.

The dynamics of the AITC and Shiv Sena are different. But what remains the same is how an exodus is manoeuvred and a split is engineered using the Brutuses within.

The writer, a former Rajya Sabha MP, is with Shiv Sena (UBT)



URVASHI PRASAD

THE HEADLINE from NFHS-6 on child health is heartening. Stunting — children who are too short for their age — has declined nationally from 35.5 per cent to 29.3 per cent. That is a substantial improvement and deserves recognition. However, read in full, NFHS-6's child nutrition story presents a more complicated picture: National gains are uneven, several large states have deteriorated, and key drivers of child nutrition remain deeply concerning.

Severe wasting, the most dangerous form of acute malnutrition, declined from 7.7 per cent to 5.2 per cent. This is a meaningful gain that should translate into fewer child deaths.

NFHS-6 data on child nutrition has sobering warnings

Yet overall wasting fell only marginally, from 19.3 per cent to 19 per cent, meaning nearly one in five Indian children under five remains acutely malnourished. The proportion of underweight children moved from 32.1 per cent to 31.8 per cent. Nearly one in three Indian children is still underweight.

The state-level data is even more troubling. In Jharkhand, underweight prevalence increased from 39.4 per cent to 41.1 per cent. In UP, wasting rose from 17.3 per cent to 19.2 per cent and underweight from 32.1 per cent to 34.5 per cent. Rajasthan recorded similar deterioration, with wasting rising from 16.8 per cent to 19.8 per cent and underweight from 27.6 per cent to 33.3 per cent. These setbacks in some of India's largest states are obscured by the national headline.

The stunting figure itself conceals wide disparities. Kerala's stunting rate is 20.1 per

cent, compared with 35.6 per cent in Bihar and 35 per cent in Jharkhand. The gap reflects two very different childhood realities under the same national programmes. Jharkhand's wasting rate stands at 22.3 per cent, more than double Kerala's 10.9 per cent, and virtually unchanged from NFHS-5's 22.4 per cent despite four years of programme implementation.

Only 15.3 per cent of children aged 6-23

Breastfeeding remains one of the most evidence-backed, low-cost public-health interventions available. Its decline in states with high malnutrition burdens is a serious policy failure

months receive an adequate diet, up from 11 per cent. This is progress, but it still means more than eight in 10 children during the most critical developmental period are not receiving what nutrition science recommends. Dietary adequacy is only 8.7 per cent in Rajasthan and 11.9 per cent in Bihar. The decline in stunting has occurred despite this gap, not because it has been resolved.

Perhaps the most worrying finding is breastfeeding. Exclusive breastfeeding among infants under six months has fallen nationally from 63.7 per cent to 55.8 per cent. In UP, it has dropped from 59.7 per cent to 34.6 per cent. Jharkhand and Rajasthan have also seen sharp declines. Kerala, in contrast, improved from 55.5 per cent to 72.7 per cent. This suggests the problem is not institutional delivery but postnatal support after discharge. Breastfeeding remains one of the

most evidence-backed, low-cost public-health interventions available, benefiting both child survival and maternal health. Its decline in states with high malnutrition burdens is a serious policy failure.

There are clear successes. Full vaccination coverage increased from 83.8 per cent to 87.1 per cent, while rotavirus vaccine coverage surged from 36.4 per cent to 85.4 per cent, reflecting effective national rollout.

NFHS-6 confirms India can reduce stunting. But wasting, dietary inadequacy and declining breastfeeding remain major risks. Whether the next NFHS shows continued progress on stunting will depend on whether these warning signs are addressed now.

The writer is senior fellow, Pahle India Foundation and former director, office of vice chairperson, NITI Aayog

‘GOVT CAN ISSUE FOREIGN CURRENCY SOVEREIGN BONDS IF MORE STEPS NEEDED’

‘Forex measures, FII bond tax leeway could attract \$60-80 bn’

DEPENDING ON how they are executed and the final guidelines, India could see inflows to the tune of \$60 billion-\$80 billion from the various measures announced by the government and the Reserve Bank of India (RBI) on Friday to attract foreign capital — from the scrapping of capital gains and withholding tax on foreign institutional investors (FIIs) investment in government debt to concessional windows to boost foreign currency deposits and loans — according to Devang Shah, Head of Fixed Income at Axis Mutual Fund. And while these steps appear adequate, there remains space to take more action, if needed.

“Issuance of foreign currency sovereign bonds could serve as a supplementary step to finance the fiscal deficit, ease pressure on domestic yields, and support foreign inflows,” Devang Shah told Siddharth Upasani in an interview. Edited excerpts:

What is your estimate of the foreign inflows that we can see from the measures announced by the government and the RBI?

There were two sets of measures. The government removed capital gains and withholding taxes on government bonds. This itself is a positive measure which would attract flows and is expected to serve as a precursor to government bonds being included in Bloomberg’s indices. If that materialises, it could potentially result in additional inflows of

\$20 billion-\$25 billion.

Significant importance must also be attached to the second set of measures announced by the RBI such as the Foreign Currency Non-Resident (Bank) deposits, for which the entire hedging cost will be provided. In addition, there is the concessional forex swap facility for External Commercial Borrowings (ECBs) by Public Sector Undertakings (PSUs). While the final guidelines are awaited, it may be understood that the RBI would have received feedback from market participants for the same. If the concessional rates are sufficiently attractive, ECB borrowings by PSU lenders could become a significant avenue.

The combined impact of these two facilities could possibly bring in inflows of \$50 billion-\$55 billion, is our estimate.

Further, we believe that the removal of capital gains and withholding taxes is expected to deliver meaningful benefits over time. Yields in India have already increased notably, while the rupee has depreciated by over 15% in the past 18 months. At these levels, certain FIIs and hedge funds may find yields attractive. To summarise: \$30 billion-\$35 billion may come from FCNR(B) deposits, \$10 billion-\$20 billion from PSU ECBs, and \$20 billion-\$25 billion from the tax concessions and Bloomberg index inclusion.

In aggregate, this could translate into inflows of \$60 billion-\$70 billion over the next 12-18 months.



DEVANG SHAH
HEAD - FIXED INCOME
AXIS MUTUAL FUND

Are the withholding and capital gains taxes the only reason why FII holdings in Indian government debt have been so low? Or does more need to be done?

Several measures have been announced, and their effectiveness will depend on how they are executed before any additional steps are considered. However, if these measures do not prove as attractive as anticipated for any reason, and if the West Asia crisis remains unresolved, some pressure may emerge on the fiscal front.

At present, even after the recent increases in petrol and diesel prices, the Centre could face a shortfall of Rs 2.5 lakh crore-Rs 3 lakh crore. This gap may widen further if crude oil prices rise beyond \$100-\$110 per barrel. In such a scenario, the government could consider issuing foreign currency sovereign bonds.

While the measures announced so far appear adequate and could attract inflows in the range of \$60 billion-\$80 billion,

depending on execution and final guidelines, there remains room for additional action if required. Issuance of foreign currency sovereign bonds could serve as a supplementary step to finance the fiscal deficit, ease pressure on domestic yields, and support foreign inflows.

Could there be a negative impact if the numbers fall short of expectations?

Even if the eventual inflows are lower than current estimates, this would still represent a positive step. The measures announced were not expected to be introduced all at once, but rather over a period of time, which underscores the decisiveness of both the government and the RBI. We believe that the measures were announced to acknowledge the underlying risk of a potential Balance of Payments (BoP) deficit. Based on the market estimates, the BoP gap for the year could be in the range of \$50 billion-\$75 billion, and the measures collectively aim to address this.

There is also limited concern around execution. A relevant precedent exists from 2013, when banks successfully mobilised approximately \$26 billion through FCNR(B) deposits with effective efforts. In that context, achieving inflows of \$30 billion-\$40 billion under the current framework appears realistic.

Do you expect FIIs to pour money into Indian debt immediately or wait for more cues on the interest

rate front?

There are broadly two types of investors: those with a medium-term outlook and others with a more tactical approach to interest rates. From a macroeconomic standpoint, we believe that the RBI has attempted to prepare the market by highlighting elevated inflation risks and providing clear forward guidance. It has indicated that if inflation data deteriorates further, policy rate hikes remain a possibility.

Macroeconomic data will ultimately determine whether FIIs choose to take positions immediately or adopt a wait-and-watch approach. However, initial indications suggest healthy participation given that FII activity in the debt market on Friday was robust, with estimated inflows in the range of Rs 3,000 crore-Rs 4,000 crore based on changes in holdings. That being said, a segment of investors may prefer to wait for greater clarity on the interest rate cycle. It is important to note that rates in India have already moved up meaningfully. The 10-year term gov bond yield, which had bottomed at 6.15% in June 2025, had risen to around 7% prior to the latest announcements. Historically, in rate upcycles over the past decade, 10-year gov bond yields have not moved significantly beyond 7.5%. Long-term gov bond yields are already in the range of 7.6-7.65%, indicating that a substantial portion of the adjustment has already occurred.

FULL INTERVIEW ON WWW.INDIANEXPRESS.COM

INSIDE ANDHRA’S AI AMBITIONS

Why Andhra Pradesh plans to let data centres buy & distribute own electricity

Pratyush Deep
New Delhi, June 7

DATA CENTRES, the massive facilities that power artificial intelligence (AI), are among the largest consumers of electricity in an economy. As the AI boom drives up the demand for computing power, governments are increasingly being forced to rethink how these facilities access and procure electricity.

The Andhra Pradesh government, which has lofty AI ambitions for the state, has announced a first-of-its-kind policy move to address this issue — let data centres function under the tag of a power distributor by granting them a deemed distribution licence (DDL).

DDLs are not a new concept in India’s electricity framework. They have largely been issued to government entities, special economic zones, ports, airports and industrial enclaves. Even the Railways, until recently, was a deemed distribution licensee for around a decade. Extending such a licence to private data centre developers is a major departure from the norm.

But what exactly are these licences and how will it help data centres? Very simply put, it will allow them to procure electricity at a relatively lower cost and distribute it within their own campuses. But there’s more to this. Here’s a deeper dive into the mechanics of how this policy will work.

Data centres’ massive electricity needs

AI runs on algorithms, but those algorithms require vast computing power housed in data centres. Data centres, in turn, run on massive quantities of electricity. This is why data centres are identified not by the number of servers they house, but by the amount of power they require. As AI adoption accelerates, the demand for computing capacity is driving a surge in data centre construction — and with it, a sharp rise in electricity requirement. In the US, home to more than half of the world’s data centres by both numbers and power consumption, the rapid expansion of hyperscalers has emerged as a political and regulatory issue, with concerns that growing power demand from data centres is contributing to higher electricity prices in regions where data centres are lo-

• POWERING GROWTH

ANDHRA PRADESH is leading the race to become a major data centre hub among Indian states

GOOGLE IS setting up a 1 GW data centre campus in Visakhapatnam in one of the largest such projects in the country

THE STATE is also planning to create 5 GW of data-centre capacity in Visakhapatnam alone

THE COUNTRY’S installed data-centre capacity currently stands at around 1.2 gigawatt



but is estimated to quadruple by 2030

calated. Such concerns could surface in India as well. The country’s installed data-centre capacity currently stands at around 1.2 GW but is estimated to quadruple by 2030. Among Indian states, Andhra Pradesh is leading the race to become a major data centre hub.

Google is setting up a 1 GW data centre campus in Visakhapatnam in one of the largest such projects in the country. And the state is planning to create 5 GW of data-centre capacity in Visakhapatnam alone.

How will DDLs help?

Unlike the US, electricity tariffs for industrial and commercial consumers in India are substantially higher than those for residential and agricultural users. This is largely because industrial and commercial consumers essentially subsidise agricultural and domestic consumers. To understand why DDL status matters for data centres, it is important to understand how electricity tariffs are structured.

Broadly, a consumer’s electricity bill has two components: fixed charges and energy charges. Fixed charges have to be paid irrespective of how much electricity is consumed, while energy charges vary with actual consumption. The fixed-cost component covers expenses such as capacity payments made to power generators, transmission infrastructure costs, salaries of utility employees, and maintenance of the electricity network. When a distribution company (discom) acquires a large new consumer, it must ensure adequate power

supply for that consumer by contracting additional generation capacity and, where necessary, expanding transmission and distribution infrastructure. These costs eventually find their way into consumer tariffs. This becomes particularly relevant in the case of data centres, whose electricity demand can run into hundreds of megawatts — comparable to that of a medium-sized city. Andhra Pradesh’s policy allows data centres with a minimum connected load of 300 MW to obtain DDL status, with investors permitted to aggregate loads from multiple facilities to meet the threshold.

By granting DDL status, the state effectively allows these large consumers to arrange their own power procurement and develop electricity distribution infrastructure within their project boundaries. As a result, the local discom is not required to make fresh generation capacity commitments or undertake network investments specifically to serve these energy-intensive facilities. For data centre operators, the benefits could be substantial. DDL holders can procure power from any lawful source, including through open-access arrangements, while being exempted from the cross-subsidy surcharge and additional surcharge that are typically levied on open-access consumers. This allows them to avoid the higher tariffs that commercial consumers usually pay to subsidise residential and agricultural users.

FULL REPORT ON WWW.INDIANEXPRESS.COM

Nvidia, SK to detail chip cooperation plan



Nvidia CEO Huang (right) and SK Group Chair Chey Tae-won. X/@SKHYNIX

Reuters
Seoul, June 7

NVIDIA AND South Korea’s SK are expected to announce a plan for cooperation between the two companies on Monday, with the boss of the US chipmaker saying that the ongoing memory shortage would persist for “quite a few years”.

A spokesperson for SK Hynix said group chairman Chey Tae-won and Nvidia CEO Jensen Huang plan to brief media about the plan on Monday morning, confirming a report by Newsis.

Huang separately said Nvi-

dia could make announcements with SK on Monday.

“We’re working across many industries from AI supercomputers to CPUs to new PCs and robotics. So we are here to plan and maybe tomorrow we have some announcements,” he told reporters, without elaborating further.

He also said he did not see an end to memory shortages.

“The whole industry supply chain — everything from wafers to packaging to silicon photonics... everything’s in short supply because the demand is so high. It is going to persist for several years.”

OPEC+ decides on fourth oil quota hike since Hormuz closure

London: OPEC+ agreed on Sunday a fourth increase in its oil output targets in as many months, even though the US war with Iran is still preventing several of the group’s members from pumping more.

The war has cut oil flows via the Strait of Hormuz, creating the world’s biggest-ever supply crisis as key OPEC+ members including Saudi Arabia have been unable to supply customers in full since the end of February.

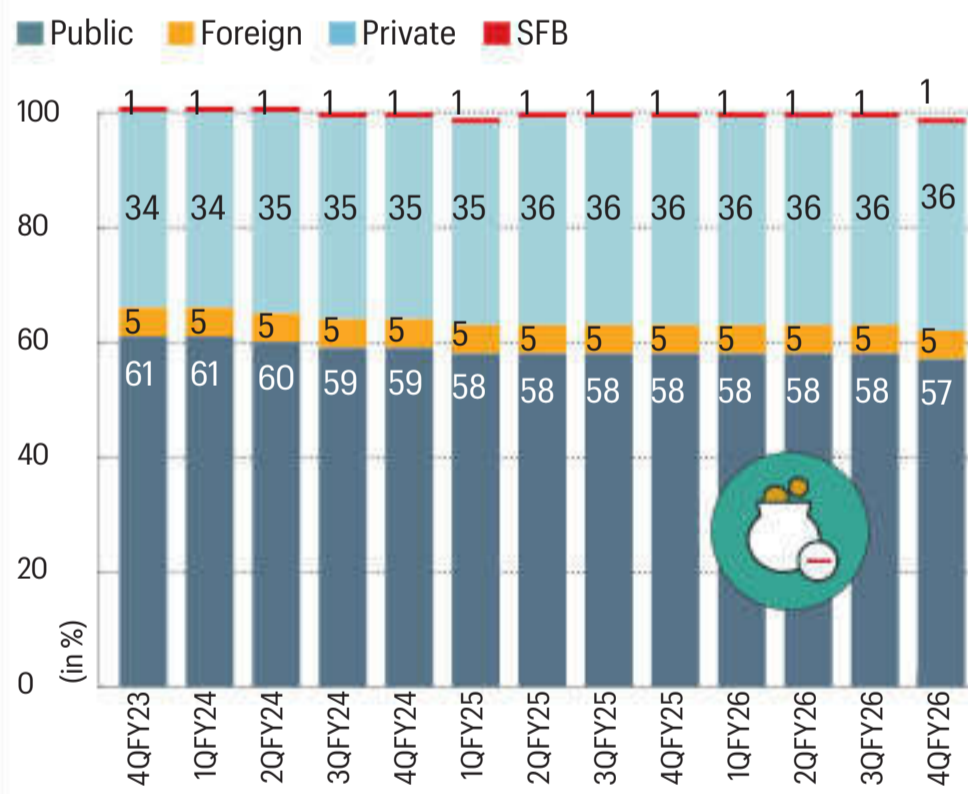
The crisis for OPEC+ deepened when the United Arab Emirates left the Organization of the Petroleum Exporting Countries after almost 60 years.

Seven core members of OPEC+, which groups OPEC and allied producers including Russia, have increased their output quotas from April to June by almost 600,000 barrels per day.

In reality, the group’s production has collapsed due to export cuts by Gulf members, averaging 33.19 million bpd in April compared with 42.77 million in February, according to OPEC figures. REUTERS

SHARE OF PSU BANKS IN DEPOSITS CONTINUES TO DECLINE

With deposit growth slowing for Indian banks, the RBI bearing the hedging cost for new FCNR(B) deposits is important.



Share in total deposits declining
Public sector banks especially are losing out, with their share in total deposits declining to 56% in January-March from 61% three years ago.

PRIVATE BANKS, meanwhile, have increased their share to 36% from 34% over the same period.

ACCORDING TO KOTAK Institutional Equities, for banks to sustain margin gains, much depends on growing the retail deposit franchise without conceding meaningfully on the cost of funds.

SOURCE: KOTAK INSTITUTIONAL EQUITIES

‘Indian cos got far less govt support than Chinese peers in 2005-24’

New Delhi: Indian firms received significantly lower government support than their Chinese counterparts during 2005-2024, according to an OECD (Organisation for Economic Co-operation and Development) report.

OECD MAGIC Database of Industrial Subsidies measures

what firms actually receive (not what governments disclose), covering 525 of the world’s largest manufacturers across 15 key sectors over 2005-24, through three instruments: grants, income-tax concessions, and below-market borrowings (cheap state-bank loans).

“Between 2005 and 2024,

Chinese firms received on average three to eight times more government support than firms based in the OECD, a conservative estimate. These subsidies were also considerably higher than the support received by firms based in non-OECD economies such as Brazil, India, and Indonesia,” the report said. PTI

FE Best banks awards

WINNERS LIST

2024-25

Lifetime Achievement
SANJIV BAJAJ, CMD,
Bajaj Finserv

Banker of the Year
K S RAJU, former MD &
CEO, Canara Bank



CATEGORY	WINNERS
Public sector bank	Indian Bank
Private sector bank	ICICI Bank
Foreign Bank	SMBC (India)
Non Banking Financial Company	Muthoot Finance
Savings product	IDFC First Bank
Digital Bank of the Year	Axis Bank
Small Finance Bank	AU Finance
Fintech—Investment	Groww
Fintech—Reg tech	Perfios
Fintech—Payments	PhonePe
Fintech—Lending	Moneyview
Fintech—Insurance	Go Digit



Union Commerce and Industry Minister Piyush Goyal (front row, fifth from left), The Indian Express Group Executive Director Anant Goenka (front row, sixth from left) and winners of the FE Best Bank Awards, in Mumbai on Sunday.



• BRIEFLY

LIC in talks to facilitate long-term instruments

New Delhi: Life Insurance Corporation of India is engaging with key financial regulators, including the RBI and SEBI, to expand the availability of long-term investment instruments as inflows into its annuity products keep on rising, CEO and MDR Doraiswamy said. An Annuity product converts an accumulated retirement corpus into a guaranteed, lifelong stream of income. PTI

‘ATF price stabilisation fund a good solution’

Rio de Janeiro: India setting up the ATF price stabilisation fund is a very good solution to address the problem of higher jet fuel costs being faced by the domestic airlines, a senior IATA executive has

said. While mentioning that the current jet fuel scenario globally is unprecedented in terms of the cost impact, Hemant Mistry, Director Energy Transition at IATA, cautioned that if the situation continues, there would have to be more flight reductions. PTI

OpenAI plans to revamp ChatGPT ahead of listing

Bengaluru: OpenAI is planning its biggest ChatGPT overhaul yet, aiming to turn it into a “superapp” with coding tools and AI agents to boost revenue ahead of a potential stock market listing, the Financial Times reported on Sunday. The overhaul will give greater prominence and resources to OpenAI’s coding product Codex, initially appearing as updates to ChatGPT’s website and mobile apps, FT said. REUTERS



Testing times

GDP data reveal some strengths, but they will come under strain

The GDP growth data released on Friday simultaneously portray recent economic strength and reveal some reasons for worry. The provisional estimates of GDP growth for 2025-26 have been pegged at 7.7%, which is marginally higher than the 7.6% predicted by the government in February. This suggests that March, the first full month since the West Asia crisis erupted, did not see enough of an impact to affect the full year's growth. That resilience will be dented in the months ahead. The data also showed that several key sectors of the economy, such as manufacturing and several services sectors, grew by double digits over and above a relatively high base. These are all good signs for an economy heading into severe supply-related headwinds due to the war in Iran. Notably, both Private Final Consumption Expenditure and Gross Fixed Capital Formation – metrics of household consumption and government and private sector investment activity, respectively – grew faster in 2025-26 than they did in the previous year. The consumption growth is especially welcome given that it had been at a tepid 5.8% for the previous two years. It remains to be seen how much of the investment growth was driven by the private sector. Even if this growth was driven by government spending, it has positive knock-on effects on the rest of the economy.

The weakness in the agriculture sector, however, is something to worry about. The sector's growth slowed to 3% in 2025-26 from 4.2% in 2024-25, despite the 2025 monsoon having concluded at 108% of its long period average (LPA). This is dire news, given that the India Meteorological Department has predicted that this year's monsoon will only be 90% of the LPA. That is not counting the fertilizer supply constraints that will really be felt in the months ahead. The data also show the rising dominance of services in the economy, with their share rising to 54.3% of total gross value added (GVA) in 2025-26, up from 51.9% in 2022-23. The agriculture sector, which continues to employ the largest share of the population by far, saw its share in GVA fall to below 20% from 22.1% in 2022-23. The manufacturing sector's share has remained largely unchanged, another cause for concern. This suggests that India is not growing its value-added manufacturing sector fast enough. The Reserve Bank of India (RBI), government, and independent economists are in agreement that 2026-27 will see growth slowing significantly. The RBI predicted growth will dip to 6.6%, and the Chief Economic Adviser said that he saw no need to second-guess this estimate. Last year's tariff-related disruptions were a test of India's export resilience. This year's energy supply disruptions will test the entire economy as well as the government's policy agility.

Missed call

India must brace itself for a deficient southwest monsoon

The southwest monsoon reached Kerala on June 4, three days past its normal date and four days behind the India Meteorological Department's own forecast. This is the first time since 2015 that the agency has misjudged the onset beyond its margin of error. A late arrival, in itself, is no calamity. The date on which the rains touch the Kerala coast has little statistical bearing on how much falls over the four months that follow. Many times in the past, the monsoon has begun early and failed, and also begun late and recovered. It is what the monsoon has in store over the next four months that is unsettling. The India Meteorological Department has pegged seasonal rainfall at 90% of the long-period average, with a 60% probability of an outright deficient year – its most pessimistic pre-season call in a decade. Only the northeast is expected to see normal rain; the northwest, central India, the peninsula and the monsoon core zone that waters most of the country's rain-fed farmland are all forecast to fall short. As monsoon watchers have often cautioned, it is the distribution – the sudden long dry spells, sown crops that then face the danger of being unwatered – that matters. Every monsoon is consequential for India. This one is exceptionally so, because it arrives atop an input crisis. The West Asia conflict and the disruption at the Strait of Hormuz earlier this year throttled energy supply and fertilizer production.

History offers little comfort. Around 60% of El Niño years since 1951 have brought deficient or below-normal rains; 2002, 2009 were the severest droughts of the century with significant shortfalls in 2014 and 2015. With El Niño now near-certain through the heart of the season, the government must not count on a late, redeeming swing of the Indian Ocean Dipole. That means activating the Agriculture Ministry, Jal Shakti and Consumer Affairs Ministries on a war footing along with the disaster management authorities, with advisories steering farmers toward short-duration pulses, oilseeds and millets over thirsty paddy. Disciplined groundwater and reservoir management are necessary and crop insurance and relief provisioning must be readied. India will also have to brave more days of severe heat, which a parched landscape will only sharpen. The government as recently as last week claimed to deliver a record *kharif* production. While hoping for the best, it must prepare for the worst. A weak monsoon would fall on a farm economy whose nutrients and fuel are both already scarce and dear.

India is on the cusp of a demographic upheaval. Fertility rates across the country have been falling for decades and are now on or below replacement levels. We will soon have to shift from the challenges of finding jobs for the youth bulge to preparing to care for an ageing population.

You would not think so looking at the Terms of Reference (ToRs) of the High-Level Committee on Demographic Change that the government constituted at the end of May. The ToRs are peppered with the need to address “illegal immigration” and border management. Home Minister Amit Shah said on the social media site X while announcing the formation of the committee that “Illegal infiltration and other reasons leading to Unnatural Demographic Change is a very big challenge for the present and future of any nation.” It is no wonder that the committee does not have a single demographer to guide its work. Its chairperson is a retired Supreme Court of India judge; it has a retired IAS officer and a retired IPS officer, the Census Commissioner and an economist.

The infiltration narrative expands

Using strong words about “infiltrators”, the Prime Minister had announced the need for such a committee from the ramparts of Red Fort on August 15, 2025. Indeed, this was the culmination of years of building a mythology that undocumented (Muslim) migrants from Bangladesh are swamping the districts on the border, spreading across the country and influencing electoral outcomes. It was way back in 2018 that Amit Shah, then Bharatiya Janata Party (BJP) President, said that Bangladeshi migrants were termites. The mythology about hordes of immigrants has seeped into the citizen's consciousness and has served well the electoral purposes of the BJP.

It has worked very well in Assam during a couple of election cycles, and it was stunningly effective in West Bengal during the recent elections where the need to deal with “infiltration” was a central feature of the BJP campaign. It is perhaps time now to make it a nation-wide campaign aided by the recommendations of the Demographic Change Committee.

Given how the issue has been highlighted and framed, we can have a fair idea of what the recommendations of this committee will be. It is still important to understand why this has little to do with demographic challenges and is all about moving to the next stage of the “Othering” of India's minorities, especially Muslims.

To begin with, what is the evidence of large-scale undocumented immigration from Bangladesh? It is revealing that the only kind of official evidence we have so far of “demographic change” (i.e., immigration from Bangladesh



C. Rammanohar Reddy

Writer based in Hyderabad

affecting population size and composition) are observations by the Home Minister of large increases in the population of a few of the border districts. Highlighting such increases without reference to domestic migration or differential fertility behaviour among communities is not proof of undocumented immigration. It is instructive that studies that had been done by official agencies showing evidence of demographic change in the border districts were removed without explanation, according to a report in this daily (“Government proposal in 2024 for a panel on ‘demographic challenges’ never took off”, August 16, 2025). We can only presume that they were deleted because they did not stand scrutiny.

This is not about undocumented migration

For decades there has indeed been cross-border migration between India and Bangladesh across what is an integrated riverine ecology. But given the economic transformation that has taken place in Bangladesh in recent decades, it would be hard to argue for economic distress driving large-scale migration from Bangladesh to India. India's neighbour is no “basket case” as it was derisively described decades ago.

According to World Bank data, Bangladesh's per capita income (in nominal dollar terms) grew faster than India during 2005-23 (10.4% versus 7.70% compound annual growth rate); it now has roughly the same income as India's. In purchasing power parity terms, India's growth is slightly higher. Both countries presently have roughly the same per capita income however measured, and both now have the same levels of human development, according to the UNDP's Human Development Index. But the change in Bangladesh has been much faster. Why then would there be migration to India of a scale that there should be talk of being swamped? There would certainly remain pockets of distress forcing the poor to consider migrating to India and the more skilled to West Asia. But we cannot find economic evidence to suggest waves of Bangladeshis being pushed by distress to migrate to India, ending up affecting jobs and electoral outcomes here.

Of course, all this is not about undocumented migration. All this is really a code for the place of Muslims in India and an acceleration of the social, economic and political discrimination of this community of Indian citizens that has taken place over the past 12 years. And here the government has given a more dangerous diktat to the committee. Item (iv) reads “to analyse structural population changes at the level of religious or social communities, particularly where they deviate from broader trends”. This in particular is about the fertility behaviour of Muslims and “where they deviate from broader trends”.

For a century now, the Hindutva campaign has

The Demographic Change Committee may become a platform to institutionalise the targeting of minorities

From borderland to India's strategic resource frontier

Within days of one another, official platforms of the Ministry of Mines cast several northeastern States in a similar frame – as repositories of strategic minerals and untapped potential. Manipur was described as a “quiet mineral frontier”, Arunachal Pradesh as a “resource-rich frontier”, while Meghalaya and Mizoram were portrayed through comparable narratives that emphasised the hidden wealth beneath their hills. Governments routinely publicise natural resources and development opportunities, and such descriptions would ordinarily attract little attention.

Taken together, however, they point to a broader shift in the language through which the northeast is increasingly being framed in the national conversation and strategic picture.

The critical mineral push

The timing is significant because critical minerals have moved from geological discussions into strategic ones. Lithium, cobalt, graphite, nickel and rare earth elements increasingly shape industrial competition, technological manufacturing and energy transitions. Batteries, semiconductors, renewable technologies and defence systems depend upon them, and countries have begun repositioning themselves around access to these resources. India itself continues to depend on imports for several critical minerals and has consequently expanded exploration efforts. According to a Ministry of Mines reply in Parliament, the Geological Survey of India undertook 43 critical mineral exploration projects across northeastern States during the 2022-23, 2023-24 and 2024-25 field seasons, covering minerals such as graphite, vanadium, lithium, rare earth elements, nickel and cobalt. Exploration activity has expanded across Arunachal Pradesh, Meghalaya, Assam, Nagaland and Manipur. In Manipur, projects involving nickel, cobalt and chromium exploration have recently been initiated.

Geological surveys have pointed toward mineral potential across the region for years.



Sangmuan Hangsing

Researcher and alumnus of the Kautilya School of Public Policy

What appears to be changing is the language through which that significance is increasingly being understood. The northeast has long held strategic significance that extends beyond geology, but the framework through which that significance is understood now appears to be widening.

Shift in language

For decades, the northeast has figured in national strategy largely through the language of borders and security. Discussions have centred on insurgencies, territorial management, connectivity initiatives and geopolitics considerations involving neighbouring countries, while infrastructure and development were often justified as instruments of strategic access and territorial security.

The language of resources is increasingly entering a strategic space once dominated by concerns over borders and security. Critical minerals are now discussed alongside trade corridors and geopolitical access, with territorial and resource security converging. Places once viewed mainly as sensitive border regions are increasingly seen as strategic assets.

The repeated use of the word frontier is revealing, because frontiers rarely function as neutral descriptions. They do not merely describe geography; they often reflect how States imagine it. Historically, frontiers have been viewed as spaces awaiting integration, development or extraction because they appear as landscapes of future possibility.

The difficulty is that frontiers are rarely empty spaces waiting to be discovered. The hills and valleys of the northeast already contain dense social and political worlds structured around customary land systems, local institutions and long-standing relationships with territory. Questions of land often extend beyond economics, as they are also tied to authority, identity and memory. Resource extraction thus enters landscapes that already possess institutions and histories of their own.

Critical mineral ambitions must account for the people, land and history of northeast India

whipped up fears of Muslims overtaking Hindus in population.

This is now firmly impregnated in the minds of Hindus of all ages, classes, castes and regions. It is to be found in everyday social conversations, on social media of course, and it is expressed in less than thinly veiled terms during electoral campaigns.

When facts are ignored

It is tiresome to repeat the facts, but one has to, even when confronted by a wall of disinformation and prejudice. Yes, the share of Muslims in India's population has risen from 10% in 1951 to 14% in 2011, at the time of the last Census. Yes, in the past, the Muslim community on a whole has shown a higher fertility than the Hindus and other religious denominations. This has been on account of its poorer economic status, lower education of women and perhaps even religious beliefs. However, fertility among Muslim women has begun falling rapidly, with the result that the gap between Muslims and Hindus has narrowed and will soon disappear. On the desired number of children that women want to have, there is now almost no difference between Hindus and Muslims. So much for Muslims now having more children than Hindus. And to repeat what is well-known, the best example of why religion is not the determinant of fertility behaviour: Muslim women in Tamil Nadu, Kerala and Jammu and Kashmir exhibit lower fertility than the Hindu women of Bihar and Uttar Pradesh. Poverty and education matter more. This is the deviation that needs to be addressed, not fertility behaviour according to religion.

To speak then about Muslim fertility “deviating from broad trends”, as one of the ToRs of the committee indicates, is to ignore the facts on the ground and fall back on familiar tropes about the behaviour of this minority, giving official validation of age-old misinformation.

We cannot escape from the realisation that this committee is being asked to recommend steps to target minorities under the cover of checking undocumented migration. After all, we have already become an inhumane society where, according to reliable reports, government agencies have flown Rohingya refugees from Delhi to the Andamans and then pushed them into the sea with life jackets. So when the Demographic Change Committee is asked “to recommend a streamlined and permanent operational mechanism for the legal, fair, and time-bound identification, detention, and deportation of illegal immigrants already residing in the country”, there is a chilling similarity between the language of this “permanent operational mechanism” and the “Final Solution” practised in 1940s Europe.

We should not say we have not been forewarned.

These questions become particularly significant in regions where political uncertainties continue to shape everyday life. In Manipur, years of violence and displacement have intensified debates over land and territorial arrangements. Similar concerns about ownership, ecological vulnerability and local participation have surfaced across the northeast at different times. Projects involving land often acquire meanings that extend beyond development, as communities interpret them through the lens of trust, representation and political inclusion.

Resources and inclusion

India's search for critical resources is understandable within a global environment increasingly shaped by supply-chain uncertainty and strategic competition. The northeast itself also requires infrastructure, employment and economic opportunities that have remained uneven for decades. Questions surrounding resource development rarely fit neatly into positions of support or opposition.

How quickly these transitions unfold and who shapes them may matter as much as the resources themselves. For a very long time, national priorities and local realities in the northeast often moved at different speeds. Connectivity projects sometimes arrived without corresponding economic ecosystems, while strategic considerations frequently overshadowed questions surrounding participation and representation. Resource development risks reproducing similar tensions if extraction begins moving faster than institutions capable of managing its social consequences.

What is being debated extends beyond the minerals beneath the hills. The northeast has spent years being viewed first as a border to be secured and then as a corridor to be connected. If it now begins entering national imagination as a landscape of strategic resources, the question is whether this new frontier will finally include the people who already inhabit it, or merely assign another purpose to the land beneath their feet.

LETTERS TO THE EDITOR

The Hindu Huddle 2026

The 2026 edition of The Hindu Huddle, in Bengaluru, was an intellectually enriching experience that provided a remarkable platform for delegates to engage with an eclectic range of subjects – spanning the complexities of domestic and geopolitics

to the nuanced worlds of cinema, art, and music. The event was well-organised, ensuring a seamless and hassle-free experience for all in attendance. It is rare to find such a thoughtful curation of topics under one roof, and the depth of insight provided by the speakers was

commendable. One hopes that such vibrant dialogue continues to flourish in our city.

Ram Kumar Viswanathan, Bengaluru

The sessions were well curated and offered an engaging blend of perspectives and

discussions. The sessions featuring the actors and the mentalist were particularly refreshing. I especially enjoyed the discussion with the diplomats from the EU and Australia.

L. Gopinath, Bengaluru

It is distressing that Jammu

and Kashmir Chief Minister Omar Abdullah unabashedly bemoans the abrogation of Article 370 while, in the same breath, urging the Centre to accord statehood to the newly carved-out Union Territory. He must reconcile himself to the changed realities and accept that the welfare of

Jammu and Kashmir can be better served now than under the erstwhile dispensation with Art.370.

Ravi Mathur, Noida, Uttar Pradesh

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

Text & Context

THE HINDU

NEWS IN NUMBERS

Persons injured in violence that erupted in Somalia's capital

55 One person was killed and 55 were injured in political violence that erupted in Somalia's capital this week, according to a government statement on Sunday. President Hassan Sheikh Mohamud has sparked a fresh political crisis by announcing a one-year extension of his term, which had been due to expire on May 15. AFP

Share of grassland lost by Assam's Manas National park

60 in per cent. Assam's Manas National Park & Tiger Reserve rolled out the State's first grass nursery as it has lost more than 60% of the park's grasslands over the past 35 years. The nursery has been developed over an area of 7.5 bigha with financial support from the State Compensatory Afforestation Fund Management and Planning Authority. PTI

Deaths linked to unsafe use of pesticides in Rajasthan

535 As many as 535 farmers have died while using pesticides in Rajasthan between January 2024 and January 2026, according to information provided in response to a legislative assembly question. The agriculture department said that ₹5.10 crore in assistance was provided to the families of deceased farmers under the CM's farmer welfare scheme. PTI

Amount invested by Swiss firms in the U.S. after tariff deal

27 in \$ billion. Swiss companies invested \$27 billion in the U.S. between January and April, as Switzerland moves to fulfil a pledge to sharply increase investment following a tariff agreement with Washington, *NZZ am Sonntag* reported. The figure was contained in an internal email from the Swiss-American Chamber of Commerce to its members, it said. REUTERS

Number of fatalities reported during Char Dham Yatra

161 More than 31 lakh pilgrims have visited Uttarakhand since the Char Dham Yatra began in April, while 161 fatalities have been reported among the devotees during the ongoing pilgrimage season, officials said on Sunday. According to the latest report, Kedarnath Dham recorded the highest footfall with 11,05,676 pilgrims. PTI
COMPILED BY THE HINDU DATA TEAM

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The Ordinance question before the SC

The Collegium's acceptance of an Ordinance that creates four additional judges' posts raises questions about judicial independence, security of tenure and the appearance of detachment from the executive; court has taken a calculated risk by staking its independence on the goodwill of the government and Parliament

LETTER & SPIRIT

V. Venkatesan

In February 1937, the President of the United States of America, Franklin D. Roosevelt, asked Congress to enlarge the nine-judge Supreme Court. He sought a new justice for each one past 70 who refused to retire, up to 15 in all. The Senate Judiciary Committee saw through it. It preferred "an independent Court, a fearless Court," to one that bent "out of fear or sense of obligation to the appointing power." The Senate refused, with 70 members voting against and 20 in favour, and the plan was dead.

In Delhi last week, five judges took the oath; three occupy chairs, that no statute has created. They sit because the President, by Ordinance, lifted the sanctioned strength from 34 to 38.

Ordinance-made seats

The five are fit for office: four sat as Chief Justices of High Courts, the fifth came from the bar. Their elevation is not the grievance; the manner of it is. The Ordinance was promulgated on May 16, when the Court sat at 32 against a sanctioned 34. Two lawful vacancies existed; two of Tuesday's appointments filled them. The other three rest on the Ordinance alone.

Article 124(i) leaves the number of judges to what Parliament may prescribe. An Article 123 Ordinance carries, for its life, the force of an Act. Independence of the judiciary is a basic feature of the Constitution. It is also about whether the court holds its seats free of obligation to the political branch. A court that owes three chairs to a six-week renewable Ordinance holds them at the executive's sufferance.

A test of principle

In 2015, a Constitution Bench decided *Supreme Court Advocates-on-Record Association vs Union of India*. It struck down the 99th Amendment and the National Judicial Appointments Commission. Parliament had passed it 367 to nil in the Lok Sabha, with the States ratifying. The commission was to have six members: the Chief Justice, the two senior-most judges after him, the Union Law Minister, and two eminent persons. The eminent persons were to be chosen by a panel of the Prime Minister, the Chief Justice, and the Leader of the Opposition. That composition was meant to keep the choice neutral. Yet the Act provided that any two members could veto a name. The court feared that the Law Minister and even one eminent person could thus block a candidate the judges favoured. It held that this destroyed the judiciary's primacy in its own appointments.

Yet the Supreme Court Collegium has accepted an Ordinance that seats three of its own, despite the uncertainty over its fate. Under Article 123, the President may withdraw an Ordinance at any time. Both Houses may disapprove it by resolution. Otherwise, it ceases to operate six weeks after Parliament reassembles.

The court itself taught the country to distrust the Ordinance. In *D.C. Wadhwa vs State of Bihar* (1986), it called governance by repromulgated ordinance a fraud on the Constitution. In *Krishna Kumar Singh vs State of Bihar* (2017), a seven-judge Bench ruled against using ordinance-making power as a parallel source of legislation.

If the Bill replaces the Ordinance, the



GETTY IMAGES



CJI Surya Kant administers the oath of office to Justice V. Mohana as a judge of the Supreme Court, in New Delhi on June 2. She is only the second woman to be elevated directly from the Bar to the court. PTI

anomaly closes. If not, the apex court's strength reverts to 34, and the executive cannot bridge the gap by repromulgation, the fraud *Wadhwa* condemned. Whether a judge appointed to an Ordinance-created post can be removed once that post lapses is untested. Their judgments hold under the de facto doctrine, affirmed in *Gokaraju Rangaraju vs State of Andhra Pradesh* (1981). The subtler harm is to appearance: in any matter touching the Union, the government whose majority must regularise their seats may appear before them. A judge whose tenure lies, even loosely, in one party's gift cannot wear the detachment the office demands.

The calculated risk

The court sits at 37; the 38th and last sanctioned post is empty, the calendar suggests why. Justice Pankaj Mithal retires on June 16 and Justice J.K. Maheshwari on June 28. Their retirements reopen two lawful seats, into which two of the three Ordinance judges move. A judge in the 38th post would be the junior-most. Its occupant would reach a lawful seat only at Justice Satish Chandra Sharma's retirement on November 29, months after the Ordinance expires. Leaving it empty spares the court a judge stranded that long.

That leaves Justice V. Mohana, alone of the five from the bar and so junior-most,

The five are fit for office: four sat as Chief Justices of High Courts, the fifth came from the bar

on an Ordinance post. She can reach a lawful seat only when Justice Sanjay Karol retires on August 22. Here, the Collegium seems to have taken a calculated risk. Justice Karol's retirement all but coincides with the Ordinance's likely lapse, six weeks into the monsoon session. The replacing law should thus arrive first, and even a short delay is caught by his vacancy, which absorbs her. Her position turns precarious only if the Ordinance is rejected or lapses before August 22. Then the strength reverts to 34, the court still sits at 35, and she holds a post that the law no longer recognises. That a judge of the highest court should depend on which reading prevails, and on when Parliament meets, is the disquiet.

Larger question

The wager will likely be won; the government has the numbers, and the Opposition will not unsettle freshly sworn judges. But that is not the point. The court has staked its independence and its judges' security of tenure on the goodwill of the executive and Parliament.

The U.S. Senate's warning of 1937 was against a court bound by obligation to the appointing power. The graver danger is a court that no longer notices the obligation. Independence of the judiciary is not only the right to say no to the executive. It is the instinct to want to. (V. Venkatesan is Contributing Editor at *Supreme Court Observer*. Views expressed are personal)

THE GIST

Five judges were sworn in to the Supreme Court after the sanctioned strength was raised from 34 to 38 through a Presidential Ordinance; while two appointments filled existing vacancies, three were made to newly created posts.

The Supreme Court has previously held in cases such as *D.C. Wadhwa vs State of Bihar* and *Krishna Kumar Singh vs State of Bihar* that ordinance-making power cannot become a parallel source of legislation and that repeated promulgation of ordinances is unconstitutional.

If Parliament does not replace the Ordinance with a law, the court's sanctioned strength would revert to 34, raising unresolved questions about the status of judges appointed to Ordinance-created posts and the legal implications of such appointments.

CACHE



Meta rolled out its AI support assistant chatbot on Facebook and Instagram in March. REUTERS

Did Meta's own AI support bot help hack Instagram accounts?

Hackers allegedly used Meta's AI support assistant to change account details and hijack Instagram profiles; the incident has raised concerns about AI-enabled cyber-attacks and the security of customer support chatbots

Sahana Venugopal

The story so far:

In May, a number of Instagram users were locked out of their accounts by hackers. Many of the affected users took to other social media platforms like Reddit and X (formerly Twitter) to post their complaints. Screen recordings later circulated online suggested that their Instagram accounts were hacked with the help of Meta's own AI support chatbot. Adding to the users' worries was the lack of transparency from Meta's side about the security lapse, fuelling fears of an AI-enabled hack.

How were users' Instagram accounts hacked?

Meta rolled out its AI support assistant chatbot on Facebook and Instagram in March. The feature is different from the company's better known Meta AI. The AI support assistant can take action for users when it comes to requests such as reporting content, understanding content takedowns, managing privacy settings, resetting passwords, and updating profile settings.

Several widely-circulated recordings and images of the hack revealed hackers purportedly instructing the Meta AI support assistant to use an email ID that was different from the one associated with users' Instagram accounts. After the switch was made, hackers were able to

access the verification code sent to the new email ID. They used this to reset the account password and hijack the user's Instagram account.

Many affected users claimed they were logged out of their accounts and that trying to contact Meta for help led them to another AI chatbot. Some noted they had been unfairly penalised after being hacked.

Multiple high-profile accounts were also hacked around this time period, such as the White House Instagram account of former U.S. President Barack Obama (@obamawhitehouse), which last posted in 2017. At the time of writing this story, Meta did not confirm whether this specific security breach is linked to hackers who used the Meta AI support chatbot.

According to *TechCrunch*, the attacks on users' accounts continued even after Meta addressed the issue.

What was Meta's response?

While the company did not issue a formal statement about the hack, Meta spokesperson Andy Stone replied to users on the X platform about the cyber-attack. "This issue has been resolved and we are securing impacted accounts," Mr. Stone told one user, without offering further confirmation or denial.

Mr. Stone told another X user that Instagram was trying to restore access to affected individuals, which meant that

some users could see password reset notifications or security question verification while logging in. This, in turn, triggered alarm and suspicion amongst some users who worried they were being targeted by additional phishing attacks.

The Hindu reached out to Meta multiple times in order to clarify the details of the exploit and learn how many users were affected, but did not receive an official response.

Are such AI-enabled attacks common?

While malicious actors have adopted Generative AI and agentic AI technologies to launch phishing attacks or social engineering attacks at scale, Meta's case is unique. Here, the shared evidence points to the company's own AI customer support chatbot helping hackers commit cyber crimes. Unlike other cyber-attacks that use third-party AI tools, this incident breaks the trust that a customer places in a company's supposedly vetted AI chatbot.

Satnam Narang, Senior Staff Research Engineer at the cybersecurity company Tenable, said that the Meta incident was "one of the most consequential abuses of AI chatbots" seen thus far. He warned that as companies begin using AI to power their chatbots, more such incidents can be expected.

"The incident with Meta was believed to have been addressed, but persistent

attackers still found ways to continue to leverage the chatbots for nefarious purposes. It is believed that this incident is now resolved, but once Pandora's box is opened, we can expect attackers to start hunting for and probing other chatbots for potential exploitation," said Mr. Narang.

He added that most everyday internet users did not have to worry about their accounts, observing that many hacked targets were those with high-demand Instagram usernames, or accounts belonging to high-profile users.

"The downstream effects are more likely to affect users if an account is hijacked, and it is used to conduct follow-on attacks, whether it's phishing or financial-fraud related, that is where most everyday internet users may be impacted," explained Mr. Narang.

As experts have stressed in the past, multiple layers of security – two-factor authentication (2FA) and multi-factor authentication (MFA) – help to safeguard accounts.

This is especially crucial for celebrities, business users, official bodies, influencers, or those working in sensitive fields who might end up losing their reputation and livelihood due to hacks.

But after an unprecedented AI-enabled hack impacting one of the world's most valuable tech companies, Instagram users want to see Meta taking responsibility with more than just a few tweets.



KNOW YOUR ENGLISH

The teenager is being called a wunderkind

The die was cast the moment he accepted the bribe

S. Upendran

What is the meaning of 'wunderkind'? How is the word pronounced? (Sandeep Reddy, Ongole)

'Wunderkind' has been borrowed from German, and it consists of two words - 'wunder' and 'kind'. The first word, 'wunder', consists of two syllables; the vowel in the first, sounds like the 'u' in 'full', 'pull' and 'bull', while the following 'e' is pronounced like the 'a' in 'china'. The 'i' in 'kind' sounds like the 'i' in 'kid', 'bid' and 'hid'. The word is usually pronounced 'WUN-de-kind', with the stress on the first syllable. It is also possible to pronounce the 'w' like the 'v' in 'vet', 'vase' and 'village'.

In German, 'wunder' means 'wonder' and 'kind' means 'child'; the term literally means 'wonder child'. In English, the word is frequently used to refer to a very young individual who has achieved tremendous success in his chosen field. Another term for such a person is 'child prodigy'. During the recently concluded IPL tournament, commentators were waxing lyrical over the batting exploits of the teenager, Vaibhav Sooryavanshi. In the past two years, he has demonstrated that he is highly skilled with the bat. Many experts of the game believe that he is a 'wunderkind'. The term can be used with anyone young who excels in any field - not just sports.

Neither of his parents are interested in music. So, they are surprised that he is frequently referred to as a musical wunderkind.

The wunderkind had published five successful novels by the time he turned 20.

What is the meaning and origin of 'the die is cast'? (J Arun, Kanchipuram)

The 'die' in the idiom has nothing to do with death. When we play board games like Snakes and Ladders and Monopoly, we roll the dice to determine how many squares we can move. When you are referring to two or more of the cubes, then you refer to it as 'dice'. In other words, 'die' is the singular form of 'dice'. When you say that the 'die is cast', what you are suggesting is that you have made certain decisions that cannot be reversed or changed; the chain of events are no longer under your control. There is no turning back. When the die leaves your hand, your fate has already been determined; you have no control over the number that the die will land on.

The moment he accepted the bribe, the die was cast. He could never go back to leading the life of an honest man.

The die was cast when Joseph started making fun of her father. She called off the engagement the very same day.

According to scholars, when Julius Caesar crossed the Rubicon in 49 BC to invade Rome, he is supposed to have said, 'Alea iacta est', meaning 'the die is cast/thrown'. In other words, by crossing the river, Caesar was declaring war against Pompey and the Roman Republic – the decision he was taking was irreversible. The civil war that resulted, lasted over four years; and the rest, as they say, is history. The translation of this Latin idiom became part of the English language only in the 16th century. upendrankye@gmail.com

THE DAILY QUIZ

A quiz to test your knowledge of oceans on World Oceans Day

V.V. Ramanan

QUESTION 1

Why was June 8 specifically chosen for World Oceans Day and when was it first observed officially?

QUESTION 2

Oceans cover about 70% percent of the Earth. According to the International Hydrographic Organization, how many oceans are officially recognised and which is the smallest?

QUESTION 3

Which distinct characteristic of oceans is because of mineral runoff from land and hydrothermal activity on the seafloor?

QUESTION 4

If the average global temperature rises

by 1.5°C, the estimated loss of which remarkable biodiverse natural feature is 70 to 90%?

QUESTION 5

In one of the biggest environmental disasters, the Aral Sea dramatically shrank because of massive water diversion projects in the 1960s on two major rivers. Name the rivers.

QUESTION 6

What is a 'seamount'?

QUESTION 7

What body of water separates Madagascar from the African continent?

QUESTION 8

Which 'colourful' sea's name is a direct translation of its ancient Greek name Erythra Thalassa?



