

GROUND ZERO



Fisherfolk and people from the Tamil Nadu Forest Department bury a dead Olive Ridley turtle that was washed ashore. B. JOTHI RAMALINGAM

A surge of dead sea turtles in the sand

Hundreds of Olive Ridley sea turtle carcasses have been found since the first week of January in the Chennai and Chengalpattu districts. Conservationists say the number of deaths is three times the usual number during the mating season and have sounded alarm bells about bottom trawling, the widespread use of fishing gear, and plastic pollution. **Geetha Srimathi** reports on the tragedy along the coastline

On a sunny day in January, A. Prakash, 40, sits on a boat in Kovalam, off the East Coast Road (ECR) in Chengalpattu district of Tamil Nadu. He has just returned from a fishing trip where he saw 10 Olive Ridley sea turtle carcasses floating in the sea. "We (fisherfolk) have been seeing many such carcasses every day since the beginning of the year," he says, perturbed.

Prakash points to an elderly woman nearby, who comes to pick up a basket of tiger prawns from the boat, and says her son helps the Forest Department bury the carcasses. Placing the basket deftly on her head, Rani, 65, says, "My son just buried six and came home tired and hungry."

In the Chennai and Chengalpattu districts, located along the 1,076 kilometre-long coastline of Tamil Nadu, many people recall seeing dead Olive Ridley sea turtles washed ashore this year. C. Gnanasekar, 44, a fisherman from Uthandi, off ECR, spotted four of them in the first week of January. Raji Rai, 69, from Injambakkam in Chennai, says he has seen about 80 since the first week of the year. Maria, a nature enthusiast, says she saw 24 at Nemmeli Kurpan in Chengalpattu.



Olive Ridley turtles, which are found in warmer waters, such as the southern Atlantic, Pacific, and Indian Oceans, haul themselves up on to India's eastern shore every year by the tens of thousands and lay eggs in an event known as *arribada* (arrival by sea in Spanish). While Odisha is a mass nesting site for Olive Ridley turtles in India, thousands of these small wild animals also come sporadically to nest between December and April along the Tamil Nadu coastline, a lifeline for millions who depend on fishing for their livelihood. The biodiverse and eco-sensitive Gulf of Mannar, located off the districts of Thoothukudi and Ramanathapuram in the south, is an essential feeding site for these turtles. The creatures then migrate to Odisha, West Bengal, and beyond.

Along the 34-km-long coast from the Marina Beach in Chennai to Kovalam in Chengalpattu, seeing dead sea turtles on the shore during mating season is not unusual — every year, an average of 350 dead turtles can be found, says Shrivani Krishnan, a volunteer with the Students Sea Turtle Conservation Network (SSTCN). However, this year, until January 31, conservationists had counted 1,200 dead sea turtles, more than three times the normal figure. The Tamil Nadu Forest Department provided a more conservative estimate (706 turtles until January 23). The department has refused to provide numbers since then.

To make matters worse, the number of sea turtle nests along the shores has been unusually low. "Most turtles that were to nest have died. All the dead female turtles we bury have eggs in their bodies," says Gnanasekar, who has been working with the TREE Foundation, a marine conservation organisation, for two decades.

Guests from the sea
Olive Riddleys are the smallest of the seven sea turtle species. They weigh up to 45 kilograms

R. SANKARI
Resident of Nemmeli

The turtles are like the daughters of our village. They come back to their home to have children.

and reach only about 2 feet in shell length. Their name comes from their olive-coloured carapaces (hard upper shells). Though their numbers have remained stable in recent years, Olive Riddleys remain a key species in global conservation efforts and are classified 'vulnerable' by the International Union for Conservation of Nature Red List.

Sea turtles play a crucial role in the marine ecosystem. By feeding on crustaceans that live on the seabed, they help release the oxygen that is trapped there. They maintain healthy seagrass levels by nibbling on seagrass and algae. They provide shelter for commercially important fish species and control jellyfish populations that could otherwise harm fish larvae.

In Tamil Nadu, conservationists and fisherfolk refer to Olive Ridley turtles as "guests" and even "god". For fishermen such as A. Palayam, 62, from Urur Kuppam in Besant Nagar in Chennai, sea turtles have a cultural and spiritual significance. "Our *kutti amma* (little mother) is important for us," he says. In addition to the creature's cultural significance, fisherfolk view sea turtles as a symbol of a healthy ecosystem.

Every year, Olive Riddleys pore out of the sea, crawl the shore, give birth, and then wait to be swept into the sea again. Referring to this, R. Sankari, 37, a resident of Nemmeli, says, "The turtles are like the daughters of our village. They come back to their home to have children." Sankari says she has been seeing an unusually high number of dead turtles this nesting season.

In Chennai, one of the few metropolitan cities in India where these sea turtles come to nest, it is not just fisherfolk who speak passionately about turtles; conservationists and students sport T-shirts urging people to save turtles and set off at midnight during the nesting season to scour dark



Along the 34-kilometre-long coast from the Marina Beach in Chennai to Kovalam in Chengalpattu, seeing dead sea turtles on the shore during mating season is not an unusual phenomenon, but the numbers this year have been unprecedented. B. JOTHI RAMALINGAM

sands for eggs.

Abhishak, 24, a volunteer with SSTCN, and his peers patrol two stretches of the coast between the Cooum estuary and Neelankarai every night in the nesting season. As they walk, they search for tracks left by the turtles and follow them. When they come across a distinctive clearing, they use a 'probe', a long hollow rod, to check for nests. If they find eggs, they carefully collect them and measure the nest's dimensions to recreate the conditions in hatcheries, before continuing their walk. "Working with a community that cares so much about sea turtles has shaped my interest in wildlife conservation. Sea turtles are a huge part of my life," he says.

Abhishak, who has spent four years with SSTCN, says the team hardly found nests in the first three weeks of January. "Typically, we find about 30 nests. But this year, we could find only two," he says.

Nets of destruction

By the end of January, conservationists and authorities in Andhra Pradesh also began to notice that the number of dead turtles was higher than normal. C. Selvam, Conservator of Forests in the Tirupati Circle of the Andhra Pradesh Forest Department, says the problem is not confined to Tamil Nadu. Supraja Dharini, founder of the TREE Foundation who also works with the Andhra Pradesh Forest Department, says at least 2,032 turtles had died until January 26 in the State.

Dharini says one of the primary threats to sea turtles is bottom trawling and the widespread use of fishing gear, such as gill nets. The Tamil Nadu Marine Fishing Regulation Act, 1983, stipulates that trawl boats should operate beyond 5 nautical miles (approximately 9.26 km) from the shore. This zone is reserved for artisanal fishermen using smaller boats. "However, despite regulations, many commercial fishermen continue to violate these rules," Dharini says. "When trawl boats of ten encroach into restricted areas, it increases the risk of turtle entanglement and death."

R. Suresh Kumar, a wildlife biologist at the Wildlife Institute of India, explains that turtles don't just visit nesting beaches but congregate in specific areas before nesting. "Destructive fishing practices such as trawling and gill netting in these aggregation zones could be a significant factor in the rise in deaths," he says.

Acknowledging the harmful effects of trawling, K. Bharathi, president of the South Indian Fishermen Welfare Association, says those who violate the law should be penalised. However, the government has failed to provide any viable alternatives to commercial fishing, he adds.

After news reports of the high number of turtle



When trawl boats often encroach into restricted areas, it increases the risk of turtle entanglement and death.

SUPRAJA DHARINI
Founder, TREE Foundation

deaths emerged, the Tamil Nadu government formed a task force headed by the Principal Chief Conservator of Forests and Chief Wildlife Warden, Rakesh Kumar Dogra. On January 27, the task force decided to strengthen regulations on trawl fishing, enforce the use of Turtle Excluder Devices (TEDs), and restrict the horsepower of boat engines.

TEDs are metal grids designed to allow turtles to escape from trawl nets. But fisherfolk have expressed concerns that these devices could reduce their catch. A fisherman working on a mechanised boat in Kasimedu explains that with dwindling resources in the ocean, even a small fall in the catch can have a significant impact on his profits. "There have been no efforts from the Fisheries Department to introduce improved TED models or compensate fishermen for the months they are required to use them," he says. Kumar refutes this. He says TEDs do not result in significant catch loss. He explains that larger fish typically do not travel in schools and are not often caught in trawl nets.

The government has also increased joint patrols involving the Fisheries Department, Forest Department, Indian Coast Guard, and Marine Police. According to Dogra, long-term studies and monitoring, including telemetry research, will also begin soon. Plans have also been put in place to involve police authorities in monitoring and addressing trawler violations.

Meanwhile, the Southern Bench of the National Green Tribunal took suo motu notice of the issue on January 18 and criticised the Tamil Nadu government for failing to regulate trawlers and enforce the use of TEDs despite previous orders.

The surge in turtle deaths also coincided with an unusually rough monsoon season. Fishermen report that the seas have been particularly turbulent as the north-east monsoon of 2024 persisted well beyond its usual last date of December 31, as per the India Meteorological Department.

