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The cost of peace: on intra-Afghan talks

Afghanistan should not lose the democratic gains made in the post-Taliban era

Six months after they were first due to be held, intra-Afghan talks bringing the Taliban face-to-face with representatives of the Ashraf Ghani government and Afghan civil society **finally got underway in Doha on Saturday.** The talks, which were a key outcome of the U.S.-Taliban and U.S.-Afghanistan agreements signed in February this year, have been delayed for many reasons. To begin with, the Taliban set pre-conditions including the release of all its prisoners, while not accepting the basic requirement of a ceasefire. There were also delays over the composition of the Afghan negotiating team led by chief negotiator Masoom Stanekzai, and differences over appointments between the former rivals, President Ghani and Abdullah Abdullah, who was appointed as the head of the High Council for National Reconciliation. There were even concerns over whether the all-male Taliban team would deal with the negotiating team, which includes four women. However, the biggest obstacle was the release of more than 5,000 Taliban prisoners and about 1,000 Afghan soldiers and others held by Taliban militia, as stipulated in the agreements with the U.S. Last month, President Ghani said that he would release all but about 400 who were wanted for "serious crimes", which led to the Taliban threatening to call off talks, but resolved after a Loya Jirga of representatives approved the release. One final batch of prisoner releases was held up briefly over objections from France and Australia, whose soldiers had been killed by them. The silver lining for India, which otherwise views the reconciliation process with some foreboding, is that the release of all Taliban prisoners has also meant the safe return of three Indian hostages, held since 2018 by the Taliban.

The hard part begins now. While preliminary rounds held since Saturday have dealt with the structure and logistics, the first task for the negotiators is to declare a permanent ceasefire, and stop violence in Afghanistan that has claimed another 1,300 civilian lives in the first half of 2020. More difficult challenges will emerge as they grapple with the Taliban on how to shape Afghanistan's future, and whether they can retain the constitution and political processes while bringing the insurgents into the mainstream. With the Ghani government giving the green signal for the talks in Doha, India has modified its stand, and External Affairs Minister S. Jaishankar attended the inaugural ceremony in Doha via videoconferencing; it was the first ever address by an Indian official at a gathering that includes the Taliban (that India still maintains is a terror group). While stating that peace in Afghanistan as a result of an "Afghan-led, Afghan owned" process is a desirable outcome, he made it clear that India hopes it will not come at the cost of gains made by Afghanistan in the post-Taliban era, including democracy, institutions of governance, and the rights of minorities and women.