Visual Question: Name this member of the deepest-living fish family that have been recorded in trenches of over 8000m.

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

1. What was the name of the World Cup before it was changed to the FIFA World Cup Trophy since 1974? **Ans: Jules Rimet trophy**
2. Who scored the first-ever goal in World Cup Football history? **Ans: Lucien Laurent of France**
3. Which country has taken part in all 22 editions of the Football World Cup held so far? **Ans: Brazil**
4. Which country has the dubious distinction of having played the World Cup final the most times yet still to win it on a single occasion? **Ans: Netherlands (3) - 1974, 1978 & 2010**
5. Which country has reached the semi-finals the most times in World Cup history? **Ans: Germany (12 times - played as West Germany before unification)**

Visual: Identify this player who holds a unique record in World Cup history of having played in three consecutive finals? **Ans: Cafu, Brazil (1994-2002)**

Early Birds: Prem Raj P. | Sadhan Panda | Prem Nath Tiwari | Keshav Raturi | Pulkit Sathe

Word of the day

Tarry: be about a place without any apparent purpose

Synonyms: stay, drag, linger, loiter

Usage: He tarried outside the station, waiting for a friend.

Pronunciation: newsth.live/tarry

International Phonetic Alphabet: /tæri/

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

Healthy data

NFHS-6 shows better health indices; more data awaited

The recently released sixth edition of the National Family Health Survey, which covered 6.79 lakh households across 715 districts between May 2023 and December 2024, points to improvements in health metrics at an all-India level, even as detailed data on some indicators is awaited. The latest fact sheet has 101 indicators, against 131 in NFHS-5 (2019-21). Over 10 new metrics find a place in the fact sheet of NFHS-6, while about 40 have not been included in it.



The Survey's focus on new indicators, such as those pertaining to financial inclusion, vaccination coverage, share of elderly population is well thought-out. The achievements in the post-Covid period are notable. Institutional deliveries are up from 88.6 per cent in NFHS-5 to 90.6 per cent. Maternal health, child immunisation and nutrition have looked up. Stunting, wasting and underweight prevalence among children has fallen. Breastfeeding of infants, as well as complementary foods for them, has also improved. Health infrastructure as well as nutritional schemes have done their bit. On the flip side, there has been an increase in C-section deliveries, from 21.5 per cent to 27.2 per cent. There is a nutritional paradox at work, with the share of both the overweight and underweight increasing in both sexes. The Survey's focus on hypertension and diabetes is a valid one.

However, the differences between the fact sheets of NFHS-5 and 6 have become a subject of debate, and the Centre has issued a timely explanation. The omissions in the latest fact sheet can be put into three categories. First, omission of the parameter at the questionnaire stage itself, such as in anaemia and disability. The capillary testing method (finger pricking) is believed to distort anaemia readings, as a result of which NFHS 6 dropped tracking it. The ICMR will conduct a separate survey with venous blood sampling, the Centre has said. The second lot of omissions comprises parameters "tracked through specialised surveys and administrative platforms...making the duplication within Fact Sheets unnecessary." These include clean cooking fuel coverage, sanitation, statistics relating to mortality and birth registration. These are expected to be covered by Sample Registration System, Civil Registration System and the Census. Third, "several indicators" such as those related to family planning, child health interventions, women's health and HIV will be presented in a more detailed report later. This should be brought out soon, as a year and half has gone by since the conclusion of the survey.

Notwithstanding the 'duplication' (multiple sources will enhance verification), a 360-degree overview of indicators should be placed in the public domain. It will also translate into better policy formulation, and assessment of existing schemes on sanitation and fuel use. Raw, unit data should be made available to researchers, as in the past, to provide critical insights. That said, the Centre's assurance on data robustness is to be welcomed.

OTHER VOICES.

The Guardian

Big tech and far right are allied in an outrage arms race

To learn of the last minutes of Henry Nowak's life would be shocking and distressing under any circumstances. The stabbed teenager begged officers for help, as they handcuffed him before realising their mistake. To watch those final moments, on the police body-cam footage released this week, is all the more immediate, and unbearable. The outrage is widely shared. But the way it has been weaponised is alarming. His family's wish is for his legacy to be a renewed effort to reduce knife crime, not increased antagonism along racial and religious lines. Instead, the unscrupulous are using the power of the footage and the speed of social media to spread myths about "two-tier policing" and turn trauma into political mobilisation. LONDON, JUNE 5

讀賣新聞

THE YOMIURI SHIMBUN

Deepen Ties by Working Together against Climate Change

International discussions on how to halt the deterioration of the marine environment caused by global warming and marine pollution due to plastic waste remain at a standstill. However, tackling such environmental problems is an urgent issue for small island nations. As a fellow maritime country, Japan must take the lead in efforts to resolve various ocean-related challenges. Aiming to raise international awareness, the first Island States Ocean Summit was held in Tokyo to discuss issues faced by island nations. The conference was hosted by the Nippon Foundation, which works to address social issues, in cooperation with the Foreign Ministry and UNESCO. Among the 300 attendees were leaders and government officials from 35 countries. TOKYO, JUNE 7

LINE&
LENGTH.

TCA SRINIVASA RAGHAVAN

There comes a time in the life of governments, especially the long running ones, when after a great run they suddenly appear helpless, incompetent, bumbling. As they say in America, they appear to be on the skids which means sliding down in an uncontrollable way.

We must now seriously confront this problem in respect of the 12-year-old Modi government. Its troubles started last summer when Donald Trump, peeved that India would not give him any credit whatsoever for ending that three-day war with Pakistan, suddenly turned on India.

He grew closer to Pakistan and increased tariffs from India to ridiculous levels. All this happened so unexpectedly that the government was caught completely unawares.

Then came the American-Israeli war with Iran this year and the sharp drop in oil and gas supplies from the Middle East. Again the government was caught off guard.

And since January, the sustained withdrawal of foreign investment in the stock market has amounted to about \$25 billion.

The rupee has depreciated by over 10 per cent against the dollar over a year and the RBI has been struggling to keep volatility down. It's like what happened in 1990 and 2013. The government has been forced to fiddle with the rules that determine the rate of return on foreign investment. It is, not to put too fine a point on it, a climb down.

At the same time the monsoon looks like it won't be normal. There's also an El Niño building up. There's a shortage of fertilizer, and fuel for everything. Overall, there's a strong possibility of a sharp increase in inflation.

PREFERENCES CHANGE

Well, you might say, quite correctly, that these things happen. They are happening all over the world, thanks to Donald Trump and that India is not an exception.

The problem, however, is the length of time this government has been running



the country continuously. Hence the question: are we reaching the stage when people say please go, anyone other than you would be preferable? It has happened very recently to the DMK and the TMC.

Most people would say no, the Modi government is nowhere near that point. But it's still early days. The resentment that turns into massive anti-incumbency takes time to marinate.

This fate has befallen such governments in the past and it can overwhelm the Modi government also

The Trump tariffs, the Iran war-led energy supply disruption, the bleak monsoon forecast — all point towards rising inflation and economic pain ahead. This could lead to voters to look for alternative options

unless it handles it all with sensitivity.

In this regard we also have to bear in mind AAP and TVK. Newcomers can cause massive upsets when the electorate is already fed up.

Indeed, even without such a phenomenon in 1964, no one would have thought that, in 1967, the Congress would lose more than two thirds of the State legislatures.

In 2011, no one thought that the Congress would be down to just 44 seats in Parliament. But both happened.

It's not just the parties. Even leaders of immense popularity and stature come a-cropper when they annoy enough people.

Indira Gandhi was one such. Rajiv Gandhi was another. From hero to zero is not all that uncommon.

VOTER BOREDOM

The BJP therefore needs to ask itself if this could happen to it. It has a solid base comprising about 220-230 seats. Those are pretty much guaranteed.

In this Parliament it has just 240 seats and is already in a small coalition. If it

drops another 25, which is not at all inconceivable, it will have to form a much larger coalition.

Can this happen? It's easy to convince yourself that because there is no Opposition and because when push comes to shove you can dribble your way to the goal, you are safe.

Many people think, quite wrongly, that SIR and delimitation are exactly this. But those are lawfully mandated exercises, not political tactics of disenfranchisement that may occasionally happen.

But when the voters are either bored with you or angry, they will not heed you at all, and you can dribble as much as you want.

The mood then becomes "let's give someone else a chance". I think there's a very high probability of this now. After 12 years in power the Modi government is looking jaded.

It reminds me of a Cabinet Minister in 2013 who told me and a colleague that they were tired now and that time had come to sit on the verandah and watch the river flow by.

'Fiscal health index' rewards prudence alone

Developed States that historically have high social spending are unfairly ranked lower on the fiscal health charts

Christopher Sujoy Thomas
Niranjana VH
Sumalatha BS

The NITI Aayog has published two editions of its Fiscal Health Index (FHI) using audited Comptroller and Auditor General (CAG) data for the financial year 2022-23 in January 2025 and the financial year 2023-24 in March 2026, to examine and benchmark the fiscal performance of states in India, especially that of 18 major general category states.

A comparative analysis of the FHI for 2022-23 and 2023-24 shows discrepancies in State-level fiscal performance. Odisha successfully maintained its achiever position by increasing its score from 67.8 to 73.1 across two years. Goa also moderately improved from 53.6 to 54.7, and Haryana has made a noticeable rise from 29.3 to 32.9, moving from the aspirational to performer tier.

On the other hand, Bihar has marginally improved from 36.1 to 36.2. Meanwhile, Jharkhand improved its position despite a moderate decrease, with its score dropping from 55.2 to 44.3, causing a downgrade from achiever to front runner.

Similarly, Karnataka's score dropped from 46.2 to 20.2, and Telangana's from 47.9 to 44.3, both got downgraded to the performer tier.

Tamil Nadu has faced a major drop from 39.5 to 32.1, moving from performer to aspirational tier, while Kerala's score also declined from 28.9 to 27.3, remaining in the bottom aspirational category.

The comparison shows a broadening

'Southern Fiscal Paradox', where States with traditionally high social spending seem to be disadvantaged, whereas fiscally restrained States get comparatively higher rankings in the index. The fundamental question that arises is whether the FHI, in its current form, is a true measure of fiscal health or an index of fiscal restraint that rewards States for cutting expenditure and borrowing less.

GSDP DENOMINATOR TRAP

One of the core issues in the index is the use of Gross State Domestic Product (GSDP) as a denominator across various sub-indicators like Capital Outlay/GSDP, Gross Fiscal Deficit/GSDP, and Outstanding Liabilities/GSDP.

When States' GSDP increases rapidly, as seen in the case of mineral-rich Odisha, the GSDP-normalized ratios would automatically improve even when absolute fiscal performance remains the same. On the contrary, a State that increases its capital expenditure (capex) but experiences slow GSDP growth is simultaneously penalised.

This procyclicality structurally benefits resource-rich States and punishes the States whose development has been built on human capital and services rather than natural resources.

A similar discrepancy is evident in the measurement of revenue mobilization. Both sub-indicators, namely State Own Revenue/GSDP and State Own Revenue/Total Expenditure, merge institutionally earned tax revenue with geographically endowed non-tax revenues like mining royalties in Odisha, and mineral or resource-linked PSU dividends in Chhattisgarh.

No State can manufacture these



FISCAL HEALTH. Quality of spending matters

mineral deposits, nor can these geographical advantages enjoyed by these States be replicated through policy. Thus, mineral-rich States consistently top the revenue mobilization rankings not due to their superior tax administration or fiscal effort, but rather due to geological advantages. To obtain a much more credible picture of true fiscal self-reliance, it is preferable to differentiate own-tax revenue from own non-tax revenue and to introduce an indicator of tax buoyancy.

The comparative analysis of all 18 major general category States in the FHI based on composite score change, rank movement, and tier transition across both editions has revealed that five States, Haryana, Bihar, Goa, Jharkhand, and Maharashtra improved, seven States Odisha, Uttar Pradesh, Madhya Pradesh, Rajasthan, West Bengal, Andhra Pradesh, and Kerala remained stable, and six States Chhattisgarh, Karnataka, Telangana, Tamil Nadu, Gujarat, and Punjab deteriorated.

As Tamil Nadu got degraded from the performer tier to the aspirational tier in

FHI 2026, both Kerala and Tamil Nadu, which were regarded as India's undisputed leaders in literacy, life expectancy, and composite human development outcomes, now occupy the bottom-most position in the index. On the other hand, Odisha, Goa, and Jharkhand, which ranked poorly on the human development outcomes, have occupied the top positions in fiscal health.

This is not a mere coincidence; it is structurally produced. High-developed States bear high committed expenditure as the fiscal legacy of their social investment over decades. They often receive proportionately lower Central devolution despite contributing more to the national GDP.

The FHI penalises all of this, and it rewards States that maintain fiscal surpluses while their citizens lack access to the quality public services they deserve.

Thus, States that are fiscally healthy but poor in human development outcomes must be encouraged, in order to spend more on social development, not celebrated for fiscal restraint.

The Fiscal Health Index is a good indicator, and its methodological consistency is a true strength. But its present form requires modifications. Measuring fiscal health only based on fiscal indicators mislead States' performance in development. Therefore it should be linked to States' socio-economic development than mere performance in fiscal indicators.

States must be nudged to spend more on their social development.

Sumalatha is Assistant Professor, Gulati Institute of Finance and Taxation, Thiruvananthapuram; Thomas and Niranjana are students of economics

BELOW THE LINE

Nvidia CEO Jensen Huang
REUTERS

Humour or marketing?

Acknowledging your partner Jensen Huang style. During his GTC Taipei keynote, the Nvidia founder opened with a giant slide displaying almost 150 partner logos, as he acknowledged the companies that

help build the chip giant's AI infrastructure. Huang announced that he wanted to thank every partner individually and proceeded to walk across the stage, stopping to pose for photographs with each logo. As the exercise stretched on from one partner to next, the audience started to erupt in laughter, as the sheer size and reach of the world's most valuable company became apparent.

Better late than never

When the stock exchanges are executing orders in nano-seconds and trade cycles are being attempted at T+0, an administrative warning letter dated May 25 by the capital market regulator SEBI to ICICI

Prudential AMC was received through email on June 2 and the disclosure was made on June 3. Though there was no major breach, people are wondering whether there was a slip between the cup and the lip. **Wheels of virtue** Austerity can be a demanding virtue. Especially when there are cameras around.

This week, Delhi's favourite visual was ministerial car-pooling. With the Prime Minister urging curbs in government expenditure, several Union Ministers duly arrived for the Cabinet meeting in shared vehicles, probing exactly the sort of images that communications teams dream about and television channels

happily replay. The moment, however, proved short-lived. Ahead of a conference the following day, organisers hosting a senior Union Minister reportedly received a request that no photographs or videos be taken during the Minister's arrival or departure. Cameras would be welcome, but only once the guest of honour was safely inside.

The instruction may well have been routine. Yet its arrival so soon after the public celebration of shared transport has given Delhi's professional eyebrow-raisers plenty to chew on. The obvious question, whispered rather than spoken aloud, was: what exactly was not meant to

be photographed? After all, if the arrival was entirely unremarkable, why the concern about who might be watching the driveway? In the Capital, where optics often enjoy a longer shelf life than explanations, the request has generated more curiosity than the event itself. Some journeys, it seems, are meant for the cameras; and some are best left out of the frame.

Unperturbed The Sangh Parivar didn't seem perturbed over the happenings in Tamil Nadu's BJP. A little bird said it took over 90 years for the parivar to ascend to power in Delhi. "Probably, we will get another one better than Annamalai?" the little bird said. **Our Bureaus**



CONTRAPUNTO

You can't make an omelette
without breaking eggs

—PROVERB

The Stayatollahs

100 days of Iran war are littered with US missteps.
Trump should start firing some advisers

It's a conflict that nobody – except Israel – wanted. And yet, the US-Israel war against Iran has now lasted 100 days, with no clear end in sight. To put it bluntly, this speaks to terribly poor strategy. Hundred days of immense losses and disruptions, thousands killed, hundreds of thousands displaced, and unprecedented global economic pain, thanks to the shuttering of Strait of Hormuz. But the war, like a typical fight between bar bullies, first threw logic to the wind, and is now trapped in a battle of machismo, with neither side willing to back down.

US plans were doomed from the moment the Iranian regime withstood the initial assault, and refused to crumble. Washington completely misread the nature and strategic depth of the mullah-led govt. Iran is not Libya. It's a country that has survived more than four decades of sanctions. The regime, though brutal, is also strategically supple. But by attacking Iran, US ensured that the regime had no choice but to go on the offensive. That in turn rallied the regime's supporters, and ensured its survival – the opposite of Washington's initial goal.

Meanwhile, Israel is operating on a completely different strategic plane. It is carrying out operations in southern Lebanon against Hezbollah – a ceasefire extension announced last week barely lasted hours. It's again ramping up operations in Gaza, despite last Oct's ceasefire there. And it has shown the willingness to carry out limited operations even in Syria. The Israel-Palestine Two State Solution is in tatters, Tel Aviv is potentially preparing for future conflicts (with Türkiye?), and Netanyahu, facing elections later this year, is giving wings to Israeli far-right's dreams of 'Greater Israel'.

So, what we have is a perfect Mexican standoff: Iran weaponises Hormuz, and locks up a fifth of global supplies in oil and gas. US does a counter-blockade of Iranian ports. Tehran periodically targets Gulf states like Kuwait and Bahrain, to demonstrate it still retains offensive capabilities. Gulf Arabs, upset with the whole thing, want to restrain Iran's wartime exuberance. Israel wants US to finish the job in West Asia, and therefore, plays fast and loose with ceasefires in Gaza and Lebanon – a red line for Tehran. Actually, US would have been far more successful had it threatened a blockade of Iran first, and offered negotiations, instead of going in all guns blazing. Tehran would have had reasons to respond positively, even leading to an Armenia-Azerbaijan-type success for US. Trump, therefore, should seriously channel his old TV persona, and start firing some of his advisers. That would be a service to the world.



No Handshakes

Sport is no longer insulated from geopolitics, but every qualified athlete must get to compete

Organised sports play inside a theatre of politeness. Sportsmanship, it's often called. Ritualised handshakes, lining up after a match, applauding opponents, accepting officials' decisions, wearing uniforms, observing rules...these are all built around "the good life" idea. Of how human beings ought to live together. Their rawest impulses regulated by norms and rituals. In lawn tennis, the handshake at the end of the match takes place at the net, the barrier becoming the meeting point. But last week, after Russia's Mirra Andreeva defeated Ukraine's Marta Kostyuk 6-1, 6-3 at the French Open semifinal, Kostyuk refused to shake hands with Andreeva. This, however, was no shock. Gradually, as wars and other geopolitical skirmishes change the playing field, performative politeness is being replaced by something else. Some call the new kid on the block, authenticity. Being real.

Some things in life are ahead of sportsmanship, Suryakumar Yadav said after a no-handshake Asia Cup dust-up with Pakistan. But there remains an important distinction, between what sportspersons do of their own volition, and what their govt forces them to do against their wishes. For example, rather than face Israeli opponents, Iranian judokas and wrestlers are made to accept defeat, to avoid the optics of a handshake. Various defections have made it clear how unhappy Iranians are with such curbs. And now, with a football World Cup taking place in the shadow of the Feb 28 war, international restraints have multiplied. The Iran team's training camp forced to relocate from Tuscany to Tijuana, highly restrictive US visas, reduced coaching, all of this with bombs still threatening their homes.

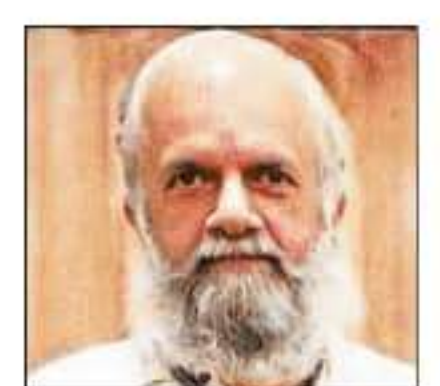
Geopolitical fragmentation is seeping into the world of sports. It can no longer be idealised as a politically neutral arena. Still, one ideal must hold. Everyone who qualifies for a competition, must be allowed to participate in it.



Wild Objections

Animals demand linguistic justice

Sunil Warriar



At precisely 10am, under the unforgiving Mumbai sun at Azad Maidan, animals assembled in what authorities are calling the largest interspecies march since Noah invited several into his ark. Association Against Verbal Abuse of Animals (AAVA) is what their collective's called. There were loud slogans, occasional barks, brays, mews, roars, and general cacophony.

Dogs arrived early, naturally, only to discover that Cats had already occupied the media-friendly shaded area. What followed was not "birds of a feather flock together", even as Reporter Raju, having jostled through a sea of bodies around and below him, furiously took notes. "Humans are the real snakes in the grass!" hissed Cobra. A delegation of Donkeys carried banners reading: STOP CALLING US STUBBORN AS MULES. Nearby, a group of Owls looked deeply offended at centuries of pressure to remain "wise as an owl".

"Every time humans betray each other, suddenly they 'smell a rat'. Why not smell a human for once," said a voice from above, which Reporter Raju jotted down as that of Giraffe. Rats, meanwhile, held perhaps the most emotional press conference of the day. "We have tolerated 'rat race', 'dirty rat', 'don't rat on me' for generations," squeaked their leader. "Frankly, humans invented tax fraud, spam calls, reality TV, pineapple pizza. Yet somehow, we're the villains?" Crocodile attempted to speak but was booed for displaying what the crowd dismissed as "crocodile tears".

Elephants demanded legal action against motivational speakers who constantly advised people to "never forget because elephants never forget". One elderly elephant clarified that he had, in fact, forgotten why he came to the protest. Then came the final straw. A coalition of roaches got on stage with the placard: WE OBJECT TO METAPHORICAL USAGE. "For centuries," declared Cockroach in a trembling voice, "humans have compared corrupt politicians, terrible roommates, and ex-boyfriends to us. We survive nuclear threats, pesticides, and Mumbai apartments during monsoon season. Frankly, we deserve better." Thunderous applause followed. Even Snakes gave a standing ovation.

As evening approached, animals passed a unanimous resolution demanding immediate linguistic reform. Humans were warned that unless changes were made, the animal kingdom would retaliate by inventing its own idioms. Notebook spilling over with words, Reporter Raju made his way to the office trying not to add to the crushed casualties on the ground, not figuratively but literally.



The Cockroach Isn't A Nuisance

India's too big for a movement of the young to upend its system. And youth anger doesn't necessarily produce better governance. That said, politicians must respond to what justifiably angry young Indians are saying

R Jagannathan



Politicians tend to get spooked when threats, real or imagined, emerge from an unexpected source. A social media phenomenon called the Cockroach Janta Party got the Modi govt worried enough to block its website, and related social media handles on Instagram and X. But its founder, one Abhijeet Dipke, seems unbowed. Perhaps because the NEET paper leak and the uproar over Class 12 CBSE results, appear to have triggered wide interest in CJP.

CJP is both signal and noise. The signal is more important than the political noise and any embarrassment it may be causing. Dipke and supporters were given permission by Delhi police to hold protests at Delhi's Jantar Mantar on June 6, but this may not be the end of the story. NEET, for example, opens the doors to careers in medicine. When you adopt a mammoth project like NEET, you cannot afford to goof up.

Still, comparisons to the Bangladesh and Nepal GenZ protests, which upended govts, are far-fetched, for India is far too diverse to unite under one cause, even if it's the cause of youth. And even if CJP's sudden popularity is indicative of growing restiveness among India's youth.

India's 15-29 cohort is, often, not gainfully employed. According to Azim Premji University's *State of Working India 2026*, nearly two out of five young people in the 15-25 age group are unemployed, and even those in the 25-29 age group face 20% unemployment. Those who do get jobs are often in gig work.

It's not as if any poor or lower middle income country with a significant youth population, has found an answer to the problems of mass unemployment or low wages. It doesn't help when the political leadership in most countries largely comprises men in the older age groups. There simply aren't enough people from lower age groups in govt, who can speak to and engage with young people, including a restive GenZ, for whom social media is the first go-to forum for engagement.

But recent election results in Assam, West Bengal

and Tamil Nadu have been won by Himanta Biswa Sarma, Suvenudh Adhikari and Joseph Vijay – who are in their 50s, energetic to a fault, and who hold some appeal for youth. BJP also doesn't lack for relatively younger leaders. Yogi Adityanath is 54, Fadnavis 55, Pramod Sawant and Rekha Gupta are also in their early 50s.

Congress has Rahul Gandhi at 55, but it doesn't have a second line of younger leaders in most states. In Kerala, where it won big, it had to choose between three leaders who were all in the 60s. The recently deposed

The NEET and CBSE mess-ups should be taken seriously, not only because they indicate that the system is corrupt or incompetent or both, but also because so many young people think that an exam is what stands between them and a reasonable career. If so many parents are investing their life's savings in coaching classes, to enable their sons and daughters to crack an exam, the problem is not CJP, but something worse: Hopelessness, if one fails to crack an exam.

Modi govt, various BJP and Congress state govts, and all political parties that hope to govern some state some day, should be worried about their likely lack of real connection with today's youth. This is the real tragedy in a country with 360-370mm people in the 15-29 cohort whose hopes will have to be fulfilled at least partially between now and 2040-45, when this group's share in the population starts falling.

It's pointless getting angry at CJP or scared. Opposition parties, too, should not think BJP's discomfiture is somehow to their benefit. When youth erupt, they will take down many leaders' fortunes, and not only those of the parties in office.

General youth discontent seldom ends well for any country. Govts were toppled in Nepal and Bangladesh, but the succeeding govts do not necessarily have better answers on unemployment or inflation or the AI challenge. The Arab Spring that spread out from Tunisia, did not solve anything for the youth. In fact, it replaced many incumbent govts with even more dictatorial ones.

While one should not assume that such things will also happen here, the warning signs must be noted, and seen as a message favouring change. Whichever political party gets this message faster than the rest will probably strike it rich in future elections. But more than winning elections, these parties must deal with the issues that young people are now obsessing over: The key is effective communication and the rebuilding of hope in the future.

CJP may or may not sustain as a phenomenon, but youth disillusionment and angst will be with us for a long time. We should take note of it early, before it boils over into something anarchic and counter-productive. The noise can be discounted, the signal cannot.



Images: AI

Karnataka CM Siddaramaiah is 78, and his replacement DK Shivakumar is 64.

While dynastic parties have less of a problem, unless they have no heirs at all or have incompetent ones, most cadre-based political parties should be grooming much younger leaders, those still in their 30s or 40s, who can live well with the youth, and put them in positions of power. This is not to suggest that age alone matters, but in a world where social media has turned our sense of reality upside down, and sent youth aspirations to unrealistic levels, it is important to at least understand what is going on in the minds of youth.

One Fire In Capital, Three Lessons For India

Delhi B&B tragedy shows why safe density, proportionate fire compliance, and continuous inspection matter more than ritual NOCs – a lesson every Indian city needs to learn

Piyush Doshi



Last week, 21 people died when a fire tore through a five-storey bed-and-breakfast in Hauz Rani, Malviya Nagar, Delhi. Thirteen were foreign nationals. Reports say the building had no fire NOC, a single entry and exit, sealed windows, a locked terrace, and a basement kitchen from which smoke and flames moved up the central staircase.

This was a specific failure. It was not an unusual one. In Dec 2025, a nightclub fire killed 25 in Goa. In April 2025, a firecracker warehouse blast killed 21 in Gujarat. In 2022, 27 died in a commercial building fire in Mundka. The locations change; the script does not.

Arrests, FIRs, and sealing drives will follow. They should. Criminal negligence must be punished. But govts that stop there will repeat a familiar cycle: outrage, mass inspections, sealings, court stays, overburdened officials, and then business as usual until the next fire.

Ad hoc drives do not merely fail – they drain the administrative and judicial capacity that a real safety system needs. Every sealed building that reopens on a court stay signals to thousands of others that the system does not mean what it says. Accountability and reform must run together.

First, Indian cities must make safe, legal density possible. After a fire in an illegal building, the instinct is to blame permissiveness. The better question is why illegal construction is so universal.

Floor Area Ratio – the permitted ratio of built-up area to plot area – sits at 1.5 to 2 in most of Delhi. Ahmedabad, Jaipur, and Lucknow are no different. Singapore's dense zones reach 25; Los Angeles goes to 13; even Mumbai's commercial areas can go to 5. Pile on ground coverage limits, height caps, setbacks and parking mandates, and legitimate small hotels, PGs, and clinics become financially unviable.

Demand does not disappear. It moves into converted homes, extra floors, and basements. Around 40L Delhi residents live in unauthorised colonies. The story is not

different in Surat, Indore or Patna. Informality is not an exception to India's planning system; it is one of its largest products.

The answer is legal categories for uses that already exist everywhere – budget guesthouses, PGs, neighbourhood commerce – with more buildable space exchanged for non-negotiable life-safety conditions: protected staircases, safe kitchens, clear exits, working alarms.

Second, fire safety must be built in, not bolted on through a separate no-objection certificate (NOC). A guesthouse in a narrow lane cannot meet the same checklist as a grade-A tower. When compliance feels



impossible, the NOC becomes a transaction. Once paid, the incentive to meet even the basics collapses. Malviya Nagar was not a building with inadequate fire safety; it was a building with none, because the operator had already bought his way out of the system.

The structural answer is to abolish the fire NOC as a standalone instrument. Issuing it as a separate approval after building plan sanction, creates a second corruption queue, divorces fire-safety design from architectural design at the cheapest moment to integrate them, and gives fire departments a clerical workload that crowds out firefighting.

Fire safety compliance should instead be embedded in building plan approval: architects and licensed fire-safety engineers certify that designs meet proportionate, risk-calibrated standards – different for a five-storey hostel and a highrise commercial block. The fire department's role becomes standard-setting, third-party empanelment and enforcement, not paperwork.

Third, fire departments need private sector help. No state fire department – Delhi's, Mumbai's, Bengaluru's – has the staff to inspect its full building stock on any meaningful cycle. The answer is empanelled private fire safety auditors: authorised to inspect, certify, and upload reports, with the fire department auditing a sample and punishing fraud with blacklisting and criminal liability. Delhi's amended Fire Service Rules, notified on May 26, do exactly this. Other states should follow without waiting for their own tragedy. A national framework under the Bureau of Indian Standards (BIS), building on the 2016 National Building Code, should set minimum standards for auditors, and push states to integrate third-party certification into building approval workflows.

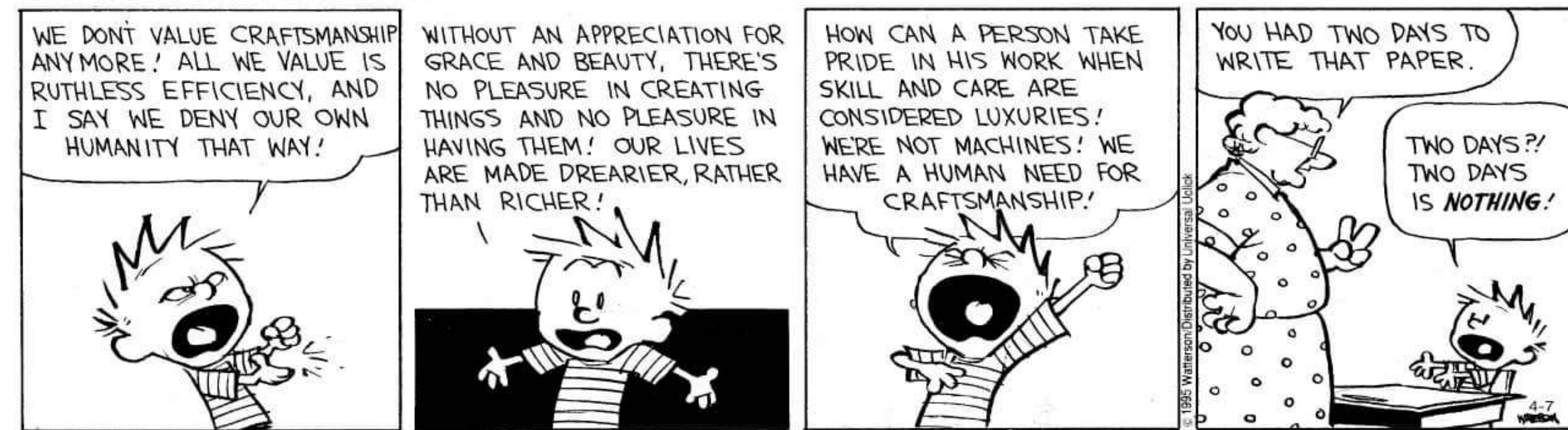
After every fire, the easiest demand is for toughness: seal more buildings, arrest more owners, order more surveys. Some of that is warranted. But toughness without reform only raises the price of illegality, and consumes the scarce official capacity that continuous, system-level safety would actually require. The harder task is to make legality possible, compliance affordable, and inspection continuous.

The Malviya Nagar fire is not an aberration. It was India's urban bargain catching fire: everyone knows the rules are unworkable, everyone knows they are being violated, and everyone hopes nothing terrible happens. That bargain plays out in Goa nightclubs, Gujarat warehouses, Mumbai basements, and Delhi guesthouses alike.

It must end. Build more legally, regulate more realistically, free fire departments from clerical NOC queues, and inspect more widely. That will matter more than another ritual crackdown.

The writer is Operating Partner, The Convergence Foundation

Calvin & Hobbes



Sacredspace

The man dwelling on sense-objects develops attachment for them; from attachment springs up desire, and from desire (unfulfilled) ensues anger...From anger arises delusion; from delusion, confusion of memory; from confusion of memory, loss of reason; and from loss of reason, one goes to complete ruin.

Gita, 2.62-63

A Rebel Against The Absurdity Of Life

Jug Suraiya

Mother died today. Or, maybe, yesterday; I can't be sure." This is the compelling opening of Albert Camus's 1942 novel, *The Outsider*, and they represent the gauntlet that the writer flung in the face of what he saw as the essential absurdity of human existence. Born in Algiers in 1913, Camus moved to Paris in the period between the devastation of World War I and that of World War II, which fomented what TS Eliot called the 'Death Wish' of Western civilisation.

Camus sought to relay the foundations of a new way of thought and living to replace the physical and psychological ruins of two watershed episodes that had laid waste both to the consolation of religious belief and the reassuring rationales of philosophy.

Camus saw himself as an architect of a moral affirmation in the face of an

uncaring universe. The problem that lay before him was the ethical counterpart of the physics paradox: What happens when an irresistible force encounters an immovable object?

For Camus, the irresistible force was humanity's unquenchable thirst for meaning in an immovable scheme of things in which dissolution and death were the only inevitable outcomes; that is the absurdity of the human condition.

In *The Myth of Sisyphus*, published in the same year as *The Outsider*, Camus drew upon the Greek legend of Sisyphus who incurred the wrath of Zeus for twice cheating Thanatos, the god of death. The enraged Olympian condemned Sisyphus to eternal life in which he would roll a boulder up a hill, only to have it roll down again, forever and ever.

Camus portrayed Sisyphus as the archetypal "absurdist hero" who, instead of longing for oblivion through suicide or seeking salvation by divine intercession, through affirming his life of torment turned the agony of existence into the joy of sheer being.

Camus concludes: "The struggle itself towards the heights is enough to fill a man's heart. One must imagine Sisyphus happy."

Camus rejected nihilism, the belief in believing nothing, as he did religious faith which mirage-like recedes into an unreachable horizon. Camus's key to the solution of the absurdist paradox, the search for meaning in a meaningless world, was revolt, an unconditional commitment to permanent rebellion against injustice in all forms, whether political, ideological, or the blindness of random fate.

Meursault, the protagonist of *The Outsider*, rebels against the platitudes of social conventions, opiates that dull consciousness into the acquiescence of conformity.

Branded an outcast by society for his seeming lack of human sensibility, as evidenced by the opening lines of the narrative, Meursault is sentenced to death for the subsequent killing, more by happenstance than by design, of a man who had assaulted his companion.

With an equanimity worthy of Sisyphus, Meursault contemplates his execution with calm acceptance, "I was happy then, and I am happy now." *The Outsider* of his own story, Camus affirmed his solidarity with all humanity by his reinterpretation of the self-centric Cartesian 'I think, therefore I am', as the universalism of 'I revolt, therefore we exist.'

What better way to authenticate one's own existence than by authenticating the existence of each and every one of us.



THE SPEAKING TREE

The US continues to dominate in the race to digitalisation, with China a distant second

Followed by a group of countries, including India, as reflected by the CHIPS* scores of these countries, India has improved its digitalisation ranking by three places—rising from 8th in 2025 to 5th in 2026 alongside advanced economies, despite lower per capita income levels



TIMES BUSINESS

THE TIMES OF INDIA, NEW DELHI | MONDAY, JUNE 8, 2026

Global Digital Ranking
Top 10 Countries

	USA	China	Singapore	UK	India	UAE	France	Germany	Korea	Canada
Connect	15.3	17	14.5	12.4	11.9	16.8	14.5	11	11.9	11.8
Harness	14.2	13	7.6	7.8	9.2	5.7	6.1	6.3	6.5	6.2
Innovate	20.6	10.1	6.3	5.8	5.3	2.6	4.2	6.2	3.6	4
Protect & Sustain	14.3	11.5	9.9	12.2	10.5	9.5	9	9.9	10.6	9.8
CHIPS SCORE	64.4	51.6	38.2	38.2	36.9	34.6	33.7	33.5	32.7	31.7

*Note: The Connect-Harness-Innovate-Protect-Sustain (CHIPS) proposes a broad concept of digitalisation, capturing both the benefits and risks associated with digital technologies

DRIVERS OF INDIA'S RANKING IMPROVEMENT

- Connectivity, usage, and protection and sustainability
- Introduction of AI-related indicators, given its large pool of AI skilled workers
- Faster Y-o-Y gains in digital payments & technology use due to less digital saturation than most advanced economies

Friday's US mkt selloff to weigh on D-St sentiment

TIMES NEWS NETWORK

Mumbai: Stock markets are expected to open weak on Monday on the back of the massive sell-off on Wall Street on Friday evening. As US stocks, especially the ones linked to the AI ecosystem, faced a huge sell-off, by late evening the Gift Nifty index, a proxy for Indian market for late trades, closed 1.5% lower. Eventually, Nasdaq closed 4.2% lower, S&P 500 ended 2.6% down, while Dow Jones was down 1.4% at close. Brokers and analysts on Dalal Street are expecting follow-up selling in the domestic market on Monday.

Traders expect Indian stocks to remain under pressure, mainly due to selling by foreign funds as they gauge the impact of Friday's sell-off in the US markets. On the other side, there is a small group of people who believe that since foreign funds have been selling India for the last several months, mainly due to the AI-led rally in some of the global markets in which India has lagged behind, Friday's sell-off may now prompt foreign funds to look at India as an investment destination again. The added booster could be the series of steps that the govt-RBI combine announced on Friday.

According to V K Vijayakumar of Geojit Investments, if foreign portfolio investors (FPIs) are to invest in India, the AI trade, which has been the principal driver of FPI outflows away from India, should change. "There are early signs of this happening. The crash in Nasdaq by about 5% on June 5 is an indication that the AI bubble may burst."

So far in June, FPIs have net sold stocks worth nearly Rs 43,000 crore, eclipsing May's figure of almost Rs 33,000 crore. In 2026 so far, net outflow from stocks is nearing Rs 3 lakh crore, a new yearly record.



'India to a/c for half of oil demand growth'

St Petersburg (Russia): India will account for about half of global oil demand growth and 15% of increase in global electricity consumption over next decade, making it one of the world's most important energy markets, Igor Sechin, chief executive of Russian oil producer Rosneft, said. Sechin said India's oil consumption is expected to rise 44% to nearly 8 million barrels per day by 2035. AGENCIES

RBI survey: Weak sentiment among consumers, analysts

Driven By Lowered Growth Outlook, Inflation Fears, ₹ Woes

TIMES NEWS NETWORK

Mumbai: A sharp deterioration in consumer sentiment alongside downgraded growth forecasts, rising inflation expectations and a weakening rupee has signalled a broad-based macroeconomic slowdown, according to the Reserve Bank's May 2026 survey rounds, with both households and professional forecasters turning more cautious over the near-term outlook.

Data from the May 2026 rounds of the Urban Consumer Confidence Survey and the 100th Survey of Professional Forecasters showed a clear shift towards pessimism over a two-month period from March to May as inflationary pressures, currency depreciation and softer demand weighed on expectations.

Urban consumer sentiment weakened further, with the current situation index falling to 90.7 in May from 95.7

3rd Straight Fall In Urban Consumer Sentiment

Macroeconomic Indicator (Median Forecast)	99th Round (March '26; in %)	100th Round (May '26; in %)	Net Revision / Magnitude
Real GDP Growth (2026-27)	6.9	6.5	-0.4
Real GDP Growth (2027-28)	7	6.9	-0.1
Real Private Consumption (PFCE) (2026-27)	7	6.8	-0.2
Real Gross Fixed Capital Formation (GFCF) (2026-27)	7.1	6.5	-0.6
Real GVA Growth (2026-27)	6.8	6.6	-0.2

Source: RBI

in March, marking the third consecutive decline and keeping the index firmly below the 100 threshold that separates optimism from pessimism. The future expectations index also slipped to 118.7 from 120.2, its lowest level since Sept 2023.

According to the survey covering 6,086 respondents across 19 cities, households reported worsening perceptions across key indicators.

The net response on the general economic situation deteriorated to minus 16.5 from minus 8.6 in March, while one-year-ahead expectations declined to 19.5. Employment conditions also weakened, with current perceptions falling to minus 14.4 from minus 9.1, and future expectations easing to 21.8 from 25.2.

Price pressures remained acute. Around 91.6% of respondents said prices had in-

creased over the past year. Income growth showed signs of stagnation, with the net response on current income falling to 0.9 from 3.0, while overall spending sentiment moderated to 74.0 from 78.4.

The decline in spending was driven by pulled back discretionary consumption, as non-essential spending perceptions turned negative at minus 0.8 from 0.8 in March, even as essential spending remained relatively stable.

Professional forecasters mirrored this caution, lowering growth projections and revising macroeconomic assumptions in the 100th survey round. Real GDP growth for 2026-27 was revised down to 6.5% from 6.9%.

The most pronounced revision was the 60 basis point reduction in capital formation indicating that firms may slow expansion plans amid rising costs and uncertain demand.

LIC to look at long-term investment instruments

New Delhi: State-owned Life Insurance Corporation of India (LIC) is engaging with key financial regulators, including RBI and Sebi, to expand the availability of long-term investment instruments as inflows into its annuity products keep on rising, CEO and MD R Doraiswamy said.

An annuity product converts an accumulated retirement corpus into a guaranteed, lifelong stream of income. When one invests a lump sum, LIC pays a regular pension for life, ensuring the savings aren't outlived.

"When the annuity markets are becoming more favoured by the policyholders, and more investments flow into annuities, we need to necessarily have long-term investments matching those long-term liabilities. So we

have been in touch with the (insurance) regulator as well as the regulators like Sebi, as well as RBI and requirements of LIC, particularly are being duly communicated to them," he said.

When annuity markets are becoming more favoured by policyholders, we need to have long-term investments matching those liabilities, says LIC CEO and MD R Doraiswamy

He said the sector regulator Irdai has also been taking proactive steps in ensuring that the evolving needs of the market are also fully met by the insurance company.

"Given the fact that insurance companies generate long-term funds, they go on to meet the long-term financing requirements in terms of infrastructure needs and nation-building. The regulations are also getting aligned with the

requirements. So, it is a win-win situation for both of us. We keep working together."

LIC has a substantial portfolio of annuity business, which is very long tailed with liabilities running

into 30, 40, 50 years. So, the investment of funds is based on the underlying business and the underlying fund.

Asked if LIC could sustain a high net Value of New Business (VNB) margin of over 20% in FY27 as well, Doraiswamy said, the effort that the corporation is taking is to see VNB margin, or the gross VNB, as well as performance in almost all parameters, keep improving. AGENCIES

Tata-backed Small Animal Hospital sees board churn

Reeba.Zachariah @timesofindia.com

Mumbai: The board of the Small Animal Hospital, India's largest tertiary care veterinary facility and a cherished project of the late Ratan Tata, has been reconstituted following the exit of his close confidant Mehli Mistry, as the internal conflict engulfing Tata Trusts ripples into affiliated institutions.

Sanjay Ubale, a former MD of Tata Realty & Infrastructure, and Sheila Mukundan, a doctor and wife of Tata Chemicals MD R Mukundan, have joined the board. People familiar with the appointments said the hospital had sought individuals with an affinity for animals.

The facility, which cost Rs 165 crore to build and is losing about Rs 1.5 crore a month

while operating at a fraction of its capacity, depends on sustained financial backing from its founding promoters — Sir Ratan Tata Trust and Sir Dorabji Tata Trust. It is unclear whether the Maharashtra charity commissioner's order freezing SRTT's ability to take material decisions has complicated the trust's capacity to provide ongoing support. The board of Tata Trusts, excluding SRTT, is meeting on Monday to discuss budgets, grant disbursements and other matters.

Mistry resigned from the hospital's board after his re-appointment to both trusts was blocked. In his resignation letter, he said he would "prefer not to request funding from a trust with which he is no longer associated." His departure triggered further exits. Dr Anirudh Kohli,

CEO of Breach Candy Hospital, also stepped down. Shantanu Naidu, Ratan Tata's former personal assistant, who had been involved with the hospital since its inception, resigned shortly after — with people saying he was nudged towards the exit. Naidu remains general manager at Tata Motors.

The remaining trustees are Leah Tata, daughter of Tata Trusts chairman Noel Tata, who was brought onto the board by Mistry; Meher-nosh Kapadia, a former director of Indian Hotels Company; R R Shastri, a former legal executive of Tata Sons; and Siddharth Sharma, CEO of Trusts.

The Small Animal Hospital was born out of Ratan Tata's inability to find advanced veterinary care for his own injured dog.

Germany's G+D bets ₹1,100cr on India, eyes acquisition

Mayur.Shetty@timesofindia.com

Mumbai: Giesecke+Devrient (G+D), the German security technology group spanning currency, digital payments and cybersecurity, is stepping up its India play with fresh investments of Rs 1,100 crore in 2026, localisation plans and a sharper focus on digital infrastructure, as it bets on the country's dual-track growth in cash usage and digital adoption. The company is also looking at acquisition opportunities among fintech and digital security companies in India.

Ralf Wintergerst, group CEO and chairman of the management board of G+D, said the company is increasing investments in shared services, IT, and R&D in India, positioning the country not only as a key market but also as a global hub for innovation and delivery.

The company, which has historically been associated with banknote printing and currency management, has over the years expanded into electronic payments, digital identity and cybersecurity, creating what it describes as three equal pillars: currency technology, financial platforms and digital security. India features prominently across all three.

In currency, G+D has had a long-standing association with the RBI, including work linked to the clean note policy and broader currency management systems. Even as digital payments surge, Wintergerst underscored that cash remains resilient, pointing to what he termed the "cash paradox," where "digital payments grow, but cash does not disappear." He added that physical currency continues to play a critical role as a fallback and in segments less digitally integrated.

Aviation min initiates study on financially stressed airlines

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New Delhi: The ongoing West Asia conflict could pave the way for reforms to have financially viable airlines and a sustainable aviation sector in the country.

The aviation ministry has "initiated a study on financially stressed airlines in India to assess structural challenges and identify measures to improve sector resilience." It has asked airlines and other stakeholders to suggest reforms in policy, regulatory affairs, operations, contracts, procurement-related and other areas, and also provide the reasons for their suggestions along with the impact of the same.

Govt plans to push for the-

se reforms to "help mitigate financial distress and support the sustainable growth of the airline sector in India."

"Aviation turbine fuel should be brought under GST at 5% so it's fully recoverable against output GST. There is a need to remove GST on international flights.

There should be a single 5% GST slab for air tickets (not separate for business class). Govt must consider reverse bidding of airports on the basis of lowest airport charges for airlines and consumer to make travel affordable as opposed to the current practice of seeking highest revenue share bid per

passenger. There should be price surveillance on monopoly routes (routes with less than two players)," said a senior airline official.

Another top official said: "Apart from the mandatory ATF under GST, import duty on engineering spares and parts needs reforms. Airport charges need to be reviewed as if they keep rising, the cost of air travel will only increase. The readiness of airports to park the hundreds of aircraft Air India group, IndiGo, Akasa and other carriers will get over next few years has to be reviewed minutely."

Flying training and maintenance training organisations need to be ramped up in both quantity and quality in India given the aircraft orders of Indian carriers."

TO ASSESS CHALLENGES

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ush Sharma, principal at Kearney adding that the opportunity is in the protein gap itself. "Indians have always had the challenge of not getting enough protein in their diet," said Sharma.

Protein overload
From large corporate houses to startups—brands are jumping on to the protein bandwagon, with such products now becoming a common sight in cafe menus, quick commerce apps and social media feeds. PepsiCo's Quaker recently introduced a brand refresh as part of which it has highlighted the protein and fibre content on its packs. The brand hopes to get new users through the move—those who are health conscious but haven't explored oats yet, said Saakshi Verma Menon, chief marketing officer, foods at PepsiCo India. Startup Eggoz has pushed a new protein plus eggs into the market, offering larger sized eggs which contain more protein. "Globally, conversations around weight management and wellness have also brought greater attention to the importance of protein intake, particularly in supporting balanced nutrition and muscle health," said Abhishek Negi, CEO & co-founder at Eggoz.

Protein products flood market, reshape Indian diet

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Mumbai: Every other day, Indians are waking up to ads and launches of protein products—from eggs to coffee and atta, companies are infusing and also adding (extra) doses of protein to a range of items that are part of consumers' daily meals. Not only that, the concept of protein has in itself become a trend that brands are latching on to when pushing new, related products to retail shelves—Marico, for instance, has introduced protein shampoo (it prevents protein loss in hair), foraying into the hair cleansing category.

Protein intake, once confined to powders, which is already a Rs 8,000 crore market and largely driven by fitness

enthusiasts, is now going mainstream—about 80% of the consumption is still led by premium households but middle-class Indians too are spending on it, said Anurag Mathur, partner at Bain & Company.

The adoption of GLP-1 drugs will only boost protein demand. Firms are seeing a long-term opportunity here and hence the rush of launches. Analysts, though, have called for stricter regulation enforcement through a mix of checks on advertising and product formulation to safeguard consumers against any misleading claims. "The market for protein is growing fast. It's no longer just gym-goers buying tubs of protein powder. Regular people are joining in: office workers, new mothers, older people worried about weak bones," said Ay-

THE GREAT PROTEIN PUSH

- From coffee and atta to eggs, brands are adding extra protein to daily staples, launching new products following the protein trend
- Beyond gym-goers, office workers, mothers & elderly consumers are driving protein demand
- Swiggy Instamart says spends on protein products have tripled in two years
- Firms eye affordable packs and on-the-go formats to widen adoption in smaller towns
- Cos are racing to make protein products tasty, affordable and credible

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Companies now plan to broaden access to protein rich foods through affordable pack sizes. "We are continuously evaluating multiple formats, including smaller SKUs, on-the-go formats to drive wider adoption," said Akshai Shah, executive director at Parag Milk Foods. Consumers are seeking options that are convenient and easy to include in daily diets, said Dr. Shantanu Das, VP & head of food sciences at ITC.

Pricing & taste will be key
Smaller towns, where the real volume sits, are just waking up to the idea of protein, said Kearney's Sharma. "Where the market goes next will be decided by price, format and trust. The wider nutrition market is set to become 1.3x in just two years," he added.

TaMo to gain from scrappage push

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Chennai: With a network of 11 registered vehicle scrapping facilities (RVSFs) across 10 states, excluding the southern region, and the capacity to dismantle more than 1.9 lakh vehicles annually, Tata Motors stands to benefit from the Centre's push to retire ageing commercial vehicles as India intensifies efforts to curb vehicular pollution.