Palayam argues that it's not fair to place the blame solely on fishermen. He has been tracking currents and wind patterns every day since 2018 and notes that this season has been unusual. "During the onset of the Tamil *Thai* month, the sea is typically calm. But that hasn't been the case this year. The *olivi* (easterly) current could push objects back to the shore, which could explain how dead carcasses from Andhra Pradesh could be washing ashore in Chennai," he says.

A collaborative effort

Kartik Shanker, an ecologist and author of *From Soup to Superstar: The Story of Sea Turtle Conservation Along the Indian Coast*, believes that many of the regulations that are necessary to protect turtles are already covered by fisheries laws; the challenge lies in improving compliance with the engagement of all stakeholders, especially traditional fishermen.

Shanker also points out that a specific focus on turtle conservation can sometimes be counterproductive, leading to conflicts between sectors. "Sea turtle populations are increasing in many parts of the world, including on the east coast, but we need to make fishing regulations effective for the integrity of coastal ecosystems because bottom trawling is a destructive practice. Trawling tends to tear up the seafloor, causing damage to the entire habitat, not just turtles," he says.

Kumar says protecting critical turtle habitats can also benefit local fishermen. "When we secure areas for turtles, it's not just good for conservation, but also supports the livelihoods of artisanal fishermen, who do not go venture deep into the sea," he says.

This is not an easy task, he adds. "The Tamil Nadu Forest Department must collaborate closely with fishermen, while the Fisheries Department needs to take a more serious approach to understanding where and what type of fishing is occurring," he says.

The pressure on the marine industry is immense, with demands for both local consumption and exports. "We need to conduct tracking studies specific to this coast. We can't just replicate what works in other regions," Kumar insists. Selvam calls for a more holistic approach that includes identifying key mating and congregation areas in the sea. This strategy should involve the Fisheries Department and local communities more closely, he says. However, the department has limited resources and manpower, which makes it difficult to enforce regulations effectively. Monitoring such vast ocean areas is also a logistical challenge. "Collaboration between fishermen, conservation groups, and the use of technological tools like apps to track turtle activity will be crucial," he says.

Fishermen point out that in addition to trawlers, gill nets, and squid nets, the sea turtles face significant threats from the plastic waste that floods the ocean. "Why can't the government build a structure to prevent plastics from entering the sea," asks Gnanasekar.

Palayam also raises concerns about the growing number of hard structures, such as groynes, being built along Tamil Nadu's sandy beaches, which damage the nesting habitats.

"Over the years, we have noticed that when the turtles come to nest, they find the sand polluted and return without nesting," says Abhishak.

Saving the turtles is about safeguarding the future of both the sea and the people who rely on it. Sankari says, "I remember my father offering prayers if a sea turtle accidentally got caught in his net. He wouldn't go out to sea for a day. If the turtles are in trouble, how will we survive?"

BIG PICTURE

38TH NATIONAL GAMES, UTTARAKHAND

Yoga's big flex

What was not too long ago an activity confined to homes and neighbourhood parks has now gained a fiercely competitive edge. As yoga transforms into a medal sport in time for India's bid to host the Olympics, NIHAL KOSHIE travels to the National Games at Almora, where young athletes pull off some of the most complex manoeuvres and asanas



YOGA, THE SPORT

MAIN CATEGORIES
Traditional, Artistic Single, Artistic Pair, Rhythmic Pair, Artistic Group

NUMBER OF JUDGES
Varies from 10 to 13 as per category, including scorer-cum-announcer and stage manager.

THE POINTS SYSTEM

TRADITIONAL YOGASANA
10 points (Accuracy of posture: 4 marks; Mounting/Dismounting: 2 marks; Stability: 1 mark; Stresslessness, Grace, Presentation: 1 mark; Holding: 2 marks)

Artistic Single, Artistic Pair, Rhythmic Pair, Artistic Group:
10 points: (Accuracy of posture: 4 marks; Mounting/Dismounting: 3 marks; Stability: 2 marks; Stresslessness, Grace, Presentation: 1 mark)

"Earlier, people would come to yoga after 30... Now, there are thousands of athletes between 8 and 10 years. We have aspirations to reach the global stage and have set our eyes on the Olympic pathway"

JAIDEEP ARYA
SECRETARY OF WORLD YOGASANA

WEARING COLOURFUL leotards, their foreheads decorated with Lord Shiva's Third Eye and strokes of white ash, sisters Purva Shivram Kinara and Prapti contort and bend in seemingly impossible ways, rhythmically moving to the beats of a Bollywood number. In front of them, over a dozen officials – judges, jury members and a stage manager – peer closely into their laptop screens at this display of stunning flexibility.

Purva, 24, and Prapti, 22, are yogasana athletes, practitioners of one of the youngest competitive sports at the 38th National Games in the Uttarakhand town of Almora. Ahead of the sporting event, yogasana and mallakhamb (yoga-like postures done on a vertical pole or rope) were classified as demonstration sports by the Indian Olympic Association (IOA), but were later listed as medal sports. This is yogasana's third straight appearance at the National Games as a medal sport, after the 2023 and 2024 editions.

Over the last couple of years, yogasana, an activity hitherto confined to community parks, homes, yoga studios and smaller, local competitions, has gained a sharp edge. Recognised as a competitive sport in 2020, Yogasana Bharat, the governing body of the sport in India, attained associate membership of the Indian Olympic Association in 2021.

India is also making a pitch for yoga, along with Twenty20 cricket, kabaddi, chess, squash and kho kho, to be included in the 2036 Olympics that the country hopes it can host. Incidentally, at the Paris Olympics in 2024, yoga sessions were held at the Louvre. For the first time, the Asian Games to be hosted at Aichi-Nagoya, Japan, next year will feature yogasana as a demonstration event.

The sport has a popular brand ambassador, too, in yoga guru and businessman Baba Ramdev, who, besides heading Yogasana Bharat, is the founding president of World Yogasana, the body dedicated to promoting yogasana as a sport globally.

Yogasana, in its sport form, is rigorous, and full of verve. Far removed from the stretches and pranayama that it is popular for, the giant marquee tent at the HNB Sports Stadium in the heart of Almora – where Purva and Prapti are competing in the artistic pair category – has a modern sports arena feel to it with a doctor's room, lounge for athletes, a warm-up area, a designated space for technical officials and anti-doping officials, strobe lights and giant screens.

The sisters represent Maharashtra, one of the 22 states that have together sent 171 yoga athletes to the Games. Harpreet topped the tally at the Games with six medals, followed by Uttarakhand and Maharashtra with five each and West Bengal with four.

From the mat to the arena

Until half a decade ago, the sport had no centralised governance system; instead, over 200 disparate yoga associations across the country functioned parallelly, holding demonstrations and small-scale competitions.

It was in 2020 that World Yogasana set the ball rolling to bring various yoga factions under one umbrella. That, along with the government's recognition of yoga as a competitive sport, meant that yoga would make a giant leap to rival the most complex of its asanas.

The recognition meant that Yogasana Bharat was recognised as a National Sports Federation by the Ministry of Youth Affairs and Sports. It also translated into incentives for the athletes. Medalists at the National Games, for instance, have received prize money from state governments and some of them have landed



jobs in government departments – all of which have served to bring yoga out of the confines of a fringe sport and into the mainstream.

For yogasana's new avatar as a sport, an updated and clearly defined points system for each asana was created, athletes started to compete in gymnast-like leotards and the size of mats were standardised.

Jaideep Arya, secretary of World Yogasana, credits Ramdev for expanding the scale of yoga by "catching them young". "Earlier, people would come to yoga after the age of 30, if they have ailments, but that has changed. Now, there are thousands of athletes between the ages of 8 and 10. We have aspirations to reach the global stage and have set our eyes on the Olympic pathway," says Arya.

Plans are afoot for a yoga league, to be officially announced in March, with the first edition scheduled for October-November this year. "Private players and universities have shown interest in the 12-team league," adds Arya.

Though Ramdev is one of the most recognisable faces of yogasana, Arya also credits other eminent yoga practitioners for throwing their weight behind the sport – among them, HR Nagendra, a yoga therapist and founder-vic chancellor of the Bengaluru-based Swami Vivekananda Yoga Anusandhana Samsthana University, and spiritual leader and Padma Bhushan awardee Kamlesh D Patel.

Arya says Rishikesh-based American yogaphile, Sadhi Bhagwati Saraswati, will be brought on board to teach yogasana's global expansion.

"This is the third edition of yogasana at

the National Games. After the government officially recognised yogasana as a competitive sport in 2020, there has been a boom, not just in India, but globally too. Over 12 countries, including Zambia and Tanzania, have conducted their national competitions," says Rohit Kaushik, an executive committee member of Yogasana Bharat.

Over 5,000 registered athletes and 350-plus technical officials are listed on the Yogasana Bharat website.

Uttarakhand is an early mover, with the state government last year announcing plans to become the first state to implement a yoga policy. While Haridwar and Rishikesh are yoga hubs, Almora is not far behind. The National Games venue is walking distance from the Soban Singh Jeena University, a popular learning centre in Kumaon that offers PG Diploma, BA, MA and PhD courses in yoga.