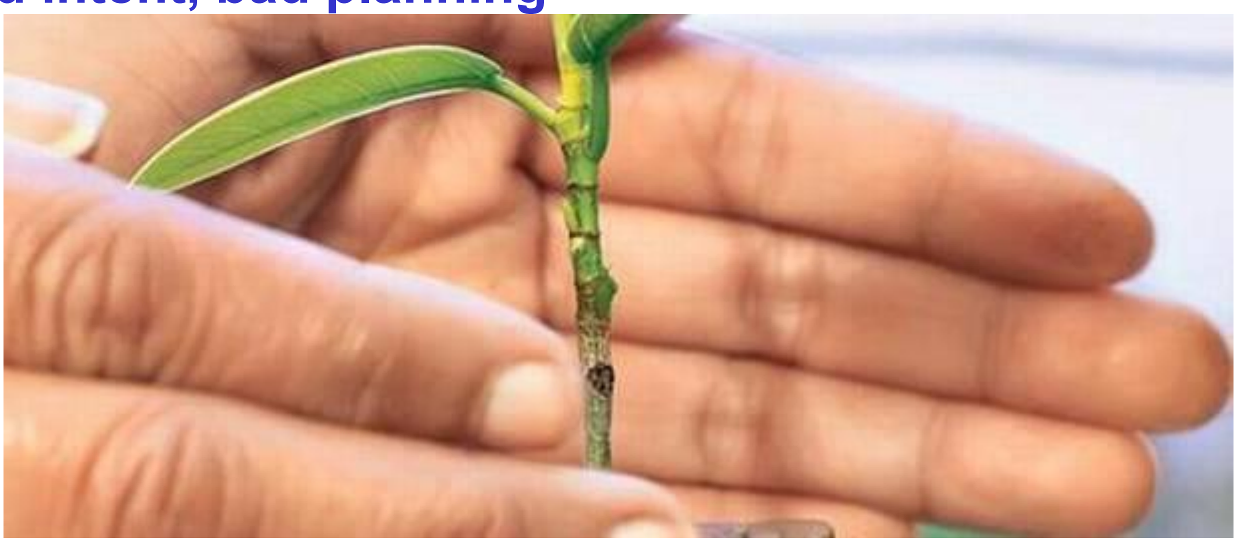
More at the top: on US Open 2020

The US Open was not short on exhibition of top-notch skill and indomitable will

The 2020 US Open, which concluded at New York on Sunday, may not have had its usual star dust, but that should not deflect from the excellence of **Dominic Thiem** and **Naomi Osaka**, who won their first and third Grand Slam singles titles, respectively. Injuries and travel concerns owing to the COVID-19 pandemic forced Roger Federer and Rafael Nadal into not making the trip across the Atlantic. World No.1 Novak Djokovic, chasing Federer's all-time record of 20 Grand Slams, took the bait, only to be disqualified in the fourth round for **accidentally striking a line judge with the ball.** Among women, six of the top eight were missing. But in extraordinary times, strength of the competition must not be the only barometer. The travel, the isolation, lack of fan engagement and the persistent threat of a virus meant that players had to mine every bit of their mental energy. It is a testament to Thiem's and Osaka's supreme abilities that they did not wither, and managed to even summon their best tennis and fight back from the brink against the young Alexander Zverev and seasoned Victoria Azarenka, both players of top-notch skill and indomitable will. Thiem is a first-time men's Major winner, six long years after Marin Cilic (2014 US Open), while Osaka has joined Venus Williams, Serena Williams, Kim Clijsters and Angelique Kerber as the only active women to have won at least three singles Majors.

Statistics aside, the tournament provided the first glimpse of how men's tennis could shape up in the absence of Federer, Djokovic and Nadal. The Thiem-led mid-card, which also includes Zverev, Daniil Medvedev and Stefanos Tsitsipas, made good on its promise and provided three of the four semifinalists. That the 27-year-old Austrian broke through first was no surprise, for he had already reached three Major finals and consistently beaten the big stars. The most recent was in Melbourne early this year, where he came within a set of defeating Djokovic in the final after having already felled the then World No.1, Nadal, in the quarterfinal. While Thiem appears to be the future, Osaka, nearly five years younger, is very much the woman of the moment. The Japanese is the most decorated Asian singles player and her use of the platform of being the most marketable sportswoman on the planet **to highlight instances of racial injustice** has captured the world's imagination. Serena, who failed yet again in her quest to capture a record-equaling 24th Grand Slam, will remain the top draw as long as she plays. But Osaka has carved out her own identity. The immediate future of tennis may lie in a sequestered world of bio-secure bubbles, but barriers are no doubt being taken down.

Good intent, bad planning



SEBI needs to avoid abrupt tweaks to rules that disrupt the market

The Securities and Exchange Board of India's (SEBI) move on changing asset allocation in multi-cap mutual funds may be well intended. It is aimed at making these funds 'true to label' and broad-basing trading activity in the market and improving volumes in small-cap stocks. But the implementation and timing leave much to be desired. Stipulating that these funds allocate 75 per cent of the assets in equity of which 25 per cent each should be invested in large, mid and small-cap stocks and that too within a short timeframe could lead to multiple problems. It is unfair to investors who have parked money in these funds based on their current investment strategy. Re-allocation of assets according to the new mandate would have resulted in spiking the demand for small-cap stocks, driving up their prices. The regulator has, however, assuaged sentiments somewhat by offering other options to funds besides rebalancing the assets and by showing willingness to reconsider its decision.

If SEBI wanted multi-cap funds to invest according to their label, it should have laid down the sub-limits in 2017 when all other mutual fund schemes were recategorised. At that time, SEBI had given ample flexibility to multi-cap schemes by not setting limits for each market cap, and stopping with the overall cap of 65 per cent for equity investments. Fund managers had used the flexibility to invest a bulk of the assets in large-cap stocks that appeared better placed to deliver sound returns to investors. Investors have also parked almost ₹1.5 lakh crore in these funds, believing that the fund managers will allocate their money across market capitalisation, depending on the prospects of each segment. A problem that fund managers will face is that small-cap stocks with good fundamentals and robust trading volume are limited. They are unlikely to be able to increase the allocation towards small-cap stocks to 25 per cent of assets, without harming investors' interest. Also, the stock market is currently in a vulnerable state with heightened speculation driving up stock prices despite gloomy prospects for the economy and corporates. This is not the time to encourage trading activity in smaller, illiquid stocks.

SEBI has clarified that fund houses can allow investors to switch to other schemes, merge their multi-cap scheme with their large-cap scheme or convert their multi-cap scheme to another category. Besides these, the regulator can consider introducing another equity fund category, flexi-cap funds — that operate with the mandate of the extant multi-cap funds. This would cause the least disruption to investors as it would involve only change in the fund name. If the regulator intends to insist on asset re-allocation, a longer time should be given for re-balancing and the limit of 25 per cent towards small-cap stocks should be lowered. The regulator should desist from making piecemeal changes in rules that cause unnecessary upheavals in the market.