Last week, the Union cabinet approved a Rs 9,585-crore two-year scheme to replace ageing trucks and buses in the Delhi-NCR region, a move expected to boost vehicle scrapping activity and demand for cleaner vehicles.

For Tata Motors, which operates its scrapping facilities under the Re.Wi.Re (Recycle with Respect) initiative, the policy could provide a strong tailwind. Several of the company's facilities are

located in Delhi-NCR, Haryana, Rajasthan and Uttar Pradesh, positioning it to benefit from a potential increase in scrapping volumes as vehicle owners seek access to the formal recycling ecosystem and incentives under the programme. The company commands more than 50% market share in the medium and heavy truck segment across these four markets, and is also steadily expanding its RVSF network.

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Startup investing

High stakes, long game

The returns seem spectacular. The reality is illiquid, slow and unforgiving.

by Yasmin Hussain

The Indian stock market has kept investors on edge over the past year. Global uncertainty, geopolitical tensions, and volatile market movements have cooled the frenzy seen during the 2024 bull run. Even startup investing, once driven by abundant liquidity and aggressive risk-taking, is seeing a more cautious approach. However, stories of founders building billion-dollar companies and early investors making outsized gains continue to capture the interest of affluent investors looking beyond traditional asset classes.

Take Mumbai-based Mahesh Kowshik, a 60-year-old retired project manager, who invested in a startup through his wealth manager nearly six years ago. He invested heavily because he trusted the founder and the person who introduced him to the opportunity. While the business struggled initially, it stabilised after course correction. However, Kowshik is still waiting for a meaningful exit.

Many high net-worth individuals (HNIs) are also drawn to the glamour of startup investing, but face the reality of illiquidity, founder risk, and long holding periods. As per the Ministry of Commerce and Industry, India's startup ecosystem has over 2.2 lakh startups recognised by the Department for Promotion of Industry and Internal Trade (DPIIT), and more than 130 unicorns.

However, before you invest in a startup, understand why the reality is far more complex and less glamorous than the success stories suggest.

How to get started

You don't need to register with the Securities and Exchange Board of India (Sebi) to invest in startups. However, you should set your expectations right. Says Jayesh Faria, Director and Regional Head at Motilal Oswal Private Wealth: "A growing number of investors are getting into startup investing for the wrong reasons. They want to talk about it, keep busy, and think it is another way to multiply wealth. They are relying almost entirely on friends and family for investment



opportunities, instead of independently evaluating opportunities." He calls it the 'spray-and-pray' approach—investing in 10 ideas and hoping one delivers a windfall. "This is not investing. It's speculation," he warns.

For those approaching it more seriously, Faria outlines three broad routes: joining an angel network; investing through a friends-and-family connection; and investing through Alternative Investment Funds (AIFs), Venture Capital (VC) funds, or cu-

rated platforms.

Apart from large national platforms, many investors also enter startup investing through smaller regional angel networks in cities such as Mumbai, Bengaluru, Pune, Hyderabad, and Ahmedabad. These networks typically bring together local founders, business families, professionals, and HNIs to collectively evaluate and invest in early-stage companies. These offer valuable peer learning and access to regional deal

flow, though the quality of due diligence and governance standards can vary across groups. Faria says that curated platforms are the best starting point.

"Friends-and-family investing is always risky because you are either impacted emotionally or by the respect for the person giving you the tip," he says.

Angel networks, where a group of investors collectively evaluate and fund companies, are better, but still carry the risk of herd behaviour. Curated platforms, by contrast, conduct due diligence before the deals reach you, handle legal paperwork—equity structures, convertible notes, Compulsorily Convertible Preference Shares—and remove some of the complexity that trips up first-time investors.

Shweta Rajani, Head of Mutual Funds at Anand Rathi Wealth, echoes this, recommending that first-timers opt for angel networks, syndicates, or startup-focused funds over direct deals. "Startup investing carries high business failure rates, illiquidity, governance risks, and valuation uncertainties that are genuinely difficult to evaluate without experience," she says.

AIFs and VC funds, on the other hand, are Sebi-regulated, but their minimum ticket sizes make the entry difficult.

How much is needed?

Rajani notes that a ticket size of ₹30-40 lakh, which may seem substantial, is actually too small to build a meaningful startup portfolio. To diversify effectively across companies and funding stages, you would need a minimum of ₹1-2 crore. To do

SUNIL BHARATI

Retired executive, Gurugram

“No startup that I have been involved with has failed because of the idea itself. It has always been because of the founders' unethical execution.”



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Biggest lesson
Founder ethics and execution matter more than the idea itself.



Reality check: Three startups failed completely and he has not had a cash exit yet.

Maternity cover in group health policies

Outdated limits, avoidable gaps

It's important to check at the time of joining a company whether the maternity coverage is adequate.



ABHISHEK BONDIA
MANAGING DIRECTOR, SECURENOW

One of the biggest advantages of a group policy is the waiver of the maternity waiting period. In individual policies, maternity typically comes with a waiting period of up to three years. In group insurance, this period is usually waived. This allows the employees to claim for themselves or their spouses almost immediately after joining.

In a recent conversation with a human resources (HR) manager of a multinational corporation, the discussion centred on introducing new insurance covers to highlight the organisation's DEI (diversity, equity and inclusion) priorities. While this is important, I suggested reviewing their existing maternity limits, which were ₹50,000 for a normal delivery and ₹75,000 for a Caesarean section. Maternity is one of the most visible and frequently used benefits in a group health insurance policy. It is also one of the most poorly understood.

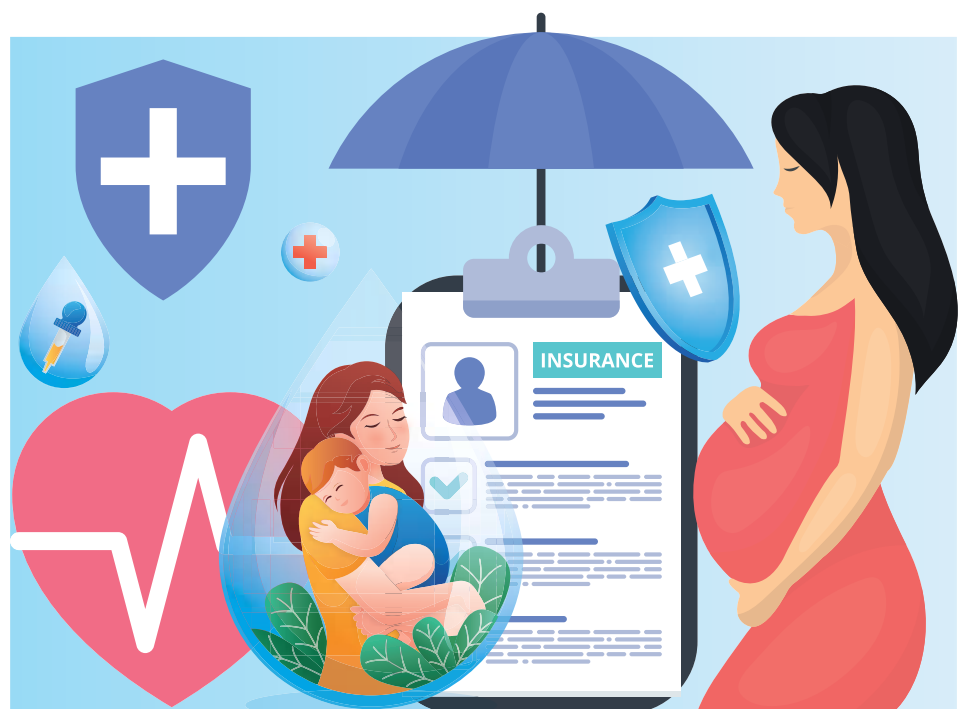
Most employees review their coverage late in the pregnancy cycle. By then, the hospital has been finalised and costs have been locked in. Any shortfall becomes an out-of-pocket expense. The problem is not just awareness. Many group policies have not kept pace with the way maternity costs have evolved. A decade ago, maternity limits of ₹35,000–50,000 were adequate. This is no longer the case.

In most tier-1 hospitals in metro cities today, delivery packages range from ₹80,000 to ₹2 lakh. Many hospitals no longer differentiate between normal and caesarean deliveries. Yet, several group policies continue to have separate sub-limits for both. This creates two problems. First, the overall limit is inadequate. Second, the structure itself is outdated. Better designed policies now offer maternity limits of ₹1.5 lakh to ₹2 lakh.

Check the waiting periods

A major advantage of a group policy is the waiver of the maternity waiting period. In individual policies, maternity benefits usually kick in after a waiting period of up to three years. In group insurance, this period is typically waived, allowing employees to claim for themselves or their spouses almost immediately after joining. However, it is not universal. Some policies, especially for smaller groups, may retain a reduced waiting period. This must be checked at the time of joining.

Another important aspect of maternity coverage is newborn inclusion. In an individual policy, a child is not covered automatically. Most individual policies specify a minimum age of 90 days. This means that a baby cannot be insured immediately after birth. They can be added in the policy only after a three-month period. Of late, some individual policies have started providing newborn coverage immediately after birth, but with some caveats. In most group policies that provide maternity coverage, a newborn can be included immediately after birth. However, group policies require that any new dependant, such as spouse after marriage or a newborn, be explicitly added to the policy within a defined window, typically 30-45 days. Some insurers extend this to 90 days. If you miss this, the dependant remains uninsured. You



could add the dependant at the time of renewal. Often, parents forget to enrol the newborn until a claim arises, and the insurer could deny coverage. Even if you have not named the child within the given time frame, you can add them in the policy with a temporary name such as, 'baby of <mother's name>'.

An adjacent issue is the extent of coverage for newborns. In individual policies that cover newborns from day 1, many offer coverage up to the maternity limit, till the first renewal. Most group policies cover newborns within the overall family floater plan. However, some smaller groups may cover newborns within the maternity limit for the first 90 days. So, it is important to cross-check.

The good thing is that once the baby is covered, the coverage norms are generally similar to adults in the policy. The Insurance Regulatory and Development Authority of India addressed one of the remaining chinks through the standardisation of exclusions. Earlier, many insurers excluded internal congenital diseases, affecting newborns with birth defects. Now, it is mandatory to cover such diseases across all health policies.

Maternity expenses are not limited to delivery. There are pre- and post-natal expenses—these are not covered comprehensively by most policies. Even where they are covered, there are multiple variants. Coverage may be within the maternity limit or up to a separate specified limit. Some policies restrict this coverage to expenses incurred during hospitalisation, while others extend it to outpatient department (OPD) expenses.

A select few policies also cover vaccination for the newborn. Given that vaccination is an essential expense after delivery, more em-

ployers should consider including this.

Pregnancy-related complications before and during delivery are typically covered within the maternity limit. However, there are exceptions. An ectopic pregnancy is treated as a medical condition, not maternity, and is covered up to the full sum insured. Twin deliveries present a different challenge. Hospitals charge significantly more, but unless the policy explicitly provides a higher limit, the standard maternity cap applies. The gap is borne by the employee.

Real test for group policies

Maternity is often the first real test for a group health policy. It is also a period when financial stress should be minimal, not amplified. A high out-of-pocket expense can create lasting dissatisfaction. Consider a case where the total expense is ₹1.5 lakh, but the policy reimburses only ₹50,000. The inadequacy of coverage becomes immediately apparent. It also shapes an employee's perception of the overall benefits provided by the employer.

Many HR teams trade higher maternity limits for a wider set of low-cost add-ons. In the long run, this may prove counterproductive. The impact on employee morale, and overall perception of benefits, is far more significant. In fact, more progressive HR managers are including infertility treatments as part of maternity benefits under their DEI initiatives.

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AI Mania Reorders Asia's Stock Markets

India has lost ground, but may catch up

Frenzied AI investments have caught up with South Korea and Taiwan, pushing their stock markets past India in capitalisation. Makers of memory chips needed in AI infrastructure have surged on both Asian bourses, upsetting the pecking order for overseas investors in emerging markets (EMs). India, which had a market capitalisation multiple times that of South Korea and Taiwanese stock exchanges, is witnessing massive selling by foreign investors after the conflict in West Asia. All three economies are susceptible to energy market disruptions, but India does not yet offer an AI-led investment theme. The narrow bull markets of Taiwan and South Korea, though, present a concentration risk to investors in an environment of hardening bond yields. US stocks declined sharply last week on strong employment data, increasing the chances of a rate hike by the US Federal Reserve later this year.

The AI boom on East Asian bourses is also being fed by strong speculative interest, which raises the likelihood of a sharp correction. Indian stocks, in contrast, have already come off high valuations and offer a variety of investment themes that the Taiwanese and South Korean bourses cannot match because of their heavy technology orientation. Once the energy market stabilises, India will shed some of its vulnerability. The advantage of export-oriented Taiwan and South Korea during an energy crisis will also begin to subside. Yet, AI has set off a supercycle in chip demand, and the two countries are very well placed to exploit it.

India will at some point enter the AI play in earnest, opening the field for foreign investors. The country is seen as a critical base for accelerating deployment. Fresh capacities by Taiwanese and South Korean chip makers will seek new locations, and India is an obvious choice from the perspective of supply chain resilience. The global market-capitalisation order is unlikely to reverse soon. But India should be able to close the gap.

Disable Bureaucratic Blindness, Empathise

In a country where even able-bodied people find it difficult to negotiate infrastructural deficiencies and unmindful planning, the case of Falguni Maheshwari is a reminder that for differently-abled people, life in India can be one of perpetual crisis which, instead of being solved, one is forced to get used to. Or not. Maheshwari, a student in Germany, was stopped at Ahmedabad airport from boarding her flight to Bhub because she did not have a fit-to-fly certificate. Wheelchair-bound Maheshwari flew on a 9-hr flight from Frankfurt without a hitch on the same airline, Air India, but was deboarded from her domestic connection, leaving her stranded at the gate.

Recall a 2022 Ranchi airport case where IndiGo barred a teenager with a neurological disability because staff 'panicked'. Or the tragic 2024 Mumbai incident where an 80-year-old man died after Air India failed to provide a pre-booked wheelchair, forcing him to walk 1.5 km? This is unthinking bureaucratic blindness. Ground teams routinely throw up barriers, hide behind vague 'safety' jargon, and treat assistive service as a burden. This problem is not confined to airports. Police naka points suddenly pop up on our roads without any logic or warning—an arbitrary roadblock created by people in uniform simply because they have the power to do so.

DGCA's manual is clear: airlines can't demand medical certificates unless a passenger has a contagious or life-threatening condition. While Maheshwari's mistreatment exposes a shocking lack of empathy, it points to a deeper malaise: failure of basic institutional training. Why can't airlines institutionalise this: if it needs a document, ask for it at the time of booking. Rules should be made to serve people, not the other way around.

THINK ABOUT IT

David Yarrow's reimagining of Norway's World Cup squad is genius

Vikings on the Way To the Americas

David Yarrow's Viking reimagining of Norway's World Cup squad is gloriously, unapologetically laddish. Having the likes of Martin Ødegaard and Erling Haaland—who hardly needed any makeover—ready for a raid on Northumbria is serious fun and genius. The photos are a riot of horned helmets, fur pelts, and testosterone turned into theatre. And yet, the woke chorus insists this cosplay is 'toxic and boyish'. Toxic? Please. If footballers dressing as Vikings is cultural appropriation, then every comic book is a war crime. Yarrow has captured the squad as modern warriors channelling their historic past, not as frat boys raiding a keg.

Toxic is dumping oil in fjords or match-fixing. This is just men being men—posing with axes instead of Adidas tracksuits. And laddishness is the lifeblood of football. Strip away that and you're left with a yoga retreat in cleats. And if Vikings are off-limits for having been supposedly appropriated by Kash Patel and neo-Nazis, what next? Ban football in stadia because Romans once staged bloody gladiatorial tournaments there?

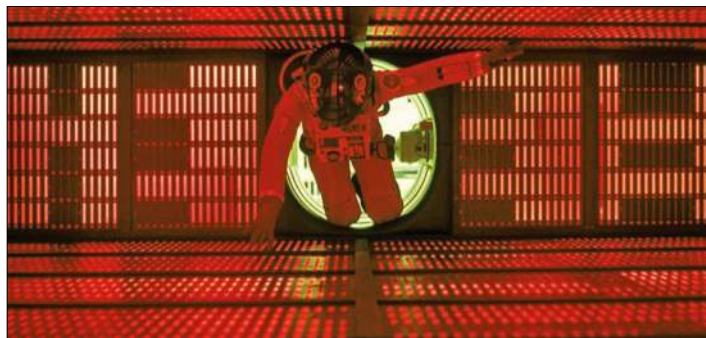
Yarrow's photos are no regression, but a celebration. They remind us that sport is theatre, that players are warriors, and that history is a costume worth wearing. If that offends delicate sensibilities, then critics should stick to chess, where the only cosplay is pretending to be a bishop.

A company dedicated to space tech is leveraging Musk's halo effect to fund his AI ambitions

SpaceX, the FAInal Frontier



Amit Kapoor, Tanya Puri & Mohammad Saad



Data floats

SpaceX's much-anticipated IPO could be one of the biggest debuts on the US stock market. With reported investor demand of about \$150 bn, almost twice the \$75 bn the company is seeking to realise, the offering could make Elon Musk the first trillionaire. The enormous sum of money and SpaceX's niche in space tech have made the IPO a focal point for investors. But the buzz around the offering also stems from unusual plans enlisted in its prospectus, including endeavours to establish a colony of 1 mn people on Mars.

While such promises may be far-fetched, the prospectus also mentions plans of launching data centres into space. This promise stands out, as it hints towards the bigger stage Musk could be setting for his AI ambitions. With global AI expansion hinging on costly data centre growth, Musk appears to understand AI economics deeply, and by framing the IPO around a space dream, he could raise the capital needed to emerge as an AI leader.

Musk has long harboured AI ambitions, and was among the earliest investors in OpenAI when it was established in 2015. But the two are now on poor terms, highlighted by Musk's recent lawsuit against OpenAI. While OpenAI's ChatGPT became a market leader, Musk's AI company xAI and its chatbot, Grok, have not seen similar adoption. xAI suffered operational losses of about \$6.4 bn last year. With the company now acquired by SpaceX,

those losses were transferred to the latter's balance sheet, although SpaceX was already profitable beforehand, generating \$18.7 bn in revenue in 2025 and \$6.6 bn in adjusted EBITDA.

While Musk's xAI struggles, the journey has not been smooth for other AI giants either. Much of this challenge stems from the substantial cost of frontier models and data centre expansion. In a bid to capture market share, AI companies initially burned billions to expand access to compute, and did not pass these costs on to users through higher fees. But with adoption growing rapidly, companies are charging more for proprietary models.

This higher fee is rooted in token economics. AI processes text as tokens computed on GPUs, and compute demand rises with token volume and task complexity. While companies have sharply reduced token prices by expanding compute capacity, rapid AI adoption is driving exponential growth in token usage and raising overall costs.

GitHub's announcement that it would switch flat-rate plans to more expensive usage-based models reflect a hard reality: AI providers cannot absorb inference costs indefinitely. And once providers stop subsidising AI usage, demand takes a hit. Microsoft reportedly cancelled its internal Claude code licences because token

based billing made AI usage unfeasible. For a given amount of compute access, rising adoption would ultimately reach a point where AI providers either sacrifice profits, or let demand plummet. In such a situation, expanding compute capacity would not be a straightforward solution. Apart from large investments, land availability, energy requirements, and environmental concerns can become major barriers to data centre development.

Amid these dynamics, whoever owns the largest compute capacity would be able to provide AI at the lowest cost. Musk appears to understand these dynamics, and the planned space-based data centres seem justified in this context.

Space-based computing infrastructure exists on a small scale. Axiom Space deployed a data-processing prototype powered by Red Hat Device Edge onboard the International Space Station in 2025, capable of running cloud computing and AI. The first two orbital data centre nodes were successfully launched into low Earth orbit this year.

For AI companies, space data centres powered by solar energy and cooled by space vacuum could prove greener and cheaper than terrestrial ones. The primary bottleneck is the enormous cost of launching such infrastructure into orbit, a challenge Musk could address through the SpaceX IPO. Musk is a man of many interests, and

his business ventures are equally diverse. But while he tries to 'do it all', results have not always been desirable. Ex-amples include his acquisition of Twitter on the pretext of protecting free speech, at a price experts considered unreasonably high. The move backfired financially as advertising revenue fell. Similarly, Tesla's Cybertruck has found only few buyers. Ironically, it was SpaceX that reportedly bought around \$131 mn worth of Cybertrucks.

The case of SpaceX is stranger. As a company dedicated to space tech, it actually earns most of its revenue from its Starlink internet service, which handles over 90% of global space-based internet traffic and had roughly 8.5 mn subscribers by 2025. The company's vision has shifted from rockets to satellites, Mars, and now AI infrastructure, that too by apparently disguising AI ambitions in the skin of a space dream. Ultimately, investors should be more curious about why a company dedicated to space tech is leveraging Musk's

halo effect to indirectly fund AI ambitions. While his intentions regarding space-based data centres could be genuine, the degree of control he exercises over SpaceX raises an important question: do the breakthroughs in AI compute technology that Musk aspires justify the scale of control, capital, and regulatory oversight being sought in the name of plans that still seem no less than science fiction? With 85% voting power, Musk could end up exercising unusually large control over the biggest pool of efficient compute available.

It is yet to be seen whether the June 12 SpaceX IPO will be successful, and what kind of impact it could have on the broader stock market. For now, one thing is certain: Musk knows where the AI industry is heading, and he seems to be prepared with a long-term strategy.

Kapoor is chair, Institute for Competitiveness. Puri is founder, PurInsights. Saad is researcher at Institute for Competitiveness



THE SPEAKING TREE

Remember I Am

OSHO

Remember 'I am'—whatever you are doing. You are drinking water, you are eating your food—remember, 'I am.' Go on eating and go on remembering, 'I am, I am.' It is difficult because you already think that you know you are, so what is the need to go on remembering this? You never remember it, but it is a very, very potential technique. When walking remember, 'I am.' Let the walking be there, go on walking, but be constantly fixed in this self-remembering of 'I am, I am, I am.' Do not forget this. You are listening to me—just do it here. You are listening to me. Do not be so much merged, involved, identified. Whatever I am saying, remember, go on remembering. Listening is there, words are there, someone is talking, you are—'I am, I am, I am.' Let this 'I am' be a constant factor of awareness.

It is very difficult. You cannot remember continuously even for a single minute. Try it. Put your watch before your eyes and look at the hands moving. One second, two seconds, three seconds... go on looking at it. Do two things: look at the movement of the hand which is showing seconds, and continuously remember 'I am, I am.' With every second go on remembering 'I am, I am.' Within five or six seconds you will feel that you have forgotten. Suddenly you will remember that 'Many seconds have passed and I have not remembered 'I am.' Even to remember for one complete minute is a miracle. And if you can remember for one minute, the technique is for you. Then do it.

The Book of Secrets / Courtesy Osho Times International

MELODY FOR MONDAY

Aap Jaisa Koi Nazia Hassan & Biddu

When Nazia Hassan's voice first unfurled in 'Aap Jaisa Koi' in Feroz Khan's 1980 film Qurbani, it was as if a new breeze had entered South Asian music. The track sways with a gentle, hypnotic rhythm—Biddu's disco groove is supple, never brash, allowing the melody to shimmer rather than pound. Against this velvet

pulse, Nazia's voice arrives as a revelation: crystalline, fresh, and impossibly modern. She doesn't belt, but caresses. Each line, from 'Aap jaisa koi/ meri zindagi mein aaye/ to baat ban jaye' onwards, feels like a secret whispered into the night, a happy confession.

The sheer beauty of the song lies in her restraint. There is a luminous clarity that cuts through the shimmer. Biddu's arrangement, international in its polish yet rooted in filmi romance, frames her voice like a jewel in a subtle setting. Together, they created a cultural moment—the first truly global-sounding Hindi film track, one that redefined what South Asian pop could be. Decades later, 'Aap Jaisa Koi' remains timeless: a shayar dolled up in disco, and the late Nazia Hassan's voice still glows with the promise of a dream.

Chat Room

The World Cup Runneth Over

ET Magazine's Fifa World Cup package (World Play, 'Bigger Than Ever,' June 7) was a treat. Not only did Rudraneil Sengupta's column, 'Who's Better? Who's Best?' stand out among other commentaries for being forward-looking and intelligently speculative, but the accompanying graphic, 'The Scale of It All' breaking down the top talent to look out for was superb. The page was a collector's item. Look forward to more such coverage during the tournament.

Adi Sahni Mumbai

To Bring the World, Sell India Better



Amitabh Kant

The US war on Iran has disrupted global supply chains, driven up energy prices, and intensified pressure on India's current account. Tourism is one of the fastest ways to earn forex and create jobs at scale.

Unfortunately, over the last four years, India's overseas tourism marketing budget has been cut to near-zero. Result: in 2024, India recorded 9.9 mn international tourist arrivals, still roughly 10% below its pre-pandemic peak. While every major competitor has stormed back past 2019 levels, this country's still looking for an exit.

Economics of tourism marketing are not subtle. A foreign tourist contributes \$3,000 to India's GDP each visit, compared with \$75 from a domestic traveller. An investment of \$200 mn in overseas marketing will attract 1 mn additional foreign tourists, generating \$3.6 bn in economic value, \$400 mn in GST receipts, and 2.83 lakh new jobs. That is 18x return on every marke-

ting dollar deployed. A mere 55,000 additional tourists—0.5% of India's current visitor base—would fully recover the marketing outlay. These are not projections. They are what the original 'Incredible India' campaign delivered. Data from peer countries makes a stronger case:

- Malaysia spent \$70 mn on tourism marketing in FY24 and saw international arrivals grow 31% to 27.3 mn, with tourism revenue rising 37.5% to \$22 bn.
 - Thailand spent \$120 mn and delivered 26% growth in arrivals to 35.5 mn visitors, with revenues up 34% to \$48 bn.
 - Brazil spent \$90 mn and grew arrivals 22%.
 - Saudi Arabia welcomed 30 mn tourists and generated \$41 bn in tourism revenues.
 - The US, spending \$240 mn through Brand USA, with 90% directed to digital channels, reports a \$25 return for every dollar invested.
- Transformation of global travel is being driven by digital tech. This is precisely where India's absence is most costly. Today, 78% of all tourism sales happen online, 70% of bookings are completed on mobile devices, and 45% flow through online travel agencies. The battlefield has shifted to YouTube pre-rolls, social media algorithms, programmatic display, and influencer networks—channels where spend is



Get going with Gangtok

measurable, targeting is precise, and ROI is trackable in near real-time. India has the raw infra but has failed to activate it. Incredible India's social media presence—1.9 mn FB followers and 785,000 on Instagram—generates embarrassingly low engagement relative to peers. Saudi Arabia, with a similar follower count, generated 27 mn content views in a single month, compared with India's 3,88,000. The platform exists. India has been largely absent from global tourism marketing for almost a decade. This is costing the sector heavily.

India must also deregulate tourism in mission mode. Hotels, restaurants, homestays, transport operators, and adventure providers face overlapping licences, renewals, and inspections. Projects completed in 18 months in competing Asian destinations often take far longer in India, driving up costs and eroding competitiveness.

Unified licences, risk-based compliance, digitised processes, and automatic renewals should be implemented.

A destination is not tourism-ready merely because it has attractions, roads, hotels, or signage. It is demand-ready when travellers can discover what makes it distinctive, assess its experience, book experiences easily, transact seamlessly, and trust that the experience will meet expectations. Increasingly, tourism competitiveness will depend on whether destinations are creator-friendly, searchable, bookable, and trusted online.

India must also treat the creator economy as a strategic tourism asset. Official campaigns generate awareness; creators generate trust. A credible traveller's video can often achieve what a brochure cannot. India's tourism proposition has never been stronger or more distinctive. The challenge is not discovering its potential but unleashing it. Tourism is one of the fastest ways to generate large-scale, geographically distributed employment. It earns foreign exchange without tariffs, trade disputes, or long gestation periods, while supporting MSMEs, women, artisans, farmers, transporters, and young entrepreneurs. It strengthens the rupee, broadens the tax base, and projects India's story to the world.

The writer is the former CEO, NITI Aayog

Reassure Homes, Not Just Economy



Rajesh Shukla

Economists tend to see global crises first in aggregates, while households feel them in fragments. GDP slows by 2%, inflation rises by 3%, and unemployment inches up. For most families, crisis comes in much smaller ways: they use less cooking oil, school fees are paid a month late.

The cruel unevenness of resilience is also revealed. We instruct families to 'spend better', as if economic insecurity can be solved by financial prudence alone. But there's an awkward asymmetry here. Yes, an Indian middle-class professional may have to be more judicious with her spending in uncertain times. But for a low-income worker, spending is not the problem—earning is.

This distinction is important because policymakers and politicians often underestimate psychological effects of uncertainty. During the 2008 US financial crisis, consumption fell not only because of income declines, but also because of increased household uncertainty. Post-Covid OECD studies found that precautionary savings surged across all major economies despite historically low interest rates, mainly because households feared prolonged instability rather

than immediate income collapse. India is starting to show similar patterns. Aggregate growth numbers are still respectable. But there is a more anxious household economy underneath. India has a middle class of around 500 mn people, with household annual incomes of ₹6-36 lakh at 2026 prices. But much of this middle class remains financially insecure. Years of financial progress can be quickly undone by a medical emergency, long-term unemployment, or a period of high inflation.

This uncertainty is felt most strongly by young professionals. India has one of the youngest workforces in the world, with almost 2/3rd of its population below 35. Every year, millions enter the labour market with educational loans, family obligations, and expectations of upward mobility. But the work itself is becoming less predictable. White-collar work is starting to be reshaped by AI and automation. A new anxiety is now not whether

work exists, but whether the same work will have value 5 years from now.

Education and healthcare costs have risen faster than household incomes for years. In cities, school fees increasingly resemble mortgage payments, with private school fees in some cities reportedly rising by nearly 50-80% in the past 3 years. Healthcare inflation, too, remains high at 12.14% annually. Small businesses are more fragile than most. A geopolitical conflict can affect fuel prices, logistics costs, import dependencies, or consumer demand. For millions of small businesses, Covid was a lesson in how quickly a temporary interruption could turn into a solvency crisis. Even now, many are more cautious and prefer survival to expansion.

Crises are not novel. Oil shocks of the 1970s, Asian Financial Crisis of 1997, the 2008 global recession, and the pandemic have all changed household behaviour. What may be new is the speed at which global instability now affects ordinary households. A war in Europe alters fertiliser prices in rural India. Bengaluru's employment decisions are affected by China's supply-chain disruptions.

This interconnection has altered the psychology of consumption. Economists sometimes assume that households respond rationally to incentives. They do, but only within bounds imposed by fear and uncertainty. If a family does not feel secure, it will not spend simply because interest rates drop a little.

Perhaps, that's why so many econo-



Austerity is a luxury here

The writer is MD-CEO, People Research on India's Consumer Economy (PRICE)

OUR VIEW



We must not end up in a scramble later this year

India's economy has held up well so far and moves have been made to attract capital. Yet, we also need to stay wary of an adverse global scenario turning out worse than expected

The war in West Asia seems to have had little effect on India's economy, going by the data so far. Official figures released on Friday showed real GDP growth in the last quarter of 2025-26 at 7.8%, year-on-year, taking the full year's growth to 7.7%. Although nominal growth was low, this counts as good going for a US-tariff-rattled fiscal year that ended in an outbreak of war. The Iran conflict will impact how we fare in 2026-27, but as domestic tailwinds push against external headwinds, we could log growth of 6.6%, as the Reserve Bank of India (RBI) projects. Last quarter's momentum was broad-based, with factory output, construction and especially services setting a hearty pace. Since services make up well over half of India's output, we can expect GDP expansion to stay resilient.

That said, Indian data is yet to capture much of the war's fallout. Even as bloated import bills stoke inflation and slow growth, the external scenario is fraught not just with the turmoil of an oil shock, but a foreign capital crunch that showed up even before those hostilities began. Weak inflows have tilted our balance-of-payments adversely and taken a toll on the rupee's exchange value. Instability risks led both the Centre and central bank to respond on Friday with measures designed to boost inflows. The government moved to relieve foreign portfolio investors of taxes on its bonds; RBI held its stance and policy lending rate constant, while acting in concert. In a parallel move, the central bank not only opened up new issuances of government paper across a larger range of tenors to overseas investment, but eased other bars. It also lifted caps on how much non-residents and overseas citizens can invest in local equities

without registration with the capital markets regulator. Plus, it offered to pick up the risk-hedging tab of banks that raise forex deposits and support foreign loans taken by public sector units via a concessional forex swap facility. Granted, inflows into debt may not be ideal, as they could return to haunt us later. Yet, to the extent India's moderate exposure to global dues makes space for such measures to tackle near-term external risks, they should help.

Optimists now expect some \$50 billion more to flow in this year, enough to keep external payments on an even keel and the rupee steady. But so long as clouds of uncertainty prevail, a less benign scenario unfolding is more than just a tail risk. The global context might plausibly take a turn for the worse. As energy markets do not yet seem to have fully priced in a Gulf supply squeeze that's taking too long to ease, an oil spike could upset RBI's calculus. While crude that's costlier than expected could push RBI into a scramble to quell inflation, especially if weak rainfall in an El Niño year elevates food prices, we must also watch out for its impact on inflows. Credit in the US may get costlier, as its price-level and payroll data hint. America's yawning fiscal deficit is funded by the issuance of bonds whose demand is susceptible to geopolitical flux; and if the US Federal Reserve starts offloading assets to shrink its balance sheet, longer-tenor debt yields will likely firm up. A steeper US yield curve would weigh upon the relative appeal of Indian bonds of similar maturity. The end of an easy-credit era globally has already reduced India's yield premium over the US and taken the shine off rupee assets for global investors. News of an inflow-easing package made the rupee leap on Friday. But broader market dynamics need to turn favourable too.

THEIR VIEW

An MPC meeting like no other for its dissonance with realities

Its resolution overlooked significant risks and was overshadowed by the RBI governor's statement



MYTHILI BHUSHURMATH is a senior journalist and a former central banker.

Unfortunately, a reading of RBI governor Sanjay Malhotra's statement at the conclusion of the June Monetary Policy Committee (MPC) meeting on Friday and the MPC resolution suggests Santayana and Subbarao's words fell on deaf ears. Not only is the MPC resolution completely overshadowed by Malhotra's statement, it is at odds with both ground realities and underlying macroeconomic fundamentals. Despite the fact that the growth-inflation trade-off is now much more firmly skewed against inflation than against growth, the MPC opted to maintain *status quo* on rates and on the policy stance!

Consider. Its growth projection for 2026-27 has been trimmed by 30 basis points. But the inflation projection for the same period is up twice as much, i.e. by 60 basis points. In such a scenario, one would have expected the MPC to regard inflation as the bigger concern. After all, wholesale price inflation is already up at a 42-month high of 8.3% and the ostensibly low rate of retail inflation is largely contrived (thanks to the government keeping fuel prices unchanged till after the recent elections to state assemblies).

But, no. The usual monetary policy measures such as interest rate action and policy stance got short shrift, even as the governor announced a series of measures to encourage capital inflows. Indeed, a careful reading of the statement and the MPC resolution could leave observers wondering if the MPC now sees itself in a new role—as an exchange-rate setting committee rather than in the time-honoured role of an interest rate-setting committee!

All this, even as yields on 10-year government bonds have moved up sharply over the past few weeks to over 7%. Despite RBI intervening to keep rates from rising by keeping the system flush with liquidity—injecting both durable and temporary liquidity! The average daily surplus has been over ₹2.6 trillion since the last MPC meeting in April. Note, the MPC's *baseline* projection

points to headline inflation firming up (to 5.9%) towards the upper tolerance level in the third quarter of 2026-27. Monetary policy acts with a lag of three to four quarters. If we expect inflation to edge up to the upper end of the target band by December, we need to act today. Yet, the MPC opted to stay silent, which would result in the effective real rate of interest falling to close to zero by the second quarter (if one considers the repo rate of 5.25% and second quarter inflation at 5.1%) and negative 0.65% if one takes the third-quarter inflation projection of 5.9%.

Never mind that measures such as expanding the universe of securities under the Fully Accessible Route, removing limits on short-term investment, concentration and individual securities for portfolio investment, opening the door for equity investments to individuals beyond non-resident Indians (NRIs), incentivizing external commercial borrowings and NRI deposits with the hedging cost borne by RBI/government, etc, will only encourage more hot money flows. These would, at best, provide a temporary salve without addressing the basic problem—excess consumption relative to what overseas investors are willing to fund. Don't be fooled by talk of the rupee posting its 'largest single day gain' after the governor's statement.

Remember, the problem of a current account deficit must be tackled on two fronts—on the consumption front and the capital flows front. The former must be restrained and latter encouraged. This is best done by a hike in interest rates that would discourage consumption and encourage foreign debt flows, and, most importantly, dampen inflationary pressure. Not by short-term measures that smack of panic! If, as RBI seems intent on doing, we focus only on encouraging capital flows (regardless of hue), without doing anything to restrain consumption, it is like trying to fill a leaky bucket. A futile exercise! And one that may cost us dear.



JUST A THOUGHT

We remain vigilant and are fully prepared to do whatever it takes to preserve orderly market conditions.

SANJAY MALHOTRA

MY VIEW | MODERN TIMES

What rising wrong-side driving says about our future

MANU JOSEPH



is a journalist, novelist, and the creator of the Netflix series, 'Decoupled'

As an Indian, my standards for public spaces are so low that what I admire in other countries is that their cars move in lanes. I am transfixed by images of Lebanese and Iranian people fleeing war in their cars—in orderly lanes. I find it odd that any two nations that observe lane discipline would be at war with each other, given the grace and social intelligence they demonstrate on their streets. In Hollywood disaster films, I am unmoved by scenes where a city is trying to flee a calamity, because they look more orderly than Gurugram at any time.

I used to wonder at which precise per capita income a developing country begins to drive in lanes. I don't wonder anymore. I have realized there is no correlation.

In the past year alone, I have seen wrong-side driving rise by many orders of magnitude across India. This is a mystery, because cops continue to hide behind trees and lamp posts to pounce on people who run a signal or ride sans helmet. Yet, people drive on the wrong side in full public view. Not just cycles and

food delivery mopeds, or SUVs like Thars. All sorts of vehicles drive boldly on the wrong side. I suspect two things have happened.

First, an informal policy has come to be that as traffic cannot be managed at present through administrative competence and infrastructure, people should be allowed to break some rules to defuse tension. I am more sure about the second factor, which is that India's tussle between the city and the village is over, and the village has won decisively. By city, I mean a place that is not so serious about social order but can only function with high civic order. The village, on the other hand, is about strict social order and conducts civic life with romantic veneration of informality, short-cuts and petty practicality, which is somehow chiefly about breaking rules. This whole country is an endless village, seen that way.

There is a complex and accidental good that chaos does, a function also performed by the mofussil ugliness of Indian cities. It reassures losers of the system that India is poor, that India is a lot like them. But this aesthetic balm is like a painkiller. It makes the present bearable, but does long-term damage. It keeps all of us poor, not statistically, but where it really matters: in the way we live.

Last week, I was helping a friend get a

driver's licence and found out that for ₹8,000 she could get a permanent licence without appearing for a test. It shows. Even though Indians seem to talk about civic order more than ever, most urban residents don't appear to consider it a priority in comparison with abstract, magical and cultural matters. Once, a person posted on social media his video of obstructing a biker who was defiantly on the wrong side of the road. Many commentators condemned the sanctimony of the person who made the recording. They said India has greater problems. But it does not.

Most of our problems come from the same force that condones wrong side driving. The fire that broke out in a Delhi hotel a few days ago, killing 21, was caused by the same mindset that empowers people to take a 10-tonne vehicle out on the street, drive on the wrong side all day, and face no consequences, unless someone takes a video, posts it on social media and tags the police. Any officer can just step out of his office onto the road and see wrong-side driv-

ing within five minutes, but they appear to notice it only on social media.

I was watching Wim Wenders' *Perfect Days*, a marvellous film about a man who cleans toilets in Tokyo, who lives an austere and full life, whose home is small, who sleeps on the floor, who needs no phone or TV, and who reads novels before he goes to sleep. The only nuisance in his life is the affection of people. The film tries to convey this is a way to be happy. It is persuasive, to men especially, but its theme is not universal. The film would make no sense if it were set in a city like Gurugram. That is because a man who cleans toilets here would have an abysmal life, not because of his profession but because the city's public spaces are impoverished. A poor man in Tokyo can lead a better life in some ways than many Indian millionaires because of the city's true luxury: every single city official appears to do an exemplary job everyday. An orderly city is beautiful because it means thousands of humans with high work ethic come together

India's tussle between the city and the village is over and it seems as if the village has won decisively

to show they care for other people. A beautiful city, in my view, is the exact opposite of any Indian city.

What is the point of India spending billions on its image, like raising swanky airports? Is the idea that someone would land at such an airport, be blown away by it, and then when he is stuck in the chaos of the city, inhaling poisonous air, he is going to think how fine the airport was? What is the point of brand-building exercises when anyone who lands here can see within five minutes that things are a mess, we do not know the meaning of planning, and we are a danger to ourselves?

We have solved extreme poverty, which was the easy part. Now we have to solve the problems of prosperity. When everyone is empowered to own a vehicle and drive any way they want, what does India do? It has no idea how to deal with it.

The abysmal quality of life in India is entirely the fault of governance. Indians are under very little pressure to be orderly. The Delhi Metro taught us long ago what to do—create everything needed for a person to obey the rules, then threaten to fine, and then fine mercilessly. If Indians can be persuaded not to spit in Delhi Metro trains and stations, any miracle can happen outside it.



MY VIEW | STAT-CRAFT

MINT CURATOR

India's three health revolutions: from scarcity to access to excess

We fought poverty and then revolutionized inclusion but NFHS findings urge us to battle diseases that accompany prosperity



RAJESH SHUKLA
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The most important lesson of the latest National Family Health Survey (NFHS) is that development does not eliminate challenges; it transforms them. About 20 years ago, India's public health challenge was one of exclusion. Not enough women had bank accounts. Not enough households had health insurance. There were too many undernourished women. Much of the population was beyond the reach of maternal health services. Many of those deficits are now receding. But a new crisis of obesity, diabetes and other lifestyle diseases is sweeping through village and city alike.

Recently released NFHS data for 2023-24 suggests that India has experienced one developmental transition and is in the midst of another. The first revolution has been towards financial inclusion. In 2005-06, less than 5% of Indian households had some form of health insurance coverage. By 2015-16, the figure was up to 29%. It was 60% in 2023-24. Historically, rural India has been the most vulnerable to catastrophic health expenses, but now has 62% coverage, slightly more than urban India's 56%.

It's one of the fastest expansions of financial risk protection ever seen in a large developing country. Programmes like Ayushman Bharat, along with state insurance schemes, have turned healthcare from a purely private household burden into a partially socialized risk. India is still far from the levels of universal health coverage achieved by countries such as Thailand or South Korea, but the direction of change is clear.

Women's empowerment has been the second revolution. The proportion of women who manage their own bank accounts rose from 53% in 2015-16 to 89% in 2023-24. The increase was more dramatic in rural India: from 49% to 89%. Nationally, women's ownership of mobile phones increased from 46% to 64% and use of hygienic menstrual protection increased from 58% to 79%.

Such changes may seem mundane, but economists increasingly see them as the basic building blocks of development. A woman with a bank account, a mobile phone and control over her own finances has far more agency in healthcare decisions, fertility choices and investments in the well-being of children.

That the rural-urban gap is narrowing is especially striking. In 2005-06, rural women were separated from urban women by wide gaps in access, information and financial services. Differences remain, but had narrowed considerably by 2023-24. Digital identity, direct benefit transfers and financial inclusion programmes have enabled the Indian state to reach populations that were once beyond its administrative reach.

But the success has had an unexpected consequence. India is winning the battle against under-



ISTOCKPHOTO

nutrition but losing ground against over-nutrition. In 2005-06, 36% of women in India were below normal Body Mass Index. That number had fallen to 20% by 2023-24. Undernutrition among rural women dropped from a shocking 41% to 23%. That is progress, no doubt. But during this period, the overweight and obesity rate among women soared from 13% to 31%. The rise was even sharper for men, from 9% to 27%. The transformation is especially visible in rural India. The percentage of overweight or obese rural women rose from 7% in 2005-06 to 26% in 2023-24. That of rural men rose from 6% to 23%.

For decades, policymakers have worried about too few calories. Now they have to worry about poor-quality calories. This is like the 'nutrition transition' that took place in China, Brazil and Mexico when economic growth, processed foods and less physical activity quickly changed the pattern of diseases. According to the World Health Organization (WHO), obesity is a leading cause of cardiovascular disease, stroke and diabetes globally. India is now at that stage of development.

This transition is nowhere more apparent than in blood sugar levels: 9% of women had high blood sugar in 2015-16. By 2023-24, this had almost doubled to 17%. Urban male prevalence rose from 13% to 22%; rural prevalence from 11% to 19%.

What is scary about these numbers is not only the growth but the pace at which rural India is closing the gap with urban India. Diabetes was earlier regarded as a disease of the rich urban population. NFHS findings suggest that assumption is no longer true. India is basically exporting urban lifestyles to rural communities and importing urban diseases back.

The story of maternal health presents a similar paradox. Over two decades, institutional deliveries have increased tremendously and helped reduce maternal as well as infant mortality. The rate of

deliveries by Caesarean section has risen from 9% nationally in 2005-06 to 17% in 2015-16 and 27% in 2023-24. The increase is particularly pronounced in private health facilities where Caesarean delivery accounts for 54% of births, up from 41% a decade ago and 17% two decades ago.

The WHO has repeatedly said that at the population level, Caesarean rates in excess of about 10-15% do not necessarily translate to better maternal or neonatal outcomes. India's current trajectory therefore raises questions around medical necessity, provider incentives and healthcare regulation.

Not all behavioural trends are negative. The consumption of tobacco has been steadily declining among all; 37% of men used tobacco in 2005-06, falling to 36% in 2023-24. Female tobacco use dropped from 11% to 8%. Alcohol consumption has also fallen among men from 32% to 19% nationally and remains very low among women.

These improvements illustrate how sustained public health messaging, regulation and social change can change behaviour at scale. The latest NFHS findings reveal that India has gone through three health revolutions in a generation. The first was a fight against poverty. The second was for inclusion. The third—and ongoing—war is against diseases of affluence.

Even as we increase access to healthcare, we must stop diet-related diseases in their tracks. Insurance cards, hospital beds and surgical capacity will count but won't be enough. India needs to invest in nutrition policy, urban design, preventive screening, food regulation and behavioural change with the same determination as financial inclusion.

The big challenge of the next 20 years will be to ensure Indians live healthier lives. That is what the NFHS indicates. India must translate its rising prosperity into healthy longevity and not let it result in a public health burden.

Berkshire's latest deals mark a departure from Buffett's ideas

They suggest that his successor Greg Abel is charting his own path



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If you are wondering whether the Greg Abel era underway at Berkshire Hathaway will mirror the Warren Buffett years, two Abel-led deals announced this week go a long way to answering that question. Abel, it seems, has his own ideas.

Both deals are distinctly un-Buffett. The so-called 'oracle' was famously selective. He searched for reliably highly profitable businesses he could snag for a good price, even if it meant piling up cash while he waited. Neither Abel deal would fit Buffett's bill.

The first, a \$6.8 billion cash acquisition of home builder Taylor Morrison announced [last week], will add to Berkshire's portfolio of a dozen other housing-related businesses.

It is a deal that young Buffett would have liked. Early in his career, he sought out companies that traded cheaply, what he called the "cigar-butt strategy." "A cigar butt found on the street that has only one puff left in it may not offer much of a smoke," he wrote in his 1989 shareholder letter, "but the 'bargain purchase' will make that puff all profit." At 12 times next year's earnings, Taylor is about as cheap as it gets in a bull market. The broad US stock market trades at nearly twice that multiple.

The problem with cheap companies, though, is they are rarely great businesses. You can only get so far scrounging for cigar butts, as Buffett's long-time ally Charlie Munger often reminded him. "He actually hit me over the head with a two-by-four from the idea of buying very so-so companies at very cheap prices," Buffett once recalled. Munger argued instead for "really wonderful businesses that we could buy at fair prices."

A wonderful business, in modern finance speak, is a quality company—one with consistently high profitability and modest leverage. Apple was such a company when Buffett began purchasing its stock in 2016. It posted a return on equity (RoE) of 46% the year before, with an average RoE of 35% during the previous 10 years. It also boasted a gross margin of 40% in fiscal year 2015, averaging 38% during the previous decade. More impressive is that Apple did it with almost no leverage. Its debt relative to equity averaged just 10% over that time.

It is not easy to find a higher quality company and Buffett did not just pay a fair price for it, he practically stole it. Apple traded at 10 times forward earnings when Berkshire began buying the stock, even less than what Abel is paying for Taylor.

And Taylor is no Apple. The home



Many observers view Buffett's insistence on 'value' buys as outdated. REUTERS

builder reported an RoE of 13% last year, roughly matching its average over the last decade. Its gross margin of 23% last year is not great either, and only slightly higher than its trailing 10-year average of 21%. Less flattering still is that those results were aided by a good dose of leverage. Taylor's debt-to-equity is nearly 40% despite having deleveraged considerably in recent years.

On the numbers alone, Taylor looks more like a cigar butt than a classic Buffett-Munger purchase, but Abel may have plans for Taylor that Buffett would not usually consider. Buffett tended to treat Berkshire's companies as standalones, leaving their managers to go about their business independently of Berkshire's other holdings.

Abel seems to have a different design, intimating that Taylor may benefit from synergies with Berkshire's other housing-related businesses. "Over time, we expect to unify our site-built homebuilding operations into a combined platform enabling us to deliver the dream of homeownership to more Americans," Abel said in a statement.

The combination would presumably aim to boost Taylor's financial results, a move Buffett would likely have been reluctant to undertake. Same for the aspiration, however noble, of helping to solve America's housing crisis. Buffett had no other calling than churning out profits for Berkshire's shareholders.

Abel's other big deal is a \$10 billion investment in Alphabet to help fund the company's development of artificial intelligence. It adds to Berkshire's existing \$17 billion stake in Alphabet acquired beginning last year. Alphabet is undeniably wonderful, with gross margins regularly exceeding 50% and improving RoE that broke above 35% last year. But at 25 times next year's earnings, it is also well more expensive than Buffett likes, particularly for a bet on a new and yet untested technology. I wrote as much late last year, when the initial purchases were disclosed.

Buffett would be the first to acknowledge that his taste for quality at a fair price has been hard to satisfy in a years-long runaway bull market. It explains why Buffett handed Abel nearly \$400 billion in cash, more than four times Berkshire's cash balance in 2016. That leaves Abel plenty of flexibility to chart his own path and he appears to be doing just that. ©BLOOMBERG

GUEST VIEW

Today's mega-IPO rush: the boom before a market bust?

ASHISH GUPTA



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What do Reliance Power, DLF, Visa, Agricultural Bank of China and Saudi Aramco have in common? Each represented the largest—or among the largest—equity offerings of their time. Each of these was greeted with euphoria, over-subscription and breathless media coverage. And each one of these was followed by a significant decline in the markets.

In January 2008, Reliance Power raised ₹11,700 crore—then making it India's largest initial public offering (IPO)—following a quarter in which aggregate IPO issuance had already breached an all-time record. The Nifty 50 peaked within weeks and lost 55% over the following year. Coal India's ₹15,475 crore initial share offering in October 2010 preceded a 28% correction in the Nifty over the following year.

This pattern holds globally. Visa's \$17.9 billion listing in March 2008 preceded the S&P 500's 38% collapse. Agricultural Bank of China's \$22.1 billion IPO in July 2010 was followed by a 22% decline in the Shanghai

Composite index.