Naveen Chandra Bhatt, the head and convener of the Department of Yoga Science at the university, says seats for all courses are getting filled up. The first course, PG Diploma, was introduced in 2005 in the university's Almora and Nainital campuses. "In the beginning, we had 40 seats for PG Diploma. Two years later, we started MA and kept adding courses. PhD courses began in 2017. Today, we have 350-plus seats for ALL courses," Bhatt says.



(Clockwise from top) At the HNB Sports Stadium in Almora, where 171 yoga athletes displayed some of the most complex asanas, athletes compete in the Artistic Pair event; sisters Purva and Prapti have won multiple medals at the Games; a teammate helps a Madhya Pradesh athlete with his make-up

Aarti Pal, Assistant Professor (Yoga Science) at the University of Patanjali in Haridwar, insists yogasana has the credentials to match sport climbing and breaking, two new sports added to the Paris Olympics last year. "Yoga is no longer associated with senior citizens in a park. The youth are coming to participate in yogasana in droves; asanas have competitive forms. It's an attractive sport, beneficial for both the mind and body. Songs complement asanas and synchronisation is key, and athletes work on strength, agility and endurance. So why not yoga at the Olympics in the future?" Pal asks.

A complex scoring system

Gymnastics-like in its presentation, minus the high somersaults and flips, yogasana's modern version induces jaw-dropping awe as athletes stretch, twist and end up in the knottiest of positions.

At Almora's HNB Sports Stadium, where the artistic pair event is underway, physios, coaches and managers, who have travelled with the teams, stand outside the playing area, intently watching the participants.

The officials use a complex point scoring system to rank the athletes – face make-up, stretch themes and imaginative designs on costumes earn points, while human pyramid formations take difficulty lev-

els a notch higher. The greater the area the athletes cover on the mat or field of play, the more the points.

At the Games, yogasana has clearly defined events: traditional, artistic single, artistic pair, artistic group and rhythmic pair. There are at least five categories: forward bending, backward bending, body twisting, leg balance and hand balance.

Athletes in the artistic pair event that Purva and Prapti are competing in must complete 10 different asanas each. Rhythmic pair participants, on the other hand, must choose the same asanas. The number of judges also vary, 10 in traditional and up to 13 in artistic.

The fledgling sport already has its stars. Purva and Prapti, both engineering graduates from Ratnagiri in Maharashtra, have won multiple National Games medals, across categories.

Purva recently hit the headlines when she was nominated for the prestigious Shiv Chhatrapati Award, Maharashtra's version of the Padma awards. "Yoga was recently added to the sports category for the awards. When Purva receives the award later this month, it will be a major moment for our indigenous sport," says Purva and Prapti's coach Ravi Bhushan Kumbhakar.

The sisters train for over five hours a day, every single day. "Missing even one or two days of training can set you back by weeks in terms of flexibility and strength. We think like modern athletes," says Purva.

judges have tiger skin prints and feature images of Lord Shiva. Shades of red are prominent, too, to match the colour of the sari of the Bollywood star in the song.

"A lot of research goes into a three-minute performance for an artistic pair. This year, the theme is Krodh (anger); last year when we won gold, the theme was Radha and Krishna," says Purva.

Judges are hard to please, says Shreyas Markandeya, a sports consultant of Yogasana Bharat. "You can't smile if your theme is anger-based, for example. If a pair is performing Shiv tandav and their costume reflects that, then they earn points. If you wear a costume that reflects Ganesha vandana instead, the judges won't be impressed and the points will be docked," says Markandeya, adding that while the music can be devotional, patriotic or film songs, the lyrics "must contain no vulgarity".

"No point can be won easily. A lot of effort, hard work and hours of practice are needed to win a medal. The judges watch each and every thing. One slip can end up making the difference between a medal and returning empty-handed," says Purva.

Like the sisters, Indu Mathuria and Kanika, 21-year-olds from Moradabad, are competing in the artistic pair category. Students of an all-girls gurukul, they are aiming to win their first medal for Uttar Pradesh in their maiden appearance at the National Games.

"Yogasana is a viable career option now. Earlier, we didn't know what we could do after learning yoga, but today, there are recognised competitions where it is a medal sport," says Indu.

As the sport evolved, so did judging, says CV Jayanthi, a jury member. On their laptop screens, judges can see images of asanas submitted beforehand by competitors and punch in scores depending on the performance.

"Till four years ago, we had a very traditional scoring system – scores would be written on a slate or displayed using showcards. But with the addition of new events, the system has been revised. It is computerised so athletes get the points they deserve. In addition to the judges, there are three jury members (who act as referees). It is very scientific and accurate. Participants can register their protest, too, if required," says Jayanthi.

Modern-day practitioners of yoga are not very different from other professional athletes, says Chhattisgarh coach Nurendra Kumhar, adding that they maintain diet charts and follow research-based warming-up and cooling-down routines. "They watch what they eat – there is restriction on sugar and ensure there's more protein intake – cut down on body fat percentage, keep a tab on sleep patterns and have physios travelling with them. Ours is a sport with Asian Games and Olympic ambitions... The athletes are used to embrace the future," he says.

Satish Mohagaonkar, a veteran national yoga yoga judge who is also the convener of the technical committee at the National Games, talks about a vital administrative change that made life easier for officials like him. "Since the Department of Personnel and Training now recognises yogasana as a sport, any official or athlete who is a government servant can avail of special casual leaves for yoga-related events. All these years, I had to use my paid leave for yoga," says Mohagaonkar, who has been doing yoga since the late 1970s.

Mohagaonkar believes the awards and the incentives will draw more youngsters to the sport. "For example, the Maharashtra government gave prize money for winners of the previous National Games. We could not even dream of such perks earlier. There has been no better time to be a yogasana athlete."

THE EDITORIAL PAGE

WORDLY WISE
A WORD AFTER A WORD AFTER A WORD IS POWER.
—MARGARET ATWOOD

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA
BECAUSE THE TRUTH INVOLVES US ALL

FOR GROWTH'S SAKE

RBI lowers interest rates as economic momentum slows. Inflation projections suggest space for further easing

ON FRIDAY, THE RBI'S monetary policy committee cut interest rates by 25 basis points, joining the list of central banks across the world who have moved to ease rates. The benchmark repo rate stands at 6.25 per cent. The decision of the committee — this was the first time the MPC had met under the new RBI governor, Sanjay Malhotra — was unanimous. Alongside, the committee voted to continue with the neutral policy stance. The MPC's decision to adopt a less restrictive policy clearly indicates that growth considerations now outweigh concerns over inflation. The momentum in the economy dipped sharply in the second quarter, with GDP growth coming in at 5.4 per cent. The first advance estimates have pegged growth at 6.4 per cent for the full year. However, the pick-up in the second half of the year does not seem to be robust. The RBI has noted "early corporate results for Q3 indicate a mild recovery in the manufacturing sector." Greater clarity will emerge in the coming weeks and months. The central bank now expects the economy to grow at 6.7 per cent in 2025-26 — this is at the higher end of the Economic Survey's projections, which had pegged growth to range between 6.3 and 6.8 per cent. Inflation, however, is now less of a concern with subdued core inflation and food prices expected to moderate. As per the RBI's latest projections, the consumer price index is projected to come down from 4.8 per cent this year to 4.2 per cent next year. It says that food prices should witness softening due to "good kharif production, winter-easing in vegetable prices and favourable rabi crop prospects". The decision to cut rates comes only days after the central bank announced its plan to inject liquidity into the banking system through open-market operations, variable rate repo auctions and dollar/rupee buy/sell swap auctions. In his comments, the RBI governor said that the central bank would continue to monitor liquidity and financial market predicaments, and "take appropriate measures to ensure orderly liquidity conditions". As per analysts, this should allow for "smoother transmission of rate cuts in the money market". The MPC's decision to lower rates comes after the government cut personal income taxes in the Union budget, a measure that is expected to boost household consumption, providing a fillip to the broader economy. The question, now, is: to what extent can the central bank ease policy rates further to support growth? Its inflation projections — 4 per cent in the second quarter, 3.8 per cent in the third quarter and 4.2 per cent in the fourth quarter — suggest the space for further easing. But the global and domestic environment is challenging. In an uncertain environment, the pressure on the currency is also unlikely to ease. Much will depend on the playing out of the growth-inflation dynamic.