The months ahead will see a concentration of mega-IPOs unprecedented in capital market history as SpaceX, OpenAI and Anthropic prepare to list their shares soon after Google's parent Alphabet raised about \$85 billion through a follow-on offer. The three debutants are expected to command valuations approaching \$4 trillion collectively. Even with initial floats of just 4-10%, these equity offerings are likely to raise \$150-200 billion in primary capital.

To contextualize the total sum about to be raised, it represents about a fifth of the deposits gathered by the entire American banking system in a year. When a single quarter's equity issuance rivals a meaningful fraction of annual deposit formation, it is no longer routine capital market activity, but a structural liquidity event.

Why should mega-IPOs concern us? The intuition is straightforward. Large IPOs drain liquidity from secondary markets—every dollar allocated to a primary offering is likely a dollar withdrawn from existing equities. But the more important signal is behavioural. Demand for these offerings—the willingness of investors to pay extraordinary sums for the shares of companies with limited operating histories or unproven

business models based on narratives—represents the late-cycle euphoria that typically precedes market corrections.

What distinguishes the current cycle from previous IPO booms is the liquidity provided by passive investment flows. Over \$12 trillion now tracks US equity benchmarks—index-tracking capital that must go into shares which comprise the index regardless of valuation. Nasdaq has indicated a readiness to modify its rules in a way that would fast-track the entry of SpaceX equity to its major indices—within 15 days of its offering. S&P Global reportedly said last week that it would not shorten the one-year 'seasoning' requirement and four-quarter-profitability criterion for inclusion in its major indices like the S&P 500, but may tweak entry rules for other indices.

Even as SpaceX lists with only a 4-5% float, its initial weight in US indices may be less than 0.5%, despite listing at a valuation of nearly \$1.8 trillion. However, as the lock-in

period for the other shares begins to expire in stages, the float will increase; purchase demand from passive funds could rise over the months, whether or not fund-holders believe in the company's Mars narrative. This can create a rush for such stocks at the cost of existing index names that passive funds will need to sell. The true test of valuations will arrive after lock-in shares reach the market. As pre-IPO shareholders who own the majority of all outstanding stock are freed to sell shares elevated by passive flows, the dynamics of supply versus demand could reverse dramatically. We saw this with Tesla, post its 2020-21 index inclusion. This could occur across three or four mega-listings simultaneously.

Historical data reveals the risk of a market slide soon after large share offerings mop up vast sums of money

A statistical analysis of IPOs across global markets over 35 years—spanning the US, India, China, Japan and Brazil—confirms that large individual IPOs, measured as a percentage of market free-float capitalization, predict market peaks with about 60% accuracy. This rises to 75% if the mega-IPO

coincides with aggregate quarterly issuance exceeding its five-year mean by two standard deviations. Add monetary tightening—rising rates or active liquidity withdrawal—and the probability climbs to nearly 90%.

The reverse test is equally instructive. Of India's five major bear markets since 1992, four were preceded by IPO booms. In China, five of seven; and in the US, four of six. It can be argued that bear markets that escaped this pattern—amid the 1997 Asian Crisis and covid, for example—faced exogenous shocks.

In India, the National Stock Exchange and Jio—two of India's most valuable unlisted enterprises—are likely to hold IPOs this year. The former is currently valued in the secondary market at ₹5 trillion and the latter above ₹15 trillion, while they are widely expected to raise \$5-6 billion. The Indian market has seen a rise in equity supply—the past two years featured nearly 100 IPOs annually, raising close to ₹2 trillion each year. History suggests that when equity supply turns into a gush, the pool of liquidity often begins to dry up. To the extent new mega-listings in America are a sign of euphoria, that could happen again. "Bull markets are born on pessimism, grow on scepticism, mature on optimism, and die on euphoria," said John Templeton.

Opinion

MONDAY, JUNE 8, 2026



PRICE POLITICS

NCP (SP) Chief Sharad Pawar

“The Prime Minister says inflation is being controlled. Control means subjecting people to step-by-step shock. Those responsible will have to pay a political price”

Punctuating Indo-US deal

After the recent trade talks, there are gaps that need to be bridged

AN INTERIM INDO-US trade deal still appears a work in progress although there is optimism on both sides that it is within a single percentage point of being finalised and that only “small issues, commas, and full stops” — to borrow an expression of Commerce and Industry Minister Piyush Goyal — remain to be addressed. US President Donald Trump, too, has expressed confidence that the US and India would reach an agreement even as he reaffirmed his friendship with Prime Minister Narendra Modi. Both sides wrapped up the second in-person round of “constructive and positive” discussions to clinch the deal but critical gaps still need to be bridged. Goyal, however, is bullish that this deal will be among the nine trade pacts that the ruling dispensation has negotiated since 2014 that will come into effect over the next nine to 10 months.

From India’s standpoint, the tariff architecture of the putative deal is the gap that needs to be bridged. Trump slapped one of the highest reciprocal plus penal tariffs (25% + 25%) on India for buying Russian oil. But in a framework agreement on February 2, the US agreed to reduce reciprocal tariffs from 25% to 18% and remove the penal rate for buying Russian oil. In return, India undertook to reduce tariffs on US industrial and agricultural products with firm red lines on not allowing genetically modified maize and soya bean and dairy items. Later in February, Trump’s reciprocal levies were invalidated by the US Supreme Court. He then imposed a 150-day uniform tariff of 10%, which expires on July 24. To retain leverage in trade negotiations, the United States Trade Representative (USTR) has launched investigations under Section 301 of the Trade Act of 1974.

Uncertainties on tariffs surfaced despite the US’s reported pressure on India to accept a package locking in levies that were agreed to in a framework deal on February 2. While the bilateral trade talks were underway, the USTR proposed an additional 12.5% duty on India and 43 other countries on the grounds that their exports contain inputs produced by forced labour. India contests the legal basis of these investigations although it remains engaged with the US on this matter as part of Section 301 proceedings. There is also a second investigation on excess capacities. Clinching an early interim trade deal with 18% tariffs might have been acceptable to us if there were assurances that penalties will not be added after Section 301 investigations. Indications are this was not forthcoming as also addressing India’s concerns for a relative tariff advantage over its Asian competitors.

Bridging the gaps should be possible in the weeks ahead considering the optimism on both sides to clinch the trade deal. After the agreement kicks in, doubling bilateral trade to \$500 billion by 2030 can easily be achieved. There is a vast upside as current two-way flows of goods and services at \$241.5 billion constitute just 3.1% of the US’s global trade. So, too, on the investment front as US investments in India at \$58.5 billion are just 0.8% of its global investments. Trade flows are bound to surge with America’s deepening engagement with India on investments and technology. In the post-World War II era, Japan, South Korea, and China prospered by exporting to America. India must go all in to ensure a similar outcome as it has ambitions to become a more developed nation.

The algorithm dressed you today

MY COMMUTES TO work involve a long metro ride, with more than enough opportunities to people-watch. Within these stints, I have deduced that something is afoot amongst the youth — being one myself but off social media, I am an outsider within my cohort. Even within crowded coaches bursting at their hinges, I can clearly spot members of my echelon — sporting variations of a t-shirt and thick-soled sneakers, and unmistakably, a pair of wide-legged denims. I have seen entire berths occupied by the denim creed. This leads me to think — when was this uniform issued, who originated it, and why did my contemporaries adopt it so readily?

Part of the answer could be obtained from a simple observation — almost everyone is hunched over their screens, scrolling industriously. Algorithms have eroded our attention spans but have ironically caught the remnant shards in a chokehold. It is fascinating how a singular device now dictates not just how a generation acts, but also the fates of entire business models.

The business aspect is deceptively simple. The first layer is the rise of fast fashion — glaringly obvious and all-consuming, literally and otherwise. The digital native naturally buys their fare from digital marketplaces, which are now physically manifesting in pace. A generation’s homogenised individuality is, according to a Deloitte report, a \$14 billion industry as of 2025, growing at roughly 17% annually. More strikingly, Gen Z emerges as the outlier on almost every metric compared to millennials and Gen X — be it discovering fashion trends online, the growing proportion willing to purchase clothing directly through social platforms, or their preference for fast-changing styles over long-term wardrobe staples.

The more grounded explanation, however, is that humanity has always been driven by imitation. “Monkey see, monkey do” may be inelegant, but it is remarkably accurate — and where fashion is concerned, people have occasionally gone to extraordinary lengths to conform. Consider late 18th-century France, where physicians reportedly spoke of a phenomenon dubbed “muslin disease”. Parisian socialites, enamoured with the flowing drapery of ancient Greco-Roman sculpture, took to wearing thin muslin gowns that offered little protection against the winter cold. Fashionable they may have been, but the resulting respiratory illnesses

proved rather less so. Or take Queen Alexandra of Britain. Following an attack of rheumatic fever in 1867, she developed a noticeable limp and was reluctant to appear in public. Unfortunately — or fortunately, depending on one’s view of influence — she was one of the most admired women of her age. Society ladies soon began imitating the “Alexandra limp”, with some even modifying their shoes to create uneven heels in pursuit of authenticity.

My generation is hardly immune. A stroll in any public space reveals its own forms of collective self-expression. It is not uncommon to encounter conspicuously pink cheeks — a look that gained popularity as singer Sabrina Carpenter rose to prominence sporting a heavily blushed aesthetic. While Carpenter alone cannot account for the surge in blush sales, Nykaa’s Beauty Rewind 2025 report captured the scale of the phenomenon neatly: “Blush sales hit such heights this year that if they were paint, Jaipur wouldn’t need a refresh for the next century.”

An iconic fashion editor from a certain movie franchise has a famous monologue that breaks down exactly how the fashion industry works — and how a certain initially dowdy employee is not exempt from the choices the industry makes for everyone. Even the lumpy cerulean sweater, worn to signal that she took herself too seriously to care about what she put on her back, was fished out of “some clearance bin” — but only after it had first appeared on runways and been selected by the very people the self-proclaimed individualist snickers at.

That was the 2000s. In the 2020s, the process remains largely the same, only faster. Decisions once filtered through magazine editors and department stores are now made by marketing teams and algorithms, amplified by influencers, and turned into microtrends for a digital generation perpetually in search of the next new thing.



ANVITI RAI

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CONTROLS SUPPRESS INNOVATION, PUBLIC R&D IS UNDERFUNDED, AND FARMERS ARE LEFT WITH DATED TECH

FROM PLATE TO PLOUGH

A crisis in India’s cotton fields

IN APRIL, THE Union Cabinet approved the Mission for Cotton Productivity with an outlay of ₹5,659 crore, to run from 2026-27 to 2030-31. The intent is to raise lint productivity from 441 kg per hectare (in triennium ending [TE] 2025-26) to 755 kg/ha by 2031. But to understand whether this mission can succeed, it is worth recalling where India once stood and how deep is the crisis in cotton fields.

In 2002, Prime Minister Atal Bihari Vajpayee approved the commercial cultivation of Bt cotton as cleared by the Genetic Engineering Appraisal Committee (GEAC). At the time, he said: “The next big revolution that is unfolding in the world is the biotechnology revolution... We must not lag behind others in this revolution.”

India did not lag behind. For a decade, it led. The first Bt hybrids incorporating the cry1Ac gene were approved to resist the bollworm complex. By 2006, GEAC had approved Bollgard II, a second-generation hybrid with two stacked genes. The results were unambiguous. Cotton production rose from 13.6 million bales in 2002-03 to 39.8 million bales in 2013-14, a 193% increase. Annual output grew at 10%, and area expanded by 56%, from 7.6 million hectares (mha) to 11.9 mha. Yields improved by 88%, from 302 kg/ha to 566 kg/ha. India became the largest producer and second largest exporter of cotton. But thereafter, the policies by successive governments, at the state and central levels, undid what science had built.

After Bollgard II, Mahyco-Monsanto Biotech (MMB) India developed the next generation: Bollgard II with Roundup Ready Flex, and Bollgard III incorporating three stacked genes with herbicide-tolerant traits designed to address evolving pest resistance and rising weed-management costs. But they were not released.

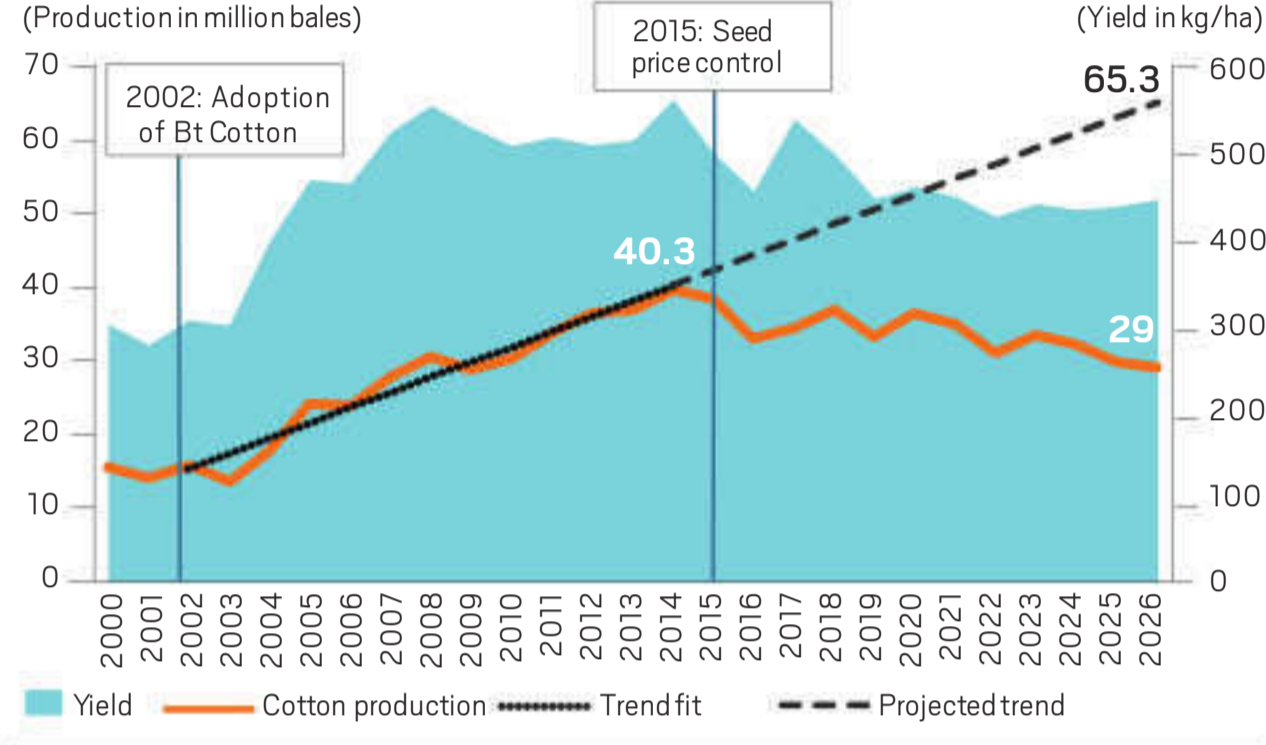
What killed them was a sequence of price control decisions that made seed innovation commercially unviable. In 2006, Andhra Pradesh imposed a maximum retail price of ₹750 per packet, less

ASHOK GULATI, AYUSHI GUPTA & RITIKA JUNEJA

Respectively Distinguished Professor, Research Associate, and Senior Fellow, ICRIER

SHIFTING WINDS

Production and yield of cotton in India



than half the prevailing price of ₹1,600, of which ₹1,250 had been charged by MMB as trait fee. Maharashtra and Gujarat swiftly matched the cap. In 2015, the Centre formalised this through the Cotton Seed Price Control Order, slashing trait fee by 74% from ₹186.95 to ₹49 per packet. In 2018, the national retail price was cut further to ₹740. By 2020, the trait fee had been abolished entirely.

The consequence was direct. Faced with unfriendly regulation, Monsanto withdrew Bollgard II-RRF from GEAC consideration. Meanwhile, advanced agricultural economies routinely plant Bollgard 3 ThryvOn with Xtend Flex, a platform combining three-gene caterpillar protection,

built-in biological defence against sucking pests, and tolerance to three herbicide groups simultaneously. Today, India is not a leader of the biotechnology revolution in agriculture, nor even a serious participant.

Look at the productivity of cotton — Australia: 2,340 kg/ha; China: 2,311 kg/ha; Brazil: 1,943 kg/ha; and the US: 976 kg/ha. These are lint yields for the TE 2025-26, reported by the International Cotton Advisory Committee. And India, which has the largest cotton-growing area (11 million hectares), has a yield of just 441 kg/ha. The gap between India and its competitors is a precise measure of the gap in technology adoption, research investment, and regulatory ambition.

Views are personal

From onions to oil

What a 1998 election and today’s energy-transition debate reveal about the gap between policy prescriptions and social realities



RISHI RAJ

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IN 1998, ONIONS brought down a government. The price of the humble vegetable soared across north India, touching levels that seemed extraordinary at the time. Households complained, newspapers carried daily stories, and political opponents found an easy rallying point. When Delhi voted later that year, the BJP suffered a decisive defeat. Economists could have pointed out that onions accounted for only a tiny fraction of GDP and a modest share of household expenditure. Yet that was beside the point. Voters were not responding to an economic model. They were responding to an everyday experience. Onion prices had become a visible symbol of a government’s competence.

A few years later, Rajat Gupta and his colleagues at McKinsey presented an ambitious blueprint to Prime Minister Atal Bihari Vajpayee on how India could accelerate economic growth. The recommendations were comprehensive and technically sound. After listening patiently, Vajpayee reportedly asked a simple question: “Ye sab to theek hai Guptaji, magar ye sab hoga kaise?” The remark captured a truth that many policy discussions continue to overlook. Identifying what should be done is often the easiest part of policymaking. The harder task is understanding how change actually occurs.

At first glance, the onion crisis and Vajpayee’s response to a management consultant appear unrelated. In reality, they highlight the same blind spot. The first showed that societies do not react to economic variables in the neat manner assumed by textbooks. The second showed that technically desirable outcomes are meaningless unless they can be translated

into political and social reality. Together, they offer a useful lens through which to view many contemporary policy debates.

Consider the recent discussion around rising oil prices and India’s vulnerability to external energy shocks. Economists, energy experts, and commentators have offered a familiar list of prescriptions. India should accelerate electric vehicle (EV) adoption. It should expand renewable energy (RE) capacity. It should encourage households to shift to induction cooking. It should electrify transport and reduce dependence on imported hydrocarbons. Most of these recommendations address a genuine strategic challenge. Yet they are often presented as responses to a current crisis when they are, in fact, long-term structural transformations.

An oil shock is an immediate problem. It raises inflation, worsens the current account deficit, and strains household budgets today. EVs, induction cooktops, and RE investments may help reduce future dependence on imported oil, but they do little to address the immediate consequences of a price spike. More importantly, their adoption depends on factors that extend far beyond economics.

An EV is not simply a substitute for a petrol-powered vehicle. Consumers evaluate charging infrastructure, resale values, reliability, repair networks, and convenience. A household’s cooking choices are influenced not merely by energy costs but also by cuisine, habits, kitchen design, and

cultural preferences. The assumption that people will automatically shift to a superior technological alternative once incentives are aligned often underestimates the complexity of human behaviour.

This is where sociology and economic history become indispensable. Economics excels at identifying incentives and trade-offs. It is less effective at explaining how habits change, how institutions evolve, and why societies respond differently to identical policy interventions. Yet these questions often determine whether a reform succeeds or fails.

The tendency to overlook such factors is particularly evident in comparisons with China. Whenever India confronts a structural challenge, someone inevitably points to China’s experience. China adopted EVs rapidly; therefore, India should do the same. China built manufacturing scale quickly; therefore, India should replicate the model. Such comparisons ignore the fact that China’s outcomes were shaped by a combination of state capacity, industrial policy, urbanisation patterns, and political institutions. Development is not a technology that can be imported. It is a social process that unfolds differently across countries.

Economic history offers similar lessons. Successful transformations rarely occur according to expert timelines. Industrialisation, urbanisation, financial inclusion, and consumer adoption have all taken decades, not years. They have involved experimentation, resistance, adaptation, and unintended consequences. The journey has usually proved far messier than the original blueprint.

The result is a recurring gap between policy aspiration and policy execution. Experts produce technically elegant solutions. Governments announce ambitious targets. Yet implementation frequently falls short because the social and political dimensions of change were treated as secondary considerations. The question Vajpayee asked remains unanswered.

India does not need fewer economists. It needs economists who engage more deeply with sociology, politics, and history. The most useful policy advice is not merely about identifying the destination. It is about understanding the route, the obstacles along the way, and the people who must travel it.

Voters do not experience the economy as economists do. And societies do not change because a technically superior solution has been identified. The first question of economics may be what should happen. The first question of politics is what people will accept. The first question of sociology is how people actually behave.

LETTERS TO THE EDITOR

Mythos India footprint

Apropos of “India finally gets access to Mythos” (FE, June 7), a much-hyped Mythos AI is finally coming to India with early access granted to government entities and some cybersecurity firms. This is part of their private-only-available initiative, Project Glasswing, which is said to have found zillions of catastrophic vulnerabilities in browsers, websites, and domains. Once

public it could cause massive losses to banking, finance, and cybersecurity companies. Had we built our own foundational AI company with great speed when ChatGPT had taken the world by storm, we would be at least where China is, playing second fiddle. Even if we feel proud about being ranked third in AI competitiveness, the gap between first and second spots is narrow but tremendous between the second and third positions. Infosys

had a god-send opportunity to invest \$1 billion in OpenAI in 2015, which its chairman N Narayana Murthy didn’t agree to. This would be worth around \$50 billion today and more importantly we would be leading the race.

—Yashi Bairagi, Ujjain

Student activism

The Cockroach Janta Party’s Jantar Mantar protest marked a historic shift in student activism. Driven by system-

ic failures in our academic machinery, India’s newest voters have effectively bypassed conventional, stale political channels. By rejecting communal distractions and setting a firm seven-day ultimatum for Education Minister Dharmendra Pradhan’s resignation, Gen Z has created a blueprint for peaceful, relentless focus on accountability.

—Vijaykumar HK, Raichur

● Write to us at feletters@expressindia.com

Economy

MONDAY, JUNE 8, 2026

IN THE NEWS

ONION FARMERS SEEK ₹3,000 SUPPORT PRICE
 FARMERS BASED IN Maharashtra have welcomed the central government's decision to relax onion procurement norms, but said the move would provide little relief and demanded a minimum procurement price of ₹3,000 per quintal. They claimed the procurement rate of around ₹1,580 per quintal offered by NAFED and National Cooperative Consumer's Federation of India (NCCF) was lower than prevailing market expectations and inadequate to cover cultivation costs.

Space economy can expand to \$45 bn: Minister
 INDIA'S SPACE ECONOMY, currently close to \$9 billion, is expected to expand to around \$45 billion over the next seven to eight years, Union Minister Jitendra Singh said on Sunday. The minister also stated that India's space startup ecosystem has grown from a single-digit number of startups a few years ago to around 400 today.

AIC settles ₹9,571-crore claims in FY26
 AGRICULTURE INSURANCE COMPANY OF INDIA (AIC) reported gross direct premium of ₹10,279 crore for FY26, corresponding to more than 64 million policies issued to the rural population. During the year, the company settled claims worth ₹9,571 crore, benefitting more than 17.5 million farmers.

BOURSES FIND A LARGER ROLE AS POWER DEMAND SCALES RECORD HIGHS

States tap exchanges for power

● Higher demand, growing volatility pushing utilities to exchange markets

SAURAV ANAND
New Delhi, June 7

INDIA'S ELECTRICITY DEMAND is no longer rising in a straight line. A hotter climate, growing air-conditioner penetration, rapid urbanisation and rising industrial activity are making power consumption increasingly volatile, forcing utilities to rethink how they buy electricity. The result is a growing dependence on power exchanges, which are emerging as a critical source of supply when demand suddenly surges beyond contracted levels.

The shift became evident during the second half of May, when India's peak power demand touched a record 270.82 gigawatts and daily energy requirement climbed to an all-time high of 5,830 million units (MU).

Between May 17 and May 31, 2026, Telangana, West Ben-

POWER PLAY

■ For decades, state utilities relied primarily on long-term power purchase agreements (PPAs) with generators
 ■ However, utilities are increasingly finding that demand patterns are becoming harder to forecast accurately

■ Procuring additional power via long-term contracts would leave utilities paying for excess capacity during normal periods

■ Exchange markets allow utilities to buy electricity a day ahead or even an hour before delivery

■ During the second half of May, on IEX the Real-Time Market recorded 2.62 BU of electricity traded



■ Electricity traded via Real-Time Market in May 17-31 exceeded 2.06 BU transacted via Day-Ahead Market

■ The higher RTM volumes suggest utilities increasingly needed power closer to delivery as actual demand diverged from forecasts

gal and Punjab recorded electricity demand of 3,597 million units (MU), 3,772 MU and 3,879 MU, respectively. Official data shows that each of these states purchased more than 10% of their total requirement through the collective market segments (I-DAM and RTM) on power exchanges.

As per data on the Indian Energy Exchange (IEX), between May 17 and May 31, a total of 4.68 billion units (BU) of electricity was traded through the

Day-Ahead Market (DAM) and Real-Time Market (RTM), translating into an average daily volume of over 312 MU. The numbers may appear small compared with overall electricity consumption, but they highlight an important change underway in the power sector.

For decades, state utilities relied primarily on long-term power purchase agreements (PPAs) with generators. Those contracts continue to account for the bulk of electricity supply.

However, utilities are increasingly finding that demand patterns are becoming harder to forecast accurately.

Asudden heatwave can push up air-conditioner load within hours. Industrial demand can rise unexpectedly. Renewable generation can fluctuate with weather conditions. Procuring additional power through long-term contracts for every possible demand scenario would leave utilities paying for excess capacity during normal periods.

This is where exchanges are finding a larger role.

Unlike long-term PPAs, exchange markets allow utilities to buy electricity a day ahead or even an hour before delivery, helping them respond to sudden changes in demand and supply.

The trend is reflected in trading volumes. During the second half of May, on Indian Energy Exchange the Real-Time Market recorded 2.62 BU of electricity traded, exceeding the 2.06 BU transacted through the Day-Ahead Market. The higher RTM volumes suggest utilities increasingly needed power closer to delivery as actual demand diverged from forecasts.

Market experts say this marks the evolution of exchanges from surplus-power trading platforms into an important balancing mechanism for the grid. "States cannot economically contract for every possible peak demand situation. Exchanges provide flexibility by allowing utilities to procure electricity only when the requirement arises," said a senior power sector analyst.

LPG price hiked; govt still absorbs ₹650/cylinder

SAURAV ANAND
New Delhi, June 7

THE PRICE OF a 14.2-kg domestic liquefied petroleum gas (LPG) cylinder in Delhi on Saturday was raised to ₹942 from ₹913, marking a cumulative increase of ₹89 per cylinder since March, even as the government said the actual import-linked cost of supplying the cooking gas has surged to more than ₹1,600 per cylinder following disruptions in West Asia and a sharp rise in global LPG prices.

The statement comes amid mounting losses for state-run oil marketing companies as international LPG prices remain elevated following the West Asia crisis. Even after the latest ₹29 hike, households are paying ₹942 per cylinder against an import-linked cost exceeding ₹1,600, leaving a gap of over ₹650 per cylinder that is being absorbed through government support and under-recoveries borne by fuel retailers.

In a statement issued a day after the hike, the government said international LPG prices have risen sharply after the closure of the Strait of Hormuz disrupted supplies from the Gulf, a region that accounts for a bulk of India's LPG imports.

India's LPG import costs are linked to the Saudi Contract Price (CP), the global benchmark for the fuel. According to the government, the benchmark for the propane-butane blend used in India rose from around \$543 per tonne in February before the crisis to \$775 per tonne in April, and further to about \$790 per tonne in June, representing a jump of nearly 46%.

The surge has significantly widened losses on domestic LPG sales. The government said cumulative under-recoveries on domestic cooking gas climbed to around ₹60,000 crore in the previous financial year, up from ₹41,338 crore a year earlier. Prior to the latest price revision, state-run fuel retailers were esti-

COST GAP



■ LPG prices were hiked to ₹942 per cylinder from previous ₹913

■ This marks a cumulative increase of ₹89 per 14.2-kg cylinder since March

■ Actual import-linked cost of supplying LPG has surged to more than ₹1,600 per cylinder

ated to be losing around ₹703 on every cylinder sold.

To partly offset these losses, the Union Cabinet has approved a compensation of ₹30,000 crore for public sector oil marketing companies.

"The prices of petroleum products in India are linked to the corresponding prices in the international market. The government, however, continues to modulate the effective price to the consumer for domestic LPG," the statement said.

The government also highlighted that beneficiaries under the Pradhan Mantri Ujjwala Yojana (PMUY) continue to receive a subsidy of ₹300 per cylinder on the first four refills every year. As a result, more than 105.8 million Ujjwala beneficiaries pay an effective price of ₹642 per cylinder, despite the latest revision.

The divergence between household and market-linked LPG prices is also visible in the commercial segment. The 19-kg commercial LPG cylinder used by hotels and restaurants is currently priced at ₹3,113.50 in Delhi after five revisions during the West Asia crisis, equivalent to around ₹164 per kg, compared with roughly ₹66 per kg paid by domestic consumers.

Food prices stable; edible oils, tomato costlier

SANDIP DAS
New Delhi, June 7

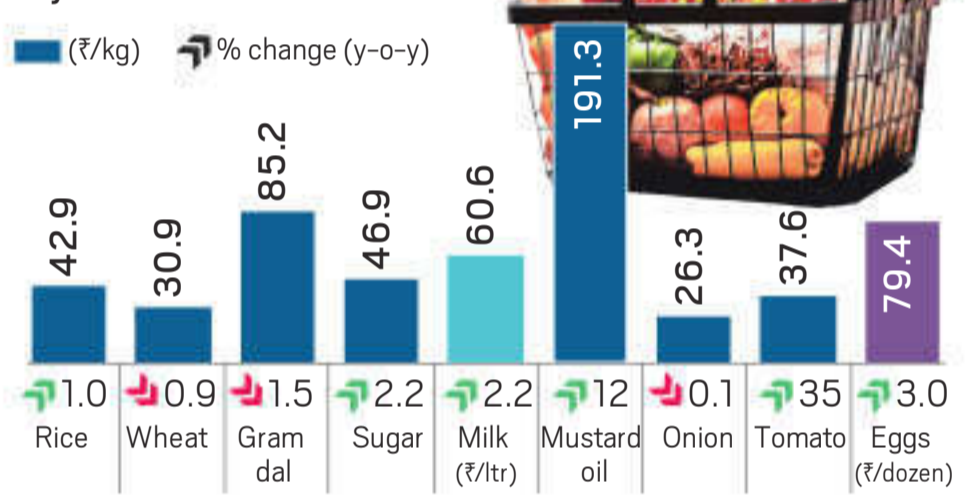
AMID CONCERNS ABOUT below-normal monsoon rains this year, retail prices of major agricultural commodities like rice, wheat, pulses, sugar, milk and most vegetables remain stable, according to the Price Monitoring Cell of the Department of Consumer Affairs.

However, prices of edible oil variants have spiked tracking global trends. Rise in retail prices of some vegetables such as tomatoes and brinjals can be attributed to the summer season impacting the output.

Stating that price trends across cereals, milk, pulses and sugar continue to be stable, the department noted

PRICE POINT

Retail prices* of key food commodities (₹/kg) % change (y-o-y)



Source: consumer affairs department. *average All India retail prices as on June 6, 2026

that among vegetables, potato and onion prices are range-bound, helping maintain overall stability in the food basket. The department collects daily prices of 40

food commodities from 578 centres across the country.

Despite apprehensions that the kharif crop may be impacted by 'below-normal' monsoon rains, average rice

prices have seen a moderate increase of ₹42.93/kg on Saturday, up just 1% on year. The average retail price of wheat was ₹30.94/kg, a marginal decline of 1% on year.

The government's surplus rice and wheat stocks are likely to offer a cushion against any possible shortfall in the production of these key food grains due to 'below normal' rains. Sources said current rice stocks in the central pool, at over 40 million tonne (MT), are at a decade high and against a buffer of 13.54 MT for July. On June 4, wheat stock was 51.24 MT, the highest since June 2021 and against the buffer requirement of 27.58 MT for July 1.

Prices of gram and tur dal, which constitute about

65% of the country's pulses consumption, declined marginally on year because of robust output last year and record buffer built up through procurement and imports. India, which imports about 15-20% of its pulses consumption from Africa, Myanmar, Brazil, Canada, Russia and Australia, has not been impacted due to the West Asia crisis.

The government is likely to offload from its buffer of over 4.3 MT of pulses, a record in the last three years, in the market if prices start rising in coming months.

Retail prices of mustard and soybean oils on Saturday rose 12% and 10% on year to ₹191/litre and ₹161/litre, respectively.

AI data centres may need 9.3 trn litres water by 2030

SAURAV ANAND
New Delhi, June 7

ARTIFICIAL INTELLIGENCE MAY be reshaping economies, industries and daily life, but its environmental footprint is growing at a pace comparable to that of entire nations. By 2030, data centres powering AI are projected to consume 945 terawatt-hours (TWh) of electricity, require 9.3 trillion litres of water, occupy more than 14,500 sq km of land, and generate up to 2.5 million tonnes of electronic waste annually, according to a report by the United Nations University Institute for Water, Environment and Health (UNU-INWEH).

The projected electricity demand alone is nearly triple the combined annual power consumption of Pakistan, Bangladesh and Nigeria, countries with a combined population exceeding 650 million people, and would account for almost 3% of global electricity use by the end of the decade.

The associated water footprint is equally staggering. The report estimates that AI-driven data centres will consume enough water to meet the basic annual domestic needs of 1.3 billion people in Sub-Saharan Africa, while the land footprint would be roughly twice the size of the Jakarta metropolitan region, home to more than 32 million people.

The findings come as governments and technology companies worldwide race to build AI infrastructure, with demand for computing power surging following the rapid adoption of generative AI applications.

The report notes that global data centres consumed an estimated 448 TWh of elec-

ENVIRONMENTAL BURDEN



■ Data centres will require 9.3 trillion litres of water by the end of this decade
 ■ AI-driven data centres will consume enough water to meet the basic annual needs of 1.3 bn people in Sub-Saharan Africa

■ By 2030, data centres powering AI are projected to consume 945 terawatt-hours (TWh) of electricity

■ Projected power demand accounts for 3% of global electricity usage

tricity in 2025. If considered a country, they would already rank as the world's 11th-largest electricity consumer, behind France but ahead of Saudi Arabia. Within just five years, that figure is expected to more than double.

One of the report's most significant findings is that the environmental burden of AI is increasingly driven not by training large models but by their everyday use. Researchers estimate that 80-90% of AI energy consumption now comes from inference — the continuous operation of deployed models responding to user requests.

ChatGPT alone is estimated to process around 2.5 billion prompts every day, translating into roughly 383 GWh of electricity consumption annually for single product. According to the report, offsetting the associated emissions would require 2.6 million tree seedlings grown

for 10 years, enough trees to cover an area roughly equivalent to Manhattan.

The study also highlights the rapidly rising energy intensity of AI-generated content. A typical AI-generated image consumes around 1,450 times more energy than a basic text-classification task, while a short AI-generated video can consume as much electricity as 200,000 spam classifications.

"What surprised us most is how often the choices that look greenest from a carbon perspective end up worse for water or for land," said Dr Miriam Aczel, lead author of the report.

The report warns that efficiency gains alone may not solve the problem. As AI systems become cheaper and more efficient, overall consumption rises even faster — a phenomenon known as the Jevons Paradox.

Paper leaks: Govt panel seeks NTA, CBSE reply

APARLIAMENTARY PANEL has asked the National Testing Agency (NTA) to define what constitutes a "paper leak" in its definition and whether any paper leaks have occurred in exams it conducted since 2018, sources said.

The panel's questionnaire follows NTA officials' appearance before it last week, where they contended that there was no paper leak from their system, claiming that some questions from a guess paper were in circulation, sources said.

The Parliamentary Committee for Education, Women, Children, Youth and Sports, headed by Congress member Digvijaya Singh, is investigating the NEET paper leak issue and the CBSE on-screen marking system (OSM) row, having summoned top government officials including those from the NTA and CBSE.

The committee has sought written answers from the Central Board of Secondary Education (CBSE) and the NTA on the issues of OSM system and the NEET exam, respectively.

The panel asked the NTA whether it conducted any inquiry into the allegations of irregularities in the NEET-UG 2024 paper (outside of the CBI investigations). It also asked the NTA about its staff strength for the last three years and fresh recruitments made since 2022. It also demanded the annual report the NTA submitted to the Higher Education Department for the last three years. It sought a detailed report on each of the Radhakrishnan Committee Report's 101 recommendations and the action taken by the NTA on each, the sources said.

Section 301 may give India an edge: Goyal

GOYAL NOTED THAT in a world where geopolitics is in a flux, "realignment of friends and friendships" would be inevitable.

Replying to a question on whether investments from China could be facilitated further given India's growing trade deficit with that country and the critical inputs required for new-age manufacturing, the minister said the government "has no problem with investments from China so long as they are in the desirable sectors and not meant for opportunistic takeover of Indian assets."

In March, the government relaxed the conditions governing investments from countries sharing land borders with India, by allowing fast-track approvals for proposals in critical sectors like capital goods, electronic components, polysilicon and ingot-wafers. Proposals involving up to 49% FDI from these countries in the identified sectors are now under a fast-track mode, with approvals being granted in 60 days.

The minister, however, ruled out any revisiting of India's decision to stay out of the China-led Regional Comprehensive Economic Partnership (RCEP), saying that it was incompressible in the first place why the then UPA government joined the talks for the 15-country trade bloc, while the country already had preferential trade pacts with most of these countries, except China.

He said the bulging merchandise trade deficit with China — \$112.4 billion in 2025-2026 — could be progressively reduced by a multi-pronged strategy, including creating competitive domestic capacities wherever feasible, and cracking down on unfair trade practices like dumping

FROM THE FRONT PAGE

WINNERS LIST



CATEGORY	WINNERS
Public sector bank	Indian Bank
Private sector bank	ICICI Bank
Foreign Bank	SMBC (India)
Non Banking Financial Company	Muthoot Finance
Savings product	IDFC First Bank
Digital Bank of the Year	Axis Bank
Small-Finance Bank	AU Finance
Fintech-Investment	Groww
Fintech-Reg tech	Perfios
Fintech-Payments	PhonePe
Fintech-Lending	Moneyview
Fintech-Insurance	Go Digit

and predatory pricing. The minister hinted that the UK's insistence on proceeding with steel import tariff measures after all processes for implementing the India-UK Comprehensive Economic and Trade Agreement (CETA) were almost concluded would lead to India clawing back some concessions it had given in the pact. "On steel, we will have to rebalance with some products which will possibly even hurt the UK businesses. But that's the nature of trade," Goyal said. He hinted at "two other issues" that had cropped up closer to

country's comfortable foreign exchange reserves and Current Account Deficit (CAD) remaining well under 2%.

"Our financial services are largely about India's best banks and financial services. We've been too inward-looking. We have been content with a large Indian market. We have to shake our conscience, shake ourselves to start exploring world markets," Goyal said.

The minister, who has concluded nine bilateral trade agreements covering 38 advanced economies accounting for over 65% of the world GDP in the last three and a half years, underlined his preference for preferential trade pacts, saying more deals could be in the pipeline with negotiations under way with Israel, Canada, Chile, Peru, Mexico, Mercosur, South African Customs Union and Eurasian countries.

Goyal called upon Corporate India "to get out of its comfort zone" and look for investment and business opportunities both in India and abroad. "We have to get out of our comfort zone in every area. I mean, for that matter, whether it's banking, financial services, taking UPI internationally, publishing, jewellery, construction, education, culture and even sports," the minister said. Companies ought to examine their investment numbers in addition to calculating market cap.

India will aim for combined goods and services imports of \$1 trillion in the current financial year, which requires nearly 16% growth over the \$863 billion in shipments registered in 2025-26, the minister said. The target is to achieve exports of \$2 trillion by 2030-31 and at least \$6 trillion by 2047.



OPINION

The
Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

Better divorced than suffering

The Supreme Court pushing for timely relief in prolonged marital disputes will help not only long-estranged spouses but also society

A recent judgement by a two-judge bench of the Supreme Court of India, which invoked Article 142 of the Constitution to dissolve a 15-year marriage, goes a long way in prising open the white-knuckled grip that the institution of marriage has on society. The bench of justices Sanjay Karol and Augustine George Masih even urged the judiciary to offer effective and timely relief to prolonged marital disputes that were "frozen and stale", stating that doing so will help not only the frustrated spouses but also society.

This is indeed true, and far-sighted of the bench. Divorce is still considered a taboo, and as the recent deaths by suicide of Twisha Sharma and Deepika Nagar show us, women who are forced to stay in violent and abusive marital homes pay a heavy price. This taboo is a collective failure of our imagination, and till it remains, it will continue to claim the psychological, physical and emotional well-being of everyone who wishes to exit a marriage, but cannot. Among those who do reach the courts to seek a divorce, the process is marred by inordinate delays, large financial costs and often, acrimony and slander, all of which may result in a "hollowness in life", the judges presciently stated. To be sure, the bench made it clear that it was not questioning the sanctity of marriage per se, but simply adjudicating on the facts of the case. In this instance, the bench observed, "the parties have lived separately for far too long a period of time and there is no sanctity left in the marriage." By urging the lower courts to dispose of such long-pending cases, the bench also makes a valid case for the judicial system to review its own efficaciousness in tackling similar cases.

Make no mistake, this is not an indictment of divorce, but of situations where both parties are made to wait interminably. The bench acknowledged that courts should ordinarily strive to preserve the institution of marriage, but drew an important distinction between the principle and individual interests, especially when bound in a relationship that had ceased to exist in any meaningful sense. Article 142, strikingly, grants the top court the power to pass any order to ensure "complete justice". Every person should be able to flourish in a free and independent environment, the bench stated. Now, if only both parties came out unscathed from a divorce with equal access to resources, inheritance, and freedom from social opprobrium.

Resetting New Delhi's Kathmandu connection

Back-to-back visits to India by the chief of Nepal's ruling Rastriya Swatantra Party, Rabi Lamichhane, and foreign minister Shishir Khanal have prepared the ground for a comprehensive reset of relations following the change of government in Kathmandu after last year's Gen Z protests. The Nepalese leaders have been forthright about their demand for a transformation of the relationship through a greater focus on development and "result-driven diplomacy". The Indian side rolled out the red carpet for Lamichhane, who was greeted with meetings with Prime Minister (PM) Narendra Modi, national security adviser Ajit Doval and external affairs minister S Jaishankar. It was left to Khanal to discuss with Jaishankar the specifics of the new relationship that Nepal desires to have with India. These meetings acquire greater significance in light of the reported plans of Nepal PM Balendra Shah to not make any foreign visits for up to a year, given his focus on the domestic situation. These contacts, to be followed up by more ministerial visits from both sides, will ensure there is no vacuum in India's ties with one of its most strategic partners in the neighbourhood.

At the same time, the new Nepalese leadership has signalled that it wants to engage with India without any baggage of the past and on a more equal footing, with the focus squarely on speeding up the development of the country. This is in keeping with the massive mandate given to the Rastriya Swatantra Party by the people of Nepal, who appear to have run out of patience with the established political parties and the allegations of nepotism and corruption that had plagued recent governments. New Delhi will do well to take forward the engagement with Kathmandu with a clean slate and an open mind.

{ GRAND STRATEGY }

Happymon Jacob



SAARC empowers Delhi amidst global turmoil

SAARC offers India what other forums cannot: It needs no guarantees or attention from any external actor, and New Delhi can still set the terms of the organisation, as and when it is revived

In September 2025, at the UN General Assembly, Bangladesh's chief advisor Muhammad Yunus called for reviving the South Asian Association for Regional Cooperation (SAARC). In December, Pakistan Prime Minister Shehbaz Sharif made the same case. And earlier this year, when South Asian dignitaries gathered in Dhaka for former Bangladesh premier Khleda Zia's funeral, Yunus remarked that "the SAARC spirit was still alive". New Delhi let all the calls pass; it was keener on focusing its energies on a range of multilaterals that were more global in nature, gave it major-power stature, and were easier to navigate. SAARC can be a cantankerous and irksome forum. But New Delhi's reasons for cold-shouldering SAARC belong to an earlier moment in history. No longer should it ignore the call; it must now consider reviving the grouping. Let me explain the broader context.

New Delhi has two specific neighbourhood dilemmas. One, the more it engages with and in the region, the more it is resented there, rightly or wrongly; the more it retreats from it, the more it loses in the region. Two, the more New Delhi focuses on its global mission, the more its importance will diminish in the neighbourhood; and the more it focuses on the region, its ability to pursue its global aspirations will diminish. These two inter-related dilemmas flow from three sources: the rise of China in South Asia, Washington's engagements in the region that are increasingly at odds with New Delhi's, and its own limited diplomatic and political capital and attention. All this means that there is an instrumental case for reviving SAARC.

There are several reasons why New Delhi should take the lead in reviving SAARC. One is the changed geopolitical realities. When New Delhi gave up on SAARC 12 years ago, the geopolitical realities were fundamentally different, and therefore, cold-shouldering the regional body cost the country little. China was not yet active across the region. Washington was more accommodating of New Delhi's regional vision. Multilateralism was on the rise, and SAARC, which had grown increasingly political, was offering diminishing returns. So, New Delhi turned to other platforms, and for that moment, it appeared to be the right call. But that was then. We are faced

with new realities today.

Today, the multilateral forums that India enthusiastically embraced in place of SAARC are themselves under great strain. Consider Quad. It has not held a leaders' summit since 2024, and going by US President Donald Trump's geopolitical choices, one may not see this year either. Quad rests on a single foundational assumption: Like-minded powers should band together to check China's aggressive rise in the Indo-Pacific. That assumption comes under severe pressure when the American president skips Quad and travels to Beijing instead, as Trump did recently, hinting at the start of a G2.

Quad is not an exception. The India-Middle East-Europe Economic Corridor (IMEC) stands stalled thanks to the wars in Gaza and Iran. The North-South corridor through Iran is choked by sanctions and conflict. I2U2 (India, Israel, UAE, the US) has gone quiet. BRICS keeps growing; in growing, it becomes increasingly irrelevant. Suddenly, it seems that the age of multilateralism has hit a major roadblock. While New Delhi is a big fan of multilateralism, the difficulty it faces is this: Its multilateral bets depend on variables it is hardly in control of, such as American attention, peace in West Asia, Iran's place in the regional order, and the choices of a rising China. Quad, for instance, depends on American constancy, which no longer exists. IMEC depends on peace in West Asia,



A revived SAARC will not change the region's geopolitical context overnight. What it can do is modest, but still useful.

which is long gone. I2U2 depends on Arab-Israeli normalisation, which today remains a fantasy. INSTC depends on access through a sanctioned and embattled Iran and BRICS depends on not becoming an instrument in Beijing's systemic contestation with the US and its allies. This is where SAARC offers India what other forums cannot: It needs no guarantees or attention from any external actor, and New Delhi can still set the terms of the organisation, as and when it is revived.

Two, if India declines to set the neighbourhood to order, someone else will. Through SAARC's long pause, China has steadily deepened its footprint across South Asia. Chinese ports, loans, power grids and ships now reach into nearly every capital except New Delhi and Thimphu. Not that the revival of SAARC will stop Beijing in its tracks, but a working SAARC could potentially deny it a free run, and we may have a regional organisation collectively deliberating on the terms of the region's engagement with extra-regional powers. China, after all, is not a South Asian power.

Three, the economic dividend of a regional economic arrangement is also real, even if it is secondary to

political considerations. South Asia is among the least integrated regions in the world where intra-regional trade hovers at around five percent of the total, against a quarter or more in neighbouring East Asia. A South Asian free trade agreement exists on paper and goes largely unused. Activating it would lower costs for consumers, open markets for Indian firms, and benefit the eastern and northern borderlands most.

To be fair, a revived SAARC will not change the region's geopolitical context overnight. It will not settle the India-Pakistan question, will not evict China from South Asia, and will not, on its own, lead to the integration of a region as complex as this. What it can do is more modest, but still useful. As for India, it can keep the neighbourhood from drifting further towards China while India's attention is fixed elsewhere. It also gives India a regional organisation in which it will have primacy. Finally, it allows New Delhi to put its region in order while the global order is breaking up.

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{ STRAIGHTFORWARD }

Shashi Shekhar



The BJP is, predictably, more effective online

The virtual political sensation, the Cockroach Janata Party (CJP), with 20 million followers failed to make an actual impact on its maiden show of strength. The "armchair" revolutionary friends, nurturing dreams of a French Revolution, encore inspired by social media rhetoric, must be disappointed.

Let's not cast aspersions on the intentions of the demonstrators gathered at Jantar Mantar. They wanted to demonstrate. The government didn't stop them either. But we need to make a distinction between demonstrations and political movements.

I would like to take you back to the Anna Hazare protest. Hazare inspired people due to his successful intervention in Maharashtra villages. As a result, when Arvind Kejriwal associated with him, it proved to be a force multiplier for both: Kejriwal was a successful organiser and Hazare, a great mobiliser.

Kejriwal carefully crafted his image. People were attracted to him as he left the glittering Indian Revenue Services to pursue the path of an Right to Information (RTI) activist in a crusade against corruption. His comrades-in-arms were equally educated and had similarly left their lucrative professions to pursue his cause. This moved the general public to believe in their cause.

History is testimony to the fact that revolutions reach their logical conclusion only when the torchbearers make visible sacrifices. Kejriwal and most of his comrades entered the political arena following the same playbook. This was the reason the Anna Hazare protest proved to be a watershed moment for Indian politics. Then Prime Minister (PM), Manmohan Singh, wasn't corrupt but suffered the most. Most of those accused of corruption ended up being cleared. But the general atmosphere created at the time was such that the average Indian started hating their rulers. However, the wise sounded caution that excessive love or hate towards the ruling elite was dangerous for democracy.

The apathy hit the incumbent Congress government hard and the party is yet to recover its political mojo from its shockwaves.

Kejriwal astutely gauged the people's mood and struck when the iron was hot, launching his own outfit, the Aam Aadmi Party (AAP), in 2012. Some, even then, raised concerns, citing Kejriwal's pledge of not joining politics.

Aware of such sentiments, Kejriwal and his party presented AAP's approach as "alternative politics". He held Delhi's reins for a decade and his party is ruling currently in Punjab. It's true he became a political alternative, but this was at the cost of his "alternative politics". In his bid to chart a new path, he ended up in the same league against whom he crusaded.

The CJP doesn't even have the backing of intellectual discourse, intelligent comrades or Hazare-like grounds of support. Its founder, Abhijit Dipke, used to be an AAP member. Driven by humour and satire, he launched the CJP's social media page and gathered a follower base of 20 million within

days. This may have triggered an ambition in him to emerge as Kejriwal 2.0.

He failed to understand there's a world of difference between him and Arvind Kejriwal. Kejriwal's intellectual prowess, political astuteness, and his ability to make broadroads even when his rivals in politics are floundering. The Anna protest, he didn't hesitate to marshal support from the Bharatiya Janata Yuva Morcha and the Rashtriya Swayamsevak Sangh (RSS). A senior Bharatiya Janata Party (BJP) leader ruefully told me that Kejriwal used to approach him with a request to help gather huge crowds. His main grouse was that once Kejriwal became the chief minister, he conveniently forgot our man's contribution and never acknowledged him.

Dipke faces another problem. He raised emotive issues such as "paper leaks" that were bound to get support. But the "click cruders" who gravitated towards him online are still umbilically connected to other political parties on the ground. They are driven by the issue, not necessarily to political protest. This is the reason the CJP couldn't mobilise 20,000 of its 20 million virtual followers.

They might have been acting as a member arrested the online party's leaders at the airport. Maybe that was the reason they wanted to physically submit an application in Parliament Street Police Station for permission to demonstrate.

As an IT professional, he must have known where the nation's leader is acting via email from anywhere. But the act of going to the police station had dramatic overtones. However, by granting permission at the airport itself the government took the wind out of their sails.

The CJP's membership eligibility criteria are where the nation's leader is acting via email from anywhere. But the act of going to the police station had dramatic overtones. However, by granting permission at the airport itself the government took the wind out of their sails.

Let's discuss Sonam Wangchuk too. He made an appeal from the CJP's platform to look into the working of the education and other ministries. He wants to raise the profile of the issue. He's an educated man; however, he forgets that demonstrations and revolutions may go hand in hand, but it's not necessary that every demonstration has the desired impact. People look up to him as a social reformer, and he should stick to his role.

Shashi Shekhar is editor-in-chief, Hindustan. The views expressed are personal

SHISHIR KHANAL | FOREIGN MINISTER, NEPAL

We're not merely neighbours on the map, we're children of the same rivers

Underscoring the deep civilisational and cultural linkages between India and Nepal

Processing mechanisms key to food security in South Asia

South Asia stands at a remarkable agricultural advantage, blessed with deep agro-biodiversity, a vast production base, and the capacity to grow an extraordinary range of food for the world. The region's farms are a foundation of immense strength, producing at scale and feeding hundreds of millions. The opportunity ahead lies in building on this foundation: to close the distance between what the region grows and what it processes, turning that agricultural abundance into greater income, nutrition, and prosperity for all.

India's own journey shows what this shift means. Foodgrain output rose from about 51 million tonnes in 1950-51 to over 330 million tonnes in recent years. According to the FAO, India is among the world's largest producers of milk, pulses, fruits and vegetables. This production record has changed the country's food security horizon. The next question, for India and for the region, is how to retain more value from what is already grown.

To address this question, the ministry of food processing industries is co-hosting the South Asian Policy Leaders' Dialogue on Food Processing and Growth (SAPLING High-Level Policy Dialogue) in Ahmedabad on 9-10 June. Led by the World Bank Group in partnership with the Gates Foundation, SAPLING brings together around 200 participants from governments, private firms, researchers and development partners. The aim is to help South Asia identify scalable, investment-ready and innovation-driven solutions that can align policy reform, private capital, technology, MSMEs and value chains to create more jobs.

Food processing is central to that task. Wages, income and nutrition are tied together, processing is a development question, not only an industrial one.

India comes to this conversation with experience worth sharing. Processed-food exports have grown from 4.9 billion in 2014-15 to 10.09 billion in 2024-25. Through the Pradhan Mantri Kisan Samanya Yojana, the Pradhan Mantri Formalisation of Micro Food Processing Enterprises scheme and the Production Linked Incentive scheme for Food Processing Industries, the ministry has supported modern supply-chain infrastructure, promoted investment, enhanced value addition, strengthened micro-enterprises and helped bring part of a largely unorganised sector into the formal economy.

The goal now is to place the country among the world's leading food-processing economies. That will require deeper processing,

stronger post-harvest systems, better logistics experience and food-processing ambition to drive the region as a whole. Food losses persist where handling, storage, transport and processing are weakest. Public investment has carried the sector this far, but public money can only seed and de-risk. It cannot, by itself, supply the volume of capital and capability the next stage requires.

A large number of processing firms are tiny units, short of funds and technical know-how. They are close to farmers, local produce and employment, but lack the finance and capability needed for larger markets. The binding question is how private investment and technical know-how reach that bottom tier.

South Asia's processing challenge needs investible enterprises, deeper value chains, credible standards, supportive policy, private finance, technical know-how and export competitiveness. These are the questions SAPLING puts on the table. For the ministry, they are the route through which agricultural output becomes economic value. The regional frame is essential because the constraints do not stop at borders. A regional platform lets governments, companies, researchers and development partners compare what has worked, identify solutions that are scalable and investment-ready, and build partnerships that a single national conversation may not produce.

India brings its production base, policy experience and food-processing ambition to this effort. The ambition to become a Global Food Basket cannot rest on volume. It rests on reliability: safe food, value-added products, credible standards, stronger enterprises, better farmer returns and exports that buyers trust. That standard is the same one we would want for the region as a whole.

Platform-like SAPLING will matter only if they change outcomes beyond the conference room: whether capital moves towards viable enterprises, whether technical know-how reaches small firms, whether firms can meet standards and stay connected to reliable buyers, and whether farmers and districts retain more value from what they already produce.

India's Global Food Basket ambition will be realised when abundance becomes value. South Asia shares this conversion challenge. More processing, less loss, better returns, stronger enterprises and trusted standards: That is the story SAPLING gives for the region to write together.

Chirag Paswan is Union minister of food processing industries. The views expressed are personal

Tango and Cash

Choreographed moves of RBI, Centre good for bond markets

Seeking to break a multiple-month streak of foreign investment flowing out of Indian equity and debt markets at a time when its inelastic import-bill components are spiking, the government and the Reserve Bank of India (RBI) moved in tandem last week to arrest concerns about the current account and balance of payments (BoP) situation. While the Monetary Policy Committee (MPC) of the RBI convened for its bimonthly review on Wednesday, Prime Minister Narendra Modi's Cabinet approved an ordinance for taxation changes to woo back some of the ebbing portfolio flows. On Friday morning, as the RBI governor delivered his monetary-policy statement proposing five major measures aimed at strengthening the BoP maths, the ordinance was notified. Coming into force from April 1, 2026, it effectively scrapped all short- and long-term capital gains taxes, alongside withholding tax on interest income, for foreign portfolio investors (FPIs) putting their money in Indian sovereign bonds. This was also extended to the Bank for International Settlements, paving the way for global central banks to tap India's government securities (G-Secs) market, potentially providing patient, non-speculative capital.

While the MPC maintained the status quo on interest rates and held its "neutral" stance, it unveiled a quiver of five arrows aimed at attracting foreign capital. Among short-term measures, the RBI has brought in a concessional forex-swap facility to incentivise external commercial borrowing, and provided hedging cost leeway for banks dealing in foreign exchange to raise fresh three- to five-year foreign currency non-resident (FCNR-B) deposits. In consultation with the government, it also reintroduced a nine-month limit for realising export proceeds, paring it from 15 months, to ensure exporters don't hold back dollar repatriation in the hope of a depreciating rupee. The more enduring and significant changes the Centre and the RBI agreed on are the rejig of norms to ease individual foreign investors' entry into Indian equities, and the expansion of the G-secs basket that FPIs can invest in through the fully accessible route (FAR). While the cap on such FAR flows has been retained at 6 per cent of outstanding central-government bonds, there is still significant room for FPIs as less than half that limit is reckoned to have been tapped so far. In the rest of this financial year alone, about ₹1.5 trillion of 15-, 30- and 40-year bond issuances could now be available under the FAR route. Separately, concentration and security-wise limits, as well as short-term investment caps for FPI investment under the general route, have been lifted.

Between April and June 2, net FPI to India witnessed outflows of \$13.7 billion, primarily in the equity segment. On the debt front, net outflow in April was \$1.2 billion, and has recovered marginally since then to \$425 million. The measures on debt should hopefully help sustain and strengthen this reversal, though the spike in the 10-year US bond yield past 4.5 per cent would weigh on investors' relative investment appetite for Indian G-secs. On the positive side, the rupee which had drifted to a low of 96.96 to the dollar, clocked its best day in two months, after the RBI-government joint action, to hit 94.94 on Friday, while bond yields eased to under 7 per cent after a while. Over the longer term, these reforms should bolster investor confidence, deepen bond markets, and potentially lower sovereign borrowing costs. Doing away with limits on equity investment from overseas individuals, and scrapping artificial distinctions such as Non-Resident Indians and Overseas Citizens of India, also constitutes a salutary move. Overall, this well-synched tango signals the government and RBI's intent to bring in all capital as long it is green, and heed investors' concern.

A growth surprise

Healthy Q4 GDP print lends cushion amid hazy outlook

The latest figures for growth in gross domestic product (GDP), as released last week by the National Statistics Office (NSO), say that the economy expanded 7.8 per cent year-on-year in the fourth quarter of 2025-26 (FY26). This rate, which is in the same ballpark as that in the previous quarter, comes as a positive surprise. A *Reuters* poll of economists had predicted a 7.2 per cent uptick. The provisional estimate for real GDP growth in FY26 thus stands at 7.7 per cent, significantly higher than the 7.1 per cent recorded in the preceding year. An expected slowdown in the second half of the year did not materialise. In part, that might be because of a concurrent rebasing exercise in the national accounts, which moved the base year for constant-price calculations from 2011-12 to 2022-23. This change, alongside some other methodological alterations, had the effect of lowering the level of GDP but also smoothing out and raising the rate of growth. The impact of these changes could well become a subject of debate, as has happened with previous shifts in statistical methodology — especially since nominal GDP growth was only 8.9 per cent, indicating that a smaller-than-expected GDP deflator aided these world-beating numbers. But one must also note that positive demand effects, from the revamped rates of goods and services tax last September, combined with the income-tax relief provided earlier, continued to play out.

In fact, the sectoral data suggests growth in January-March was relatively broad-based. Services grew at over 9 per cent, and manufacturing at more than 10 per cent. While growth in private consumption, at 7.6 per cent, was down somewhat from the previous quarter, it was nevertheless adequate when combined with gross fixed capital formation growth of 8.2 per cent. These numbers are impressive, especially given that the crisis in the Gulf began at the end of February, meaning that an entire third of the quarter suffered serious global headwinds. The government's actions to insulate much of the economy from the worst effects of an increase in oil prices may have helped in this regard. Of course, such insulation cannot continue forever, and the Prime Minister has called for some spending restraint to preserve foreign exchange, and signalled that greater austerity moves might lie ahead. It would be foolhardy, therefore, to assume that this quarter, and perhaps even the next one, will see the Indian economy demonstrating the same resilience it did in the fourth quarter of FY26. Hours before the NSO's growth estimates were unveiled, the Reserve Bank of India (RBI) said it expected the crisis in West Asia to pull growth down to 6.6 per cent over the course of this financial year, down from its earlier estimate of 6.9 per cent. Inflationary risks also exist, particularly with concerns about a notably weaker than normal monsoon. India has always struggled when global fuel prices have been high, and has also faced heat from underperforming monsoons; it will be a particularly pressing problem if both these challenges start impacting the economy simultaneously. The RBI is concerned that higher energy prices and the chokepoints in global supply are already having negative spillover effects on the economy. These will only intensify over the coming months as more of the fuel price shock begins to pass through into the broader economy.

Amid these headwinds, it is fortunate that India starts the year with a cushion of relatively high growth. While time will tell how firm domestic resilience remains, the government must follow through on its ongoing deliberations to boost growth amid global turmoil — with tangible and persistent reforms — to strengthen India's economic bulwark.



ILLUSTRATION: AJAYA MOHANTY

EMs in the oil shock

Policymakers are going into an examination hall

How does the world economy shape up when faced with a big energy disruption? The decade of the 1970s provides us the essential reference point. From the Yom Kippur War to the Iranian Revolution, we got an overall 12 times increase in the price of crude oil.

At the time, developed economies correctly passed on all price increases in petroleum products to the consumer. This permitted the price system to work. Consumers and firms faced the true cost of energy. This led to lower demand and higher energy efficiency. But the advanced economies operated in a muddled intellectual framework of macroeconomic policy. Policymakers attempted to manage exchange rates. Monetary policy then was not organised fundamentally around the inflation target. Central banks tried to be kind to the people, accommodating the supply shock with loose monetary policy. This worked poorly. The decade of the 1970s was a bad place for economic growth in developed markets, not solely because of the jump in the price of oil, but because macroeconomic policy failed.

Modern macroeconomic knowledge was built literally out of these difficult experiences. The intellectual advances of floating exchange rates, independent central banks, and inflation targeting were born of the failures of alternative ideas when faced with the oil shock. The Great Moderation, of good macroeconomic outcomes from 1984 to 2007, was created by these intellectual advances.

Because of this institutional learning, the 2026 oil shock is likely to affect developed markets in a milder way. The physical shock is large, but their macroeconomic policy machinery is better prepared than it was in the conditions of the 1970s. Advanced economies now hold institutional credibility around their infla-

tion targets. They possess floating exchange rates, which absorb external shocks. For them, increases in prices of petroleum products generally reach customers. When international prices of crude oil spike, consumers see higher energy prices, which initiates the necessary microeconomic adjustment. For oil importers, the exchange rate depreciates to restore external competitiveness. The central bank raises interest rates to anchor inflation expectations.

Macroeconomic policy cannot change the pain of higher energy prices. Only the microeconomy, one firm and one household at a time, responds to these changes with modified behaviour. What macro policy can do is to help by creating conditions of macro stability.

What about emerging markets (EMs) in this environment? EMs and developing economies are now 43 per cent of global nominal gross domestic product (GDP); what happens in EMs matters a lot for the world economy. Institutional quality in EMs is superior when seen in the context of the problems in the late 1990s during the East Asian crisis. Exchange rates are somewhat more flexible. Central banks have generally received the formal legislative goal of inflation targeting. But the reality diverges from the promise. The de facto operation of state agencies differs from the de jure framework. When confronting the 2026 oil shock, EMs suffer from policy limitations in three respects.

The first limitation lies in microeconomic policy. Some policymakers in EMs show an unwillingness to trigger the required adjustment in the economy through price fluctuations. Instead, some governments have prevented increases in retail fuel prices to shield consumers. This is inefficient microeconomics. It places a fiscal burden on the state. It pre-



SNAKES & LADDERS
AJAY SHAH

vents the demand adjustment necessary to balance the market. When prices are suppressed by state fiat, we get shortages. The economy faces rationing and government-controlled allocation. The impulse to shield the citizenry from price volatility ultimately gives the citizenry a bad deal in the form of reduced economic growth.

Of greater consequence are the problems of macroeconomics. The second limitation is the fear of exchange-rate flexibility. An open economy relies on the exchange rate as a shock absorber. When an energy-importing nation faces an oil-price shock, currency depreciation is a normal response of the market economy. This discourages imports and makes exports more competitive. However, when the government interferes in exchange-rate depreciation, the ability of the economy to respond to external shocks is harmed. A distorted exchange rate acts as a subsidy for importers, a tax on exporters, and a red carpet for capital exit.

The third limitation, and as yet a looming concern, is inflation. What weight will central banks attach to inflation? Will central banks actually do inflation targeting, even when this demands increasing interest rates at a time when the economy is not faring well? Supply shocks inherently reduce output and raise prices. If the central bank prioritises short-term growth over its inflation mandate, this will go against the problem of anchoring inflation expectations. The credibility of an early-stage central bank is tested during such crises.

These three problems add up to an important test of policy capacity in EMs and developing economies. Of the 24 countries in the MSCI (Morgan Stanley Capital International) EM index, 15 are energy importers, adding up to 29 per cent of world GDP. These 15 countries are going into the examination hall, facing these shocks. Each of them engages in internal debates and disagreement, with the clash of ideas, interests and institutions. There will be a spectrum of outcomes, on how well they fare in the examination.

In the limit, there are countries where policymakers engage in the administrative pricing of fuel, managed exchange rates, and weak monetary policy institutions, where the state overrides the judgement of the price system. For these countries, the analogy with developed economies of the 1970s may prove to be important. They run the risk of facing more stagflationary outcomes. Further, they will leave this crisis holding reduced credibility of their policymaking apparatus.

The global economic landscape is no longer dominated solely by advanced economies. EMs are rather important in global consumption and production and contribute a disproportionate share of global growth. Success or failure in navigating this shock will reverberate on the global stage. EM policymakers who go with the grain of the price system and adhere to macroeconomic orthodoxy are likely to achieve better macroeconomic outcomes during this period, and additionally emerge from this crisis with an enhanced credibility of their policy institutions.

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The new environmentalism

The World Environment Day, designated by the United Nations and observed on June 5, offers a moment each year to reflect on where we stand and where we must head. This year, as I write, my city Delhi is burning; it is a living inferno. We know increasing heat levels are because of climate change — that is now irrefutable. But it is equally, if not more, a product of the way we build our cities: The increasing use of concrete, the waste heat from vehicles on the roads and air conditioners in our rooms. We are also building without insulation, ventilation or shading to protect us from the scorching sun. All of this, combined with the absence of the natural cooling provided by trees and waterbodies — collateral damage caused by the building boom — makes heat a killer, quite literally.

I explain this because it is time we set aside the meaningless question of environment versus development. We know that humans have made climate change into the catastrophe it is today, and we have done so in the name of development. Emission from the use of fossil fuels for energy, critical as it is for economic growth, livelihood and well-being, is "forcing" temperatures upwards and making weather systems spiral out of control. It is this very model of development that is on the line today. It has led to situations where we do not have clean water to drink or clean air to breathe. So, the challenge is to change how we develop and not reduce the debate to a meaningless anti-development tirade.

After this is cleared up, we can move on to the next issue of how countries can "fix" local pollution issues

but still add to global environmental challenges.

Climate change is the clearest example, as are the vast quantities of waste and the growing demand for new minerals for the green transition. So, environmental management remains unresolved even where the sky is blue and the water is clear. This tells us that every country needs a new approach to environmentalism and that the old ways of doing things are too little, too late.

Decades of work to improve the environment have taught us some important lessons. First: Sustainable growth is not possible without inclusive and affordable growth. In India, we know, to our cost and shame, that unless we provide mobility for all we cannot have clean air; without sanitation for all, we cannot have unpolluted rivers; and so on. We know that technocratic approaches will not fix the problem; the environment improves only when development works for all, including the poor.

Second: We know that the environment is about natural resources — how we extract them and build economies from them. This applies as much to the old coal-gas economy as it does to the new green economy of solar panels and batteries, which requires extracting critical minerals, and also to the newer economy of artificial intelligence, which needs water and energy. Over the past decades, we have overused much of these natural resources; we have learnt to some extent how to make fishing, mining or forestry more sustainable, but progress remains limited. More importantly, we have not yet fully

understood how to share the benefits with communities which own these natural resources; we just take their resources and make them poorer. In the coming decade, this imbalance of power must be fixed to achieve sustainability.

Third: Environmentalism is also about institutions that can bring about this balance — between short-term and long-term objectives; and between the needs of industry or agriculture and the rights of communities. It is about decision making informed by the best available science, about accountable and open structures that allow us to understand the cost of development. But this is where we have really gone wrong, nationally and globally. We have disabled institutions of governance, regulation and for oversight, which is why we are where we are.

The environmental challenge now hangs over everything that we value. Agriculture needs to be made productive yet sustainable while putting money in the hands of farmers. Conservation must build the economy of the poor so that they are custodians of the ecosystem. Water security must be ensured even in the times of drought and climate stress. We also need to find development pathways that can seriously reinvent growth without pollution and help the world combat climate change.

The good news is that we know more today about what must be done differently than on any previous World Environment Day. This is why June 5, 2026, should be a new beginning: The start of a new practice of environmentalism, rooted in the politics of inclusive and affordable growth, which then is sustainable.

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DOWN TO EARTH
SUNITA NARAIN

The scandal that roiled the chess world



DYLAN LOEB MCCLAIN

Ben Mezrich is always on the lookout for the next big film adaptation. He makes this explicit in his latest book, *Checkmate*.

In a chapter near the end (in which he oddly refers to himself in the third person), he writes, "His dream had never been to win a National Book Award or a Pulitzer — it was to see his paperbacks in the front rack of an airport newsstand, each glistening copy sporting that eye-catching sticker: NOW A MAJOR MOTION PICTURE."

By this measure, Mezrich has been remarkably successful. Three of his earlier books, *Bringing Down the House*,

The Accidental Billionaires and *The Antisocial Network*, have been turned into movies: *21*, *The Social Network* and *Dumb Money*, respectively.

This may help to explain why *Checkmate* reads more like a screenplay than a work of nonfiction — though it is a true story.

Mezrich traces the personal histories and circumstances leading up to a chess game played in September 2022 in St. Louis as part of the Sinquefeld Cup, a major American tournament. It pitted Magnus Carlsen, a Norwegian grandmaster and the world's top player for some 15 years, against Hans Niemann, a brash 19-year-old American grandmaster.

In a significant upset, Niemann won. But afterward, Carlsen insinuated that Niemann had cheated — and the top brass of Chess.com, one of the game's most popular hubs, issued a report in which the editors stated that, in their opinion, Niemann had cheated more than 100 times while playing on the site.

The story roiled the insular world of chess, but might have ended there. Instead, a rumour circulated on social media that Niemann might have cheated by getting signals from an accomplice through a device that was vibrating in his anus — specifically, anal beads. It was irresistible comedy gold.

Niemann, incensed by what he saw as a conspiracy to trash his reputation and ruin his career, filed a \$100 million lawsuit alleging libel and conspiracy against Carlsen, Chess.com, Danny Rensch (the chief chess officer of the company) and Hikaru Nakamura, one of the world's top streamers. (The case was ultimately settled, and Carlsen issued a statement declaring that there was "no determinative evidence that Niemann cheated" in the Sinquefeld Cup.)

The scandal had all the ingredients Mezrich looked for: "brilliant, quirky, sometimes shady characters; a billion-dollar, bootstrapped company; accusations of cheating, lying, betrayal; and maybe even a hint of a

crime at its center."

Though Mezrich does not consider himself a journalist, he has done some excellent reporting. This is a particularly noteworthy accomplishment when it comes to Niemann, who is clearly a difficult and irascible subject. Mezrich teases out little-known facts — that Niemann's mother was undergoing chemotherapy during the worst of the media storm; that he was banned from playing in St. Louis after trashing a hotel room — often channelling the young grandmaster's voice with expletives.

Perhaps most impressive of all is a chapter devoted to tracking down the basis of the anal-bead rumour. Mezrich often speculates when conjuring scenes, based on what the players in the drama told him, and these re-creations are often deft and insightful.

Unfortunately, the subject at the heart of the story — chess — is not one that the author knows well, and in those sections of the book where he tries to explain the events of individual games,

he can go wildly astray. The most egregious example is a match between Niemann and Samuel Sevian, another American, played during the US Chess Championship a month after the Sinquefeld. Mezrich incorrectly identifies how Niemann performed before the game, mistakes the name of the opening and references moves that were never made.

There are also errors in the book that have nothing to do with understanding chess, a carelessness that is hard to understand. Magnus Carlsen qualified for the world championship by winning a tournament in London, not New York; he never had a 53-match winning streak — certainly not one that ended with his loss to Niemann.

Checkmate is also rife with hyperbole. He sprinkles words like "staggering" and "unprecedented" throughout the narrative, possibly to justify telling the story — or perhaps to ensure the sale of



CHECKMATE: Genius, Lies, Ambition, and the Biggest Scandal in Chess by Ben Mezrich
Published by Grand Central
289 pages \$30

a screenplay.

Mezrich says that his hero is Hemingway, and, at times, this is all too obvious. In one scene set in a hotel, Erik Allebest, Chess.com's chief executive (sporting a physique "too stereotypically masculine"), is lying on a bed adorned with pillows "embroidered and tasseled and frilled, like the upholstery version of some overly tattooed circus freak".

Mezrich is good at telling a story, and in *Checkmate* he has a good one. But in trying to achieve his goal of seeing it on a big screen, he has hustled it into print too quickly. In his

acknowledgments, the author thanks "the brilliant folks in Hollywood who are working to turn this into what I believe will be an incredible film".

The reviewer has written about chess for 30 years, and was the chess columnist of *The Times* from 2006 to 2014.

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THE ASIAN AGE

8 JUNE 2026

Govt should swiftly tackle anger of the 'cockroaches'

The pent-up anger of a section of the population, predominantly made up of the youth, was on display in the nation's capital on Saturday when they came out on the streets under the banner of the 'Cockroach Janta Party' demanding the resignation of Union education minister Dharmendra Pradhan. It is an understatement that Mr Pradhan has no moral right to continue in office after having presided over a failed system that has injected pessimism about their lives in the minds of the young people. He is yet to understand the frustration of students who have completed their Class 12 studies this year owing to the mess made by his ministry of conducting the CBSE examination, the cancellation of the National Eligibility-cum Entrance Test for admission to undergraduate medical courses and, too, glitches in the Common University Entrance Test.

The economic indicators presented by the government from time to time seemingly point towards a robust economy but those who observe it closely point to the existence of a phenomenon of jobless growth. Reports suggest that 67 per cent of the unemployed are youth. This means that the market has failed to absorb the young citizens who walk out of the campus with the hope of finding a job. There are too many issues that have brought the country to such a pass, including a mismatch between skills that are in demand and those that are imparted in our educational institutions as well as the absence of suitable policies that can address an issue that can have disturbing consequences in the future.

The sliding rupee may be cited as the reason why India dropped to the sixth position from fourth in size of economy but the fact remains that India ranks 147th when it comes to per capita GDP. The size of the population has its advantage statistically in certain areas but that need not benefit the people at large. How easily people can find a job and be part of the economy is the prime point which is often lost sight of by the apparatchiks of the growth theory. Artificial celebrations of statistical advantages do not satisfy the youth; creation of jobs does.

The youth have one too many reasons to be upset in the country. The government of the day many not be able to find a solution for each one of them, but it ought to convince them that they are on the job. The system could crash some time but there must be honest attempts to fix them. Owning moral responsibility for a failure does not solve the problem but it brings accountability to the focus so that a repeat can be avoided. The Union government appears to have failed to measure the disenchantment of the youth with the establishment, and hence its obstinacy in continuing with a minister who has proved to be unequal to the task he was assigned. Democracies give elected governments a long rope. But it is the job of the rulers to identify the faults and fix them. And if they don't, and even refuse to acknowledge the presence of the faults, it falls on the people to correct them. The cockroaches have said as much. It's up to the government to listen to them before it is too late.

Modi's 'rescue act' for economy

Mr Narendra Modi's meeting with the members of the Economic Advisory Council to the Prime Minister (EAC-PM) to review measures to boost India's economic growth is timely. It could also help him navigate the country out of the global turmoil.

The meeting, Mr Modi said, discussed a wide range of issues related to India's economic transformation and long-term development priorities. It also appears to have discussed the prospects of adding momentum to the reforms journey and ensuring "Ease of Living" and "Ease of Doing Business".

Though the issues discussed at the meeting were not completely made public, the West Asia conflict and its impact on crude oil prices, fertilisers, transportation, goods and the rupee would definitely have been the focus.

While India has partially offset the impact of the crude oil shortage by expanding its supplier base, the Modi government must remain vigilant to the rupee weakness which has been exacerbated by the relatively higher valuation of stocks and poor foreign remittances.

Last year, foreign portfolio investors pulled out nearly \$19 billion from India. The net foreign direct investment (FDI) shrank from \$28 billion to \$1 billion in 2024-25 and \$3 billion in 2025-26, which is worse than the \$21-billion that India received in 2013.

As a percentage of the GDP, according to World Bank data, the country received the lowest ever net FDI in 2024-25 since 1992. Yet, the government did not take any proactive and aggressive steps to attract foreign investment because it had the cushion of NRI remittances and hot money infused by FPIs.

The government must, therefore, open up sectors crucial for India's shift to energy independence, such as freight lines and services, public transport, electric vehicles and batteries, among others. As India is still the fastest-growing major economy, several global corporations would be keen to be a part of the country's growth story.

THE ASIAN AGE

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Subhani



The aspirational middle class: Portents of revolt



Sanjaya Baru

Sanjayovacha

Among the many interesting slogans coined by Prime Minister Narendra Modi to define the "New India" of an aspirational middle class that he sought as his support base, the one least referred to these days is: "Hawaii chappal se hawaii-jahaz tak". It was an evocative slogan. Even though few these days, like Mamata Banerjee, actually wear Hawaii chappals, the idea that Prime Minister Modi's policies would enable that class to travel by air appealed to a lot.

It is not just because air travel has now become very expensive, thanks to the Gulf war, that one does not hear this reassuring promise any more. The fact is that the process of development over the past decade has also nipped many such aspirations in the bud.

One of the most important instruments available to the middle class to make the transition from Hawaii chappals to air travel was education and the access to employment it provided. Bereft of a plot of land or any other capital, the middle class hope has always been to seek an improvement in one's standard of living through education. If selling a piece of land was needed to fund education, so be it. One asset, it was hoped, was being converted into another. Land for education and the steady flow of income through employment.

Since the State had by and large failed to provide free education of any quality, the aspirational middle classes were forced to turn to increasingly expensive privately provided education. They still kept faith in the possibility of economic empowerment and social advancement through edu-

cation. Every upper class household has stories of how the maid's children or the driver's kids are studying at an "English medium private school". More than half a household's income would go into paying school fees.

It is precisely for all these reasons that an expose on corruption and incompetence in the organisation of a nationwide evaluation system, National Eligibility cum Entrance Test (Neet), has once again woken up large sections of the middle class to the rot in the system. For a decade they have been satisfied by the construction of grand temples, the execution of military victories, the campaigns against beef, demonisation of minorities and staged events overseas suggesting a rising global profile for "New India".

They assumed that the fortune of the overseas Indians staging dances around a visiting Prime Minister would one day visit upon their children, if only they studied hard enough. Even the Prime Minister urged their children to become "exam warriors". Few felt that emigration from India was a vote against the motherland. It was sold as a campaign to make India a global power. If one studied harder, one could join the diaspora. The bigger and wealthier the diaspora, the greater India's soft power and global standing.

An expose by an intelligent 17-year-old and anger against the highest judicial authority in the country calling struggling youth "cockroaches" has woken up this middle class. In some ways, this is akin to the "India Against Corruption" campaign of 2012-14. At that time an as yet inadequately substantiated charge of humungous

If Manmohan Singh stuck out till the last day, why should Narendra Modi surrender before that? However, the PM's style of functioning will have to change.

corruption turned the middle class against the Manmohan Singh government.

In 2009, the middle class extended support to the Manmohan government, withdrawing support from BJP, because Dr Singh was a middle-class hero. A self-made leader who had risen to the highest office in the country by investing in education. If you study hard like Manmohan Singh did, parents would tell their children, then you can also become the Prime Minister of India! Education was the key to empowerment.

When that middle class felt betrayed by the corruption over which Prime Minister Singh presided, even if he was personally honest, they revolted. They turned to another "self-made" political leader, even if his rise was not through education. The Hindu middle class became a Hindutva middle class and voted thrice to empower their leader who promised "Aache Din" and air travel.

One does not know how the youth anger triggered by the Neet scam and their mocking as "cockroaches" will eventually turn. Too much is at stake for the current ruling side for it to give up power all too easily. Compare the manner in which Prime Minister Singh secured the resignation of communications minister A. Raja and the stubborn manner in which the present Union education minister refuses to step down.

In 2012-13, there was an attempt from within his own party to pin all blame on Manmohan Singh and get him to either step down or move home to Rasht-

pati Bhavan. He chose to stay put. This time around no one in the ruling party will even dare suggest a minister should step down, leave alone the Prime Minister. How this middle-class youth anger will manifest itself and impact national politics remains to be seen. What it has certainly done is wake up an ideologically immunised middle class, content in their religious majoritarianism.

A second difference between 2012 and 2026 is the state of the economy. In 2012 the economy was still performing well. The subsequent slowdown that pushed the Indian economy into the ranks of the so-called "fragile five" had not yet spoiled the growth story of 2003-12. Inflation was an issue but employment was rising and India was still viewed as a potential competitor to China. Investment was still flowing into the country and India could still proudly claim to be the "world's fastest growing market economy".

The context in 2026 is very different. The Neet scam and the anger of the "cockroaches" come on top of stagnating employment opportunities, an economic slowdown and rising prices. The urban mood is certainly sullen. Unless the government shows greater sensitivity, and responds to this anger, support within its own political base could get rocky for the Narendra Modi government.

There is speculation about a reshuffle of the Union Cabinet. A mere reshuffle will do little. There has to be a rolling of big heads. However, given the style of functioning of the present regime, the fact is that all bucks finally stop at the top. No one imagines there would be a change of leadership. If Manmohan Singh stuck on till the last day, why should Narendra Modi surrender before that? However, the PM's style of functioning will have to change.

Sanjaya Baru is a Distinguished Fellow, United Service Institution of India and Takshashila Institution

LETTERS

GIRL POWER

Mirra Andreeva made tennis history by becoming the youngest French Open singles champion since Monica Seles in 1992. She is the first Russian to win at Roland Garros since Maria Sharapova. She was the junior finalist at 15 in the Australian Open in 2023. Winning a Grand Slam at 19 is unusual and all eyes will be on her as she heads to Wimbledon. And Maja Chawlinska, who was beaten by Andreeva and who started the tournament ranked 114 in the world, has her inspiring story as well. She had to qualify just to enter the French Open. A fortnight ago, she was not able to pay her hotel bills and a sports drink company helped her. She won nine matches on the trot and now earned more money than in her entire life career.

Bal Govind
Noida, UP

PRADHAN A GONER?

THE DEMAND for the resignation of education minister Dharmendra Pradhan has gained significant momentum following widespread youth-led protests over national exam scandals (Neet, CBSE, CET). The agitation, spearheaded by the viral Cockroach Janta Party under Abhijeet Dipke, has successfully transitioned from a massive online campaign to demonstrations at Jantar Mantar. Beyond the CJP movement, established student bodies and the political Opposition continue to apply pressure on the ruling BJP. But is this something bound to happen anyway? Perhaps, the government has already decided to dispense with its head.

R. Sivakumar
Chennai

STUDENT-FRIENDLY

THE CBSE and the government administrators can take an e-referendum from students on the three-language policy. Also seek help from AI. And, too, take a separate vote from the parents. Then the pulse of the majority can be known. This sounds democratic and is a way to know the view-point of the students and their issues.

Shreelekha P.S.
Secunderabad

₹500 for the best letter of the week goes to Arun Gupta (June 5). Email: asianage.letters@gmail.com.

Pradeep C. Nair



Myanmar leader's visit to India is a clear strategic signal to Beijing

Min Aung Hlaing's decision to visit India from May 30 to June 3, 2026, as his first foreign destination after assuming the presidency is not a routine diplomatic event. It is a carefully weighted signal. The programme — talks with Prime Minister Narendra Modi in New Delhi, a business interaction, a visit to Mumbai and a pilgrimage to Bodhi Gaya — carries layered meaning. While the political discussions in New Delhi point to strategic convergence; the business engagement indicates Myanmar's search for economic options; and Bodhi Gaya underlines the Buddhist-civilisational connection that gives India a natural advantage in Myanmar.

The most striking feature is the choice of India over China. Many Myanmar watchers would have expected Beijing to be Min Aung Hlaing's first port of call. China is Myanmar's most powerful external actor, having invested heavily in infrastructure, shielded Myanmar diplomatically, and retained influence over several armed groups along the China-Myanmar border. Yet influence does not automatically mean trust. Myanmar needs China, but it has never been fully comfortable with China. That is the real significance of this visit.

Myanmar's military establishment has historically viewed China with a mixture of dependence, suspicion and resentment. Beijing is useful, but also intrusive. Its presence is felt in infrastructure corridors, border trade, ethnic armed areas, resource extraction and diplomacy. The Burmese nationalist instinct has always resisted domination from a powerful northern neighbour. The visit to India must therefore be read as an attempt to create strategic

space, diversify external relations, and show that Myanmar is not prepared to become a Chinese dependency.

This unease has sharpened because of recent reports from the northern Shan State. The Myanmar media have reported that China has been erecting border fences that allegedly intrude into Myanmar's territory. The regime is also said to have pressured media outlets over these reports, presumably because it does not want such coverage to damage relations with Beijing. Local accounts have referred to Chinese fencing having advanced at least 15 metres into Myanmar territory, and in some places by more than 100 metres. These claims require independent verification, but their political importance is clear: they touch at Myanmar's very sovereignty.

The location of these reports makes the issue more complex. The MNDAA and the UWSA are not ordinary border actors. Both emerged from the 1989 collapse of the Communist Party of Burma. The MNDAA is rooted in Kokang, where many residents are ethnic Chinese with historical links to Yunnan. The UWSA is based among the Wa, a Mon-Khmer-speaking people more closely related to the Palaung, and not simply an extension of ethnic China.

Beijing's influence is therefore different: more ethnic and linguistic in Kokang; more strategic and logistical in Wa areas. For Naypyidaw, this border belt is a contested space where ethnicity, armed autonomy, Chinese influence, narcotics, rare earths, cross-border trade and sovereignty anxieties meet.

This is where India becomes important. India cannot match China's money or coercive leverage, but it offers a relationship less associated with domination.

It does not seek to use Myanmar's ethnic geography to carve out zones of influence. Nor does it benefit from a weak or fragmented Myanmar. India's interest lies in a stable, sovereign Myanmar because every major disturbance there affects India's Northeast.

India and Myanmar share a 1,643-km-long border touching Arunachal Pradesh, Nagaland, Manipur and Mizoram. This frontier is not merely a security line; it is a civilisational, ethnic and social continuum. Instability in Chin, Sagaing, Kachin, Rakhine or northern Shan flows into India through refugees, arms, narcotics, insurgent movement and social tensions. The Manipur conflict since 2023, refugee inflows into Mizoram, and Indian insurgent groups using Myanmar's borderlands underline one fact: Myanmar's instability becomes India's internal security problem.

The importance of this visit for India must also be seen through the lens of "Act East". India's flagship connectivity projects — the Kaladan Multi-Modal Transit Transport Project and the India-Myanmar-Thailand Trilateral Highway — are designed to reduce the Northeast's landlocked isolation and connect India to Southeast Asia. But these projects cannot function in a corridor of insecurity. Roads, ports and trade routes need stability, not civil war. A cooperative Myanmar is indispensable if India wants to transform the Northeast from a vulnerable frontier into a bridge to Southeast Asia.

At the same time, India must avoid seeing Myanmar only through the regime in Naypyidaw. Min Aung Hlaing's presidency remains contested, and Myanmar continues to suffer a serious political

and humanitarian crisis. India should engage the military-led government because it controls formal institutions and border forces. But New Delhi must also maintain contact with ethnic organisations, civil society, democratic actors and border communities. This is strategic prudence in a fragmented country.

India's role should be that of a dependable neighbour, not an opportunistic power. It should help Myanmar diversify without forcing it to choose between India and China. It should make the border management stronger, but without alienating communities divided by history. It should cooperate against insurgency, weapons and narcotics, while maintaining a humane approach towards refugees. It should speed up connectivity, health, education, skilling and development projects in the borderlands.

Min Aung Hlaing's first presidential visit to India is therefore a message of balance. For Myanmar, it reflects the search for alternatives to excessive dependence on China. For India, it is an opportunity to secure its Northeast, strengthen "Act East", and shape developments in a country central to its eastern strategy. For China, it is a reminder that power does not always produce confidence.

A stable, sovereign Myanmar is in India's interest; and an India that is steady, respectful and reliable may be exactly the neighbour that Myanmar now needs.

The writer is a former D-G of Assam Rifles and is currently the vice-chancellor of St Mary's Rehabilitation University, Hyderabad

quick
BITES

INDICATORS	%
Sensex	74243.34 -0.16
Nifty 50	23366.70 -0.21
S&P 500*	7,383.74 -2.64
Dollar (₹)	94.955 -0.88
Pound Sterling (₹)	127.8905 -0.63
Euro (₹)	110.6019 -0.68
Gold (10gm)* (₹)	155,600.00 -2.47
Brent crude (\$/bbl)*	92.78 -2.33
IN 10-Yr bond yield	6.241 -0.29
US 10-Yr T-bill yield*	4.532 -0.004

* As of 9:30 PM IST

Rajesh Exports
may lose PLI
scheme benefit

The ministry of heavy industries (MHI) may decide in the coming days on removing Rajesh Exports from the list of beneficiaries under the production-linked incentive (PLI) scheme for advanced chemistry cell (ACC) battery storage, after the SEBI last week passed an interim order alleging massive financial fraud by the firm. The matter will be placed before heavy industries minister HD Kumaraswamy.

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Oil, gas supply disruptions to
choke medicine supplies: ADBSANGEETHA G
CHENNAI, JUNE 7

Sustained disruptions in global oil and gas supplies could affect medicine production and availability, with Asia, particularly India, facing significant risks, according to the Asian Development Bank (ADB).

The ADB said virtually every medicine manufactured today depends on petrochemical-derived feedstocks. While only about three per cent of petroleum production is used in pharma manufacturing, nearly all pharma raw materials originate from petrochemicals.

India produces nearly half of the generic medicines dispensed globally and around 65 per cent of the world's essential vaccines. According to the ADB, about 40 per cent of India's crude oil imports pass through the Strait of Hormuz, making the country vulnerable to any prolonged disruption in the route.

Any disruption to petrochemical supply chains could have a significant impact on global medicine supplies, as India and China play a critical role in the production of affordable generic medicines and essential vaccines, the ADB said.

Common drugs such as paracetamol and ibuprofen are synthesised from propylene, a crude oil derivative. Antibiotics, statins, insulin and chemotherapy drugs also rely on petrochemical-derived intermediates during various stages of production. Consumables and drug-delivery products are dependent on petrochemicals.

KEY INGREDIENTS

- API prices have surged.
- Drug supply may face disruptions.
- Counterfeit medicine risk seen increasing.
- China-India supply chains deeply interlinked.
- Seven nations led by Saudi Arabia and Russia will raise their collective target by 1,88,000 barrels a day next month.

INDIA is a major
generic drug
supplier.99%
pharma products
come from
petrochemicals.Oil cartel Opec agrees to up
oil output quotas for July

Vienna, June 7: Major Organisation of the Petroleum Exporting Countries (OPEC) members agreed another modest symbolic increase to their oil output quotas for July, even as a blockage of exports from the Persian Gulf prevents most of them from implementing it.

Seven nations led by Saudi Arabia and Russia will raise their collective target by 1,88,000 barrels a day next month, continuing the process, of restarting production halted several years ago, the OPEC said in a statement on Sunday.

With the Strait of Hormuz largely closed by the Iran war and West Asia producers forced to cut output, the OPEC+

decision remains theoretical for the time being. It could become relevant again when the waterway reopens.

"At this stage we are basically talking about hypothetical future scenarios with the bulk of the barrels stranded," said Helima Croft, head of commodity markets strategy at RBC Capital Markets.

While Russian shipments aren't directly affected by the war, its crude production has also been challenged, falling to a 10-month low in May as Ukraine intensified strikes on its oil infra.

The seven OPEC+ nations engaged in monthly quota adjustments will next meet on July 5. — Bloomberg

Global signals to steer
mkts amid FPI outflows

AI trade has been principal driver of FPI outflows away from India

RAVI RANJAN PRASAD
MUMBAI, JUNE 7

Markets are headed into a crucial week amid concerns over foreign portfolio investor (FPI) outflows, geopolitical tensions and key domestic and global developments that could influence investor sentiment.

Indian equities witnessed FPI selling worth ₹42,927 cr during the first week of June. Market participants will closely monitor whether overseas flows stabilise in the coming sessions.

Geopolitical concerns have resurfaced and may influence crude oil prices when trading resumes on Monday. Reports said tensions in the West Asia escalated following exchanges involving the US and Iran, raising concerns over the stability of the ceasefire process.

Meanwhile, Tata Group stocks are expected to remain in focus, with a Tata Trusts meeting scheduled for June 8 and a Tata Sons meeting on June 12.

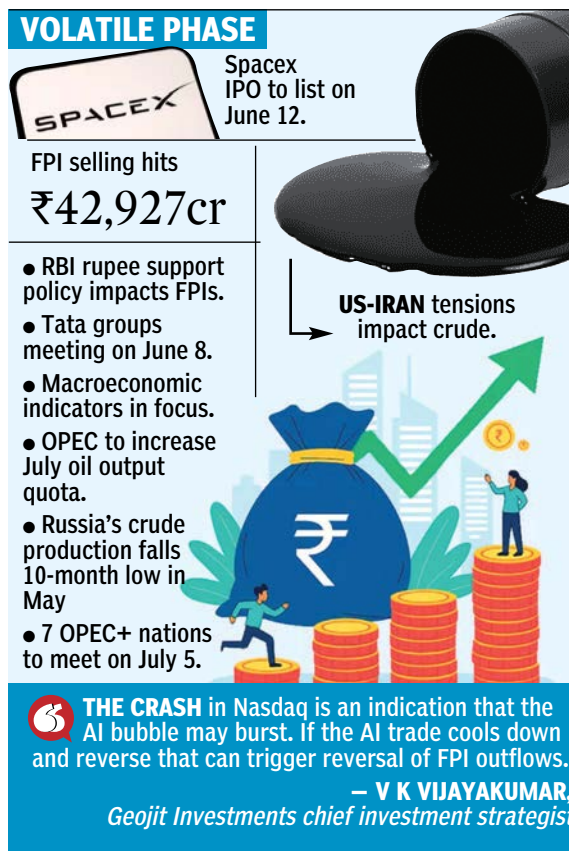
VOLATILE PHASE

SpaceX
IPO to list on
June 12.FPI selling hits
₹42,927 cr

- RBI rupee support policy impacts FPIs.
- Tata groups meeting on June 8.
- Macroeconomic indicators in focus.
- OPEC to increase July oil output quota.
- Russia's crude production falls 10-month low in May
- 7 OPEC+ nations to meet on July 5.

THE CRASH in Nasdaq is an indication that the AI bubble may burst. If the AI trade cools down and reverse that can trigger reversal of FPI outflows.

— V K VIJAYAKUMAR,
Geojit Investments chief investment strategist

NSE HITS 26-CR
UNIQUE CLIENT
CODES: OFFICIALRAVI RANJAN PRASAD
MUMBAI, JUNE 7

The National Stock Exchange (NSE) has crossed the 26-crore mark in total unique trading accounts, or client codes (UCCs), in June 2026 after adding one crore accounts in less than four months.

The exchange said more than 4.3 crore investor accounts, accounting for nearly 17 per cent of the total, were added during the past year alone.

The number of unique registered investors at the NSE stood at more than 13.1 crore as of May 31.

"Despite geopolitical uncertainty, the addition of one crore accounts in just under four months underlines investor confidence," said Sriram Krishnan, chief business development officer, NSE.

Adani reclaims Asia's richest person tag

FC CORRESPONDENT
HYDERABAD, JUNE 7

Gautam Adani reclaimed the title of Asia's richest person on Friday after a sharp rally in shares of his group companies boosted his wealth by approximately \$2.5 billion in a single day.

According to Forbes' Real-Time Billionaires



List, Adani's net worth rose to \$89.2 billion, sur-

passing Mukesh Ambani (\$88 billion) and SoftBank founder Masayoshi Son (\$87 billion).

The surge was driven by gains across Adani Group stocks, including Adani Power (1.1 per cent), Adani Ports (1.9 per cent), Adani Enterprises (2.3 per cent), Adani Green Energy (6.9 per cent), and Adani Energy Solutions

(3.8 per cent).

Adani's wealth rose by nearly \$10 billion since last month, when the US Dept of Justice dropped charges against Adani.

The rally pushed him ahead of Ambani, who briefly held the title of Asia's richest person, and Son, whose wealth declined following a drop in SoftBank shares.

GAMES

SHORT TAKES

India extend lead
at World Yogasana

Ahmedabad: Gujarat's Heena Rajgor led India's gold medal rush as the hosts extended their lead on the table on the penultimate day of the inaugural World Yogasana Championships here on Sunday. India stood at the top of the medals tally with 50 medals, including 40 gold, eight silver and two bronze.

Japan added two gold to go up to three and 10 overall and they are second on the table, while Singapore are third with six medals, including a couple of gold medals.

Rajgor, who hails from Bhuj in Gujarat, dominated the Forward Bend competition in Senior 'B' Female category to clinch the gold medal with 43.50 points.

Oman's Preeti Jaimani won the silver with 38.15 points, while Svetlana Lukashova of Russia and Maya Al Alostath of Jordan shared the bronze.

"When I took up Yogasana competitively after Covid, I had struggled to perform in competitions. But then I worked on my mental focus and the results are definitely coming," said Rajgor.

While the Indians expectedly dominated the gold medal race, Japan added two gold while Russia and Uzbekistan grabbed a gold each. — PTI

IGU names team
for Asian Games

New Delhi: Yuvraj Sandhu and Aditi Ashok were among a six-member Indian golf team named on Sunday for the Asian Games in Aichi-Nagoya, Japan, later this year. A LPGA Tour regular, Aditi won an individual silver medal in the 2022 Asian Games in Hangzhou, China.

Sandhu (World No. 451), Veer Ahlawat (World No. 558) and Saptak Talwar (World No. 576) are the three male members while Aditi (World No. 135), Diksha Dagar (World No. 221) and Pranavi Urs (World No. 270) are the three female players named by Indian Golf Union (IGU). The golf events for both men and women are scheduled from September 30 to October 3 at the Kasugai Country Club East Course. The IGU, led by Brijinder Singh, said the entries were decided as per its selection policy for Asian Games.

India has had an illustrious history in golf at the Asian Games, clinching three gold and three silver medals so far. — PTI

SUTHAR DESERT

Manav dries up Afghan chances as India take control

Mullanpur, June 7: Debutant Manav Suthar's classical left-arm spin bowling was a beacon of hope for a bright future as his three wickets gave India complete control on the second day of their one-off Test against Afghanistan here on Sunday. With mercury soaring, India declared their first innings at 564 for 8 once Washington Sundar scored a pressure-free half-century while adding 54 useful runs with Suthar (28 off 41 balls).

At stumps, Afghanistan were tottering at 113 for 5 with Suthar recording figures of 3 for 21 in 15.5 overs.

Prasidh Krishna (2/27 in 7 overs) was the other wicket-taker. Hosts, now, are ahead by 451 runs.

Having warmed up nicely with a short yet sweet maiden Test knock, Suthar got into the act straightaway after being summoned to bowl the last over before tea.

He removed opener Abdul Malik, who wanted to sweep his way out of trouble after looking clueless facing first three deliveries.

A classical action and the old school diagonal run-up of bowling to right-handers while cutting between the umpire and stumps, the 23-year-old from Rajasthan's Sri Ganganagar was a delight to watch.

In times when spin bowling is increasingly start-



India's Manav Suthar (right) celebrates with teammate Yashasvi Jaiswal after taking the wicket of Afghanistan batter Afsar Zazai on Day Two of the one-off Test in Mullanpur on Sunday. — PTI

ing to become more of a restrictive weapon, thanks to the mushrooming T20 leagues, Suthar brought a lot of freshness while sticking to basics — flight and turn. Suthar

has a high release point and his main attributes included putting multiple revs (revolutions) on the ball. He could hang the ball for an extra second in the air and also get some

SCOREBOARD

India 1st Innings (o/n 368/3): Yashasvi Jaiswal c Afsar Zazai b Mohammad Saleem 24, KL Rahul c Rahmanullah Gurbaz b Ziaur Rahman 100, Sai Sudharsan c Afsar Zazai b Mohammad Saleem 81, Shubman Gill c Afsar Zazai b Mohammad Saleem 126, Rishabh Pant c Azmatullah Omarzai b Hashmatullah Shahidi 81, Dhruv Jurel b Mohammad Saleem 19, Washington Sundar not out 52, Manav Suthar c Afsar Zazai b Mohammad Saleem 28, Mohammed Siraj b Mohammad Saleem 22, Kuldeep Yadav not out 9. Extras (b-4, lb-13, nb-4, w-1) 22. Total (For 8 wickets in 127 overs) 564 decl.

Fall of wickets: 1-41, 2-180, 3-247, 4-416, 5-452, 6-456, 7-510, 8-540.

Bowling: Ziaur Rahman 24-2-91-1, Azmatullah Omarzai 22-5-67-0, Mohammad Saleem 27-3-140-6, Nangeyalia Kharote 23-0-115-0, Abdul Malik 7-0-43-0, Hashmatullah Shahidi 24-1-91-1.