JOURNEY'S END

Images of deportation of Indian migrants from the US are troubling. They point to larger issues and predicaments

THE DEPORTATION of illegal migrants from the US, including from India, is not new. Data shows that hundreds of people have been sent back to India for being in the US illegally every year. It is in this context that External Affairs Minister S Jaishankar sought to lay out in Parliament on Thursday. His task, however, was an unenviable one. In the current political moment, in both India and the US, foreign policy is coming under new pressures and is being asked to submit to the tests of a performative patriotism. The images of 104 Indians being flown back on a US military aircraft, restrained and shackled, are disturbing. But they must be seen in context. While sympathy for the deportees is understandable, their stories speak to the larger inequality between and within countries, which requires wider conversations, not political point-scoring. No nation-state allows free-for-all citizenship and illegal immigration has been one of the main issues in US politics for at least three decades. It is also an issue that Donald Trump has been especially vocal about on the campaign trail, arguably with racist overtones. The spectacle around the deportations earlier this week can be explained by the Trump administration's desire to address and appease its political base. That said, similar deportations were undertaken during earlier administrations — both Democratic and Republican. The restraining of passengers has been a part of the US Immigration and Customs Enforcement (ICE) procedure since November 19, 2012. While such measures may be cause for concern, migration is only one among several issues between India and the US at a time of churn in international relations, including around growing protectionism and talk of tariffs and trade barriers. In India, the deportation has evidently provided fodder for an Opposition that, since the general election last year, has struggled to find the language to talk to the government and to hold it to account. Partisan politics, however, fails to address the broader issues that this episode is a symptom of. Across Western democracies, liberal politics has failed to adequately counter an anti-immigrant sentiment that, too often, fails to distinguish between legal migration and illegal border crossings, and often conflates asylum seekers and refugees with "criminals", amid growing insecurities about the fraying social fabric of host countries. These issues do not have easy answers. Unfortunately, few are even asking the right questions.

POP GOES THE FLUFF

A leading publisher plans to ditch the book blurb. It's about time

AS FAR AS anecdotes go, the blurb, that ubiquitous endorsement of literary merit on book covers, had a rather unpropitious beginning. In 1856, the second edition of Walt Whitman's *Leaves of Grass* bore a glowing tribute from the philosopher Ralph Waldo Emerson: "I greet you at the beginning of a great career." Only, it later came to light that it was from a private communication between Emerson and Whitman. The former had no idea that his well-meaning words of encouragement would, without his consent, lend themselves to a public seal of approval and launch a marketing trend in which glib testimonials would become advertorial pitches. Sean Manning, publisher of Simon & Schuster's flagship imprint in the US, now seems keen to break the trend. Writing in *The Publisher's Weekly*, he has declared that his authors would no longer be required to indulge in this particular frivolity as it only perpetuates "an incestuous and unmerciful literary ecosystem that often rewards connections over talent". It is a brave new world that Manning foresees, since the practice of the blurb is now entrenched in the book trade. Coined in 1907 by the American satirist George Burgess, it referred to the effusive, exaggerated — often vaucous — praise from one's own hype squad comprising friends and colleagues in high places. Often a quid pro quo arrangement, this enforced collegiality has created opaque power structures and insular cliques that further a culture of obligation and favouritism. The transition may not be as smooth as Manning envisions. The blurb has become pivotal for sellers to position new titles and the temptation to solicit glowing endorsements from peers is difficult for many writers to resist. Unless, of course, like George Orwell, one can cut through the marketing puffery and get to the heart of the matter. In 1936, in an essay "In Defence of the Novel", he wrote: "When all novels are thrust upon us as words of genius, it is quite natural to assume that all of them are tripe." In short, let the book speak for itself.



ADITI NAYYAR

THE MONETARY POLICY committee of the RBI has embarked on a rate-cutting cycle in its February 2025 review. The growth-inflation trends and outlook mix had provided a window to cut rates. The committee presently used this opportunity to do the same even as the global arena is fraught with uncertainty, which has manifested most visibly in the depreciation in the rupee versus the US dollar. However, while India's rate cut cycle has kicked off, it is highly likely to be shallow. Backtracking to the MPC's previous policy meeting in December 2024, the last available CPI (Consumer Price Index) inflation print had breached 6 per cent, the upper threshold of the medium-term target range of 2-6 per cent. This had signalled that a rate cut was clearly off the table, even though GDP growth had slumped to a lower-than-expected 5.4 per cent in the second quarter of 2024-25. The February 2025 policy meeting seemed "live" for a rate cut, with inflation having receded appreciably and expected to moderate further in 2025-26. Even as the tea leaves of the high frequency indicators portend a pickup in domestic growth from the trough of the second quarter, it is likely to remain well below the level of 8.2 per cent recorded in 2023-24. Eventually, the MPC unanimously cut the repo rate by 25 basis points, while maintaining a neutral stance, both in line with our expectations. Interestingly, it was last in April 2019, when the MPC had reduced the policy rate to 6 per cent from 6.25 per cent, while maintaining a neutral stance. This had been, however, followed by a change in stance to accommodate a series of rate cuts pre- and post- the onset of the pandemic to the low of 4 per cent by May 2020. In our view, this cycle is likely to be markedly different. ICRA believes that the outlook for inflation and growth can provide space for only one more rate cut of 25 basis points in the near term, although the timing of the same needs to be calibrated to the domestic and global developments. We expect the CPI inflation to dip to 4.2 per

A shallow cut

Outlook for inflation, growth can provide space for only one more rate cut of 25 basis points in near term

The global environment is mired with inflation risks, one of which stems from tariff-related actions by the US and countermeasures by other countries. The yo-yo on tariff measures has already enhanced financial market volatility and impacted the rupee, which has depreciated over the last few months, even though it has outperformed other emerging market currencies. This raises concerns on account of pass-through to inflation and adverse growth outcomes, which have also been acknowledged by the MPC.

cent in 2025-26 from 4.8 per cent in 2024-25, in line with the MPC's estimates. This is expected to be driven by a sharp moderation in food inflation, even as core inflation is expected to rise slightly. The supply-led cooling in food inflation, benefitting from the healthy rabi sowing and ample reservoir levels, as well as the Budget's announcements regarding schemes for perishables and pulses, is expected to provide relief to low and middle-income households. The tax cuts of Rs 1 trillion unveiled by the Union Budget are generous from a macro point of view. However, the monthly improvement in disposable income is not large enough to prove inflationary, in our assessment. This is especially so with overall fiscal policy being mildly restrictive, with the fiscal deficit set to narrow to 4.4 per cent of GDP in 2025-26 from 4.8 per cent in 2024-25. However, the global environment is mired with inflation risks, one of which stems from tariff-related actions by the US and countermeasures by other countries. The yo-yo on tariff measures has already enhanced financial market volatility and impacted the rupee, which has depreciated over the last few months, even though it has outperformed other emerging market currencies. This raises concerns on account of pass-through to inflation and adverse growth outcomes, which have also been acknowledged by the MPC. While global headlines are likely to adversely impact India's near-term outlook, the muted outlook for exports, particularly for the goods segment, is expected to constrain India's GDP growth over the medium term as well. This would imply that the bulk of the heavy lifting in terms of growth will need to be done by domestic consumption, and that the private capex cycle will likely remain measured and non-exuberant in the absence of strong external demand. Another rate cut in early 2025-26 would certainly play an important role in supporting urban consumption and GDP growth in the next fiscal. This would aid in reducing the

EMIs of borrower households, augmenting their discretionary consumption. Although the impact of this may not be significant, it will be spread across a wide number of households; as per the RBI data, there were as many as 194.9 million personal loan accounts, including 14.7 million home loan accounts outstanding as of end-September 2024. Additionally, the aforesaid income tax relief to the tune of Rs 1 trillion that was provided in the budget to individual taxpayers would result in a consumption multiplier and has the potential to boost GDP growth in the coming year. This combination of rate cuts, income tax relief and lower food inflation is expected to boost urban consumption. In the budget, the government has also provided a capex thrust of Rs 1 trillion, which is a growth of 10.1 per cent. However, over the medium term, government capex is unlikely to grow at very high rates on a sustained basis, owing to fiscal constraints, notwithstanding the shift to the new fiscal anchor, namely debt/GDP from the more rigid extant fiscal deficit/GDP. Besides, fiscal consolidation will have to contend with challenges owing to the recommendations of the 8th Pay Commission and the 16th Finance Commission, which are scheduled to be released during the coming year. This assessment suggests that India's growth potential remains around the 6.5-7 per cent mark, well below the 8 per cent alluded to in the Economic Survey. Interestingly, the RBI governor stressed that the exchange rate policy remains focused on smoothening excessive and disruptive volatility rather than targeting any specific exchange rate level or band. This suggests policy continuity despite a change in guard at the RBI. It debunks the expectations of increased comfort of a depreciation in the US dollar/rupee pair that the market seems to have developed over the last few months.