Afghanistan 1st Innings: Abdul Malik c Mohammed Siraj b Suthar 16, Sediquillah Atal b Prasidh Krishna 17, Rahmanullah Gurbaz c Sai Sudharsan b Suthar 12, Rahmat Shah batting 43, Hashmatullah Shahidi lbw b Prasidh Krishna 20, Afsar Zazai c & b Suthar 3. Extras (nb-1, w-1) 2. Total (For 5 wickets in 39.5 overs) 113.

Fall of wickets: 1-28, 2-40, 3-62, 4-98, 5-113.

Bowling: Mohammed Siraj 6-1-24-0, Prasidh Krishna 7-0-27-2, Manav Suthar 15.5-7-21-3, Kuldeep Yadav 7-0-29-0, Washington Sundar 4-0-12-0.

drift before it turns away from the right-hand batters.

The 23-year-old has a repetitive action and the pitch map on TV showed that he could land the ball on the same spot and make it do three different things.

A few would turn more, a few would go straight with extra bounce forcing batters to go on back-foot, and a few others were classic arm balls that come in with the angle.

The wicket of the Afghanistan opener was one which he bowled

straight and the ball bounced a tad extra making Malik's sweep look like an ugly hoick.

In the case of Rahmanullah Gurbaz, a former KKR opening batter, he simply didn't allow him to come on the front-foot. He bowled a few that went straight and Gurbaz defended.

Then from the same spot, he bowled one that dipped late and then turned away kissing the edge of Gurbaz's willow into Sai Sudharsan's hands in the second slip. — PTI

Afghanistan coach accepts DRS blunders

Mullanpur, June 7: Afghanistan head coach Richard Pybus on Sunday conceded his team was exceptionally "rusty" in terms of taking correct DRS calls, as there was a singular lack of conviction even when there were clear nicks from the Indian batters.

KL Rahul on the opening day, and Rishabh Pant on the second day, had edged

one each to wicketkeeper Afsar Zazai who didn't bother appealing.

In the case of Indian skipper Shubman Gill, keeper Zazai's reluctance didn't help as TV replays showed that Azmat Omarzai had trapped him plumb in front of the wickets. "We were exceptionally rusty. It wasn't clear, without throwing anybody under the bus, I think

there was a lack of conviction in decision making, and at the end of the day the skipper's got a very short period of time to make those decisions in, and he's reliant on that feedback. We chatted about it afterwards because we were obviously way off the pace with that, and it cost us." Pybus said at the end of the day's play. "I think the captain is

absolutely reliant, and he has got a couple of guys that he is speaking to for the decision making process. He has got the wicketkeeper, who has to give him his alignment, he has got a pointer who needs to give him height, and he is reliant on the bowler as well in terms of what the bowler is seeing in front of him," Pybus added.

Pybus was, however, sympathetic with the on-field umpires Ibne Saikat and Richard Illingworth.

"With regard to the umpiring, I know from my experience of being a director of cricket how rigorous the review of the umpiring is, and how the decision making process is reviewed by the ICC. There is no wriggle room for the umpires." — PTI



Germany's Alexander Zverev reacts to a point against Italy's Flavio Cobolli during their French Open men's singles final in Paris on Sunday. — AFP

Zverev zips up
maiden Slam

Paris, June 7: Alexander Zverev is no longer one of the best players never to win a major title.

He's finally a Grand Slam champion.

In his fourth major final, Zverev beat Flavio Cobolli 6-1, 4-6, 6-4, 6-7 (5), 6-1 for the French Open title on Sunday.

It was a unique opportunity for Zverev without Jannik Sinner or Carlos Alcaraz across the net and the third-ranked German took full advantage on the red clay of Roland Garros.

When Cobolli missed an overhead on the second championship point after more than four hours of the five-set encounter, Zverev dropped on his back to the clay and covered his face with his hands as he began sobbing. When he got up, with his shirt and arms covered in clay, Zverev put his hands back on his face before he lifted both arms in celebration.

Zverev has now joined an elite group of players that captured their first major in their fourth final: Eight-time major champion Andre Agassi, 2001 Wimbledon winner Goran Ivanisevic and 2020 U.S. Open champion Dominic Thiem.

No Sinner or Alcaraz Zverev had been an overwhelming favourite for the title ever since the top-ranked Sinner struggled in the first week's heat wave and wasted a two set and 5-1 lead against Juan Manuel Cerundolo in the second round. A day later, 24-time Grand Slam champion Novak Djokovic was also eliminated.

Alcaraz, the two-time reigning champion, withdrew before the tournament with an injured right wrist.

It was Zverev's second French Open final, having wasted a lead of two sets to one against Alcaraz in the 2024 championship match. — AP

The Tribune

ESTABLISHED IN 1881

Manipur crisis

Humanitarian tragedy must not be normalised

THE restoration of peace and normalcy in Manipur continues to be a Herculean task. As per details disclosed under the Right to Information Act, at least 730 internally displaced people have died in the northeastern state's relief camps since the outbreak of ethnic violence in May 2023. The high death toll is a damning indictment of the BJP-led Central and state governments. Tens of thousands of families have been uprooted by the conflict; they face an uncertain future as rehabilitation is nowhere in sight. Unfortunately, the humanitarian crisis has received scant national attention. More than 43,000 people are living in temporary shelters and relief camps, many without proper healthcare, sanitation or psychological support. The fact that camp residents are dying not only from illness but also from unnatural causes — including drowning, electrocution, substance abuse and violence — shows that the living conditions are both unsafe and sub-human.

Four months after the reinstatement of an elected government, there is no let-up in the attacks and ethnic hostility despite repeated assurances from the authorities. Three persons were killed after armed assailants attacked a village in Kangpokpi district on Friday. Six Naga civilians, who were allegedly abducted by Kuki militants on May 13, are still in captivity. Local residents continue to live in fear, while armed groups are exploiting administrative paralysis and deepening mistrust between communities.

Manipur's tragedy is far more than a collapse of law and order; it is an utter failure of governance and reconciliation. Relief camps were meant to be temporary sanctuaries, not semi-permanent settlements where displaced citizens spend years without hope of returning home. The longer displacement continues, the greater the risk of generational trauma, radicalisation and irreversible social fragmentation. The "double-engine" government must pay heed to the warning implicit in the RTI reply: prolonged neglect can turn a political conflict into a long-term humanitarian catastrophe. India as a whole must not allow this to happen.

Economic challenge

Protecting citizens while sustaining growth

PRIME Minister Narendra Modi's review of the economy with the Economic Advisory Council comes at a time when the global economic landscape is increasingly uncertain. Geopolitical tensions in West Asia, volatile energy prices, disrupted trade routes and weakening global demand are posing fresh challenges for economies worldwide. For India, the task is not merely to sustain growth but to protect ordinary citizens from the fallout of these external shocks. The impact is already visible. The Rs 29 hike in domestic LPG prices, following an earlier increase last month, has added to the burden on households grappling with rising costs of living. For millions of families, cooking gas is an essential expense, and higher fuel prices inevitably squeeze disposable incomes. Such increases also risk fuelling broader inflationary pressures across the economy.

However, India enters this period of turbulence from a position of relative strength. Strong domestic demand, robust infrastructure investment and a growing digital economy have helped maintain momentum despite global headwinds. But this resilience cannot be taken for granted. Rising crude oil prices continue to strain the import bill and exert pressure on the rupee. The Reserve Bank of India's recent measures to attract foreign institutional investment reflect a proactive response to these challenges. By easing investment norms and encouraging capital inflows, the RBI aims to strengthen external stability, support the rupee and ensure adequate liquidity in the financial system. These initiatives complement its broader effort to maintain macroeconomic stability without compromising growth.

The challenge before policymakers remains a delicate balancing act. Inflation must be contained to protect consumers, but growth and employment cannot be sacrificed in the process. Fiscal prudence, targeted support for vulnerable households and continued structural reforms will be essential.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, TUESDAY, JUNE 8, 1926

An unworkable suggestion

IN spite of the powerful support given by Pandit Motilal Nehru to Sir Tej Bahadur Sapru's suggestion about disenfranchising any area in which a communal riot has occurred, we adhere to the opinion already expressed in these columns that without substantial modifications the suggestion is unworkable. There are two things which no Government worthy of the name and no responsible Legislature can for one moment afford to forget. One is that there are communal riots and communal riots, and that not all of them can possibly be put under the same category. There are communal riots which those sections of either community that are really interested in representative government have either encouraged or fomented, or which they did not at any rate take steps to prevent in spite of having the power to do so. There are, again, communal riots brought about by those elements of either or both communities which take no interest in and do not care for representative government, and which the better mind of either or both communities more or less unequivocally condemns. It would be no easy matter, in some cases of communal riots, to determine whether they belong to the first or the second of these classes; and yet such determination is essential, if serious injustice is to be avoided in the working out of Dr Sapru's proposal. It is quite conceivable that even in areas where communal riots in the first sense have taken place, there should be some men in either or both communities who have striven to the best of their ability to prevent communal trouble.

India-EU tie has a Pak feeling

Juxtaposition of J&K and Ukraine war in Pak-EU statement strikes a jarring note



VIVEK KATJU
FORMER SECRETARY, MINISTRY
OF EXTERNAL AFFAIRS

JUST when Indian policy-makers thought that India-EU ties were on an upward trajectory, they received a rude shock. Standing beside Pakistan's Foreign Minister Ishaq Dar in Islamabad on June 1, EU's High Representative for Foreign Affairs and Security Policy, Kaja Kallas, said: "Pakistan is a major regional power and an important partner for the European Union".

Praising Pakistan's mediation between the US and Iran, she said: "Your diplomatic efforts have helped to prevent a return to full-blown war on several occasions, and these efforts are much recognised and appreciated across Europe". This would have been music to Pakistani ears and jarring to some circles in Delhi, for there has been no change in Pakistan's reliance on terrorism to keep India on the defensive.

Paragraph 11 of the EU-Pakistan joint statement, which came out after Kallas' discussions with Dar was unprecedented and offensive. It stated: "The Pakistan side briefed on the issue of Jammu and Kashmir. The EU side briefed on Russia's war on Ukraine. Both sides expressed support for the peaceful resolution of conflicts through dialogue and diplomacy in accordance with the principles of the UN Charter."

Prima facie, these lines are innocuous, but it is the juxtaposition of J&K and the Ukraine war that gave them an entirely different complexion. The skilled and professional EU diplomats who negotiated the joint statement would have known that putting J&K and the



DIALOGUE: Kaja Kallas, EU's High Representative for Foreign Affairs, with Pak Foreign Minister Ishaq Dar. @FOREIGNOFFICEPK

Ukraine war in the same paragraph would be unacceptable to India. Moreover, by joining the two issues through a sentence containing homilies on "dialogue and diplomacy" and invoking the UN Charter, they only added insult to injury. If the diplomats had slipped, why did Kallas do so too?

Kallas was Estonia's Prime Minister for three years and has held her present office since December 2024; hence, she does not lack experience. The inescapable conclusion, therefore, is that the EU deliberately agreed to a formulation which the Pakistanis may have proposed. In accepting it, the EU showed complete disregard for Indian sensitivities.

Lest some readers think that this writer is getting carried away by unimportant minutiae of diplomatese, a peep into the arcane world of diplomatic drafting is called for. Diplomats endeavour to find common formulations for joint statements. When they fail and one side insists that unless its views are recorded it will not agree even to a mention of a matter of surpassing importance to the other, unilateral statements are framed. They indicate that the other side has merely heard the view of the other. However, in

The EU showed complete disregard for Indian sensitivities by agreeing to include the Pak viewpoint on J&K in the joint statement.

recording these formulations, it is ensured that no link can be drawn between the unilateral comments. These inevitably come about if they are included in a single paragraph.

At present, it was naturally essential for the EU to mention the Ukraine war in a joint statement. In turn, the Pakistanis would have demanded the inclusion of their viewpoint on J&K. Even while accepting such a compromise, the EU should have insisted that J&K and Ukraine be mentioned in separate paragraphs. And, while diplomacy was being urged for J&K, the EU should have called for the right conditions being created by the cessation of cross-

border violent extremism. The EU did not do so.

Responding to a question on the reference to J&K in the joint statement, the Ministry of External Affairs (MEA) spokesperson said on June 2: "We categorically reject such unwarranted references in the joint press communique on matters internal to India. The Union Territories of Jammu and Kashmir and Ladakh are integral and inalienable parts of India. Those who have no locus standi on such matters should desist from making any comment on them". This was a routine and weak response to an unprecedented and unjustified paragraph in the joint statement. Why did the MEA not even mention the EU, let alone strongly condemn it?

Is it because the Modi government did not want the focus to be on its embarrassment? It had done the EU the high honour of inviting Ursula von der Leyen, President of the European Commission, and Antonio Costa, President of the European Council, as Chief Guests for this year's Republic Day. During the visit, the India-EU Free Trade Agreement was signed; the EU itself acknowledged that the pact accorded "a significant competitive advantage in key

industrial and agri-food sectors".

Prime Minister Narendra Modi's discussions with EU leaders laid the groundwork for an extensive and comprehensive partnership in the security sector and other domains. The leaders' statement noted: "Enhance cooperation to counter terrorism, in all its forms and manifestations including cross-border terrorism..." The term "cross-border terrorism" in such statements indirectly refers to, at a minimum, the infrastructure of terror in Pakistan.

In March this year, External Affairs Minister S Jaishankar visited Brussels. His host was Kaja Kallas, though he also interacted with other senior EU leaders. According to a MEA readout, the visit was "reflective of India's sustained high-level engagement with the European Union." It went on to say: "India-EU relations have entered a phase of renewed strategic momentum..." Some strange momentum, indeed, if the EU shows a lack of basic sensitivity to India's significant concerns, as shown during Kallas' visit to Islamabad.

It is a fact that Pakistan's stock has risen in the world because of its mediation efforts between the US and Iran. Recently, in his reply to an Indian journalist's question on China-Pak ties, Russian President Vladimir Putin denied that Pakistan was under China's full control. He went on to say: "Pakistan is a large country and it has multifaceted ties with different countries."

These assessments of Pakistan should not bother Indian policy-makers, but it should worry them when the EU (or, in future, others) makes unwarranted, even if indirect, comparisons of India's concerns with other global matters. That is where India has to call the EU out — not through smart one-liners but logic backed by action. And perhaps Jaishankar could sweeten his interaction with his EU counterpart with Kaja (oops, that should be *Kajui*) *Katli!*

THOUGHT FOR THE DAY

India and the EU are showing a fractured world that another way is possible. — Ursula von der Leyen

After the music fades, real life begins

SANGEETA KAMPANI

AT a recent wedding, I found myself admiring a young groom in an exceptionally elegant *sherwani*. Cream silk, restrained embroidery, the sort of understated luxury that announces both money and good tailoring. "You look magnificent," I told him. He smiled with the fatigue peculiar to Indian grooms and replied, "*Upar sherwani, andar sirf pureshami*." That line contained more truth about marriage than the evening's 800 kilos of imported flowers.

Delhi weddings are extraordinary anthropological events. Officially they celebrate love, family and sacred union. In practice, they are exhibitions involving logistics, vanity, diplomacy and endurance. One arrives not merely as a guest but as a witness to a civilisation attempting to "out-decorate" itself.

The drive to the venue is the first rite of passage. The further away the farmhouse, the greater the implied prestige. By the time one finally reaches the illuminated gates after crawling through processions of luxury cars and rogue *barats*, one feels less invited than tested.

And then the contest begins. Not a declared contest, yet the intention hovers everywhere. There is flower diplomacy: roses from Holland, lilies from Thailand, marigolds for cultural authenticity. Whiskey diplomacy: men who have spent years avoiding one another suddenly rediscover brotherhood over 18-year-old Scotch. Food diplomacy: counters stretching into geopolitical abstraction — Lebanese beside Japanese beside Assamese.

No one is hungry by this stage. The banquet exists to demonstrate civilisational capacity. And then there is clothing. Indian weddings have a silent but ruthless dress code. Under-dressing is socially dangerous. If you appear in anything remotely minimalist, there is always the possibility that a member of the hospitality staff may gently redirect you towards the helpers' dining area.

And at the centre of this beautifully orchestrated excess stand the bride and groom, elevated briefly into mythological beings. There's a stubborn contradiction: marriage itself begins only after the spectacle ends — after the flowers wilt, the relatives depart, the makeup dissolves and exhaustion replaces adrenaline.

Then comes ordinary life. The unrehearsed choreography of living. In-laws. Fatigue. Silence. Habits. Compromise. The slow realisation that love is not sustained by grand declarations but by repeated acts of patience performed without audience approval. No wedding planner can prepare anybody for this.

Probably the groom in the *sherwani* understood this perfectly. *Andar sirf pureshami*. Beneath the costume lies anxiety — about expectations, intimacy and disappointment. The bride carries her own apprehensions beneath bridal perfection: will marriage enlarge her life or gradually reduce it? Will companionship survive familiarity? Will she remain a person or become a role?

Nobody asks these questions loudly at weddings. They interfere with choreography. Instead, we discuss floral budgets and dessert architecture. And then, sometimes, after the fireworks end and real life begins, new characters arrive: counsellors, mediators, lawyers. This raises the impolite but necessary question: what happens after the music fades?

The writer is a retired IRS officer

LETTERS TO THE EDITOR

Confidence in Collegium crucial

Apropos of 'Questions about the chosen ones'; there are important concerns regarding the appointment of judges through the Collegium system. The judiciary is one of the strongest pillars of democracy, and public confidence depends on fairness and merit. When deserving candidates are selected or rejected based on made-up reasons, doubts are bound to arise. A transparent process would not only strengthen trust in the judiciary but also ensure that appointments are based solely on competence and integrity. At the same time, judicial independence must be protected from political influence.

VAIDANT MEHNDIRATTA, AMBALA

Select judges on merit

With reference to 'Questions about the chosen ones'; the independence of the judiciary may be paramount, but it cannot be absolute because humans steer it and to err is human. We need to usher in a system that can shed its hostility towards a collective mechanism for picking and choosing HC/SC judges. The people deserve neither *sarkari* judges nor judges as the *sarkar*. Equal opportunity for all must override the myopic wholikes-whom perspective. Merit, integrity and transparency must form the cornerstone of judicial appointments, ensuring that nothing overrides talent.

LALIT BHARADWAJ, PANCHKULA

Students frustrated with system

The Cockroach Janta Party's protest at Jantar Mantar has highlighted the growing anxiety among students, parents and young people regarding examination irregularities and employment opportunities. In a democracy, peaceful dissent is a legitimate way of expressing dissatisfaction. The participation of hundreds of students reflects increasing frustration over the uncertainty about education and career prospects. Instead of ignoring voices, authorities should engage in constructive dialogue and address genuine grievances through transparent policies. The concerns of the youth must be heard and addressed with sincerity and urgency.

GURLEEN KAUR, AMRITSAR

Size of vehicle matters on road

Refer to 'How Indian cities failed the bicycle'; a cyclist today is looked down upon as an unwanted entity and stripped of basic dignity. The respect you command on the asphalt is sadly dictated by the size of your vehicle. Do we have any safe, functional space left for citizens who simply love to walk or cycle to their offices? In this hypermaterialistic world, where everyone is in a blind hurry to reach their destinations, the answer is a resounding no. It is high time our policy shifts from paving more lanes for big cars to reclaiming more space for cycles on streets.

KAMAL ANAND, SANGRUR

Economics & social well-being

Apropos of 'Cautious RBI'; the decision of the RBI to maintain the repo rate at 5.25 per cent reflects prudence in an increasingly uncertain global environment. The downward revision of the GDP growth from 6.9 per cent to 6.6 per cent is a reminder that resilience should not be confused with immunity. Monetary policy must focus not only on macroeconomic stability but also on protecting the essential needs of citizens. While attracting foreign capital is useful, long-term economic strength depends on higher domestic productivity, energy security, agricultural resilience and robust MSMEs. In navigating the present uncertainties, all stakeholders must remain alert. Sustainable growth demands balancing economic efficiency with social well-being and resilience.

MM GOEL, KURUKSHETRA

Need the right FDI environment

Refer to 'Cautious RBI'; the Centre must ensure a conducive atmosphere to attract foreign direct investment to boost the manufacturing sector, which has not picked up in the last few years. The rising dollar and a falling stock market are signs of a weak economy. Well-known economist Krishna-murthy Subramanian has asserted that India can achieve its goal of a \$55-trillion economy by 2047 if the government continues to abide by certain conditions and principles. We need a multi-pronged strategy to attract foreign investments.

NPS SOHAL, CHANDIGARH

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

Op Bluestar's unfinished lessons for Punjab



RAMESH INDER SINGH
EX-PUNJAB CHIEF SECRETARY

IT has been 42 years since the Army marched into the Golden Temple in 1984. What was the objective of the Army action?

The devout view it as a pre-meditated sacrilegious assault on their holiest of holy shrines while the government of the day described it as an operation to clear the sacred space of the armed radicals who had usurped the temple, laid siege and posed a challenge to the legitimacy of the constitutionally established polity. But with time and better understanding of the events, there is a near unanimity that the operation was avoidable, ill-planned and terribly executed. It left deep psychological scars, resulted in the destruction of the seat of *Miri Piri*, Akal Takht, and the death of nearly 1,000 persons, including Army men. And this unanimity of opinion includes a long list of Army generals, including two former Army Chiefs, Gen VK Singh and Gen VN

Sharma, who have gone public against Operation Bluestar.

The operation that was launched to eliminate violence, in fact, sowed the seeds of an ethno-religious struggle and unleashed unmitigated violence that was far worse than what it had aimed to end. Foreign powers exploited our internal situation. Weapons and drugs seeped in from the highly porous border and confirmation of this has come from a Pakistani scholar. Prof Ilyas Chattha, in his book, *The Punjab Borderland, Mobility, Materiality and Militancy, 1947-1987*, has exposed the role played by his country in fuelling militancy in Punjab.

The ethno-national movement fizzled out long ago, but there are lessons to be learnt. The foremost lesson pertains to how we deal with religious plurality, political divergence, regional aspirations and uprisings. Regional assertions have to mingle with national objectives just as the nation must acknowledge the divergence of identities and aspirations in a country as large as ours.

This requires not a military approach to problems but conflict resolution through dialogue. Bluestar is a classic instance of the failure to parley, even though 26 meetings were held between Dharam Yudh Morcha leaders and the Central government, the last being



MISSED: Operation Bluestar is a classic instance of the failure to parley. TRIBUNE PHOTO

on May 29, 1984 with four Union ministers in Delhi. They responded positively to the demands, not knowing that the Chief of Army Staff, Gen AS Vaidya, had already been mandated a few days earlier that troops be moved to Amritsar. The result was catastrophic.

The irony is that these very demands of the Morcha were accepted a year later, in July 1985, with the signing of the Rajiv-Longowal accord. But, by then, the moderate Longowal and his ilk had ceased to be relevant. The command of the struggle had passed on to gun-wielding militants. The spirit of *shaheedi* swept the Panth.

To make it worse, the Central government ducked the accord — the PM who had signed the

covenant discarded it. Political imperatives prevailed over the need for conflict resolution. The pending demands continue to agitate the state.

Could militancy re-emerge in the state? It is highly unlikely. However, microscopic remnants of secessionists sitting abroad continue to fund and direct criminal activities, operating through organised criminal gangs. It is a nexus of drugs and weapon smugglers, who often operate under the ideological garb of separatism.

The consequence of this is a deteriorating law and order situation, with cases of extortions, IED or grenade blasts, killings and frequent email threats of bomb scares at public places. Forces from across

the border are using drones to drop weapons and drugs to destabilise the region.

However, the recent killings of three policemen in two separate incidents in the border districts are alarming, suggestive of what is called a consternation strategy, which terrorists apply to produce a chilling effect to demoralise the symbols of state authority. They randomly pick up targets with the objective to make the state appear ineffective.

The administrative system runs on *vakar* — honour and credibility — as distinct from mere electoral legitimacy and terrorists seek to challenge its authority to bring its image down. This strategy was resorted to in Punjab in the 1980s by militants when many policemen, officials and journalists were targeted. A similar strategy was employed by Naxalites in West Bengal in the 1970s.

The ever-lingering religion-related issues, the acrimonious *tu-tu-main-main* politics, agrarian unrest leading to roadblocks and demonstrations and economic slowdown that pushed up unemployment were the contributing factors that led to decades of violence. These fault lines exist in varying degrees even today.

The *beadbi* or sacrilege issue is a highly sensitive one and cases have lingered since 2015, keeping the sentiments on a

boil. The cases need a logical conclusion. The well-intended 2026 Amendment to the Jaagat Jot Sri Guru Granth Sahib Satkar Act has caused an unintended conflict between religious bodies and the state. The issue needs to be resolved keeping in view the Sikh sentiments, Article 26 (b) that confers the right to manage affairs related to religion by communities and by ascertaining the opinion of all stakeholders.

Efforts should be made to reduce societal and religious conflicts. Emotive issues are exploited by militants, criminals and vested interests. The historical and cultural milieu of a militarised Punjab makes us vulnerable to resorting to violence. Let me recall what Lord Dalhousie said on the annexation of Punjab: "There never will be peace in Punjab, as long as its people are allowed to retain the means and the opportunity of making war."

Punjab has never missed an opportunity to challenge state authority, whether it was the Mughal empire or the British or after Independence, our own. Punjab will remain peaceful and people will prosper only so long as the state is effective and the administration is perceived as just, delivering good governance.

The writer was Deputy Commissioner, Amritsar, during Operation Bluestar

The operation that was launched to eliminate violence, in fact, sowed the seeds of an ethno-religious struggle.

Unlike Anna Hazare protest, CJP is about opportunity



HARVINDER KHETAL
DEPUTY EDITOR, THE TRIBUNE

WHEN the founder of the Cockroach Janta Party (CJP), Abhijeet Dipke, mounted the stage at New Delhi's Jantar Mantar on Saturday, he was joined by an unlikely ally. Standing beside him was Sonam Wangchuk — educational reformer, environmental activist and one of the country's most respected public figures. Thousands of young protesters wearing cockroach masks cheered as the two addressed a gathering that had begun as an Internet meme and evolved into a national conversation about jobs, examinations and the future of India's youth.

They rallied under the banner of the CJP, a formation that did not exist a month ago. What began as a social media joke has become one of the most talked-about political phenomena in the country. The temptation is to dismiss the movement as another fleeting Internet sensation.

However, that would be a mistake. Movements often matter less for what they ultimately achieve than for what they reveal. The sudden rise of the Cockroach Janta Party has revealed a generation that feels unheard. Beneath

the headlines celebrating India's economic growth lies a growing reservoir of frustration about jobs, competitive examinations, social mobility and the perceived indifference of institutions. The movement has also demonstrated how satire can become a powerful political tool when conventional channels of representation appear ineffective.

The image of young Indians marching under the banner of a cockroach serves as a warning. Democracies function best when citizens believe that hard work will be rewarded, opportunities will remain accessible and public institutions will act fairly. When that faith weakens, satire turns into protest and mockery acquires political force.

The developments in Delhi should also be viewed in a broader regional context. Across South Asia, Generation Z is emerging as a disruptive political force. In Bangladesh, student-led protests evolved into a wider challenge to established authority. In Nepal, youth-driven campaigns have increasingly mobilised around corruption, governance failures and economic stagnation, often bypassing traditional political parties. A common sentiment is visible: young people are no longer willing to wait for institutions to address their concerns.

India's Cockroach Janta Party may be the latest expression of that sentiment. The CJP's rise is remarkable because of its simplicity. The movement emerged from a controversy in which unem-



MOCKERY: The image of young Indians marching under the banner of a cockroach serves as a warning. PTI

ployed youth were allegedly likened to "cockroaches" and "parasites" by the Chief Justice of India Surya Kant. Instead of rejecting the insult, young Indians appropriated it. The slogan *Main Bhi Cockroach* spread rapidly across social media platforms. The symbolism proved irresistible. Cockroaches survive hostile environments. They endure neglect. They are difficult to eliminate. For millions of students and job-seekers navigating repeated examination controversies, delayed recruitments and uncertain career prospects, the metaphor resonated.

For many young Indians, success depends on clearing highly competitive tests. Yet recurring reports of paper leaks, cancelled examinations, recruitment delays and legal disputes have eroded trust in the system. Every cancelled exam represents

lost months or years of preparation. It means deferred careers, postponed marriages and mounting financial burdens on families.

This frustration is unfolding against a paradoxical backdrop. India is among the world's fastest-growing major economies. Government officials frequently highlight infrastructure expansion, digital innovation and rising global influence. But economic growth and opportunity are not always experienced in the same way. Aggregate growth figures conceal uneven outcomes. For many graduates, especially those outside elite institutions, the promise that education guarantees upward mobility appears increasingly uncertain.

That uncertainty explains why the CJP's message has travelled far beyond social media. The movement has given expression to a senti-

ment that political discourse overlooks. India's debates are frequently dominated by questions of nationalism, religion, caste alignments and electoral strategy. While these issues matter, they do not fully address the concerns of a generation preoccupied with securing stable employment and a dignified future.

The comparison with the anti-corruption movement led by Anna Hazare is inevitable. Both emerged outside traditional party structures. Both relied heavily on youthful participation. Both reflected widespread dissatisfaction with existing institutions. The differences are equally revealing. The Hazare movement was about governance and corruption. The Cockroach Janta Party is about opportunity. Fifteen years ago, young Indians demanded cleaner politics. Today, many are demanding a fair chance to compete, work and prosper. The shift speaks volumes about the changing socio-economics.

In 2011, when the Anna Hazare movement captured the national imagination, India's economy was worth about \$1.87 trillion and it was grappling with 9% inflation, slowing growth and allegations of policy paralysis. Today, the economy exceeds \$4 trillion, growth is among the fastest in the world, inflation is relatively moderate, digital infrastructure has expanded dramatically and India's global standing is considerably higher.

For a country where 65% of the population is below the

age of 35, the quality and accessibility of opportunities matter as much as headline growth figures.

At the same time, the movement's strength may also prove to be its weakness. Social media can create visibility but not necessarily durability. Online movements often generate extraordinary enthusiasm only to dissipate when confronted with organisational realities. Building a sustainable political platform is a challenging task.

The CJP must thus confront these questions: can symbolism be converted into substance? Can viral popularity evolve into meaningful reform? Can the movement develop a coherent agenda without losing its appeal?

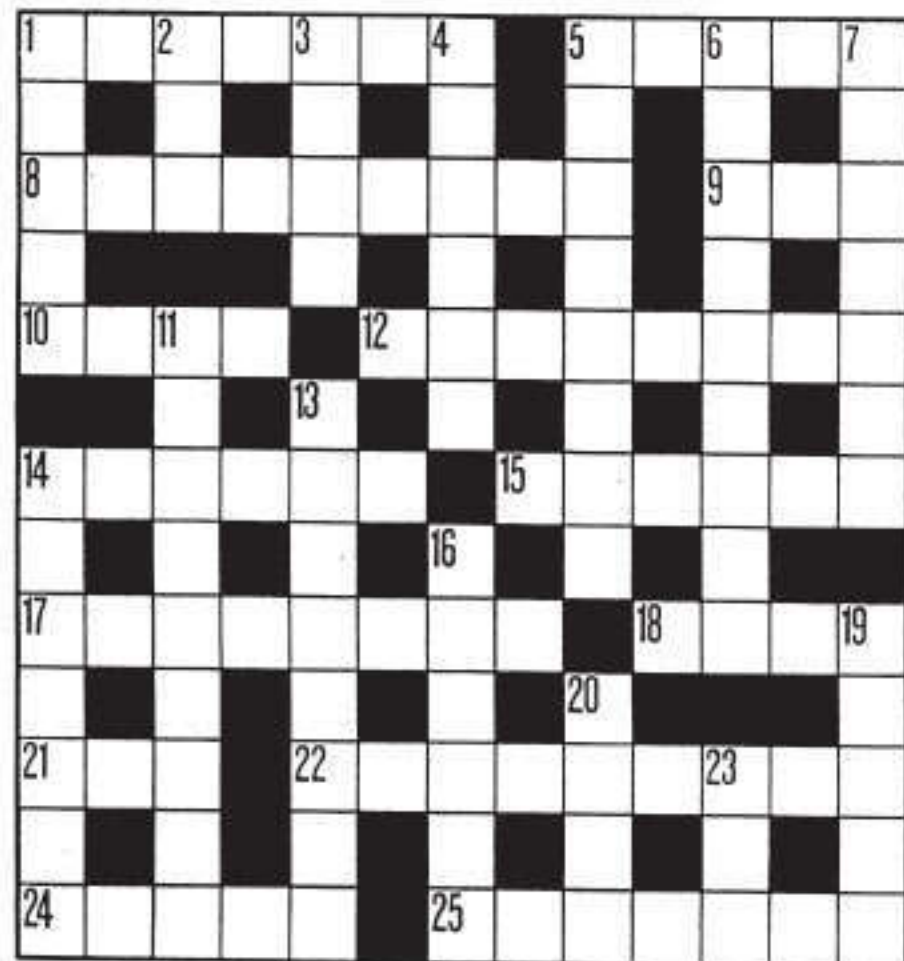
These questions remain unanswered. But they do not diminish the movement's significance. For democracies, the most consequential political developments are often those that expose hidden anxieties. The CJP has exposed one such anxiety.

The real story, then, is about citizens and their aspiration and trust. Democracies function best when citizens believe that hard work will be recognised, rules will be fairly enforced and institutions will serve the public good. When that faith weakens, satire becomes protest and even a cockroach can become a political symbol.

Whether the CJP movement endures or fades, India would be unwise to ignore the message carried by those marching under its banner.

The real story, then, is about citizens and their aspiration and trust. Democracies function best when citizens believe that hard work will be recognised.

QUICK CROSSWORD



- ACROSS**
- Best (7)
 - Hemmed in (5)
 - Without definite limits (4-5)
 - Lubricant (3)
 - Stratagem (4)
 - Prosperous (8)
 - Ice cream with fruit and syrup (6)
 - Study of plants (6)
 - Malicious (8)
 - Run freely (4)
 - Female sheep (3)
 - Helpless (9)
 - Complete (5)
 - Fascinate (7)

Saturday's Solution

Across: 1 Hallmark, 5 Plug, 9 Tibet, 10 Dwindle, 11 Undercurrent, 13 Ransom, 14 Sprain, 17 Out of control, 20 Apricot, 21 Bugle, 22 Tube, 23 Invented.

Down: 1 Hate, 2 Lebanon, 3 Matter-of-fact, 4 Reduce, 6 Ladle, 7 Greeting, 8 Disreputable, 12 Arrogant, 15 Amongst, 16 Boston, 18 Throb, 19 Lead.

- DOWN**
- Smell (5)
 - Obligation (3)
 - Encounter (4)
 - Alter slightly (6)
 - Ill feeling (3,5)
 - Be deliberately noncommittal (9)
 - Russian novelist, d. 1910 (7)
 - Feeling (9)
 - Relevant (8)
 - Consider questionable (7)
 - Physical strength (6)
 - Change direction (5)
 - Place (4)
 - Obstruct (3)

SU DO KU



SATURDAY'S SOLUTION

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

CALENDAR

JUNE 8, 2026, MONDAY

- Shaka Samvat 1948
- Jyeshtha Shaka 18
- Jyeshtha Parvishite 25
- Hijari 1447
- Krishna Paksha Tithi 8, up to 3:24 am
- Vishkumbha Yoga up to 9:28 am
- Shatbhisha Nakshatra up to 9:10 am
- Moon enters Pisces sign 3:37 am

FORECAST

SUNSET:	MONDAY	19:21 HRS
SUNRISE:	TUESDAY	05:21 HRS
CITY	MAX	MIN
Chandigarh	38	26
New Delhi	41	28
Amritsar	40	26
Bathinda	40	26
Jalandhar	40	26
Ludhiana	42	26
Bhiwani	42	26
Hisar	42	29
Sirsa	42	26
Dharamsala	35	19
Manali	28	13
Shimla	29	18
Srinagar	31	16
Jammu	41	23
Kargil	24	14
Leh	22	10
Dehradun	35	23
Mussoorie	25	18

The Statesman

Incorporating and directly descended from
the Friends of India -founded 1818

Push Back

The swift collapse of the Trump administration's proposed anti-weaponisation fund is significant for reasons that extend far beyond the fate of a single programme. What appeared at first to be another chapter in Washington's partisan battles has instead become evidence that political limits still exist, even for a president who commands extraordinary influence within his own party.

For over a year, American politics has been defined by an increasingly powerful presidency. Congress has often appeared reluctant to challenge presidents from its own party, while partisan loyalty has frequently overridden institutional concerns. President Donald Trump's return to office strengthened perceptions that the Republican Party had become largely aligned with his political priorities and personal leadership. The controversy surrounding the proposed compensation fund has complicated that narrative.

The initiative was conceived as a response to allegations that government institutions had been used unfairly against political opponents. Whether those grievances were justified is a matter of continuing political debate. What proved more consequential was the widespread concern that taxpayer money could be used to reward individuals selected through a politically charged process, and that special protections could be granted to figures closely connected to the administration.

What followed was notable. Resistance emerged not only from Democrats but from Republicans who concluded that the proposal carried unacceptable political and institutional risks. Lawmakers openly criticised the plan, warned of damage to public trust and signalled their willingness to withhold support from other priorities unless the administration retreated. Faced with mounting opposition, the White House and the Justice Department were forced to abandon a proposal they had defended only days earlier.

The episode is part of a broader pattern. Republican lawmakers have recently shown a greater willingness to challenge the administration on issues ranging from military action abroad to demands for greater transparency in politically sensitive investigations. These disagreements do not represent a full-scale rebellion, nor do they suggest a fundamental break between Trump and his party. But they indicate that congressional Republicans are becoming more conscious of the political and constitutional costs of appearing merely reactive to presidential preferences. This development matters because democratic systems depend on competing centres of authority. The framers of the American Constitution deliberately divided power among the executive, legislative and judicial branches to prevent excessive concentration in any one office.

That design functions only when elected officials are willing to exercise independent judgment, even when doing so creates friction within their own political camp. For much of the past decade, critics have worried that partisan polarisation was weakening those safeguards. The demise of the anti-weaponisation fund suggests that such concerns may not tell the whole story. Courts intervened, legislators objected and political pressure produced a policy reversal. The system did not operate perfectly, but it operated. The larger lesson is that strong leaders are not necessarily unchecked. Political power is not absolute. The real significance of this controversy lies not in a fund that never came into existence, but that institutions still possess the capacity to push back.

The Next Shock

The return of El Niño is a reminder that the world's climate crisis is no longer defined solely by long-term warming trends. Increasingly, it is being shaped by the interaction between a warming planet and recurring natural climate cycles that can magnify risks in sudden and unpredictable ways. For policymakers, the significance of a new El Niño episode lies not in the phenomenon itself, which has occurred for centuries, but in the conditions under which it is now unfolding. Global temperatures remain near record highs. Oceans have absorbed vast amounts of excess heat. Extreme weather events have become more frequent and more costly.

Against that backdrop, even a moderate El Niño can act as an accelerant, turning existing vulnerabilities into full-scale emergencies. The economic implications are often underestimated. El Niño has historically disrupted agricultural production from South Asia to Latin America, altered rainfall patterns across Africa, and affected fisheries in the Pacific. In a globalised economy, local weather shocks quickly become international supply-chain disruptions. Food prices rise, energy demand surges, transport networks face new pressures and inflationary risks emerge in economies already struggling with debt and slowing growth. India has experienced this reality before. Weak monsoons linked to El Niño conditions have affected crop yields, rural incomes and food prices.

While improved forecasting and irrigation infrastructure have reduced some vulnerabilities, the country's dependence on a successful monsoon remains substantial. Similar concerns exist across Southeast Asia, parts of China, Australia, southern Africa and South America, where livelihoods remain closely tied to climatic stability. The political consequences can be equally significant. Food insecurity and water shortages have historically contributed to social unrest, migration pressures and governance challenges. Climate-related disasters are no longer viewed merely as environmental events; they are increasingly recognised as national security concerns. Governments that fail to anticipate predictable climate shocks may find themselves confronting avoidable humanitarian and economic crises. Insurance systems, financial markets and disaster-relief agencies will also face mounting pressure as climate-linked losses continue to escalate.

The most important lesson is institutional rather than meteorological. Scientific forecasting has advanced dramatically over the past two decades. Governments today possess far more information than previous generations about the likely trajectory of climate-related risks. The challenge is no longer a lack of warning but a lack of preparation. Early-warning systems, resilient infrastructure, drought management plans, flood-control measures and emergency response mechanisms must become central components of economic planning rather than afterthoughts activated only during crises. El Niño's arrival should therefore be viewed as a test of global preparedness. The event itself is natural. The scale of the damage it causes is not. In an era of rising temperatures and growing climatic instability, the difference between a manageable disruption and a humanitarian disaster will increasingly depend on whether governments act before the storm arrives rather than after it has passed.

The Ultimate Reality Hack

Advaita Vedanta itself is not spirituality. Studying Advaita is like reading a science textbook on the laws of thermodynamics. You can memorize the equations, pass the examination with flying colours, and explain the theory of entropy to your friends at a party, but you are not actually experiencing the heat

Recently (on May 7 and 8), Swami Sandarshananda of the Ramakrishna Mission Ashrama, Narendrapur, presented a beautifully modernized view of Hinduism in two succinct commentaries.

However, a large segment of the educated class in India, trained to view reality entirely through a Mill-Macaulay-Marxist framework, tends to dismiss traditional faith as backward and ancient knowledge as obsolete mythology.

This bias is particularly entrenched in our elite institutions, making one wonder how many readers actually engaged past the opening lines of those profound commentaries.

It is with these sceptical readers in mind that the following exploration is offered. Written from the perspective of a non-expert with a scientific background and tailored for a contemporary Gen-Z audience, this is not a traditional religious discourse. Instead, it is a conceptual journey into the technical architecture of one of history's most radical philosophies.

The modern vibe check is reaching a breaking point. Our generation is hyper-connected yet deeply fragmented, constantly toggling between the polished simulations of social media and the existential dread of a world that feels increasingly noisy. We look for a spiritual fix, but usually, that just leads us to expensive crystals or mindfulness apps that feel like putting a band-aid on a structural software error.

If you are a humanities student obsessed with ontology (the study of being) or a physics nerd looking for the master equation of existence, it is time to move past the idea that ancient Indian thought is just a collection of peaceful platitudes. Let us rebrand the conversation.

We need to perform a hard reset on how we view Advaita Vedanta. It is not a religion; it is a high-level engineering manual for the human operating system. It is an intellectual tech stack designed to debug the code of the ego and reveal the singular server running the entire simulation.

In humanities seminars, you are likely to encounter Western philosophy as a discursive, academic pursuit. From Plato to Postmodernism, the goal is often to build an intellectual map of reality through reason and language.

It is essentially a theoretical simulation. You can master the logic of Kierkegaard or Sartre while sipping an oat milk latte, and



your internal state of consciousness remains exactly the same. The map is the end goal.

Ancient Indian philosophy, however, is termed Darshana, which translates to vision or point of view. It is less about thinking and more about observing. If Western philosophy is a lecture on the optics of a lens, Darshana is the engineering calibration that allows the lens to actually focus. It is the difference between studying the theory of light and actually flipping the switch in a dark room.

To understand where Advaita fits, we need to look at the Shat-darshana, the six major orthodox schools of Indian thought. Think of these as different specialized engineering departments, each with a specific user manual for reality:

Nyaya and Vaisheshika: The Logic and Material Science departments. They handle the rules of debate and the atomistic structure of the world.

Samkhya and Yoga: The System Architecture and UI/UX departments. Samkhya enumerates the components of nature, while Yoga provides the practical interface to control the mind.

Mimamsa: The Protocol and Procedure department, focused on the ritualistic data of the Vedas.

Vedanta: The Core Research and Development department based on the Upanishads.

Within the Vedanta department, you find various sub-classes based on different system interpretations. There is Dvaita (Dualism ~ User and System are eternally separate) and Vishishtadvaita (Qualified Non-dualism ~ User is a component of the System).

Then there is Advaita Vedanta (Non-dualism). This is the most radical subclass. It posits that the User, the System, and the Code are all one single, non-dual reality called Brahman. The perception of multiplicity, of being separate from the person next to you or the phone in your hand, is just a rendering error known as Maya.

If we treat Advaita Vedanta as an engineering textbook, we can strip away the mysticism and look at its functional specs through

Ontology and Epistemology (the theory of knowledge).

This is a structural Error 404. We superimpose the qualities of the Not-Self (the fluctuating data of our bodies, our thoughts, and our social media feeds) onto the Self (the constant, unchanging background of awareness).

You think you are your anxiety, rather than the screen upon which the anxiety is being projected.

How do we know what is real? Advaita uses Jnana as its primary tool. This is not knowing a fact like a trivia answer; it is a cognitive recalibration. It is an epistemological shift where you learn to distinguish between the Signal (Atman/Consciousness) and the Noise (the world of objects).

To achieve this, Advaita uses a systematic negation algorithm called Neti-Neti ("Not this, Not that"). You delete every false identification - "I am not this body, I am not this social status, I am not this memory" - until only the underlying, irreducible source code remains.

Here is the hard truth that most influencers get wrong: Advaita Vedanta itself is not spirituality. Studying Advaita is like reading a science textbook on the laws of thermodynamics.

You can memorize the equations, pass the examination with flying colours, and explain the theory of entropy to your friends at a party, but you are not actually experiencing the heat.

The text is a Pramana, a means of knowledge. It is the documentation for the software. You can spend your whole life reading the documentation without ever running the program. This is why we see dry scholars who know every Sanskrit verse but still operate from a place of ego and duality.

The book is just paper and ink; it is not

the reality it describes. For the Gen-Z reader, this means you can be an "Advaitin" in an academic sense, mastering the logic and the ontology, without being spiritual in the sense of having a realized experience. Advaita is the technical framework, not the feeling.

To make Advaita an effective practice, it must be integrated with spirituality. In engineering terms, you have to move from the design Phase to the implementation Phase. This is the core of the Reality Hack, handled through a three-step integration pipeline:

Sravana (The Instruction): The Epistemology Phase. You read the science textbook. You gather the technical data on why your ego is a construct and why duality is a rendering error.

Manana (The Troubleshooting): The Testing Phase. You use your own logic to debug the theory. You ask the hard questions: "If I am not my thoughts, then what is observing them?" You stress-test the Ontology until your doubts are cleared.

Nididhyasana (The Execution): The Engineering Phase. This is where spirituality enters the lab. You actually sit with the data until it becomes your lived reality. You move from thinking about non-duality to operating from it.

Advaita Vedanta is arguably the most sophisticated ontological framework ever designed to solve the problem of human suffering. It tells us that our unhappiness is not a moral failing; it is a technical error in how we perceive reality.

But it remains a framework. Without the spirituality of direct application, it is just a dusty science textbook on the shelf of your mind.

But when you interrelate the technical logic of the philosophy with the experiential practice of realization, you are not just becoming spiritual; you are successfully engineering your own liberation from the glitch of the ego.

In the language of the digital age: Advaita is the documentation; spirituality is the deployment. You need both to go Live.



SINDHUNIL BARMANN ROY

The writer is Distinguished Professor, RKMVERI, Belur

The Korea Herald

The day citizens choose

A record can flatter. The 23.51 percent early voting turnout ahead of South Korea's local elections on Wednesday has been read as proof of democratic vigor. It may instead signal how completely local politics has been conscripted into a national fight driven less by persuasion than by suspicion. With the ballot arriving precisely a year into the current executive term following the June 2025 presidential transition, the routine selection of mayors, governors and some 4,000 local council members, alongside 14 parliamentary by-elections, has inevitably morphed into a high-stakes verdict on a turbulent first year.

Wide geographic disparities in early participation deserve attention. While the liberal strongholds of the South and North Jeolla provinces surged to 38.95 percent

and 35.05 percent, respectively, the conservative bastion of Daegu lagged at 18.65 percent, leaving Seoul near the middle at 23.84 percent.

These figures are often framed as a familiar regional split. More precisely, they trace a map of psychological asymmetry, showing where partisan stakes remain acute and where voters are either confident or fatigued by the contest. High participation here illustrates negative partisanship in practice, with voters mobilized more by aversion than affinity.

That logic has reshaped campaigning. Instead of competing over local development strategies, parties have framed the election in sweeping national terms, invoking themes such as "purging past abuses" or "resisting

authoritarian drift." The result is a ballot crowded with slogans but thin on municipal substance. Candidates have followed suit. Within the same party, multiple contenders

have offered identical national projects to different regions. A striking example is the cluster of pledges to host a proposed United Nations artificial intelligence hub, despite the obvious constraint that it can be built in only one place. Others have promised the same aerospace or infrastructure initiatives across neighboring jurisdictions.

These are not competing visions. They are overlapping claims issued with little regard for feasibility or coordination.

In this election, central organizations have largely stepped back. By abdicating their role as institutional control towers, the major parties have allowed candidates

under the same banner to undercut one another, while voters are left to sort through promises that cannot all be honored.

When the pledges dissolve after the votes are counted, the disappointment spreads across the electorate, reinforcing distrust in institutions already under strain. If policy focus has thinned, political conduct has grown louder. The campaign's final stretch has been marked by escalating accusations, legal complaints and rhetorical brinkmanship between parties. In several races, debates have been limited, while last-minute revelations and personal attacks have filled the gap. Leadership has done little to steady the tone. Public interventions, including exhortations to vote framed in combative language, have invited questions about the boundary between participation and influence.

Letters To The Editor | editor@thestatesman.com

Overhaul

Sir, Prime Minister Narendra Modi has addressed students before major examinations through his annual Pariksha Pe Charcha initiative every year since 2018. The 2026 edition was the ninth such interaction.

Through these sessions, and occasional references in his monthly programme Mann Ki Baat, he has repeatedly spoken to students about exam stress, confidence, discipline and learning beyond marks.

The country's youth deserve not only encouragement but also assurance that the systems judging their effort are transparent, secure and professionally managed.

An examination is more than a test of students; it is a test of institutions. Every breach diminishes public trust and leaves diligent candidates feeling short-changed. Credibility, after all, is the first prerequisite



of merit. Without it, even the fairest examination risks losing its moral authority. Time now that those who conduct these examinations too are guided, perhaps with asperity. The entire system needs an overhaul and perhaps reinvention.

Yours, etc., R.Narayanan, Navi Mumbai, 5 June.

Public assets

Sir, This is with reference to the article "Acres of Privilege" by Prabhu Dayal published today. The article rightly questions the

continued occupation of vast government-owned properties by lawmakers at highly subsidized rates.

Such arrangements place a financial burden on taxpayers and undermine the principle of accountability in public life.

The issue is particularly relevant at a time when many citizens struggle with soaring housing costs and limited access to affordable accommodation.

Public representatives deserve fair remuneration but excessive privileges funded by public resources are difficult to justify. A transparent market-based compensation system would be a more equitable alternative. Reforming such outdated benefits would not only ensure better use of public assets but also strengthen public confidence in democratic institutions.

Yours, etc., A C Vineeth Kumar, Thrissur, 4 June.

Welcome

Sir, The decision of West Bengal Government to strengthen security measures at the Tin Bigha Corridor represents a positive and historically significant initiative. The deployment of advanced surveillance systems and enhanced border management mechanisms is expected to contribute to the prevention of illegal cross-border infiltration, the maintenance of law and order, and the protection of communities living in border areas.

Furthermore, stronger border security can help address concerns related to unauthorized entry from Bangladesh, thereby enhancing the sense of safety and confidence among the permanent residents of West Bengal.

Yours, etc., Md. Washim, Birbhum, 2 June.