The writer is chief economist, head — Research & Outreach, ICRA



RUCHI GUPTA

AS INDIA'S GROWTH flounders, the lack of a coherent national development strategy is increasingly evident. With our global aspirations seemingly retreating more on our size than achievements. This is especially clear in the H-1B visa discourse. The Indian government frames H-1B preservation as national interest. We have an obligation to protect Indian citizens abroad but why should India actively support the out-migration of its best and brightest? This approach supplants a coherent national development strategy for the aspirations of the few. The pride in the individual success of a few on the global stage often overshadows the need for systemic reforms that would advance India's place in the world. The H-1B debate in the US is tied to broader immigration issues and coloured by economic and racial anxieties. Addressing these concerns is primarily about domestic US policies. For India, the focus should be on why a country producing top talent cannot provide enough opportunities at home, leading to 75 per cent of H-1B holders being Indian. Instead, India celebrates its talent exodus. The success of Indian-origin CEOs in Fortune 500 companies and record-breaking remittances become a source of national pride. This narrative of triumph masks deeper structural failures, allowing the government to evade the critical introspection and investments needed to broaden opportunities and ensure widespread middle-class success at home. The H-1B system is brain drain. It may help in generating remittances, building global networks and enhancing India's soft power, but closer examination reveals a troubling imbalance. India invests heavily in nurturing talent through publicly funded institutions like the

THE H-1B PARADOX

India needs to stop celebrating brain drain as a marker of 'global success'

The true cost of this talent exodus extends beyond brain drain. It perpetuates an outward focus that weakens the urgency for domestic reform, allowing the state to neglect its responsibility to create equitable opportunities and an environment conducive to growth and innovation. The question is no longer whether Indians can succeed globally — they clearly can — but why India struggles to replicate this success domestically and equitably.

visited India last week, unannounced, in a renewed attempt to sell sophisticated arms to India. Another British minister was slated to come to India this month, but the visit was put off because India felt that the British government was not dealing with Sikh extremists sternly. TWO KILLED IN TRIPURA CPM LEADER BINANDA Jamatia and a surrendered extremist Hisham Kumar Jamatia were killed by some unidentified miscreants at Kasku village in south Tripura's Amarpur division. Jamatia was "chairman" of the erstwhile All Tripura People's Liberation Organisation (ATPLO) and a central committee member of the CPM's tribal wing Ganamukti Parishad. MISSING KEYS IN TIHAR ALL LOCKS OF A ward in the Tihar district jail had to be broken after the keys mysteriously disappeared overnight. Jail officials broke their way into their own jail after plans for yet another escape bid from Tihar went awry, sources said. It was from the same ward that two prisoners, Shyam Sunder and Gorakh had escaped on the night of October 23, Gorakh, a dreaded UP dacoit, is still at large. Shyam Sunder surrendered a month after the escape.

Its without reaping direct benefits from this training, while the US gets to cherry-pick our top talent without bearing the cost of training. Indians who go abroad must also trade political equality for economic prosperity. The H-1B narrative has become a story of class privilege. Celebrating individual success obscures systemic barriers and perpetuates the myth that talent naturally finds success. In reality, structural advantages — access to elite institutions, networks, and resources — play a decisive role in determining who gets ahead. Proponents argue that lucrative opportunities abroad through H-1B visas supplant education abroad, and that brain drain is overstated. This has merit but is incomplete. Relying on external opportunities to drive aspirations effectively outsources the responsibility to build a robust education and employment system. While opportunity abroad may spark aspiration, access to quality education remains severely limited, as evident from the intense competition, exam paper leaks, corruption and youth suicides. Consequently, only a small percentage benefits while the vast majority — particularly in rural and underprivileged communities — are left behind. The true cost of this talent exodus extends beyond brain drain. It perpetuates an outward focus that weakens the urgency for domestic reform, allowing the state to neglect its responsibility to create equitable opportunities and an environment conducive to growth and innovation. The question is no longer whether Indians can succeed globally — they clearly can — but why India struggles to replicate this success domestically and equitably. Consider why India, with its abundant talent pool, has produced relatively few globally competitive companies or Nobel laure-

The writer is executive director, Future of India Foundation



FEBRUARY 8, 1985, FORTY YEARS AGO

CRISIS IN CONGRESS (I) FACED WITH the prospect of a large number of rebel candidates with the backing of some senior leaders, the central leadership of the Congress (I) initiated a series of steps to face the challenge. The high command has got reports of widespread rebel moves from almost all 11 states going to polls. Powerful leaders from, at least, half a dozen states have arrived in Delhi with a plea to avert the crisis. INDIA, BRITAIN & ARMS A SENIOR OFFICER of the British Ministry of Defence, Sir James Blythe, is reported to have

visited India last week, unannounced, in a renewed attempt to sell sophisticated arms to India. Another British minister was slated to come to India this month, but the visit was put off because India felt that the British government was not dealing with Sikh extremists sternly. TWO KILLED IN TRIPURA CPM LEADER BINANDA Jamatia and a surrendered extremist Hisham Kumar Jamatia were killed by some unidentified miscreants at Kasku village in south Tripura's Amarpur division. Jamatia was "chairman" of the erstwhile All Tripura People's Liberation

Organisation (ATPLO) and a central committee member of the CPM's tribal wing Ganamukti Parishad. MISSING KEYS IN TIHAR ALL LOCKS OF A ward in the Tihar district jail had to be broken after the keys mysteriously disappeared overnight. Jail officials broke their way into their own jail after plans for yet another escape bid from Tihar went awry, sources said. It was from the same ward that two prisoners, Shyam Sunder and Gorakh had escaped on the night of October 23, Gorakh, a dreaded UP dacoit, is still at large. Shyam Sunder surrendered a month after the escape.

13 THE IDEAS PAGE

AI race: What India should do

India has the necessary foundation to catalyse both the pace and scale of a new wave of digital transformation



AMITABH KANT

JUST A FORTNIGHT back, the US committed billions to semiconductor investments with the Stargate initiative, laying the groundwork for its technological future. The aim was to create 100,000 jobs and secure pole position for the US in AI. In another part of the world, an open-source AI model emerged in DeepSeek, shaking the foundations of proprietary systems with its unmatched cost-efficiency and performance. DeepSeek developed an open-source product in less than two years with 200 employees and less than \$10 million in capital. In comparison, OpenAI boasted 4,500 employees and had \$6.6-billion in funding.

OpenAI CEO Sam Altman, who previously called India's efforts to develop its own AI models "totally hopeless", has made a complete about-turn and said that India should take a leadership role in the AI race. The global AI race has begun. Each week, the world bears witness to groundbreaking innovations that push the boundaries of what we once thought possible. With its young population and a well-established Digital Public Infrastructure (DPI), India needs to rapidly develop capabilities to lead the next phase of the AI revolution.

India has 420,000 AI professionals — a force larger than many nations' entire tech workforce. A 92 per cent AI adoption rate amongst enterprises — the highest in the world. And a \$17-billion market potential. These are the building blocks of a new technological superpower. The government's commitment is unequivocal; its IndiaAI Mission is a clear declaration of intent. Our developer community is the second largest in the world, behind only the US. India has 240-plus Gen AI startups, of which 70 per cent cater to industry-specific challenges in sectors such as healthcare, education, BFSI, and agriculture. For instance, Sarvam AI is working on building a foundational model with Indian languages. Nimam is a health-tech startup using AI to detect early signs of breast cancer in women. BHASHINI is breaking language barriers with built-in support for 22-plus languages to make communication more inclusive. It has already powered over 100 million interactions, proving its widespread use and reliability.

With such a vibrant ecosystem of innovation, we have the necessary foundation to catalyse both the pace and scale of a new wave of digital transformation. India's story is one of a billion-plus people fundamentally reimagining its digital architecture. In less than a decade, first, look at what we have achieved in financial inclusion — we took bank-account penetration from 30 per cent to over 80 per cent in just seven years. The World Bank and the IMF said this should take 47. By rethinking DPI, the cost of opening a bank account from \$23 to just 15 cents. Second, examine the scale of digital payments — \$568 billion in monthly UPI transactions, with India handling 49 per cent of global real-time payments. More than just the digitisation of existing payment flows,



C.R. Sasikumar

India has created entirely new economic behaviors and possibilities. This infrastructure has created a completely new generation of technology companies. We built close to 108 unicorns in this period, powered by DPI. From payments, we moved to healthcare startups using the health stack, lending platforms leveraging the account aggregator framework, and commerce companies building on top of open networks. Third, look at how DPI proved transformative during a crisis. During the pandemic, we could instantly transfer \$4.5 billion to 160 million people. From construction workers to farmers, from women to rural workers — India facilitated direct, instant, and leakage-free transfers when they needed it most.

On this open-source, interoperable infrastructure, we created an ecosystem that allows both public and private innovation to flourish. The results speak for themselves: 14 million businesses registered on GST, 863 million internet users, and an expected 13.42 per cent digital economy growth rate. With a globally recognised talent pool, relatively low electricity costs, abundant land, a vast reservoir of data, and strong government support for an aspirational entrepreneurial vision, we should lead this race.

A foundational pillar of the AI ecosystem that demands urgent attention is hardware. GPUs are the brain of AI and the key pillar on which machine intelligence is built. The Biden administration, in one of its last orders, issued the AI Diffusion rule, thereby putting severe controls and restrictions on the import and export of GPU computing facilities. Despite India being a Quad partner, the US put us in the Tier II category — restricting the import of advanced GPUs, as well as large-scale training of frontier AI models. This places a severe handicap on India's ability to develop and grow as an AI power. India must take decisive steps to build and fortify the hardware backbone powering AI systems, ensuring that they deliver unmatched efficiency, reliability, and scalability. Owning our AI hardware capabilities is a necessity for securing independence in an increasingly tech-driven world. Investments in AI hardware will create jobs and attract significant capital, while also

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sparking a ripple effect of innovation across industries. By developing robust hardware ecosystems, India can position itself as an indispensable partner in global supply chains, amplifying its influence on the international stage. Nurturing cutting-edge research and cultivating homegrown expertise will unlock breakthroughs that solidify India's leadership in AI hardware innovation. Finally, championing open hardware ecosystems will foster collaboration and inclusivity, ensuring accessibility for innovators and developers around the world. To lead the AI revolution, we must understand this truth: Hardware is more than an accessory — it is the engine driving it all.

To maintain our sovereignty in technological advancement and lead from the front, we must not allow ourselves to become a technological colony of the US and China. This requires us to do the following. One, India must innovate in a nimble, less energy-consuming, cost-effective manner. We must do more for less like ISRO. Two, open source is the way forward, but we must create an environment that encourages brilliant and clever engineering. We must converge software with computing power to achieve solutions for pressing challenges like improving learning and health outcomes at the lowest cost. Three, we must build sovereign frontier models that are based on our data sets and do not have any inherent biases. It should be an end-to-end AI ecosystem and not just the application layer. Four, since India has 22 recognised official languages and a vast number of local dialects, we must build multilingual and multimodal foundational models. Five, as a Quad partner, India should secure its position among Tier-I countries in the realm of AI diffusion, and not be subjected to any restrictions or controls. Six, there must be a sense of great urgency and a mission-driven approach.

When future generations write the history of AI, they must mark this decade as the moment when India transformed from a service provider to a global innovator.

The writer is India's G20 Sherpa and former CEO, NITI Aayog. Views are personal

WHAT THE OTHERS SAY

"In the absence of any workable and just solution that protects the rights of the Palestinian people, the only foreseeable outcome is more conflict."

— DAWN, PAKISTAN

Winning back public trust

Journalism must find myriad ways to improve. For starters, embrace fact-checking



TOM GOLDSTEIN

PRESIDENT DONALD TRUMP's second term in office began this month just as his last term ended in systematic lies. He seems to be as popular as ever, while public opinion continues to devalue the role of the messenger: The news media.

By stubborn repetition, Trump has shown there is substantial upside and little downside in selling systematic lies. He seems to be as popular as ever, while public opinion continues to devalue the role of the messenger: The news media.

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that seemed designed to placate then-President-elect Trump. Zuckerberg said Facebook and its allied services would abandon fact-checking because it interfered with free speech and expression. No one wants to be accused of stifling these freedoms. But in this instance, accuracy was the victim of this shift in priorities by Zuckerberg.

Meta announced that it would end its partnership with independent American journalists to identify false information and hoaxes on its platform. Instead, it would rely on crowd-sourcing, sometimes a dubious way of finding truth.

Zuckerberg justified his move by arguing that the checking procedures they had put in place produced unwanted censorship — a claim immediately disputed by some of Meta's fact-checking partners. In a statement, dozens of these partners lamented: "We believe the decision to end Meta's third-party fact-checking program is a step backwards for those who want to see an internet that prioritises accurate and trustworthy information."

We can always hope that a lightning bolt will flash, and Trump will realise that he and other world leaders are really great beneficiaries of quality journalism. Without journalists, he would resemble a playwright with no critics to praise (or pan) his performances. Rather than treating journalists as a target, he should learn to embrace them and encourage them to improve their product.

While waiting for that lightning bolt moment to arrive, journalists might review ideas from the past — some serious, some less so — to help to improve.

As one antidote to the public distrust of the media, journalists need to embrace the art of fact-checking — a term that is often misunderstood or misused. Fact-checking, which sounds so mundane, is not a mere substitute for editing. It is a higher form of editing, far more than checking a story for grammar and spelling.

To be sure, fact-checking is time-consuming and expensive (The New Yorker magazine, which sets the gold standard, has nearly 30 journalists checking stories). But it is also a relatively simple way to guard against falsehood, whether it is written for the web, Facebook or a conventional news outlet. A second, skilled person essentially re-reports a story. Once given a draft of a story, a checker does independent research, getting in touch with everyone mentioned in the story.

Fact-checking is not perfect. No easy way exists to fully check a breaking news story. Not every assertion can be checked, of course. Trump's claim, after a bullet grazed his ear this summer, that he was "saved by God" goes beyond the realm of checking.

When it is needed most, fact-checking on the internet suffered a largely overlooked serious blow earlier this month, dealt by Mark Zuckerberg, chief of Meta and a one-time enthusiastic backer of fact-checking. In a barely coherent message

The writer has served as dean of journalism schools at Columbia University in New York, University of California, Berkeley and the O'P Jindal Global University, Sonipat



RAM RAJYA
BY RAM MADHAV

An encompassing budget

It will stimulate increased spending, create more jobs and investment

MANY INDIANS LOOK at annual budgets only for relief in direct and indirect tax regimes that benefits the middle class. Finance Minister Nirmala Sitharaman did not disappoint them this time. For years, the FM endured criticism for failing to increase the income tax exemption rate substantially. This year, she announced that incomes up to Rs 12 lakh will be exempt from income tax, an increase from Rs 7 lakh until now, answering the call of the country's middle class. This development has been widely applauded.

In the short term, the decision is clearly a sound one, especially because more money in the hands of the middle class means more spending. This will catalyse more production and create jobs. Last year, the consumer products market saw a decline in profits. Consumption items like oils and pulses as well as daily-use products like soaps and shampoos saw a decline in sales. The reasons for this need detailed study. But, on the face of it, it appears that one reason could be the exponential growth of the gig economy. Ordering food through delivery aggregators like Swiggy and Zomato rather than cooking at home or visiting one of the mushrooming beauty parlours rather than spending on shampoos and other beauty products have become rampant in the middle class.

Globally, the manufacturing industry is a major job provider. But the sector remained an Achilles' heel for India. Thanks to the efforts

of the Narendra Modi government, growth in the sector has picked up in recent years. According to the Annual Survey of Industries (ASI) data, the sector experienced 7.5 per cent growth in FY2023, taking the number of employees in it to 18.5 million. Any slowdown in the sector would create a challenge to the country's ever-growing employable population. India is a country with a massive population of the young. The millions of young people entering the workforce put enormous stress on governments on the job front. As shortages in the traditional jobs sector continue to plague the economy, a large number of youths are in the newly emerging gig sector. Estimates suggest that the gig sector is the fastest growing in India, providing employment to around 10 million people today. ASSOCHAM analysts predict that this figure is growing at a compounded rate of 17 per cent, while NITI Aayog is projecting that it will cross 23.5 million by 2029-30.

There is no clear definition of gig work. It is broadly understood as a work arrangement that is non-permanent, outside the traditional definition of employer and employee. The FM seems to have followed the traditional logic that increased tax exemption rates will place excess money in the hands of India's primary consuming class — the middle class — and that will increase domestic consumption. More spending means more tax revenue, more manufacturing and more

jobs. But this time, the minister has paid attention to the gig sector too. There has been a long-standing demand from labour organisations for insurance cover for gig workers. Hearing those, Sitharaman has announced several social security measures like coverage under the PM Jan Arogya Yojana, aiming to provide health protection to over 10 million gig workers. She may have to keep in mind, though, that leading companies in the gig sector already have certain welfare measures in place for their workers.

At a time when digitalisation and AI threaten to take away jobs, securing capital inflows into the manufacturing sector remains India's biggest challenge. In the last few years, the government has used the infrastructure spending route to boost employment, which continued in this year's budget. It may be a temporary reprieve, but the real answer is to catalyse a greater inflow of domestic and foreign capital into industries with greater employment potential. So far, only the defence manufacturing industry has shown promising growth. Now, the government wants to encourage other labour-intensive sectors like shipbuilding. Although India depends on oceans for almost 95 per cent of its exports and imports, its share in the global shipping industry remains minuscule. By granting industry status to shipbuilding, the FM has opened doors for potential growth in the sector.

The most important reform, however, is

for regulatory institutions. In a successful economy, regulatory institutions play the role of facilitators. Instead, in India, overzealous regulators made the country less attractive to foreign capital. Recognising this bottleneck, the FM has cautioned that the regulators "must keep up with technological innovations and global policy developments". She promised a "light touch regulatory framework" based on "principles and trust", and announced the constitution of a high-level committee with the objective of building a "modern, flexible, people-friendly, and trust-based regulatory framework appropriate for the 21st century".

Another far-reaching announcement was of the Jan Vishwas Bill 2.0. In 2023, through a similar bill, the government decentralised more than 180 legal provisions in various departments under different ministries. With a view to further enhancing the ease of doing business, the minister announced the decentralisation of another 100 provisions in various laws.

The Chief Economic Advisor to the finance ministry, V. Anantha Nageswaran, summarised the mood in the government in his pre-budget Economic Survey in one sentence: "The government should get out of the way of business."

The writer, president, India Foundation, is with the BJP. Views are personal

LETTERS TO THE EDITOR

DELHI POLLS

THIS REFERS TO the report, "Most exit polls give BJP edge. AAP says never right" (IE, February 6). The BJP should be thankful not only to the Congress, which made inroads into the AAP's vote share, but also to the Election Commission for fixing the date of the polls just a few days after the presentation of the Union Budget — which brought major income tax relief for middle- and higher-income groups — and also for ignoring violations of the Model Code of Conduct by the BJP and allowing the Prime Minister to take a dip in the Triveni Sangam with great publicity on election day.