Ethics of AI and the edge of expression

RAJDEEP PATHAK

Courtesy the Instagram handle of The Indian Express, the sight of factory workers wearing head cameras to train artificial intelligence should trouble anyone who cares about dignity at work. What looks like a modern data-collection exercise is, in reality, a new form of labour extraction, where the human effort is being captured, packaged, and fed into machines that may one day – very soon – replace the very people who supplied the knowledge.

In a textile factory in Nagpur, worker Ashish Narayan reportedly described the experience in a bitter phrase when he said that it feels like “working in your own grave, while you make your own casket.” This is so powerful because it says what many people hesitate to admit openly, and that is the AI economy can depend on human skill while quietly erasing human value.

The practice at the centre of this issue is known as ‘egocentric data’, which means first-person recordings of how people perform physical tasks. Cameras worn on the forehead or body capture movements, gestures, and decision-making patterns so machines can learn to imitate them. This is not just a technical process. It is also a workplace relationship. When workers do not know what is being recorded, where it goes, or how it will be used later, the line between training and surveillance becomes dangerously thin. The first ethical issue is ‘consent’. If workers fear losing their jobs or already earn very little, they cannot truly refuse. So “voluntary” participation can be coercive in practice. The second issue is ‘ownership’. When a worker’s movements, skills, and speed train a profitable AI, who gets the value? If only the company benefits, the worker has effectively given unpaid intellectual labour in physical form, while receiving only a small hourly wage and no share of long-term

gains. The third issue is ‘privacy’. Constant recording in factories can capture more than work tasks, revealing habits, relationships, stress, and sensitive personal details about workers and their safety, per se.

This raises a deeper concern for India, which has become a battleground for global AI firms looking to enter enterprise markets, win developers, and lock businesses into their ecosystems. That competition may create jobs in the short term, but it also risks normalising a model where workers are turned into data sources before being replaced by the systems they helped create.

The danger is not limited to factories. If this logic spreads, it could reshape how we think about labour itself. Human effort may no longer be valued for the dignity it carries, but only for the data it can generate. That is a dangerous shift in a country where inequality already affects who gets secure work, who gets lower wages, and who gets listened to.

This practice bypasses basic intellectual property fairness. Decades of specialized, tactile experience, such as the nuanced, unwritten intuition a human worker develops over a lifetime of labour, are extracted without fair compensation or long-term residuals. Critics argue that this process functions as a systematic expropriation of human craftsmanship, commodifying highly precise labour to feed growing corporate capital.

The trajectory of human progress has always been mirrored by the tools we create. From the steam engines of the Industrial Revolution to the silicon chips of the digital era, technology has consistently redefined the boundaries of work, society, and identity. Today, we stand on the precipice of a far more profound shift, encircled by the ever-expanding rise of Artificial Intelligence (AI) and advanced robotics. No longer confined to executing pre-written code or mathematical scripts, modern AI

models can reason, generate creative content, and systematically learn to replicate complex physical tasks.

Yet, as AI deepens its roots into our daily workflows, it brings along an uncomfortable dynamic. The rapid deployment of these technologies has outpaced our legal framework and ethical vocabulary. We find ourselves balancing between an automated future of unprecedented productivity and a dystopian landscape characterized by labour exploitation, the erasure of individual agency, and a fundamental misunderstanding of what makes human expression unique.

Beyond the immediate social and economic strains, the unchecked expansion of artificial intelligence faces a more volatile, physical constraint – that of geopolitics and energy. The narrative surrounding AI often paints it as an ethereal, weightless cloud of pure intellect. In reality, it is an immensely fragile physical infrastructure business that relies heavily on cheap, stable natural resources and highly concentrated supply chains.

Recent global instability has exposed this reality. The US push on technology relies on huge, long-term investments, amounting to many billions of dollars from Middle Eastern state funds. But local political conflicts in that region have put those investments at risk. At the same time, data centres are hitting big energy shortages at home. In the US, about 40 per cent of server power comes from natural gas. As geopolitical tensions raise fuel prices, the cost of running these centres have gone up sharply.

Beyond the hype, more than 80 per cent of corporate AI projects collapse before or immediately after the proof-of-concept stage because of poor data integration and huge upfront costs. Crucially, when algorithms leave structured digital sandboxes, such as code repositories, curated text databases, or predictable logistics grids and confront the



chaotic, messy reality of physical, emotional human life, they fail spectacularly.

A viral video from a “Future Era” robot store in Shenzhen captures this limitation. A multimillion-dollar humanoid robot took the stage to perform Michael Jackson’s 1983 hit “Billie Jean.” At first it managed a few preprogrammed, passable moves. But when it stepped onto a slightly raised edge of the stage, its balance system collapsed. The robot stumbled in jerky, mechanical contortions. The act ended not with applause but with a technician walking onstage, seizing the inert machine by its frame, and dragging it off like broken office equipment.

It is implied that genuine artistic expression depends on subtle micro-dynamics – facial shifts, the intentional catching of breath, and the charged weight of silence. Those cues arise from an interior emotional life like grief, joy, defiance or vulnerability. Lacking inner consciousness, machines can only mimic such forms, producing an uncanny, hollow caricature or mimicry.

Artificial intelligence is neither an omnipotent digital messiah nor a harmless, cute novelty designed

for social media entertainment. It is a highly powerful, deeply flawed, and resource-intensive automation tool. If we are to build an ethical future, our regulatory priorities must shift away from abstract sci-fi worries of machine sentience and focus directly on tangible human protections. We must establish rigid legal firewalls around data collection, ensuring that egocentric data harvesting can never be used as a coercive tool to strip workers of their livelihood without clear compensation and long-term societal support.

We must look at the technology for what it truly is, that is, learning algorithms and machine inferences that excel at sorting massive datasets and automating repetitive digital tasks, but remain completely blind to the deeper textures of human experience. By maintaining a sharp skepticism toward its limits and an unyielding commitment to human rights, we can prevent AI from becoming a tool of absolute exploitation, ensuring instead that it remains a well-regulated assistant to human ingenuity.

(The writer is Programme Executive, Gandhi Smriti and Darshan Samiti.)

100 Years Ago



The front page of The Statesman dated 08 June 1926

100 Years Ago

OCCASIONAL NOTE

The death of Sir Sayed Hussain Belgrami at the ripe old age of 82 has removed another man of distinction of a generation which is fast disappearing from India. He was a Biliari Mussalman and as the Province of Bihar and Orissa used to be administered by the Lieutenant Governor of Bengal from the early British days till 1912, Sir Sayed along with other Biliari Hindus and Muslims received his education in the Presidency College of Calcutta. He was an educationist of great repute and served first as professor of Arabic and Persian in the Canning College, Lucknow, and then as the Director of Public Instruction in the state of the Nizam of Hyderabad. His experience in educational matters was fittingly rewarded by the Government in his selection to serve on the Universities’ Commission in 1901. When the decision to appoint Indians as members of the Council of the Secretary of State for India was arrived at the first Mussalman to be chosen was Sir Sayed Hussain. Coming back to India in 1909, he made the dominion of the Nizam his home and worked there for a while as the Chief Adviser to the Prime Minister of His Highness. His death is a loss not only to the Muslim community but to India as a whole.

News Items

INDIA AND COLOUR BAR BILL POSITION DEFINED

MR. REZA ALI PLEADS FOR RESTRAINT

Simla, June
The following communique has been issued by the Government of India:—The Government of India have been in communication with the Government of the Union of South Africa regarding the Mines and Works Act Amendment Bill, generally known as the “Colour Bar” Bill. In reply to representations made by them they have been informed that there is no present intention on the part of the Union Government of extending the regulations beyond the position as it existed prior to the judgment of the Transvaal Provincial Division of the Supreme Court in the case Hex versus Rildick Smith, when it was held that certain regulations with reference to mines and works which have actually been in force in the Union of South Africa since 1911 and in certain provinces for many years before that date, were not valid under Sections of the Act, in terms of which they were promulgated. The Government of India have also been assured that should any such extension of the scope of those regulations be contemplated in the future, every reasonable opportunity will be given to all parties in the Union interested in the matter to make representations.

JUDGE’S RESIGNATION PROTESTS BY EGYPTIAN LAWYERS

(Special Cable.)
Cairo, June.
The newspaper El-Mokaltam states that certain judges and lawyers have telegraphed to the newspapers protesting against Judge Korshaw’s resignation and his divulgence of judicial secrets, and describing the British note as an infringement of the independence of Egyptian justice.—Copyright

TRAIN OVERTURNED STORM INCIDENT ON BIKANER RAILWAY

At about 7-30 last night while No. 44 down mixed was proceeding from Charaud to Hissar, the whole train, except the engine was capsized by a severe storm about one mile from Charaud. Some passengers were slightly injured. Though communication was restored at 4-30 this morning.

LORD LYTON PROCEEDS HOME ON LEAVE ON THURSDAY

Darjeeling, June.
It is understood that His Excellency the Governor will leave Darjeeling for Calcutta on June 9, arrive there on June 10, and the same day make over charge of his office as Governor of Bengal to Sir Hugh Stephenson, prior to proceeding Home on leave.

IT CAME TO MIND | MANISH NANDY

Working is a part of living

My work-life started with industry, first in India and then in the US. Then I switched to a UN agency, working on international development. I made a more dramatic move later, to the diplomatic service. These three phases involved very different work, different kinds of risks. I also worked with very different kinds of people.

Those differences are what my friends notice. Truth to speak, I myself noticed those differences often. As years have passed, however, I have begun to see that the differences are less important than the fact that what accounted for success or effectiveness are remarkably similar in all these kinds of jobs – and, who knows, maybe in many other jobs.

Let me recount a few of these features.

I mention the first feature a little hesitantly, because its absence, rather than its presence, is so common that it is rarely noticed by most of us. The reality is that most organizations tend to hire their employees by adhering to certain norms, based on curious assumptions about what is relevant for their efficiency. Notorious norms were J. Edgar Hoover’s FBI and Thomas J. Watson’s IBM (full disclosure: I worked closely with FBI in a few cases and was an

advisor to IBM): you could not work for them unless you wore white button-down shirts and dark suits and ties, avoided alcoholic drinks, kowtowed to a rigidly paternalistic culture and, until the law barred it, you did not happen to be black, Jewish or Catholic.

Sartorial styles have changed; racial and ethnic bars are no longer openly declared; even gender biases are kept quietly maintained. But scores of organizations, through their implicit recruitment standards or unstated cultural preferences, make sure that for many positions they apply norms they consider sacrosanct for their organizations. Such norms have scant rationale and no basis in functional effectiveness, but they continue.

The first feature for effectiveness of an organization, as every study shows, is the variety of people it hires. Their diversity is their strength and their supreme resource for innovation. As society gets more diverse, to deny diversity is to repudiate the richest source of talent and competitiveness.

But it is not enough to recruit a great variety of talent. It is critical to put such talent to work. The essential need is to tap the people’s creativity. They must be given the freedom to operate in their own way and achieve a more innovative

way of working and achieving better results. Nothing is more self-destructive than to engage capable people and then frustrate them by placing endless barriers in their way. The successful organization has to find a way to let its staff seek innovation within the company’s guardrails. That is the second essential feature of the effective organization.

The third feature follows from the second. The effective organization is also a congenial one. However capable individual workers and officers are, their capability is limited to individual performance. Such performance is not adequate for collective performance, which is what an effective organization requires. Such effectiveness requires group congeniality, when employees feel comfortable with one another and are ready to cooperate, share ideas, help with mutual problems.

A fourth feature of an effective organization is a culture of mutual helpfulness. Not many organizations achieve this, but when they do, they have taken a big step toward moving toward organizational excellence. Helping colleagues in such an organization is not just a duty, it is a natural inclination. People offer help readily because they realize they too will receive help readily when they need it. Assisting, guiding, helping others is the habitual norm



Illustration by : Debarata Chakrabarty

in such a group. Even newcomers quickly acquire the same attitude and contribute to the organizational culture of mutual helpfulness.

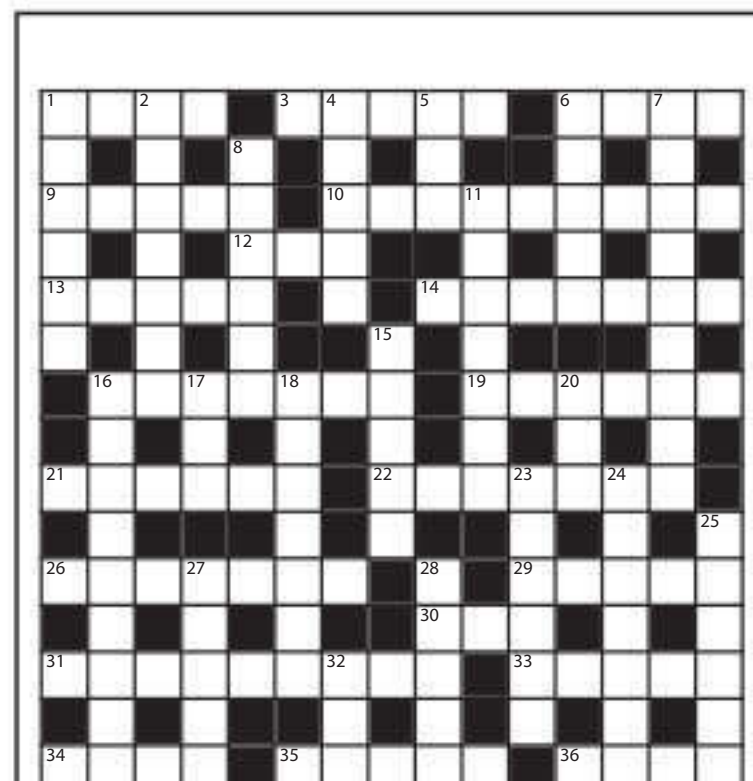
It may seem surprising that, though I worked for very different types of organization, I found that their effectiveness sprang from the same directions. Then it occurred to me that it wasn’t really surprising. Business, international development and diplomacy may seem very different preoccupations, but they are all human organizations that depend for their competence on human proclivities. When people

feel good in what they do and are comfortable and content in the weekly labour they expend in the company of other people – who they think of as colleagues as well as co-workers – they contribute their best. They achieve satisfaction in their work and help others achieve satisfaction. In the process, they help their organization become truly human.

Working, after all, is also a part of living.

(The writer is a US-based international development advisor and had worked with the World Bank. He can be reached at mnandy@gmail.com)

Crossword | No. 293484



Last Saturday's Solution

SECURE HOTSPOTS
COAST GUARDS
RUNNING ASSORTED
AFRICANITY
MARRIOTTINET ALLEGURE
BOMBING
LONG BECAUSE
EITCEARS
PONTIARD BOZO
BSITTANML
AMOUNT INSOLENT
NUCLEOTVBH
GERMINAL VIRAGO
UCDILICELL
PRESENCE HECKLE

ACROSS

- Ridicule dummy (4)
- Brute, maybe a strongman to some extent (5)
- Thrill from essentially smacking naked skin first (4)
- Choice of sides from newsroom accepted as standard (5)
- Kiss of death from Bambi, maybe defining animated story (9)
- Born in the jungle, ultimately (3)
- Government committee’s firm support (5)
- Genetic code – with two lines describing the old from the

DOWN

- east Lancashire town (7)
- Awkwardly move a ball into empty goalmouth (7)
- Surrender legal case about British money (6)
- Order eggs flipped, showing affirmation (6)
- A fling with almost entirely inflexible, unscrupulous lawyer (7)
- Frivolous four interrupt rehearsal (7)
- In London 007 spelled out a mode of dispatch (5)
- See 20 Down
- Reduce European investment in party before team

- become old-fashioned (9)
- Cream tea, extremely deficient and low in calories (5)
- By which I mean an offence (2,2)
- Creep drooping behind student brainbox? (5)
- Unlit, deserted animal sanctuary (4)

- Help stops every now and then (3)
- Clever clogs offloading with a barrow, once (5)
- More sterile, detailed Cleo – and Liz? Her husband’s gone (9)
- Pleasure ground from revolutionary Sudan, axed (6)
- It’s commonly reputed, 22’s guts churned over vacuous apology (4,3)
- Pursue mate – not in Kent area (5)
- Start to giggle about head teacher (9)
- Clown’s depressed (3)
- Looking up debtor – a student – not quite lame duck (7)
- 20/30 Superhero’s attendant (6)
- Reprobate son taking daughter’s place during meal (6)
- Ace trio modelled from revolutionary Sudan, axed (6)
- It’s commonly reputed, 22’s guts churned over vacuous apology (4,3)
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NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)



INTERNATIONAL EDITORIALS



OPINION

Menopause Should Not Be Such a Mystery

Melinda French Gates

A philanthropist, businesswoman and global advocate for women and girls.

EARLY in the 20th century, childbirth in America looked very different than what you'll find in most labor and delivery wards today.

Many hospital births involved "twilight sleep," a cocktail of drugs that rendered a woman unconscious for delivery. If she started thrashing, as women often did, she could be tied to the bed. She had no loved ones in the room to advocate for her, and no voice in the process. Just drugs, disorientation and, in the end, a baby she had no memory of delivering.

Most of us look back on that era with a shudder. It's hard to imagine how we ever came to accept a practice like that as standard.

I sometimes wonder if my granddaughters will have a similar reaction when they look back on the way our health care system approaches menopause care today.

Like the women who were knocked out for their deliveries, women going through menopause have an alarmingly high chance of experiencing care that fails them completely. Here's a scene that regularly plays out across the country: A woman walks into her doctor's office with an increasingly debilitating set of symptoms — her sleep destroyed, joints aching, heart racing, memory slipping — and walks out with no diagnosis, no treatment and no plan.

Maybe you know her. Maybe you've been there. Nearly one in three U.S. women over 40 experiences severe menopause symptoms, and those symptoms can be severe enough to disrupt daily life. For many women, menopause means waves of depression they've never experienced before or terrible insomnia. The underlying hormonal changes driving these symptoms increase a woman's risk of cardiovascular disease, osteoporosis and certain types of cancer.

Often, these symptoms strike when a woman is at the peak of her career, raising children and caring for aging parents. There's a whole constellation of people relying on her. The Mayo Clinic estimates that menopause-related symptoms cost the United States \$26 billion in medical expenses and lost work time every year.

Even so, only about one in four women in menopause in the United States is treated for her symptoms. Too many women are left to face another sleepless night — their joints still aching, hearts still racing, memories still slipping — while their appeals to the medical system have gotten them nowhere.

When I first noticed signs I was starting menopause, it fell to me to raise the topic with my doctor and push for options to manage my symptoms. Even though I have access to excellent health care, and have spent the past 25 years as a women's health advocate, there was a lot I simply didn't know. Some symptoms, I learned, can have lasting



MARIA JESUS CONTRERAS

Our deeply flawed health system can worsen the trajectory of women's lives.

consequences if left untreated: Insomnia can increase the risk of losing cognitive function or developing Type 2 diabetes, and hormonal shifts can lead to heart disease. It's no exaggeration to say that the care a woman receives in this moment can change the trajectory of her life.

I feel lucky to be living through an era when women are speaking out about what our mothers' generation navigated in silence, but solidarity is no substitute for systemic change. That's why I'm expanding my work in women's health to include significant new funding for midlife and menopause care. These investments will bring my total fund-

ing for women's health over the past two years to more than \$600 million.

At a time when women's rights are under attack and too many women are dying during pregnancy and childbirth, I remain deeply committed to my longstanding work in reproductive and maternal health. The funding I announced on Thursday includes additional support for these issues, too. We need to fight for women's health on multiple fronts at once.

Our society's approach to menopause and perimenopause reflects the deep flaws of a health system that has long treated women as an afterthought. Consider the staggering fact that, according to one survey, less than a

third of American OB-GYN residency programs offer a menopause curriculum of any kind. That's right: The very doctors who specialize in our bodies aren't always equipped to support us through a biological event we will all encounter.

Beyond the training gap, there are gaps in treatment and knowledge. The share of postmenopausal women in the United States using hormone therapy, the most effective solution for managing menopause symptoms we have right now, has plummeted to less than 5 percent.

While we know that menopause has implications for bone health, heart health and brain health, what we don't know is how to protect women from these risks.

We need a menopause revolution in this country. Better training is an obvious place to start. By including menopause care in both foundational and continuing education for health care practitioners, we can equip more of them to support their patients. Medical schools and residencies need to embed menopause care in their curriculums, and accreditation bodies and licensing boards need to make it a required part of training — not just for OB-GYNs, but for anyone who treats women in midlife.

We also need action from policymakers, particularly at the state level. Advocates should press lawmakers to create new education requirements, expand insurance and Medicaid coverage for menopause treatments and ensure that women in menopause have workplace protections the way they do in pregnancy — like the ability to take time off to seek care — so they can keep doing their jobs without sacrificing their health.

Public education campaigns can play an essential role in starting new conversations about menopause and addressing the structural barriers that are leading to disparities in who gets care. In the United States, postmenopausal white women are more than twice as likely as Black and Hispanic women to use hormone therapy treatment.

Finally, we need additional research to learn more about the range of hormonal and other changes that happen with menopause and their implications for women's well-being — and to accelerate new breakthroughs and treatments. For every dollar the world spends on medical research and development, just five cents goes to women's health. We need to change our assumptions about whose bodies are worth understanding.

We are seeing the glimmers of real progress. Health care practitioners have received updated guidance about hormone therapy, which could reverse years of confusion about when it can be used safely. More companies are offering menopause benefits, and more states are introducing legislation to mandate workplace protections or insurance coverage.

For all this, we should thank the women who have been speaking out about their experiences and demanding better. Just as a previous generation took on twilight births, they have set something in motion that is going to touch millions of lives.

Washington Needs to Account for Its Bad Wars

Peter Beinart

A contributing Opinion writer and the author of "Being Jewish After the Destruction of Gaza."

DONALD TRUMP is conducting a real-world test of what happens when hawks in Washington get what they've been urging for decades: all-out war with Iran.

The early results are stark. This war is on track to cost the United States more than \$1 trillion. It has resulted in enormous damage to American military bases in the Middle East, significantly reduced the stockpile of interceptor missiles on which the United States relies to deter China and other potential adversaries, put tens of millions of people around the world at risk of acute hunger, accelerated inflation in the United States, and led to the death or injury of hundreds of

Americans and thousands of Iranians, including more than 100 children who were reportedly killed when a Tomahawk missile mistakenly hit an elementary school in the town of Minab.

Despite this economic and human toll, the war has achieved very little. While the president has been typically erratic in outlining the war's aims, over the past three months he has generally stressed three objectives: eliminating Iran's ballistic missiles, ending its nuclear program and helping the Iranian people overthrow their government.

None of that has happened. According to America's own intelligence, the Islamic Republic retains roughly 70 percent of its prewar missile stockpile. The United States has neither eliminated Iran's access to the highly enriched uranium that it could potentially use to build a nuclear bomb nor taken down the Islamic regime itself. Indeed, the

Iranian government is arguably stronger than it was when the war began, having demonstrated its ability to cripple the global economy by restricting traffic through the Strait of Hormuz.

How or when this war will end remains uncertain. But one thing is clear: Such foreign policy catastrophes will keep occurring unless the people who champion them are held to account.

Had such a reckoning occurred after America's invasion of Iraq, it is much less likely the United States would be at war with Iran today. By George W. Bush's second term, most Americans believed the Iraq invasion had been a mistake. And they expressed their discontent for years after that by repeatedly voting for presidential candidates who had opposed the war, like Barack Obama, or at least pretended to have opposed it, like Donald Trump, rather than candidates who supported the invasion, like Hillary Clinton and John McCain.

Yet when it came to appointed office, officials who had supported the war were rewarded. Mr. Obama chose a running mate, Joe Biden, and two secretaries of state, Ms. Clinton and John Kerry, who had voted to authorize the Iraq war. In his first term, Donald Trump chose a national security adviser, John Bolton, who had supported the invasion. When Mr. Biden became president, he selected as his secretary of state Antony Blinken, who was his top foreign policy staff member when he cast his disastrous vote for war.

This lack of accountability extends beyond the executive branch. A couple of years ago, the Quincy Institute, an anti-interventionist think tank, tallied which experts most often testified before the House Foreign Affairs Committee between 2021 and 2024, under both Democrats and Republicans. The second most frequently invited think tank was the Foundation for Defense of Democracies, which declared on its website on the eve of the Iraq war that "we know Saddam Hussein is making weapons of mass destruction — biological, chemical and nuclear — and remains a serious threat."

Tied for the third most invited was the American Enterprise Institute, which boasted before the Iraq invasion that it had "taken a leading role in defining the threat that Saddam poses and outlining how Iraq should be reconstructed once he is removed." Officials from the Foundation for

Expect more foreign policy catastrophes unless we hold those in power responsible.

Defense of Democracies and the American Enterprise Institute are, once again, among the loudest champions of war today.

That is not to say that every policymaker or pundit who supported a failed war should be banished from public debate. But at the very least, we should expect analysts and public officials whose judgment proves faulty to go beyond merely regretting their errors and show that they have rethought the assumptions that underlay them. I supported the Iraq war myself and wrote a book grappling with why I had been so profoundly wrong. That doesn't undo the harm my commentary did. But only by more clearly challenging the mind-set that underpinned the Iraq and Iran wars will the American foreign policy class shed its addiction to military force and recognize that the United States should primarily prioritize diplomatic solutions with its adversaries, rather than trying to bludgeon them into submission.

And yet, rather than being asked to reckon with their past errors, advocates of war are routinely offered a clean slate to promote war yet again. On March 1, the day after the United States attacked Iran, Lindsey Graham, one of the Senate's most voluble hawks, said on NBC's "Meet the Press" that "the largest state sponsor of terrorism, Iran, is close to collapsing" and declared that "we destroyed their missile program, the nuclear program." When he appeared on the same program two and a half months later, after neither proved to be true, he was not asked to answer for those comments and predicted that "if we go back to military activity, weaken them further, then we can end this thing pretty soon."

Twenty years ago, when U.S. troops were dying in Baghdad and Ramadi, it was hard to imagine this country launching another unprovoked war to oust a government in the Middle East. Yet another such war has now occurred, in part because Iraq transformed American public opinion far more than it transformed the foreign policy debate in Washington.

The recent House vote to try to halt the Iran war by invoking the War Powers Act is a sign that more politicians are finally heeding the country's antiwar mood. But it's a small first step. Without a deeper reckoning, we should expect future self-inflicted cataclysms to further undermine not only America's power around the world, but the public's faith in our democracy at home.



BEN HICKEY

OPINION

Florida Centrist, MAGA Warrior, Shape-Shifter. President?

Manuel Roig-Franzia

The author of "The Rise of Marco Rubio," and a former Washington Post bureau chief in Miami and Latin America.

NINE days before Christmas in 1987, federal drug agents descended on a modest one-acre property in West Miami. Their target was a drug dealer named Orlando Cicilia, whom they arrested and charged with selling and distributing millions of dollars of Colombian cocaine. The raid against Mr. Cicilia and his associates would prove to be one of the biggest drug busts in Florida history. In retrospect, it was notable for one other fact: Mr. Cicilia was Marco Rubio's brother-in-law.

Some of Mr. Rubio's most vivid early experiences took place in the house where Mr. Cicilia was arrested. Mr. Rubio's "fondest childhood memory" was of a Christmas Eve party where Mr. Cicilia roasted a pig in a pit covered with palm fronds in the yard of the house, according to Mr. Rubio's memoir. Later, when Mr. Rubio wanted to buy season tickets to Miami Dolphins games, he earned money by washing his brother-in-law's and sister's dogs in the yard. He even lived in the house briefly while his parents were moving across the country.

Mr. Rubio has come a long way in the four decades since, rising to the role of global vanquisher of drug cartels and "America first" enforcer as President Trump's secretary of state. Mr. Trump tapped Mr. Rubio to "run" Venezuela after the military operation to seize the dictator Nicolás Maduro and bring him to the United States on drug trafficking charges in January. Mr. Rubio has said little over the years about his brother-in-law's arrest, beyond noting the shock and heartbreak it caused his family.

The contrast between Mr. Rubio's childhood relationship with a man who was later convicted of drug dealing and his current globe-trotting role might seem like one of those random biographical quirks that are more common in fiction than in real life. Yet understanding Mr. Rubio has always required reconciling such conflicting story lines. As a Florida legislator, he communed with migrant laborers and backed tuition discounts for children of undocumented immigrants, then became an immigration hard-liner when he ran for the United States Senate, then morphed again into a bipartisan immigration reformer in Congress.

The contradictions have only mounted in Mr. Rubio's latter-day alliance with Donald Trump, and not just on the issue of immigration. Mr. Rubio has shifted from an impassioned champion of U.S. foreign aid to one of the dismantlers of the United States Agency for International Development. He has gone from piquant adversary of the president's first-term foreign policy to an enabler of legally disputed strikes on alleged drug-trafficking boats and a cheerleader for the president's hegemonic approach to the Western Hemisphere. Having lambasted President Barack Obama's 2015 deal to ease sanctions on Iran in exchange for limits on its nuclear program, Mr. Rubio is now among the loudest supporters of a similar agreement that Mr. Trump hopes will end the war there.

Mr. Rubio's gymnastics have made him an increasingly successful ally of the president and increasingly puzzling to those who thought he'd be a moderating, less MAGA-ish force within Trump 2.0. Yet his shape-shifting is not a new phenomenon; it is a defining characteristic. A close look at Mr. Rubio reveals one consistent truth about him: Marco Rubio has always found a way to belong.

In his Venezuela ascendancy and through his navigation of the failures of the Iran war, he has managed to deepen his relationship with Mr. Trump and cement his membership-in-good-standing in the political movement the president created. He has seemed just fine with going on television to defend Mr. Trump's war of choice in Iran, when others, including his main rival to be Mr. Trump's heir apparent, Vice President JD Vance, occupy more prominent public roles in negotiations to end the conflict. As when he was playing high school football, Mr. Rubio seems delighted to be on the team, even

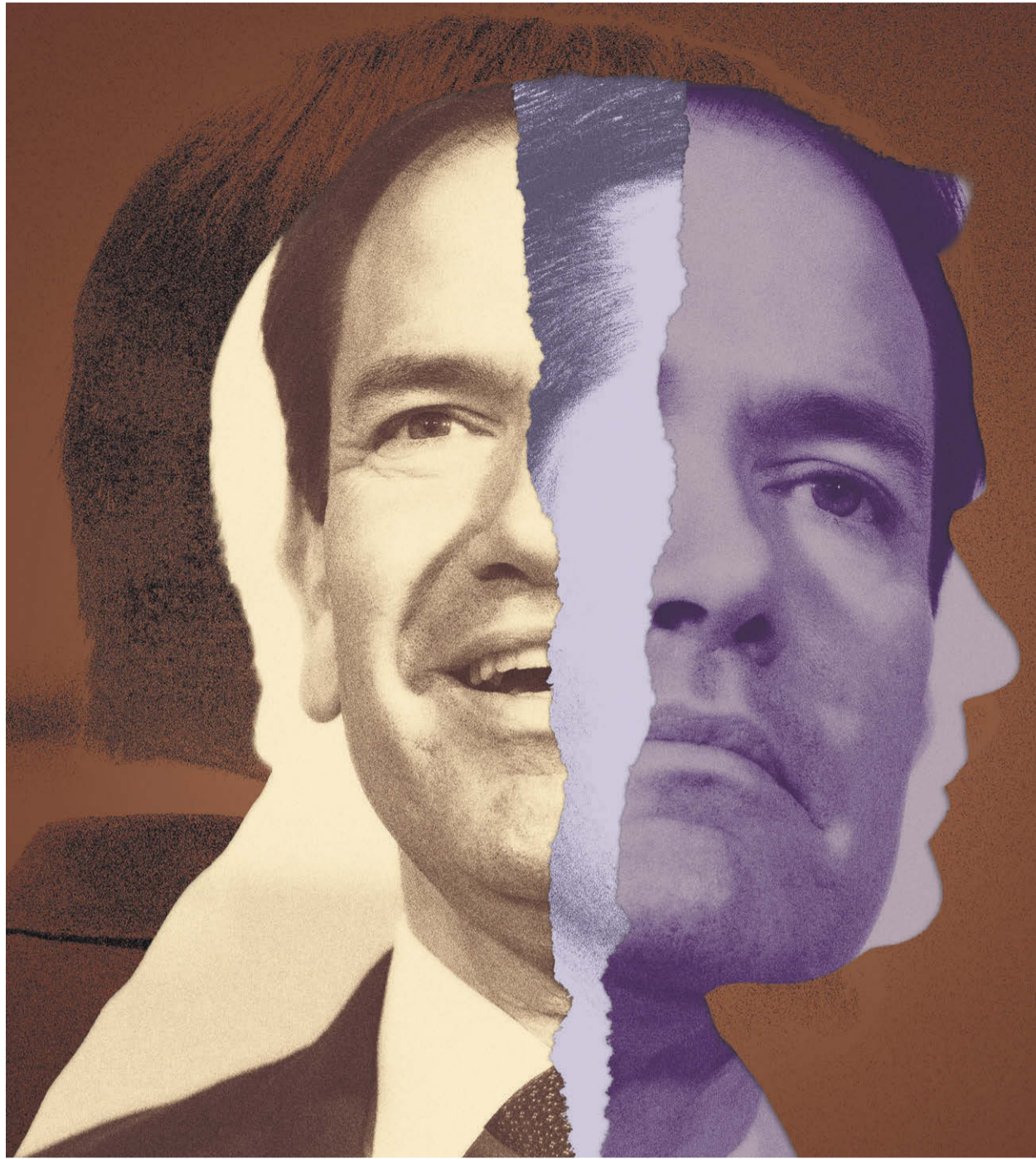


ILLUSTRATION BY CELINA PEREIRA; SOURCE: PHOTOGRAPHS BY SAUL LOEB/GETTY IMAGES



ANDREW HARNIK/GETTY IMAGES

The secret to Marco Rubio's success.

if he's not a star player.

That's not to say Mr. Rubio won't get his chances for glory. Mr. Trump frequently mentions him as the man who will bring Cuba into line with the president's goal of regional domination. As the Iran war lumbers to an inconclusive end, that hemispheric goal is returning to Mr. Trump's attention. On May 20, the Justice Department indicted the country's former president, Raúl Castro, and a Trump-imposed oil blockade has set off an economic crisis on the island. Mr. Rubio, for his part, has offered the country \$100 million in aid via the Catholic Church or independent charities.

At some point, it seems as if Mr. Rubio's pileup of contradictions will have to catch up with him. Yet over the two decades I have observed him, including writing a 2015 biography, Mr. Rubio's paradoxes haven't been a liability. If anything, they've been an asset, at least from a political perspective. Few are better at reading the American room. Which means Americans have a real interest in Mr. Rubio's serial metamorphoses, not just because he is currently both secretary of state and national security adviser, but because he clearly still harbors ambitions of becoming president himself one day.

BORN in Miami in 1971, Mr. Rubio spent hours at the side of his beloved grandfather, Pedro Victor García, listening to the family's stories. In many ways, they were familiar tales of an immigrant family new to America.

Mr. García had come to the United States in 1956 from Cuba in search of a better life. In 1962, after an extended stay abroad, an American immigration judge ruled that Mr. García had relinquished his legal resident status. The judge ordered Mr. García deported, according to a recording of the proceeding. The order was issued shortly before the Cuban missile crisis threw relations between the countries into chaos, however, and Mr. García ended up staying in the United States for good.

In the ensuing years, the American dream did not come easily to the Rubio family. Mr. Rubio's father, who had arrived in the United States in 1956 before the start of the Cuban revolution, struggled to earn a living, tending bar and managing a residential building near Miami's airport. They did find community in religion. The Rubios belonged to a neighborhood Catholic church in Coral Gate, west of Little Havana. The young Mr. Rubio delighted in dressing up like a priest after Mass. "I had a habit as a child of playacting scenes from experiences that had made an impression on me," Mr. Rubio wrote in his memoir.

In 1979, when he was 8, the family left behind a Miami roiling with drug-cartel violence and moved to Las Vegas, where an aunt of his would factor heavily into his life. The aunt was Mormon. So were the boys who lived next door. Marco wanted to be Mormon, too. To entertain himself and his family, he would lip-sync the songs of the Mormon television stars Donny and Marie Osmond. Soon enough, he and his mother

were baptized into the Church of Jesus Christ of Latter-day Saints. The conversion was short-lived: In 1984, the family moved back to Florida, and by the time Mr. Rubio was in high school, his family had followed him back to Catholicism.

They embraced the intense and ever-present anti-Castro Cuban exile atmosphere of Miami. That would become an abiding hallmark of Mr. Rubio's political identity. Ascending from his days as a 20-something member of a suburban Miami city commission to become the first Cuban American speaker of the Florida House, Mr. Rubio was propelled in part by the power of a story he recounted about his family. He told the Cuban Americans among the audiences for his speeches that he was one of them — a son of exiles whose parents were forced to leave Cuba by Fidel Castro.

It was a story that turned out to be inaccurate. While researching my biography of Mr. Rubio, I came upon documents that proved his parents and older brother had arrived in the United States before the Cuban revolution began — nearly three years before Castro took power, around the same time as Mr. Rubio's grandfather. In fact, his grandfather had returned to Cuba after Castro's ascent and taken a menial transportation job in the government.

When I wrote an article about the discrepancy for The Washington Post, where I was a reporter at the time, Mr. Rubio said he had relied on the oral history of his family and that was what his parents had told him. He denied purposefully telling an inaccurate story for political gain. He said his parents should be considered exiles because they'd wanted to return to Cuba, but couldn't. It was a fair point, even if it didn't exactly clean up the story he'd been telling.

Soon enough, Mr. Rubio would face uglier challenges to his family's history. When Mr. Rubio was a Republican vice-presidential contender in 2012, a theory began circulating that he was not a "natural-born citizen." The argument went that his parents, though they were legally in the United States, were not U.S. citizens when he was born and that he would therefore not be eligible to become president someday.

It was a bogus attack — because he was born in the United States, Mr. Rubio has been a lifelong citizen. But in 2016, while running for president, the story line resurfaced in a court case. As The New York Times's Adam Liptak reported last year, Mr. Rubio felt compelled to file papers in which he made a full-throated defense of birthright citizenship.

As one of the first acts of his second term, Mr. Trump issued an executive order greatly expanding the categories of people born in the United States who would not be eligible for birthright citizenship. The order has been stalled by court challenges, and in arguments before the Supreme Court in April, Mr. Trump's case seemed headed for defeat. Whatever the result, Mr. Rubio and his family would not be affected. Mr. Rubio has embraced Mr. Trump's move.

DESPITE all the contradictions, Mr. Rubio has cemented his membership in Mr. Trump's MAGA movement. He has flipped from ardent support for Ukraine to an inclination to make concessions to the Russian strongman Vladimir Putin. He has abandoned his longtime support for the work of U.S.A.I.D. and is now instead presiding over its death.

Some of Mr. Rubio's changes cut particularly close to home. His hard line on punishment for drug offenders contrasts with the leniency he once showed his former drug dealer brother-in-law, according to documents I unearthed with Scott Higham, who was then my colleague at The Washington Post.

When Mr. Rubio was the majority whip of the Florida House of Representatives, he used his official stationery to recommend to the Florida Division of Real Estate that Mr. Cicilia, who had recently been released from prison, should be granted a real estate license. The recommendation letter didn't mention his personal relationship to Mr. Cicilia. (At the time, Mr. Rubio dismissed suggestions that he did anything unethical.)

Mr. Rubio is one of the few politicians who have survived crossing swords with Mr. Trump — so far. Mr. Trump won't be president forever, and Mr. Rubio's relationship with him and the movement he created is something the secretary of state will never be able to hide. Together they have embarked on building a world order that will be difficult, if not impossible, to undo: a go-it-alone, interventionist America that takes what it wants. From Venezuela to Iran, and now Cuba, Mr. Rubio is along for Mr. Trump's disruptive ride. What if it all goes wrong?

I can imagine Mr. Rubio nimbly rising from the ashes, just as he did when Mr. Trump humiliated him in his home state, Florida, by trouncing him in the 2016 presidential primary. I have no doubt Mr. Rubio is simultaneously relishing it and feeling conflicted when he is, once again, trying on a new persona — a Trumpian MAGA role that he might one day need to abandon. The now-famous photographs of him on the Oval Office sofa watching Mr. Trump berate Ukraine's Volodymyr Zelensky have become memes for good reason, capturing both his tough-guy frown and his discomfort as he shrinks into the pillows.

Yet it says a lot about Mr. Rubio's skills that in the small group of shape-shifting survivors close to Mr. Trump, the secretary of state is emerging as a top contender in the race to succeed him. This new iteration of Mr. Rubio is angrier and more sullen than the often-sunny politician who became the charming and precocious darling of the Republican Party in the 2010s. His tone has become strident; his words, more biting. For now, at least, he's sending a clear message to the MAGA world that he is one of them — and would be a fitting heir.



PHIL COALE/ASSOCIATED PRESS

OPINION

COLUMNIST | LYDIA POLGREEN

Lebanon Is Fed Up, and Ready to Remake Itself

BEIRUT, LEBANON

Fresh from his evening shower on May 15, Ibrahim Nehme was settling onto the couch to watch the news in a quiet neighborhood in Tyre, an ancient city in southern Lebanon. There was a lot to catch up on. A Lebanese delegation had just met with Israeli officials in Washington, part of the first direct negotiations between the two countries in decades. In theory, the talks had been positive: The two sides had agreed to meet again in June and to extend the month-old cease-fire between them for 45 days.

But just as he tuned in, he heard a crackle of nearby gunfire.

"I started hearing people shouting and screaming, and people started shooting in the air," Nehme told me. The shooting could mean only one thing: An Israeli strike was coming. He grabbed his shoes, his teenage daughter and their cat, and hurtled down the stairs.

Minutes later, a missile crashed into the building next door. The blast sheared off the wall of the room Nehme had been sitting in; the sofa tumbled onto the ashen debris five stories below. Shards of glass blanketed the twin beds in his daughters' bedrooms, and deep fissures snaked up the apartment's exterior walls. He and his family had no idea why this placid, upscale neighborhood of elegant apartment blocks was bombed. It was a tight-knit community where everyone knew everyone, and the notion of Hezbollah fighters being among them was absurd.

"We are civilians," Nehme, an architect, told me the next afternoon as he surveyed the damage to his home of 25 years, where he and his wife had raised four daughters. "Why attack us?"

Like Nehme and his tumbling sofa, Lebanon has found itself in the wreckage of an epic battle not of its own making. Hezbollah, the Iran-backed Shiite militia group, has been in conflict with Israel, on and off, for decades. After it fired rockets into Israel in March as vengeance for the killing of Iran's supreme leader, Israel launched a brutal counterattack, killing almost 3,500 people and wounding more than 10,000, according to Lebanon's health ministry.

There is a cease-fire in place but also a war on. Israel regularly bombs residential areas it claims harbor Hezbollah militants, and Hezbollah attacks Israeli troops, who occupy an ever-expanding swath of Lebanese territory. Last month, Israel widened its ground assault and pushed deeper into Lebanon. On Monday, Benjamin Netanyahu ordered strikes on the Beirut suburbs, before pausing them apparently at Donald Trump's behest. Peace talks are underway between the Lebanese and Israeli governments, even though Lebanon is not fighting Israel.

The result is an atmosphere of unreality, a bewildering and surreal condition I saw again and again in my travels across the country. It was there on Beirut's famed cornice by the glittering Mediterranean, where shirtless men played hard-fought games of padel as young women in hijabs looked on, puffing away on fragrant shisha pipes. The roar of military aircraft and the low buzz of drones drowned out the gentle lapping of the sea.

Less than a mile away, just beyond a marina bobbing with gleaming yachts, hundreds of displaced people huddled in makeshift tents. They are the residents of border villages or suburban apartment blocks that have been reduced to rubble by Israeli air and drone strikes in the past three months, a mere handful of the more than 1.1 million Lebanese forced to flee their homes. In the south, makeshift gravesites dot the cities, their slapdash nature testifying to a stubborn vow to rebuild the ancestral villages razed by Israeli troops.

Those who are displaced run because of evacuation orders that arrive on social media from the Israeli Army's Arabic spokesman. These orders have their own surreal quality. A foreign military, operating inside the territory of another nation, declares that "in light of the terrorist Hezbollah's violation of the cease-fire agreement, the defense army is compelled to act against it forcefully." These messages elide who, exactly, this "defense army" is defending.

The regional situation has never been so febrile. Each day brings news that seems to upend the news of the day before: The war in Iran is ending, or escalating, or both. Everyone, meanwhile, seems to be learning the hard lessons that only war can teach. Iran's proxies did not protect it from American attack. Israel's maximum force doctrine has, paradoxically, produced more resist-



PHOTOGRAPHS BY WILLIAM KEO FOR THE NEW YORK TIMES

ance. America's power was shown to stop short at the Strait of Hormuz. Nobody knows what comes next.

Yet what struck me, over the course of a week in Lebanon in mid-May, is how united so many Lebanese seem in their exhaustion. Whatever their creed, they can no longer stomach being in the cross hairs of for-

ign powers. Instead, there appeared to be a tentative consensus emerging, even among those most likely to blame Hezbollah for the country's woes, that the people of Lebanon must find a way to share political and economic power. It was a hope, muted and precarious, that in place of absurdity and surrealism could come clarity and realism.

ELIAS JARADE typifies this changing mind-set. An Orthodox Christian member of Parliament from southern Lebanon, Jarade defeated a Hezbollah politician in 2022 as part of a list of candidates seeking to break down sectarian divides. If he might once have been sympathetic to Israel's fight against Hezbollah, that changed after Israel used booby-trapped paggers to attack Hezbollah leaders two years ago. Jarade, an eye surgeon, was horrified by the gruesome injuries he saw in civilian patients and disgusted by Israel's celebratory response to the attack, which injured thousands.

"They congratulate Netanyahu for what he has done," Jarade told me. "Let them come see the children, the elderly, that were blinded by these paggers. How come you are congratulating them? You know what the impact will be. There are two crimes that happened at the same time: the pager attack and the silent attitude of the whole world." For Jarade, the atrocity put Hezbollah and Israel side by side as terrorizers of innocent civilians.

Tarek Mitri, an Orthodox Christian politician who serves as the deputy prime min-

ister, also seemed keen to move past old divisions. He told me that efforts to portray Hezbollah as simply a tool of Iran, with no legitimacy in Lebanon, will backfire. "Hezbollah had a role, a major role, in driving the Israelis out of the south," he told me, referring to Israel's withdrawal from Lebanon in 2000 after nearly two decades of occupation. "They were hailed in Lebanon, not just among the Shiite community, but among all of us."

Hezbollah's popularity certainly waned, even among Shiites, when the group decided to join Hamas in targeting Israel after Oct. 7, and again after the killing of Ayatollah Ali Khamenei this year. But the ferocity and indiscriminate nature of the Israeli assault have revived Hezbollah's image as a protector of Lebanese sovereignty, for all its deep ties to Iran.

"I think we missed an opportunity in the year 2000 of restoring the full sovereignty of the state," Mitri said. "From there on, Israeli incursions into Lebanese territory or Hezbollah operations into Israel have given each other pretext to interfere." There is simply no military solution to the problem of Hezbollah, he told me. Instead, he said, its resolution will inevitably involve not just Iran and Israel but also other major players in the region. "Lebanon cannot be extracted from the conflict with Israel, unless there is a regional peace achieved."

A couple of days later, I traveled to the region hardest hit by the conflict: the Shiite heartland of southern Lebanon. On my way south, I stopped in to visit a member of Parliament named Halima Kaakour in her ancestral village of Baasir. In a sprawling compound perched high above the sea, she made me a lunch of traditional Lebanese flatbreads topped with ground lamb, za'atar, homemade cheese from a family dairy and freshly chopped tomatoes and herbs grown in a nearby garden.

"My ancestors used to do this, and now the new generation, they don't want to work like that," she said, stoking the glowing embers inside a wood-burning oven. "We are struggling to keep it alive."

That is not the only thing Kaakour, a professor of international law and a Sunni Muslim, hopes to preserve. She has dedicated her life to the dream of a pluralistic, secular and united Lebanon. She was first elected in 2022, pledging to bring secularism, feminism and an emphasis on human rights to Lebanese politics. She has long been critical of Hezbollah but, like the deputy prime minister, rejects attempts to paint it as an alien force bent on destroying Israel. Her focus, instead, was on Israel.

"Israel tells us that it is going to transform Lebanon to Gaza, it's going to occupy our land, destroy our land," she said, referring to the approach laid out by officials including Israel's defense minister. "Under international law, the threat to violence, not only the violence, is a crime itself." Israel's right to self-defense cannot come at the expense of Lebanese civilian lives, she argued, and killing a handful of Hezbollah fighters cannot justify the occupation and destruction of vast tracts of a foreign country.

I left Kaakour's home, driving toward the coast and then south, crossing a half-destroyed bridge over the Litani River that demarcated the most active zone of Israeli military strikes. Turning off the busy north-south coastal highway, I headed inland toward Nabatieh, a city nestled among rocky hillsides that Israeli strikes had pummeled for weeks despite the cease-fire. Suddenly, I was in the only car on the road, speeding past shuttered storefronts and ghostly piles of rubble. Almost everyone had left, heeding Israeli evacuation orders.

I drove to a hilltop hospital to speak with the skeleton crew of medical workers that remained behind, tending to those who were unable to flee or who chose not to. Among them was a paramedic named Hussein Dakdouk. A few days before, he told me, in the aftermath of an airstrike, a man pulled up to the paramedics' headquarters, his leg badly injured by the blast. Two paramedics rushed toward the man with their emergency gear, and Dakdouk ran to the ambulance to prepare it to transport the man to the hospital. As he turned the key in the ignition, he saw a rocket tear into his colleagues.

"I saw them being blown into pieces," he said.

Two medics and a member of the administrative staff were killed in the strike, he said, three of more than 116 people killed by Israeli strikes on health care facilities since March, according to the World Health Organization. Rescue workers and journalists across southern Lebanon have been killed in "double tap" strikes, in which an Israeli rocket hits a target, and then another rocket is fired once people arrive to provide medical aid and document the scene. Such strikes were a hallmark of the Gaza war.

"Whenever separate previous incidents follow the same pattern, this makes us believe that this is not something random that is happening," Dakdouk told me.

He sent the rest of his family north for safety, but felt compelled to remain to help those left behind. His house had been destroyed in the previous war between Israel and Hezbollah, in 2024, along with his small farm. But no amount of force could compel him to leave.

"This is our land," he said. "We are not immigrants."

About a week after my visit to Nabatieh, strikes on the area intensified as Israeli forces appeared to be encircling the city. Among the many buildings leveled was the headquarters of Dakdouk's ambulance team.

In theory, the Lebanese Army should be in control of this terrain. But it is underfunded and underequipped. Partly this is a result of Lebanon's own shambolic economic situation, but it is also a product of



بنتك طرقاً خاطئة...
ثم تلوم الوجهة.
(فاطمة عبدالله)

YOUR DAILY ARABIC PROVERB
*We choose the wrong route,
and then blame the destination.*
Fatimah Abdallah
(Lebanese journalist, writer and columnist)

Opinion

Boom or bust: the limits of Africa's youth bulge

HAFED AL-GHWELL



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Demography has a habit of being discussed as destiny. Population projections are displayed on conference screens, charts point upward, and speeches celebrate Africa's emergence as the world's youngest continent. Beneath all this, however, lies a less palatable reality: Demographic advantage operates on a clock. Africa's youth bulge is often presented as a permanent feature of the continent's future when, in reality, it is a temporary demographic wave. Every year that passes without adequate job creation, productive investment, and skills development shortens the period during which that wave can generate prosperity. Every year of delay converts potential workers into frustrated job seekers, informal earners, or migrants searching elsewhere for opportunity. A demographic dividend, therefore, is not a gift; it is a transaction. Governments, businesses, and institutions invest in human capital and economic opportunities today in

exchange for higher productivity tomorrow. Failure to make that investment produces a very different outcome. A dividend can mature into a liability. By the middle of this century, Africa will possess the largest workforce in the world. Hundreds of millions of young people will reach working age, while most advanced economies will confront aging populations and shrinking labor pools. Such numbers explain why investors, policymakers, and economists repeatedly describe Africa as the last great growth frontier. Numbers alone, however, do not create prosperity. Africa currently faces a critical imbalance between labor supply and labor demand. Roughly 12-15 million young Africans enter the labor market every year, yet formal job creation remains far below that number. As a result, youths are pushed into informal activities because gainful alternatives scarcely exist. Unfortunately, most discussions tend to frame unemployment as the central problem, when underemployment may be the larger challenge. An entire continent can experience

rising employment and declining prosperity simultaneously if most employment occurs in sectors with weak productivity growth. Such realities explain why Africa's highly touted demographic window is finite. Greater attention should be directed, instead, toward the dependency ratio hidden beneath it. After all, economic history repeatedly shows that countries experience their greatest demographic gains when a large share of the population is working while relatively fewer people depend on them. Africa's opportunity follows the same logic, yet with an important distinction. Fertility declines have proceeded unevenly across the continent. Several countries remain at very early stages of demographic transition. Others are moving more rapidly toward lower fertility and a more favorable age structure. Consequently, Africa's demographic dividend will not arrive as a single continental event. Different countries are entering different phases of the opportunity at different times. Migration pressures may intensify. Despite the rhetoric, migration reflects rational

economic decision-making rather than desperation alone. Ambitious, educated, and entrepreneurial individuals often leave first because they possess the capabilities to do so. Less-skilled workers may follow through irregular pathways when legal alternatives remain unavailable. Perhaps the most important lesson is that demographic dividends are earned before they appear in economic statistics. East Asia's success was not produced by demographics alone. Demographic change amplified the effects of policy choices already underway. Africa's youth bulge offers no guarantees. Optimists frequently describe Africa's young population as its greatest asset. Skeptics warn that it could become its greatest challenge. Both assessments are valid. By 2035, Africa will not be deciding whether it possesses a demographic dividend but will be discovering if it has already been used. History will judge the outcome not by the size of the youth bulge, but by the number of productive futures built before the window closes.

By the middle of this century, Africa will possess the largest workforce in the world



COURTESY: AMALIO RUIZ/ASHARQ AL-AHSAN

There is indeed a real issue with the assimilation — not integration — of a large part of the youth of the country

Paris chaos raises questions about public order in France

KHALED ABOU ZAHR



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In 2011, two North African national football teams faced each other. In the aftermath of the match, minor incidents were reported in Paris as groups of supporters displayed their respective flags in the streets. I remember watching a French news report in the days that followed. It featured an elderly resident who bluntly — and quite understandably — asked why a match between two foreign countries was causing clashes in Paris. Ten years later, the same teams met again and, once more, tensions erupted, this time on a much larger scale, including incidents on the Champs-Élysées. This pattern shows that what happened after Paris Saint-Germain's UEFA Champions League final victory against Arsenal last week was not entirely surprising. Most media in France covered the aftermath as a football and a youth problem. This is partly true. Just as the UK faced violence from football hooligans, it was dealt with through both security measures and engagement. Yet, despite no ethnicity or religious background being officially disclosed among the hundreds

of arrests reported (more than 400 nationwide, according to police figures), the whisper tends to point the finger at French dual citizens and individuals with North African backgrounds. The few examples mentioned in the media include individuals already known to the police for public order offenses. The level of chaos observed during what should have been the celebration of a victory has raised further questions about stability and public order. French justice has responded swiftly by issuing rapid court hearings, handing down fines and short custodial sentences in some cases, while enforcing stadium bans and other restrictions on identified offenders. But everyone knows the issue will not be solved, with some even hinting at the risk of these crowds being instrumentalized by enemy nations to create chaos and destruction during times of increased geopolitical tension. There is a real question about where the loyalty of children of North African origin lies: with France or with their country of origin, which most of them do not even know, as they

were born and raised in France. There are more than two sides to each story. The scenes in France are troublesome. To start with, before any violence, I, as a French citizen, am bothered by seeing the waving of foreign flags on French soil to celebrate the victory of a team from the capital because it is done with a political message and not out of genuine celebration. There has been an indoctrination pushed by thought leaders that, by raising foreign flags, you express your right to protest the state's oppression, while those waving the French flag are accused of extremism. There is something wrong with this equation. Since when has being proud of your country, looking up to its flag and being moved by its national anthem something that is wrong? Yet, we cannot stop there. France has welcomed immigrants throughout its history and has always been a generous nation. Too generous, some might say. And many of the youth are stuck in areas that lack opportunities and where order no longer exists. A French comedian said it better than I ever

will. He stated that everybody mentions the social elevator available in France, yet no one mentions that today it is broken down and smells bad. There is indeed a real issue with the assimilation — not integration — of a large part of the youth of the country that is coming from Africa. My belief is that there is no real will by any of the political parties to do anything about it because they serve as the perfect pawns in their political games. The left-wing parties have played their hand well. They have created an environment of a welfare state with a very focused geographic targeting, emphasizing social protection. On the other hand, the right-wing parties, which have in some cases moved away from traditional conservative values, often respond to these issues with scapegoating, particularly during election cycles. This dynamic has left this youth in no-man's land, devoured by a political game where support for law and order and national identity is demonized instead of being respected.

Opinion

Middle East is walking a tightrope to avoid greater calamity

YOSSI MEKELBERG

Against its wishes, the entire Middle East has become embroiled in the US-Israeli-Iranian triangle of conflict. Since a ceasefire was agreed at the beginning of April, the region has been left with little certainty as to whether this fragile truce will lead to a long-term solution or, should negotiations fail, to a resumption of the war, possibly with even greater intensity. Meanwhile, the facade of a united US-Israeli front regarding Iran and its proxies has begun to show widening cracks. An explosive telephone conversation between US President Donald Trump and Israeli Prime Minister Benjamin Netanyahu last week illustrated these growing divisions.

There appeared to be a clear interest from at least some quarters of the Trump administration in ensuring that details of the conversation reached the public domain, including the unpleasant expletives reportedly used by the American president. Trump allegedly suggested that, were it not for him, Netanyahu would already be in prison, telling the Israeli leader: "Everybody hates you now. Everybody hates Israel because of this."

This was hardly subtle, nor what one would normally expect from a diplomatic

exchange between allies. Nevertheless, it conveyed a clear message: A war that had begun with relative harmony between the two leaders has now exposed a significant rift between the two allies, as their priorities and objectives increasingly diverge. Trump's frustration appears to stem from his focus on ending the war and desire to reopen the Strait of Hormuz, the closure of which is hurting the US and its allies' economies, while also seeking to resolve the nuclear issue. Netanyahu, by contrast,

appears to have a much broader agenda, including continued military pressure on Iran and Hezbollah and, potentially, regime change in Tehran.

The immediate trigger for Trump's anger was

Netanyahu's threats, echoed by other members of his government, to escalate military operations in Lebanon, including suggestions of flattening parts of Beirut that serve as Hezbollah strongholds. This came at a time when Tehran was insisting that any agreement to end the broader conflict must be linked to ending hostilities in Lebanon, while Israel maintained that military operations would continue until Hezbollah was disarmed.

What this angry exchange demonstrated is that it is ultimately only the US, and

particularly Trump, who can restrain Netanyahu. Immediately after the conversation, Netanyahu reportedly ordered an immediate halt to the bombardment of Beirut.

The Israeli leader can largely blame himself for reaching this low point in relations with both Washington and Trump personally, relationships that are arguably more important to Israel than they are to the US. This development carries both positive and negative implications. On the positive side, Washington appears increasingly aware that it should not simply follow Netanyahu's lead in shaping Middle East policy, particularly if that would involve becoming entangled in a prolonged regional war. In a region as complex as the Middle East, sustain-

able conflict resolution requires engaging with that complexity rather than selectively addressing issues while assuming that the opposing side will eventually capitulate.

Nevertheless, a widening rift between Washington and Israel at such a critical moment may also embolden Tehran's negotiating stance, a concern for many countries across the region. The decision to go to war without a clear endgame, based on the assumption that the Iranian regime would collapse within days or weeks under combined domestic and external pressure

and be replaced by a pro-Western government, was unrealistic from the outset.

The Iranian regime will likely remain intact. However, this should not imply acceptance of policies that seek to destabilize neighboring countries by providing weapons, funding, and political support to allied groups. At the same time, Israel must recognize that much of the region strongly opposes Netanyahu's increasingly hard-line, risk-prone, and often counterproductive approach to managing regional conflicts. In the months leading up

to Israel's general election later this year, the current government will likely seek to demonstrate to voters that it can "finish the job" by eliminating Hamas, neutralizing Hezbollah, degrading the Iranian military and

nuclear capabilities, and perhaps even facilitating regime change in Tehran, all primarily through military means.

Yet more than two and a half years of this approach have done little to enhance Israel's security. Israel's legitimate security concerns have increasingly been translated into demonstrations of military power, supported by the US, but without a credible political or diplomatic horizon. The result could be years of further security, economic, and diplomatic turmoil that would only strengthen the most radical forces on all sides.

Netanyahu can blame himself for reaching this low point

This strategy has done little to enhance Israel's security

The Arab American Civil Rights League last week announced it will seek to hold the Israeli government accountable for alleged war crimes in southern Lebanon by filing a federal class action lawsuit against the US government and American businesses that violate the Leahy Act.

It is a brilliant move that should have been made sooner.

The Leahy Act, or Leahy Law, was approved by US Congress in 1997 and codified in the Foreign Assistance Act in 2007. The laws are specific and create a foundation for legal action to prevent or punish war crimes.

The act is founded on fundamental US human rights statutes that prohibit the state and defense departments from providing military assistance in terms of funding or armaments, equipment, or training to foreign security force units if there is credible information that these units have committed a "gross violation of human rights."

The Arab American Civil Rights League is targeting violations by the Israeli government, which in March began bombing civilian villages and cities in Lebanon. Many members of the human rights group are Lebanese Americans from

Bint JBeil, a village near the Israel-Lebanon border that has been extensively damaged in Israeli attacks.

Israel's military is armed and funded by the US to the tune of more than \$3.5 billion each year, plus gratuitous grants awarded to strengthen the voter appeal of many American politicians who turn a blind eye to human rights violations when these involve nations they favor.

Israel is one of those nations that continues to commit war crimes,

including the destruction of civilian property and the killing of innocent, noncombatant civilians. It is also one of the few nations that most members of the US Congress and government protect by excusing its actions.

In the past four years, for example, Israel has killed nine Americans using weapons, funding, and training provided by the US. Instead of holding Israel's government to account, politics has stepped in and those responsible have escaped accountability for their actions.

When a military kills a defenseless civilian, it is nothing less than a prosecutable war crime.

Since 1948, Israel's military has targeted and murdered non-Jewish civilians in an attempt to ethnically/religiously cleanse "their state" of non-Jews, Christians, and

Muslims. More than 400 villages were destroyed during the 1948 war started by Israel but blurred by Israeli propagandists through clever propaganda and weaponized communications.

In fact, in each of its military attacks against non-Jews over the decades, Israel has committed war crimes, not only destroying civilian homes but also killing civilians.

Israel fabricated the term "extrajudicial killing" in an attempt to portray immoral conduct in a faux moral manner. The term was first used by Israel to justify the killing of critics without proving the guilt of the target.

In recent years, the world has seen Israel continue these policies with impunity, a lack of accountability and, worse, the intentional apathy of the US.

Israel committed war crimes with America's support by razing Gaza, destroying homes, businesses, churches, mosques, schools, and farms, which are all protected as a part of protected civilian life.

Amid the widespread destruction, tens of thousands of civilians, including many women and children, were killed by Israeli soldiers who had been armed and funded by the US.

Now, Israel is doing that in Lebanon.

Members of the US Congress can close their eyes to these Israeli war crimes and the US can pretend they do not occur. But

they cannot turn their back on the rule of law, the foundation of America's Constitution and civilian life.

The laws are the weapons that can punish Israel's war crimes, and the Leahy Act clearly defines how those legal rulings apply to the murder of civilians and the destruction of civilian structures such as homes, schools, businesses, mosques, and churches.

Legal action needs to be taken if a government refuses to enforce the laws.

The Arab American Civil Rights League is taking that action. And every Arab American and Muslim organization should be inundating the American judicial system at every level and in every jurisdiction

with lawsuits targeting Israel's war crimes. It will not be easy, especially in a nation that has compromised its legal and moral ethics to protect entities such as Israel's current government. But the evidence of war crimes is abundant, with Israeli soldiers videotaped boasting that they were told by their commanders to destroy civilian structures and target civilians.

War crimes can be pinpointed with evidence in a specific and powerful way.

The lawsuit would have to be fought by experienced lawyers, but their filing would raise public awareness of what Israel's government is doing.

Lawsuit places Israeli actions in legal spotlight

RAY HANANIA



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OPINION

EDITORIAL

Baby Danny case shows gaps in laws around home births

The case of two-month-old Danny has sparked concern over his welfare and debate on whether home births, though legal, need to be regulated to ensure health and safety. Danny's parents were arrested on suspicion of child neglect after not registering his home birth as required by law and failing to provide evidence of parentage. It was the latest chapter in a troubled parenting past also involving two other children born at home.

The couple eventually provided DNA samples that verified parentage. Meanwhile, the Social Welfare Department obtained a protective custody court order in the boy's best interests. He is now in a care home pending a decision on his future, after a medical examination apparently showed no obvious injury.

The unmarried couple's background includes the loss of a baby a month after birth in Finland. Another child remains under social services care in Sweden. The case is perplexing, but ultimately it is not just about the parental rights of Tsang Wai-bong, a 43-year-old former physiotherapist, and his partner, Kwan Pui-sin, or compliance with procedure. Danny's welfare and best interests are paramount. Birth registration is the gateway to legal protection, education and welfare. Parents enjoy freedoms and prerogatives, but they must be reconciled with a child's fundamental rights.

The case came to light through the couple's social media page, "Save Lily", where they have been campaigning for the return of their second daughter from Sweden. The family moved there when Finnish officials refused to issue a birth certificate for Lily, ruling that she was a Hong Kong resident.

Swedish police later detained the couple on suspicion of money laundering, prompting social services to take Lily into care. A custody battle continues as the Swedish order remains in place.

Social welfare officials will assess the situation in the context of Danny's best interests. Options include placement in a care home until old enough for foster care or until it is deemed suitable for the couple to resume custody.

Danny's case revealed that current legislation does not have specific provisions for home birth, although a multitude of complications can arise. The government should consider lawmakers' calls for new rules to fill the vacuum. Social welfare sector lawmaker Grace Chan Man-ye, chief executive of the Hong Kong Council of Social Service, said the case had exposed a clear gap.

"The law only covers the actions of midwives or doctors and the registration of birth," she said. "But there is no rule that directly protects a newborn's health when parents choose to deliver at home without any medical help."

Students need help to overcome hurdles

Hong Kong has rightly sought to enhance its competitiveness by opening its door wider to overseas talent in recent years. Separately, more non-local students are allowed to study in local universities and stay after graduation, a positive policy for economic and social development. Like the difficulties encountered by those recruited via special visa schemes, mainland students are struggling to overcome various problems when considering settling in the city. According to a survey by the Youth Expats Association, high rents, career uncertainty and social integration are weighing heavily on the students.

Accommodation costs topped the list of grievances, with 19.2 per cent of the 380 respondents citing it as their biggest burden. Uncertainty over career development came second at 17.6 per cent, followed by daily living expenses at 17.1 per cent and academic pressure at 16.6 per cent. Language and cultural adaptation accounted for 15.3 per cent of the stress, while a lack of a social circle and a sense of belonging troubled 14.2 per cent.

The findings do not come as a surprise for a city known for its high living costs and strong cultural identity, but they provide food for thought as the authorities seek to tap into this potential pool of talent by attracting more to study and settle here. While nearly 44 per cent of the respondents expressed a firm or leaning intention to stay in Hong Kong in the long term, the remaining 56 per cent were either actively planning to leave, intending to return to the mainland or hedging their bets by comparing Hong Kong with overseas markets.

The students have chosen Hong Kong for its quality education, international outlook and proximity to the mainland. Many arrive with strong academic records and an ambition to build careers in a city that prides itself on being both Chinese and global. Yet they also encounter obstacles once they graduate: high rents, living costs, uncertainty over jobs, limited social integration and a persistent sense of being visitors rather than future stakeholders. Allowing more overseas talent and students to come is just the first step. More concerted efforts are needed to help them overcome the hurdles so they will feel comfortable making the city their long-term home.

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HARRY'S VIEW ON HOW LONGEVITY CREATED AN MPF SHORTFALL



Threats and reality

David Dodwell says Beijing's successful industrial policies are not very different from those used by Europe, the US or 'Asian tigers' in the past

Europe's political and business leaderships appear to have concluded that China's economic dominance represents an existential threat – not from intrinsic competitiveness but from subsidies, technology theft, state-owned enterprises and a pervasive industrial policy.

Cecilia Malmstrom, former European Commission member and a member of the European Parliament, wrote this week about "an ever more aggressive China", which "seems to be entering a new phase of industrial policy with an increase of targeted subsidies, dumping and overproduction as strategies to increase exports".

She called for Europe to develop "a coherent updated strategy" to deal with the threat. It is perhaps no coincidence that EU trade commissioner Maros Sefcovic met his Chinese counterpart Li Chenggang on the margins of an Organisation for Economic Cooperation and Development ministerial meeting in Paris on Thursday. In addition, China's Commerce Minister Wang Wentao will hold talks in Brussels at the end of this month as part of a "trade and investment consultation mechanism".

From here in Asia, European companies have much to fear from competitive Chinese enterprises, whether public or private. However, to blame the threat on subsidies and export-focused overproduction is as mistaken as it is inevitable. The alternative is to look inward at Europe's own competitive shortcomings.

European enterprises crying foul against Chinese competitors is no surprise: what self-respecting chief executive is ever going to confess that a sharply declining market share is down to their own failings? Blame will always be placed on those "cheating foreign enterprises" which work hand-in-glove with their governments to tilt the playing field.

That is why so many executives rarely call for "free

trade" but instead talk of the need for "fair trade". It is easier to blame subsidies, dumping or overproduction than to focus on their own weaknesses, and on the foundations of China's economic competitiveness.

It is true that China has unabashedly developed industrial policies and uses subsidies, preferential tax rates and generous financing to aid development of strategic sectors. But what about Europe's huge farm subsidies? What about the US' local content rules that have protected the American car industry for decades? What about the policies that supported growth in Japan, South Korea, Singapore and Hong Kong in the wake of World War II?

From this vantage point, China's sins are twofold. First, it developed and sustained a carefully targeted suite of industry policies tailored to an economic system that interconnects policymakers with enterprises, both government-owned and private.

Second, it has an economy large and cohesive enough to experiment, make mistakes and recover. It has also helped that China has focused on infrastructure and research and development in sophisticated sectors, ensuring fierce domestic competition while keeping companies exposed to the discipline of export competition. In short, China's difference is not that it has industrial policies, but that they have been smart, flexible and sustained.

A recent Rhodium study of China's industry policies noted how hard it is to pin down the support mechanisms Beijing provides. This is not just because they are numerous or opaquely delivered but because "they are systemic, pervasive and cannot easily be identified as benefiting certain sectors or companies in particular".

China's industrial policies are not about picking winners but about pursuing competitiveness across the economy. As Yuen Yuen Ang of Johns Hopkins University recognised, it is about "directed improvisa-

tion" – broad policy guidance from the top and creative flexibility below for companies and local governments to compete fiercely, both domestically and in international markets.

The so-called subsidies that upset the West are in reality no more than integral elements of domestic fiscal management. The extensive Rhodium audit of China's subsidies discovered that the largest form of subsidy was in land prices, cheap bank loans or discounted energy prices. But are such costs not commonly determined at the discretion of most governments, and no more a trade weapon than a government's right to set its own corporate tax rates or capital gains taxes?

It is the same with Western claims of China's overproduction. How can Europeans complain when Germany exported 76 per cent of the 4.15 million cars it produced last year? China produced more than 34.5 million cars last year, but it only exported around 7 million. For a manufacturer in Europe, this provides cold comfort. The competitive threat is acute, even if China's motives are not as aggressive as some might believe. The imperative in Europe to "de-risk" remains strong, and not only when it comes to China.

If China's motives are not aggressive, then the European search for a solution must be different. Security concerns become less important, and the imperative to lift competitiveness becomes more so.

In this context, recommendations in the recently released Industrial Accelerator Act make sense: demand that Chinese companies produce in Europe, transfer technology, train and employ local staff, and commit to joint ventures with no more than a 49 per cent share.

Reintegrating a country as huge as China into the global economy was never going to be easy. Its success is a mixed blessing for many and its huge trade surpluses are unsustainable. The "China shock" is real and has to be addressed. This month's high-level EU-China discussions are critically important.

David Dodwell is CEO of the trade policy and international relations consultancy Strategic Access

Trump is turning allies and partners towards China

Alex Lo says dealing with Beijing offers Canada and India more leverage with the US as well as economic benefits, amid the president's unpredictability

China-Canada relations are undergoing a thaw after years of estrangement and recrimination. China and India are seeking a rapprochement despite deep-seated distrust and sometimes violent border disputes. Both cases share a common element: Donald Trump.

Meanwhile, following the US president's visit to Beijing, his defence secretary Pete Hegseth avoided mentioning Taiwan at the Shangri-La Dialogue in Singapore. He sounded almost conciliatory by hailing ties with Beijing as "better than they've been in many years" while arguing for a "strong, quiet and clear" US stance towards the region.

That would have pleased President Xi Jinping. However, it probably alarmed Japanese Prime Minister Sanae Takaichi, Philippine President Ferdinand Marcos Jr and Taiwan's leader William Lai Ching-te. The trio seem to have been coordinating on a united front against Beijing from an old American script. Perhaps they haven't received the latest memo.

Hegseth did offer the obligatory warning about "rightful alarm" at China's military build-up. Then again, the same White House has demanded that Asian allies spend 3.5 to 5 per cent of their gross domestic product on their militaries. One can hardly expect China to stand still while its neighbours plan to rearm. Still, Hegseth's softer tone is notable, and it's surely a good thing whenever tensions between the two superpowers are lowered.

On the Canadian front, late last month, Foreign Minister Wang Yi became the first top Chinese diplo-

mat to set foot in Ottawa in a decade. Canadian Prime Minister Mark Carney is clearly hedging with China and the European Union because the country's traditional trade partner down south has become openly hostile. Whether it was Trump's threats to make Canada the 51st American state, tear up the Canadian-Mexican-US trade pact or impose punishing tariffs, Canadians have never felt so threatened by Washington.

Canada's "strategic partnership" with China has been a long time coming. Carney's predecessor, Justin Trudeau, first came into office in 2015 promising to improve relations with Beijing and promote bilateral trade. He ended up worsening relations to a level not seen in decades – if ever – following the arrest of Meng Wanzhou, Huawei's chief financial officer and daughter of the company's founder, at the request of US law enforcement. Beijing subsequently detained two Canadians whom it accused of having worked as spies.

But following Carney's famous speech about global realignment at the World Economic Forum and his "let us be friends" trip to Beijing, things have improved significantly. Hundreds of Tesla cars made in Shanghai have recently arrived in Canada under a quota system after Carney reversed a 100 per cent tariff imposed by Trudeau on Chinese-made electric vehicles. Meanwhile, Beijing has opened the door to buying more Canadian farm products by lowering levies.

There is, of course, a limit to how much Canada can drift away from powerful America. Still, the latest diplomatic optics offer both Beijing and Ottawa more leverage in dealing with the US.

As for India, there is no doubt that Indian Prime Minister Narendra Modi has been infuriated by Trump's tilt towards Pakistan, the US president having claimed that he mediated a peace deal between the two South Asian rivals over their brief military confrontation last May.

The fact that Islamabad has been occupying the centre stage in international diplomacy as the mediator between Iran and the US over their current war does not sit well with India.

For anyone who wants to thumb their nose at American arrogance, the easiest way is, of course, to start holding hands with the Chinese. Modi attended the Shanghai Cooperation Organisation Summit in Tianjin last August, his first trip to China in seven years. Xi is now likely to attend New Delhi's hosting of the Brics summit in September.

Despite their long-standing disputes and distrust, the two Asian countries have agreed to resume direct flights and relax visa restrictions, with Beijing consenting to allow Indians to visit Tibet. It's not a fundamental realignment, but rather a pragmatic attempt to make nice for the world – and Washington – to see.

Beijing has lifted some restrictions on exports of rare earth magnets, fertilisers and tunnel-boring machines to India since August last year. New Delhi later relaxed investment restrictions on Chinese firms. There are many points of contention being swept under the carpet, from border disputes and Tibet and the Dalai Lama to dam-building and water management in the Himalayas. But if India's ultimate goal is to become an economic powerhouse, its best bet may be with China rather than the US.

Alex Lo has been an SCMP columnist since 2012, covering major issues affecting Hong Kong and the rest of China

OPINION

Hegseth's volte-face

Zhou Bo says the US defence secretary's 180-degree turn may indicate an America in decline

Listening to US Defence Secretary Pete Hegseth at the recently concluded Shangri-La Dialogue in Singapore, I thought of the iconic Sichuan opera act of face-changing, where performers switch masks in an instant.

Last year, Hegseth's speech at the event was filled with blatant attacks on China. This year, he put on a completely different face, declaring: "Under President Trump's leadership, relations between the United States and China are better than they've been in many years."

Why this 180-degree turn? The answer lies in Donald Trump's recent visit to Beijing, hailed by him as a "tremendous success". If unwavering loyalty is the foremost requirement from Trump, then Hegseth's performance, as one of his top lieutenants, perfectly embodied this ethos.

Hegseth's speech did not mention Taiwan. Again, this was no surprise. Trump, it seemed, had little to say on the Taiwan issue in Beijing. On his way back, he said he had not yet decided on US arms sales to Taiwan, that "we're supposed to travel 9,500 miles to fight a war. I'm not looking for that".

Washington will find it increasingly hard to sell arms to Taiwan. As the China-US power gap narrows, Beijing now has a spectrum of retaliatory tools: cancelling pre-agreed bulk purchases from US firms, imposing sanctions on American defence contractors, or staging larger, more frequent and complex military exercises around the island.

Beijing can even deploy all three tactics simultaneously in a coordinated counter-

strike to maximise pain on the US. Washington will ultimately be forced to assess if these arms sales, while lucrative, draw the US into an unwinnable military conflict.

In his speech, Hegseth noted that the US military was meeting more frequently with its Chinese counterparts. This is good news if true. Formal military dialogue mechanisms have been scarce. A host of once-established channels – including talks between both countries' joint chiefs of staff and dialogues between the two armies – had been suspended. If fully restored, how could these old bottles be filled with new wine?

At the 2024 Lima meeting, President Xi Jinping and then US president Joe Biden agreed that nuclear command and control must remain under human oversight. While Trump is keen to dismiss any Biden legacy, he has no grounds for opposing this accord. The drone attacks of Russia and Ukraine show how artificial intelligence is advancing at breakneck speed on the battlefield.

As the dominant AI powers, China and the US ought to take the lead in establishing binding norms governing the military application of this technology.

Old ideological ghosts haunted Hegseth's remarks. His implicit narratives framing China as a hegemonic power and raising concerns over China's military build-up are clearly visible. But this argument carries little persuasive weight when Trump's America has threatened allies and partners, and launched wars. It is no surprise China's global approval ratings have climbed to surpass America's in some polls.

According to an analysis in Foreign Affairs magazine, China is "winning by waiting".

No American ally and partner in the region will answer Hegseth's call to raise their defence budgets to 3.5 per cent of their gross domestic product. Japan has poured extensive resources into boosting its military budget yet only managed to reach an estimated 2 per cent of its GDP, while South Korea, boasting the highest figure among regional allies, is at just 2.8 per cent.

An alliance system can resemble a criminal gang, with the boss calling the shots and underlings obeying unquestioningly

An alliance system can resemble a criminal gang, with the boss calling the shots and underlings obeying unquestioningly, yet this arrangement hinges on the boss bearing the bulk of the responsibility and paying most of the costs. Hegseth's warning against a "free ride" and his talk of increasing the defence "burden sharing" violate this unspoken rule.

Several times, Hegseth spoke of the importance of being "strong, quiet, clear". It's not clear what he means – though "strong" may be the most straightforward concept of the three to understand. One wonders, however, how his strongly worded suggestion of "less Shangri-La,

more ships, more subs" went down with the organisers of the annual defence forum.

Hegseth also vowed to be "clear about our intentions, our priorities and our ability to deliver on the administration's goals". He spoke of pairing military with "clarity of intent", promising to be "intentional about how and when we communicate" and to "lead first and foremost with actions".

Does America's war on Iran show "clarity of intent"? No one knows exactly why Trump launched it, never mind the speculation he was goaded into operations by Israeli Prime Minister Benjamin Netanyahu.

The most nebulous of the three terms is "quiet". My hunch is this: how can the world's sole supranational power suddenly decide to become quiet? The first priority in America's national strategy now is the western hemisphere. The so-called Donroe doctrine suggests a strategic retreat from the rest of the world; however, we are seeing exactly the opposite.

Much has been said about whether America is in decline. If, as appears, it is becoming more reckless and unpredictable, then, yes, it is in decline. The question then is how much more dangerous America can become. Is Cuba the next target?

The most important outcome of Trump's Beijing visit is a consensus on "constructive strategic stability". In this regard, it is not strange that Hegseth's address contained more gestures of goodwill towards China than some of his predecessors, but stability is never static. The challenge is how it can be maintained amid the fierce competition.

Senior Colonel Zhou Bo (ret) is a senior fellow of the Centre for International Security and Strategy at Tsinghua University and a China Forum expert

LETTERS

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Water reforms ring hollow when others control the tap

Ambika Vishwanath rightly highlights that South Asian governments often blame upstream neighbours for water woes, instead of undertaking domestic reforms ("South Asia must make water a top priority", May 13).

But in today's South Asia, a structural gap is the whole story: no amount of internal efficiency can protect a downstream country when someone else controls the tap. Any debate collapses unless it confronts that asymmetry.

Consider the Indus. For 65 years the Indus Waters Treaty survived wars and nuclear stand-offs. After an attack in Kashmir in April 2025, India suspended the treaty with Pakistan "with immediate effect", halting data-sharing as well as meetings between Indus commissioners.

Pakistan could repair every canal and modernise every pump station; none of that would restore the certainty of flows that farmers need to plant, or the data managers need to manage floods.

For an agrarian economy, missing flow data has implications that ripple through harvests and livelihoods.

The strategic damage is the uncertainty deliberately created, not merely the water withheld.

Now look east. In July 2025, China began building the world's largest hydropower dam on the Yarlung Tsangpo, the river that becomes the Brahmaputra in India.

There is no treaty, no binding agreement, no enforcement mechanism. The hydrological data-sharing agreement expired in 2023; China stopped sharing data in 2022. Bangladesh sits downstream with even less leverage.

On the Mekong, China operates 11 dams. Vietnam's irrigation efficiency cannot offset decisions taken upstream.

This is not a checklist of development problems. A country can meter farmers, reprice water and upgrade storage, but it cannot plan around data that isn't shared.

The legal vacuum is systemic: the United Nations Watercourses Convention entered into force in 2014, but neither China, India nor Pakistan have ratified it. With not a single Asian giant on board, downstream states are left without legal recourse.

While domestic reforms are necessary, they are nowhere near sufficient. Until basin-wide legal obligations exist, internal reforms remain palliatives, not solutions.

Without enforceable transboundary legal architecture, governance merely polishes the edges of a power imbalance it is not naming.

Muhammad Saad, Faisalabad, Pakistan

John Lee's Central Asia visit marks a shift for Hong Kong

Chief Executive John Lee Ka-chiu's visit to Central Asia, with his largest delegation to date, marks a strategic shift: no longer just a passive "superconnector", Hong Kong is becoming an active creator of strategic value.

The composition of the delegation tells a story. Alongside Hong Kong business leaders from sectors including finance and services, about 30 mainland representatives from industries such as energy, mining and pharmaceuticals have joined the trip.

This model leverages Hong Kong's unique ability to bridge international markets and China's real economy.

Lee hopes for Hong Kong, nexus of East Asia, to cooperate with Kazakhstan, gateway to Central Asia, under a "hub-to-hub" model, opening a new Eurasian corridor. Concrete outcomes already exist: the Development Bank of Kazakhstan and KazMunayGas, the Kazakh national oil company, have issued 3.25 billion yuan (HK\$3.76 billion) in dim sum bonds in Hong Kong, while a major tungsten mining firm is dual-listed in Hong Kong and Astana.

Critically, Hong Kong's evolution into a "super value-adder" aligns with the nation's 15th five-year plan.

Lee's trip demonstrates that Hong Kong's future lies not just in linking markets but in embedding strategic value across the Belt and Road Initiative – a timely upgrade at a time when global trade relations are being reshaped.

Charles Wong, Zhuhai

How Mexico can help wary Chinese tourists feel safer

I refer to your article, "Will a World Cup travel boom help Mexico dispel Chinese tourists' safety fears?" (May 31).

Mexico's plan to boost tourism from China and make Chinese travellers its 10th largest market by 2029 is ambitious.

However, improving numbers is not just about hosting or advertising big events. If visitors feel unsafe, they may only stay in tourist areas, near their guides, and leave with the same worries they had when they arrived.

Mexico could enhance visible safety measures – like tourist police – by offering multilingual help. Travel agencies could also provide honest safety briefings, including practical advice.

Clarity and transparency would help build more confidence.

Benjamin Liu, Tai Wai



Energy now a focus of US-China contest of the century

Andrew Sheng says aiming for climate resilience can bring positive outcomes for all parties

Given that control over energy reinforces superpower status, the contest of the century has morphed into an intense rivalry between China, a rising "electrostate", and the United States, the world's hydrocarbon hegemon safeguarding its position.

China recognises that electricity drives its economy. Despite being a major producer of coal, crude oil and natural gas, China is an importer of these hydrocarbons. However, with strategic patience, through its five-year plans, the country has been diversifying into alternative energies, including solar, wind, hydro and nuclear.

Last year, China's non-fossil-fuel power capacity surpassed that of fossil fuels for the first time – grid-connected wind and solar capacity alone now exceeds its coal capacity. Moreover, electricity generation using renewable sources has become cheaper than power generated by burning fossil fuels.

By making energy security a priority, rapidly decarbonising and cutting pollution through the transition to renewable energy, China has become the global leader in solar panel, wind turbine, battery, electric vehicle and grid technology.

The US, on the other hand, became the world's top oil producer in the 19th century after the first oil wells were drilled in Pennsylvania. Today, it can produce 13.6 million barrels of oil daily and over 30 trillion cubic feet of natural gas per year. It is not only energy secure but also a net exporter, especially after shale oil production came on stream in the 21st century. As

a result, the American system relies on fossil fuels to generate nearly 80 per cent of its energy.

The US' status as hydrocarbon hegemon is thus secured by its strong position in the global hydrocarbon trade and provision of the required maritime security.

The effective closure of the Strait of Hormuz has revealed a clear and present "chokepoint" danger to the global hydrocarbon supply chain. Iran supplies 90 per cent of its oil exports to China, and the Hormuz Strait handles about 25 per cent of the world's seaborne oil trade. Its closure caused oil prices to spike past US\$100 per barrel. The uncertainty of supplies has huge implications for the provision of feedstock for fertilisers, and so affects not just goods prices but also global food production.

Resolution of the Hormuz crisis is in the US' interest as it would stabilise oil prices. Higher prices hurt American consumers and benefit oil producers like Russia, which earns most of its foreign exchange from exporting oil and gas.

Despite divergences in energy policies

China has become the global leader in solar panel, wind turbine, battery, electric vehicle and grid technology

between the world's two top economies, there are mutual dependencies. Because China controls most of the world's clean energy supply chain as well as the processing of lithium, cobalt and rare earths, the US cannot totally disengage from China if it still seeks to build up alternative energy capacity.

Meanwhile, China has imported over 40 per cent of its natural gas supply in recent years, and about three-quarters of its crude oil consumption, and therefore relies on freedom of the seas and maritime routes even as the US maintains a large naval presence globally.

The rivalry in artificial intelligence (AI) and robotics, drone technology and military equipment hinges on electricity supply. Expect serious disruptions in energy supply to become a fundamental determinant of the outcome of the US-China rivalry in the coming decades.

It is no longer so clear who between Washington and Beijing will win the race to "net zero". US President Donald Trump has abandoned federal regulations on greenhouse gas emissions. More recently, with fewer oil imports from Iran and higher petroleum prices, China is considering relying more on coal-fired power plants to meet its domestic energy needs. However, China will most likely double down on its wind and solar capacity, while also increasing the use of smaller nuclear power plants. The goal is to be as energy independent as possible.

If the Strait of Hormuz is closed for a long time, oil and natural gas prices will

remain higher for just as long, risking a global recession. Other countries may also double down on their own food, energy and water security, meaning that disruptions to key supplies must be factored into overall growth and development models. With governments increasing national defence budgets, as well as spending on food, water and energy security, global fiscal deficits are likely to rise.

Furthermore, global warming will certainly add more stress, with this year bringing more record-breaking heatwaves. If highly water-stressed countries face more drought, forest fires and violent tropical storms, global inflation and social unrest will increase.

When it comes to allocating resources, the key to greater global economic stability is the willingness of communities or nations to spend less on wasteful consumption in favour of dealing with the climate crisis. Another priority must be ensuring food, water, energy and resource security. We must work collaboratively at the regional, if not the wider multilateral level, to address common threats.

The world needs greater resilience at the local level because sustainability demands that we survive before we can thrive. The next decade will define the outcome between the top two economies. The optimists think a positive outcome for both, as well as the rest of us, is possible. The pessimists fear war. One outcome may be that intense competition forces all of us to collectively create a sustainable future.

Andrew Sheng is a former central banker who writes on global issues from an Asian perspective

COMMENT

China and the World Roundtable | Remember and Safeguard the Tokyo Trials

Editor's Note: This year marks the 80th anniversary of the opening of the International Military Tribunal for the Far East, or the Tokyo Trials. In April, a comprehensive Chinese translation of the trial records was published, thanks to a collaboration between Zhejiang Yuexiu University and two institutions at Shanghai Jiao Tong University. ZYU President Yong Heming emphasized that this 22.3 million-character translation fills a significant gap in China's archives on the Tokyo Trials. It refutes the distorted historical narratives promoted by Japan's right-wing forces, and reaffirms the legitimacy of the trials and the legal foundation of the postwar international order. Ye Xinguo, former president of ZYU and head of the translation project, explained that the team focused on collaboration, technology-driven workflows, multilingual comparisons, and interdisciplinary cooperation. He emphasized that the team has conducted extensive cross-referencing and the translation remains true to the original texts and historical facts. Three experts shared their insights on the issue.

Tokyo Trials ironclad evidence of Japanese war crimes

Tokyo Trials underscore China's major role in Anti-Fascist War

The Tokyo Trials, which prosecuted and sentenced Japanese Class-A war criminals after World War II, are one of the most important judicial proceedings in modern history. The publication of the 40-volume Chinese translation of the Tokyo Trials records is therefore of great significance.

Volumes 1 to 39 document key phases of the trials, including disputes over jurisdiction, the prosecution's case, the defense's rebuttal, and the final hearings. Volume 40 contains the complete text of the judgment delivered by the tribunal between Nov 4 and 12, 1948.

Some may ask, why publish a Chinese translation when the full records of the tribunal are already available in English?

The answer lies in China's role in the war. The Chinese People's War of Resistance Against Japanese Aggression (1931-45) began earlier and lasted longer than any other major theater of the World Anti-Fascist War. China made enormous sacrifices and contributions to the global struggle against fascism. Chinese prosecutors and judicial teams also played crucial roles in the Tokyo Trials. Making the records available in Chinese enables the Chinese people to fully understand the trial process and appreciate China's contribution.

Among the 11 allied nations in the tribunal, China was the only independent sovereign state in Asia, the others were the Western powers and their colonies and dependencies. Its participation strongly reinforced the legitimacy of the Tokyo Trials.

Although China and Japan officially declared war after the Pearl Harbor attack in 1941, the tribunal traced Japanese aggression much further back. The assassination of Zhang Zuolin, then top administrative official of Northeast China, by Japanese militarists in June 1928 was recognized as an act of war.

Volume 1 of the Chinese translation records a dispute on May 14, 1946, when a defense lawyer for Japan argued that no state of war existed between China and Japan prior to the formal declaration. Had that argument prevailed, atrocities such as the September 18 Incident, the July 7 Incident, and the Nanjing Massacre might have escaped prosecution. Chinese prosecutor Xiang Zhejun countered that claim. Volume 2 includes the testimony of prosecution witness Ryukichi Tanaka, who detailed the purpose, date, location, military unit, and explosives used in Zhang's assassination, providing irrefutable evidence.

The translation begins with the indictment and concludes with the judgment, both highlighting China's significant role in the proceedings. Of the 55 counts in the overall

indictment, most pertain to aggression against China. The judgment devotes an entire chapter to Japan's crimes of aggression against China, comprising over half of the findings on Japan's external aggression. The judgment recorded that in the first month after the Japanese occupation of Nanjing, around 20,000 rape cases occurred, and within six weeks, over 200,000 civilians and prisoners of war were massacred in and around Nanjing.

Among the seven Class-A war criminals sentenced to death, six were convicted for crimes against China, including fascist ring-leader Hideki Tojo, warmonger Seishiro Itagaki, intelligence chief Kenji Doihara, and Iwane Matsui, the commander responsible for the Nanjing Massacre.

The translation demonstrates the tribunal's strict adherence to judicial statutes and procedures, debunking the right-wing narrative that it was merely a "victors' justice". Volume 25 records a heated debate on Oct 6, 1947, during Seishiro Itagaki's trial. The three prosecution speakers took the floor 122 times and the six defense speakers 123 times, reflecting a fierce legal battle in the courtroom.

The statements of Chinese prosecutors, including Xiang Zhejun, Ni Zhengyu and Gui Yu, filled hundreds of pages of the translated records. Only 17 Chinese personnel participated in the Tokyo Trials, compared to over 100 members of the United States delegation and more than 130 US and Japanese defense counsel. Despite their small numbers, they were wholeheartedly dedicated to their mission and fulfilled their responsibilities. Their tireless efforts left an indelible mark on the Tokyo Trials.

Safeguarding results, legitimacy of Tokyo Trials necessary

The Tokyo Trials involved more nations and lasted longer than any other international tribunal, producing one of the most significant documentary records in modern history. The comprehensive Chinese translation is a significant contribution by China's academic and publishing communities to the pursuit of global peace and justice.

Never before in human history had there been a trial that prosecuted war leaders, underscoring the significance of their legacy. For centuries, the consequences of war and the burden of defeat were borne by ordinary people. However, as advances in technology amplified the destructive power of war in the 20th century, the international community began to recognize the need to hold military leaders accountable for initiating conflicts.

By the late 19th century, excessive violence in war was recognized as a breach of the law. Although many relevant rules were later established through conventions made in Geneva, there was still no broad legal consensus on holding war leaders accountable.



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SONG CHEN / CHINA DAILY

After World War I, efforts were made to hold German Emperor Kaiser Wilhelm II responsible, but he escaped prosecution, and a historic opportunity was missed.

After the outbreak of World War II, the international community quickly recognized the need to put those who initiated wars on trial. The defense argued, at the Tokyo Trials, that this constituted applying ex post facto law to prior actions and violated the legal principle of "no crime and no punishment without a law".

Yet even without a formalized legal code, many Allied leaders had declared as early as 1941 that those responsible for starting the war would be brought to trial once it ended. Chief Prosecutor Joseph Keenan emphasized this in his opening statement, declaring that "this is no ordinary trial, for here we are waging a part of the determined battle of civilization to preserve the entire world from destruction".

Indeed, when humanity faces destruction, that imperative far outweighs any legal code. After WWII, the Japanese sought to conduct their own trials, questioning the fairness of an Allied tribunal. This proposal was firmly rejected by the Allied Commander Douglas MacArthur.

My recent archival research has shown that, although the Japanese government appeared to play a "supporting" role during the Tokyo Trials, it was deeply involved behind the scenes in shaping defense strategies, assembling the defense team and gathering evidence. As early as October 1945, the Japanese government had already formulated its defense policy. Till then, China had only completed translating the telegram from Washington about the forthcoming trials. Although China was one of the prosecuting nations, Japan had already started

preparing its defense.

Research also reveals that Kaya Okinori, a Class-A war criminal sentenced to life imprisonment, was released early and later returned to politics to become Japan's minister of justice. Around 1969, he authorized Ichimata Masao, an international law expert at Waseda University, to challenge the legitimacy of the Tokyo Trials.

Since then, some Japanese political figures have repeatedly sought to undermine the legitimacy of the Tokyo Trials. In March 2013, then prime minister Shinzo Abe referred to them as "victors' justice" while speaking before the House of Representatives Budget Committee. In 2015, shortly after resigning as defense minister, Tomomi Inada announced the formation of a study group to examine the Tokyo Trials, claiming that there were "numerous problems" with them. However, Japan's mainstream academic community does not align with these right-wing views, and we should mobilize such forces in Japan's legal academic circles.

Why do Japanese right-wing forces want to deny the legitimacy of the Tokyo Trials?

They are doing so because China's victory was not just a military victory, but the victory of justice. Through due process and fair legal proceedings, the tribunal established that Japan had committed aggression and wartime atrocities.

Chinese translation key to legal research on trials

Legal research should begin with original documents. It is not possible to study war trials without authentic tribunal records. The expansion of the Tokyo Trials records in Chinese translation from the original 10 volumes to a complete 40-volume edition pro-

vides Chinese scholars with a comprehensive foundation for studying the trials.

The translation is organized in three parts. The first part details the prosecution's submission of the indictment. The first volume of the second part covers 10 trial days focused on Japan's war crimes and crimes against humanity in the Asia-Pacific region, including the Bataan Death March, the Manila Massacre and atrocities on the Thailand-Burma Railway. These brutal acts are recorded in the trial records. The third part, beginning in October 1947, presents the individual defenses of the accused and the prosecution's rebuttals, culminating in the final, weighty judgment.

This Chinese version is invaluable, providing an irreplaceable foundation for legal research. The Tokyo Trials were groundbreaking international criminal trials. They not only affirmed the principle that aggressive war constitutes an international crime, but also laid the groundwork for international criminal law and justice. They reshaped the basic framework governing the law of war and profoundly influenced the development of international human rights and humanitarian laws. Notably, unlike the Nuremberg Trials, which involved four Allied powers, the Tokyo Trials were conducted by an 11-nation tribunal. Judges from diverse legal systems and cultural backgrounds collaborated, making the Tokyo Trials more comprehensive.

As a nation that suffered deeply during the war and whose modern legal system was still developing, China's participation in the tribunal marked its first major engagement in international criminal justice.

Up till now, the lack of Chinese-language materials limited scholars' ability to follow the daily proceedings of the trials and gain a concrete understanding of how latecomer countries and nations with established legal systems interacted and learned from each other. The new translation makes such research possible. It reveals how judges and prosecutors from diverse backgrounds sought consensus amid differences and built shared legal concepts out of diversity. These experiences also offer valuable reference for China's voice on the international legal stage today.

The translated edition is an indispensable Chinese voice on the Tokyo Trials. Historically, the narrative and legal discourse on the trials have been predominantly shaped by Western academia, while some factions in Japan have attempted to deny their legitimacy. This comprehensive Chinese edition offers irrefutable historical evidence and is a crucial academic foundation for China to participate in international rule-making, articulate its stance, and uphold the postwar international order.

The views don't necessarily represent those of China Daily.



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Duan Wen

Tokyo-Manila 'maritime deal' a dangerous illusion

The recent announcement of private negotiations between Tokyo and Manila to "delimit overlapping maritime entitlements" between Japan's Ryukyu Islands and the Philippine island of Luzon is being celebrated by the media in those countries as a "victory for peace" and the so-called "rules-based order". In reality, the agreement is a high-stakes political illusion.

Sharing overlapping maritime zones, such as exclusive economic zones and continental shelves where countries hold rights to fish and drill for oil, is a standard diplomatic practice. The glaring flaw in these negotiations is that Japan and the Philippines have excluded the central stakeholder: China.

By holding these talks behind closed doors, Tokyo and Manila are disregarding the existence of China's Taiwan island,

which lies directly between their coastlines. This backdoor deal is an illegitimate encroachment on China's maritime entitlements that violates the United Nations Charter, breaches the UN Convention on the Law of the Sea, and undermines the one-China principle. Any boundary line set by these two countries without China's involvement will be legally void under international law.

Even a basic understanding of geography will tell you why these talks are a sham. The waters of the Bashi Channel and the Luzon Strait are not a swimming pool shared by two neighbors. They are a bustling maritime corridor surrounded by three distinct coastlines: Japan's southern Ryukyu Islands to the north, the Philippines' Luzon and Batanes islands to the south, and the eastern coast of

China's Taiwan island to the west.

International law does not allow two countries to ignore a major geographic neighbor just because it makes their negotiations easier. Excluding China's coastlines from their calculation corrupts the deal from the outset. Such an agreement holds no legal weight whatsoever.

The real motive of this secret deal is a dangerous political gamble concerning the Taiwan question. By bypassing Beijing and drawing borders that exclude Taiwan's maritime rights, Japan and the Philippines are trying to portray the island's sovereignty as separate from China.

Under international law, the one-China principle is a binding framework formalized by the UN General Assembly Resolution 2758. It recognizes that the government of the People's Republic of China is the sole legal government representing the whole of China. Therefore, all sovereign rights over Chinese territory — including Taiwan and its surrounding waters — belong exclusively to the PRC.

The UN Charter explicitly forbids countries from infringing upon the territory and rights of another

nation. While this is often associated with military aggression, modern international rules clearly state that using backroom diplomacy to secretly carve up another country's economic waters is another form of theft. Tokyo and Manila are essentially trying to usurp China's maritime entitlements where China has legitimate claims and present Beijing with a fait accompli before it can respond.

If the UN Charter points to the political flaws of the deal, the UNCLOS highlights its practical failures. Ocean laws explicitly state that when countries have overlapping claims, they must find a solution that is fair to everyone. International law uses a strict formula: mapping out every coastline in the area to ensure the water distribution matches each country's coastal length.

By excluding China, Japan and the Philippines are using fake data to create a legal fiction. Furthermore, global rules state that countries cannot enter into agreements to allocate resources such as fish, oil, or sub-sea minerals that are legitimately claimed by a non-consenting third party. Given that China's natural underwater territory extends into this proposed line, the very subject of their talks involves the illegal distribution of China's ocean resources.

For years, Tokyo and Manila have traveled the world lecturing others on the sanctity of

international law. Yet, when the law becomes geopolitically inconvenient, they abandon its core principles — consensus, fair geography, and the one-China principle — in favor of raw power politics.

International law cannot be wielded selectively. A world where exclusive alliances can simply vote away the geography and sovereign rights of a neighboring country is one governed by lawless coalitions, not courts. Normalizing this behavior sets a perilous global precedent, encouraging states anywhere to form private huddles and wipe their so-called competitors' economic zones off the map.

Under Article 34 of the Vienna Convention on the Law of Treaties, Beijing is fully justified under international law to treat any line drawn by Tokyo and Manila as null and void.

History and geography mean that the complex waters of the Western Pacific cannot be carved up by a cozy deal between Tokyo and Manila. If Japan and the Philippines truly wish to protect the rule of law, they must halt this exclusionary behavior. Until they are ready to respect the UN Charter, honor the one-China principle, and acknowledge the true trilateral realities demanded by science and geography, their lines will remain nothing more than an illusion drawn upon the water.

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