Tharicus S Fernando, Chennai

DHAKA'S TASK

THIS REFERS TO the article, "Let's work together" (IE, February 6). World Bank data shows that Bangladesh has a strong track record of growth and development since 1971, even amid economic uncertainties. From the poorest, it climbed to lower-middle income status in 2015 because of stable macroeconomic conditions and improved human development outcomes. However, in recent years, it has witnessed new challenges such as growing inequality, degrading real GDP growth and high inflation. To balance this, Bangladesh needs to focus on its development, including building human capital.

Valbhav Goyal, Chandigarh

PAY FOR KNOWLEDGE

THIS REFERS TO the article, "Turning point, cutting edge" (IE, February 6). A comprehensive and well-balanced strategy of financing in proportion to societal needs is imperative in enhancing growth in the innovation sector. This approach requires long-term contracts with private entities and universities to ensure efficient funding and execution. The Rs 20-billion credit line for 2025 marks a crucial step toward strengthening India's innovation sector. NASA sets a strong precedent, outsourcing 30 per cent of its projects, while Tesla thrives on federal contracts. ISRO, BARC, and AIMS should reconsider outsourcing major research projects to maximise knowledge spillovers.

Shawast Jena, Guwahati

SC MUST ACT

THIS REFERS TO the article "Against his oath" (IE, February 6). The speech by Justice Shekhar Kumar Yadav, a sitting judge of the Allahabad High Court, at a VHP gathering, breached his oath of office to uphold the Constitution. His vituperative language and targeting of the Muslim community is unsustainable for a judge. His audacity in justifying his conduct is an open challenge to the Constitution and the Supreme Court. The Supreme Court has to take suitable action to preserve people's faith in the majesty of the law and the integrity of the courts.

IR Murmu, New Delhi

Push for spending and investment: Why RBI has cut the repo rate

GEORGE MATHEW & HITESH VYAS
MUMBAI, FEBRUARY 7

THE RESERVE Bank of India's (RBI) six-member Monetary Policy Committee (MPC) on Friday reduced the repo rate — the rate at which RBI lends to other banks — by 25 basis points (bps), bringing it down from 6.50 per cent to 6.25 per cent. This was the RBI's first repo rate cut in nearly five years.

The decision will lead to a fall in interest rates, and equated monthly instalments (EMIs) on home and personal loans.

making borrowing cheaper for individuals and businesses, thereby encouraging spending and investment. The central bank hopes that this will ultimately increase job creation and employment.

A cut can also help maintain price stability while supporting growth as inflation is within the RBI's target range, which is 4 per cent with a leeway of plus or minus 2 per cent. Inflation stood at 5.2 per cent in December 2024.

The reduction in the repo rate aligns India with global economic trends, as many central banks across the world have adopted accommodative monetary policies.

(EBLR) — lending rates set by banks based on external benchmarks such as the repo rate — will come down by 25 bps, giving relief to borrowers as their EMIs will fall as well. Lenders may also reduce interest rates on loans that are linked to the marginal cost of fund-based lending rate (MCLR, or the minimum lending rate below which a bank is not allowed to lend).

Before the announcement of the cut on Friday, there had been an increase of 250 bps in the repo rate since May 2022. As a result, banks increased their repo-linked EBLRs by a similar magnitude over the years. The one-year median MCLR increased by 175 bps between May 2022 and December 2024.

Although a lower repo rate has several benefits, it can lead to higher inflation as increased money supply and lower interest rates can drive up prices. It can also reduce the interest earned on savings, making it less attractive for individuals to save.

Notably, the RBI's decision to cut the repo rate is depending on various factors, including inflation, economic growth, and global economic trends.

What do GDP growth and inflation projections say?

In the December 2024 monetary policy, the RBI slashed the GDP growth estimate to 6.6 per cent for FY 2024-25, from an earlier

projection of 7.2 per cent. It has now projected a GDP growth of 6.7 per cent for FY 2025-26.

Speaking to *The Indian Express*, Suman Choudhury, executive director and chief economist at AzadiRatings, said, "The Indian economy has witnessed a slowdown in the current fiscal with consensus estimates of 6.4 per cent GDP growth from 8.2 per cent in FY 2024. While headline inflation has moderated to 5.2 per cent in December 2024 and is expected to ease further to 4.5 per cent over the next few months, there are concerns on its sustainability amidst the rupee touching 87 to the US dollar."

India's GDP growth estimate for the FY 2024-25 is 6.4 per cent, according to the first advance estimates released by the Ministry

of Statistics and Programme Implementation. This estimate is slightly lower than the projection of the Economic Survey for 2024-25, released last week, which put the country's GDP growth between 6.5 per cent to 7 per cent.

Retail inflation is expected to be 4.2 per cent in 2025-26, according to RBI Governor Sanjay Malhotra. In a report, the Bank of Baroda said, "We expect a significant moderation in headline retail inflation in January 2025. Retail inflation is expected to range of 4.5-4.7 per cent. The inflation outlook is evolving broadly in line with estimates, with significant support stemming from easing prices of vegetables". Global prices of edible oils have also softened, which is positive for the domestic inflation trajectory.

THIS WORD MEANS

DUNKI

Journeys that India's undocumented migrants undertake to reach the US via multiple countries

KAMALDEEP SINGH BRAR
AMRITSAR, FEBRUARY 7

ON THURSDAY, Opposition leaders in Parliament protested in the manner in which undocumented Indian immigrants were deported from the United States. A US military plane carrying 104 Indians landed in Amritsar on Wednesday, with many of the deportees complaining about being handcuffed and allowed limited access to washrooms throughout the journey.

External Affairs Minister S Jaishankar addressed the issue in the Rajya Sabha, saying, "We are engaging the US Government to ensure that the returning deportees are not mistreated in any manner during the flight, left in the same time, the House will appreciate that our focus should be to crack down strongly on the illegal migration industry."

These illegal "dunki routes" for reaching the US have been utilised by people from Punjab and Haryana and are now finding takers from other states, too.

Via South America
The first step in the most popular dunki route from India is to reach South America. Countries such as Ecuador, Bolivia, and Guyana have visas on arrival for Indian citizens. A migrant's route also depends on the links that his "agent" has with human trafficking networks, but the process can be long. Agents charge between Rs 30-40 lakh to Rs 1 crore per person and usually take a sum before the migrants reach the US.

One woman aboard the US military plane said she travelled with her 10-year-old son. "We were flown to Medellin in Colombia and kept there for nearly two weeks before being moved to San Salvador (capital of El Salvador) in a flight. From there, we walked for over an hour to Guatemala, then travelled by taxis to the Mexican border. After staying in Mexico for two days, we finally crossed over to the US on January 27," she told *The Indian Express*.

Some agents arrange a direct visa for Mexico from Dubai. However, landing directly in Mexico is considered more dangerous, in terms of the threat of arrest by local authorities. Most land in a



Migrants cross a river in the Darien Gap to reach the US. THE NYT

Latin American country and are then taken to Colombia.

Perilous journey to Mexico

From Colombia, the migrants enter Panama. This involves crossing the Darien Gap, a dangerous forest between the two countries, with risks of wild animals and criminal gangs. Migrants can face robbery and rape, with crimes committed here going unreported. If everything goes well, the journey takes eight to 10 days. If a migrant dies, there is no way to send the body home for last rites.

Guatemala is a big coordination centre on this route. Migrants are handed over to new traffickers here, to enter Mexico and continue the journey towards the US border. Then starts the game of hide and seek with government agencies. Gurdarup yurp Garpal Singh (26) was killed in a bus accident in Mexico while on the way to the US in 2023.

Risks at every turn

Another route from Colombia starts from San Andrés but is not much safer. From San Andrés, migrants take boats to Nicaragua in Central America. Fishing boats with migrants go to Fisherman's Cay, around 150 km from San Andrés. From there, migrants are transferred onto another boat to Mexico. The 3,140-km border separating the US and Mexico has fencing, which the migrants jump across. Many choose to cross the dangerous Rio Grande river. After crossing over, migrants are detained and then kept in camps. Their fate then depends on whether US authorities find them fit for asylum.

UDIT MISRA

THE UNION Budget for 2025-26 has provided a massive Rs 1 lakh crore (1 trillion) relief to income tax payers with the hope that the money left in their pockets will boost consumption demand and push the GDP growth rate above 6%.

Governments can influence overall GDP growth by their taxation and expenditure policies, together known as fiscal policy. Less tax leaves consumers with more money to spend, and triggers economic activity. Spending more on creating productive assets (capital expenditure) relative to spending on everyday expenses such as salaries (current or revenue expenditure) also helps overall GDP growth.

Disappointing fiscal impulse

The government did both these things in the Budget. And yet, an inspection of the Budget numbers suggests that the huge tax break notwithstanding, overall impact on growth — also called the fiscal impulse of the Union Budget — may be negative or, at best, neutral.

Analysis by the independent research agency HSBC suggests a likely negative fiscal impulse of the Budget — this remains true even after the improved quality of the central government's expenditure is factored in. Another research agency, Nomura, said that "in the near term, we see the budget as largely neutral for growth". It also said that "our estimates suggest a minimal fiscal impulse to growth".

Data from both HSBC and Nomura show a negative or neutral fiscal impulse in most years following the Covid-19 pandemic year of 2020-21. Which would mean that the economic recovery of the post-Covid years had little to do with any impetus provided by the Union Budgets for these years.

Budget priorities over the years

Look at the data presented in the table alongside. The idea is to understand the rate at which the economy grew — both the overall GDP as well as the incomes and expenditures of the average Indian and of the corporate sector — and compare it with the rate at which the Union Budget (essentially the size of the central government's expenditure) and its key components grew over the past 10 years — that is financial years (FY) 2016 to 2025. The data for FY15 are taken as the base.

EXPLAINED ECONOMICS

Budget, beyond the tax break

While historic tax cuts — like the one for income tax payers in 2025 — garner all the attention, they come at the cost of chronic underfunding of critical areas such as education and health. Here's what the data show



All data in ₹ lakh crore	2014-15	2024-25	Annual CAGR
Nominal GDP of India	124.7	324	10.00%
Nominal GDP of avg Indian**	98,405	2,30,195	8.90%
Nominal Expenditure of avg Indian**	57,201	1,42,256	9.50%
Corporate sales@#	103.3	156.7	4.70%
Corporate profits after tax@#	2.43	11.06	18.30%
Size of the Union Budget	16.6	50.7	11.80%
Budget exp. on Education	0.69	1.14	5.20%
Budget exp. on Skill Development^	0.01	0.03	14.1%
Budget exp. on Health & Family Welfare	0.31	0.89	11.10%
Budget exp. on MG-NREGA	0.33	0.86	10.10%
Budget exp. on Food subsidy	1.15	1.97	5.50%
Capital exp. in the Budget	1.97	10.2	17.90%
Fiscal Deficit	5.1	15.7	11.90%

All data in ₹ lakh crore, except the heads marked with * that are in ₹. *Data starts from 2015-16, CAGR is Compounded Annual Growth Rate, @ only non-financial firms, #Data until FY24
Source: Budget documents, CMI, Indian Express Research

While the Budget for FY15 was the first Prime Minister Narendra Modi's government, it was not a full-fledged Budget, since it was presented well after the financial year had started.

Data for corporate sales and profit are available only till 2023-24. All data are in ₹ lakh crore to allow for an easy comparison with the ₹ 1 lakh crore tax relief announced on February 1.

The key takeaways from the table:

- India's annual GDP grew at 10% in nominal terms (that is, inclusive of inflation) during this period. In comparison, per capita GDP (or the average income of an Indian) grew at only 8.9%. However, at 5.5%, the average Indian's expenditure grew faster than their income.
- The size of the Union Budget, or the rate at which government spending expanded (11.8%), was higher than the rate of nominal GDP growth. It is for this reason that the Budget as a percentage of GDP was only 13.31% in FY15, and expanded to 15.65% in FY25. This runs contrary to at least one half of the ruling party's slogan of "Minimum Government, Maximum Governance".
- Data from the economic think tank Centre for Monitoring Indian Economy (CMIE) shows that while annual sales of non-financial companies grew at a feeble rate of 4.7% — less than half the rate of nominal GDP growth — their profits soared, growing at more than 18% annually. The contrast between the situation of the average Indian and of corporate India is striking.
- To arrive at a fuller understanding of the central government's Budget priorities, it is important to look at both the size of the expenditure on a particular sector as well as the rate of growth in its allocation. This can be best seen with the example of Education and Skill Development.
- On Education, the allocation went from Rs 69,000 crore (0.69 lakh crore) in FY15 to Rs 1.14 lakh crore in FY25, at an annual growth of 5.2% — especially paltry given that the overall budget grew at 11.8% dur-

ing this period. Over the past decade, the allocation for education fell from 4% to just 2.2% of the Budget.

On Skill Development, while allocations have grown at an annual rate of more than 14%, the fact is that the total amount allocated is quite low.

It was Rs 0.01 lakh crore in FY16 and grew to Rs 0.03 lakh crore in FY25 — that's 0.06% of the total Budget in the current financial year.

■ The spending on Health and Family Welfare is even lower than on education. While the allocation has grown at a rate almost in sync with the overall size of the Budget, despite this increase, the allocation is just 1.7% of the total government expenditure.

■ The allocation to MG-NREGA, the rural employment program, has a trajectory similar to the allocation on health. ■ Expenditure towards providing food subsidy, the increased help during the pandemic notwithstanding, has grown by only 5.5% annually over the past decade. ■ Allocations to capital expenditure show why it is the hallmark of the Modi government. They have registered an increase of almost 18% — far in excess of either nominal GDP or the size of the Budget itself. The only variable that has grown faster than the government's capex is corporate profits. As of FY25, capex is over 20% of all expenditure.

■ Lastly, the fiscal deficit — the amount of money the government has to borrow each year to meet the gap between its expenditure and earnings — has grown at a faster rate than the rate of growth of the Union Budget or the GDP. It has grown from 4.1% of GDP in FY15 to 4.8% in FY25. The Modi government has not once met the fiscal prudence norm of restricting the deficit to 3% of GDP.

Upshot of the data

It is clear from the data that there is no free lunch. When governments provide historic tax relief — such as the income tax cut for the next year or the corporate tax cut in 2019 — what is often ignored are the cut in allocations to other sectors.

The chronically low levels of Budget allocations on education, skill development and health are a cause for concern, especially at a time when developments in artificial intelligence are seen as potentially threatening India's growth and job prospects.

It is an open question whether income tax cuts for those earning five to six times more than the average Indian is the best way to use taxpayer money to incentivise long-term growth.

It is also noteworthy that this tax rebate effectively shrinks India's tax base at a time when many have argued that India should be expanding it in order to bring down the tax burden on all.

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What issues will the SC consider in the TN govt-Governor dispute case?

AJOY SINHA KARPURAM
NEW DELHI, FEBRUARY 7

THE SUPREME Court on Friday continued to hear petitions filed by the Tamil Nadu government raising questions on the scope of the Governor's powers in the legislative process. The state argued that the prolonged delay in acting upon Bills passed by the state legislature would result in a situation where the "system of democracy will fall in this country".

The hearing essentially involves debating the contours of Article 200 of the Constitution, which requires the Governor to declare "that he assents to the Bill or that he withholds assent therefrom or that he reserves the Bill for the consideration of the President". It also states that this should be done "as soon as possible after the presentation to him of the Bill for assent".

Since 2023, when the Tamil Nadu government first approached the SC about the

issue, several opposition-ruled states, including Kerala, Telangana, and Punjab, have moved the apex court over such delays. The Tamil Nadu case would be a precedent for all other cases.

Governor's role in lawmaking

The Constitution envisages the office of the Governor as an apolitical entity. Over the years, the SC in several rulings has limited the Governor's exercise of the powers in a permissive manner. Broadly, the Governor is bound to act on the aid and advice of a state's Council of Ministers. However, there are a few exceptions to this. For instance, in recommending the imposition of the President's rule under Article 356 of the Constitution, and in granting assent to Bills under Article 200.

After a Bill has been passed by a state Assembly, it is presented to the Governor for her assent. Article 200 envisages three scenarios where the Governor can: ■ Give assent to the Bill, in which case it

becomes state law.

■ Withhold assent to the Bill and send it back for reconsideration by the state Assembly.

■ Reserve the Bill for consideration by the President of India.

If the Governor withholds assent and sends the Bill back for reconsideration, the Assembly can amend the Bill or pass it again as is. When the particular Bill is presented to the Governor again, she "shall not withhold assent therefrom", mandating the Bill's passage, except in cases where the Bill, in the opinion of the Governor, could "derogate from the powers of the High Court." In that case, the Bill shall be reserved for the President's consideration.

The Tamil Nadu dispute

Since Governor RN Ravi's appointment in September 2021, the Tamil Nadu government, led by the Dravida Munnetra

Kazhagam (DMK), has repeatedly raised concerns about the Governor withholding assent and delaying the passage of Bills passed by the state government. In November 2023, the state government moved the SC, claiming that Governor Ravi had been withholding assent on several Bills, the earliest of which had been pending since January 2023.

While hearing the matter on November 6, 2023, the SC said Governors "cannot be oblivious to the fact that they are not elected representatives of the people". It also said, "Why do parties have to come to the SC? The Governors must act before it comes to the SC".

Around two weeks later, the Tamil Nadu Assembly re-enacted the pending Bills. However, Governor Ravi referred two of these Bills to the President for her consideration, and withheld assent for the rest.

Issues that SC will consider

Some of the issues under consideration

by the Court are:

■ If the Governor has the authority to withhold assent for a second time after a state Assembly has passed a Bill following its initial withholding, especially when the Governor did not reserve the Bill for the President when it was first presented.

■ If the Governor's power to refer a Bill to the President is exercisable upon any Bill or it is limited to certain specified categories.

■ Considerations that influence the Governor's decision to refer a Bill to the President instead of giving assent.

■ Examining the concept of pocket veto — when the Governor holds assent indefinitely — and if it has any constitutional validity in India.

■ If there should be a time frame for the Governor to give assent to a Bill under Article 200.

SC on time frame for assent

Although Article 200 states that the Governor must take a call on granting as-