



Revival risks

With prices rising and manufacturing slowing, the economy is still not out of the woods

The Centre's bid to dispel the pall of gloom over the economy has been helped in recent weeks by a sovereign rating upgrade from a global agency and a sharp improvement in India's rank on a World Bank index for ease of doing business. More significantly, the economy clocked a growth of 6.3% in the second quarter of this year, after slowing for at least four quarters. But official data for the third quarter (October to December) so far suggest that the economy is still not entirely out of the woods and fresh headwinds, such as rising oil prices, could upset the fragile recovery. Manufacturing growth, driven by restocking by producers after the rollout of the goods and services tax, was a major factor in the second quarter growth pick-up. After two months of robust 4%-plus growth, industrial activity however slipped in October, with the Index of Industrial Production reflecting just 2.2% growth. October was a festive month but consumer durables production contracted by nearly 7%, mining was virtually stagnant, and manufacturing growth moderated to 2.5% from 3.8% last year. This coincides with exporters seeing a 1.1% slump in shipments in October, after growing at an average of over 13% in the second quarter. It is also borne out by the nearly 10% drop in GST collections that month compared to September. The IIP has now grown just 2.5% in the first seven months of 2017-18, compared to 5.5% in the same period last fiscal.

If the spectre of slower growth with weak exports at a time when global trade is recovering is not worrying enough, with job creation still to pick up, the latest inflation data set too is cause for concern. Prices at the consumer level rose at the fastest pace in 15 months this November, with inflation touching 4.88%, up from 3.6% in October and just 1.5% in June. This reflects a broad-based price rise under way, although it is led by fuel inflation (at 7.2%, from 6.1% a month ago) and food inflation (4.4%, from 1.9% in October). Within food, rising onion and tomato prices pushed vegetable inflation to a 16-month high of 22.5%; inflation in egg prices quickened from 0.8% in October to 8% in November. While some of this food inflation could wane in the coming months, there is greater concern about the rise in core inflation (excluding food and fuel) and inflation imported through high global prices. On Tuesday, oil prices breached the \$65 a barrel mark for the first time in over two years. The government faces difficult choices. Slashing fuel taxes could calm inflation, but it would hit revenue collections that are already uncertain owing to GST deadline extensions. Not doing so would leave less room for the central bank to lower interest rates. As the Economic Survey said, oil at \$60-65 could hit consumption and public investment and dent private investment further. That is not a path to a sustained revival.

House rules

British MPs hand Prime Minister May a defeat by asserting their role in Brexit decisions

The adoption in the House of Commons of an amendment to the draft bill on Britain's withdrawal from the European Union has handed Prime Minister Theresa May a stinging defeat. But the legislative development on Wednesday, with Conservative rebels joining ranks with Labour and Liberal Democrat MPs, is an important guarantee of parliamentary scrutiny over the shape of London's future relationship with the EU. The provision will ensure that legislators have a voice in finalising the terms of the exit agreement. The significance of that role cannot be exaggerated, given that the residency status of millions of U.K. and EU citizens in a post-Brexit scenario are at stake, besides London's financial liabilities to the bloc. No less vital is the future of the border separating Northern Ireland from the Irish Republic. The difficult compromises Ms. May will be required to strike in the months ahead will now oblige her to be accountable to her party and to Parliament. The issue of whether parliamentary sovereignty trumps executive prerogative in determining the terms of London's exit has existed since the June 2016 referendum. The government maintained all along that the matter was in the domain of executive authority once the popular will on Britain's EU membership had been obtained in the plebiscite. The predominantly pro-European MPs, across party lines, have deemed otherwise. They have held it is in the fitness of things that the legislature should be taken into confidence on Brexit.

Following the referendum, a similar controversy had arisen over whether Parliament should be consulted on triggering Article 50 of the European treaty on leaving the union. A judicial challenge to the government's position was upheld in January by the country's Supreme Court. The ruling by a majority held that since domestic laws would be altered following Brexit, a parliamentary vote on initiating that process was mandatory. Another test looms in Parliament next week pertaining to differences over the March 2019 deadline for Brexit, which critics fear may not leave enough room to finalise the precise terms of the departure. The government's apparent lack of transparency on these fundamental questions sits uneasily with the emphasis of the Leave campaigners' populist rhetoric on taking back control of their country. Their current confusion owes in large measure to the complexities of deciding how far away they want to go from the EU in economic and political terms. The defeat on Wednesday is indeed a big victory for the opposition, eager to capitalise on the Conservatives' slender majority in the House of Commons. And with referendums becoming a popular tool worldwide, it nuances the larger debate on whether such votes should override the will of the legislature, or guide it.

Looking for balance in power

The Russia-India-China trilateral meet is New Delhi's attempt to overcome challenges in ties with Moscow and Beijing



HARSH V. PANT

A month after India was part of the 'Quad' discussion on the sidelines of the East Asia Summit in Manila involving Japan, Australia and the U.S., New Delhi hosted foreign ministers of Russia and China this week. The Russia-India-China trilateral held its 15th meeting in what can be construed as New Delhi's attempt to get a semblance of balance in its ties with Moscow and Beijing.

Scope of talks

The broader discussions, according to a joint communique of the 15th meeting, "took place in the backdrop of the political scenario in West Asia and North Africa, numerous challenges in putting the world economy back on the growth track, concerns relating to terrorism, transnational organised crime, illicit drug trafficking, food security, and climate change."

But what was perhaps interesting was Russia and China's continued attempts to frame global and regional politics through a similar lens, and the growing divergences between India and them. Russian Foreign Minister Sergei Lavrov made it clear that he believes that India can benefit by joining China's Belt and Road Initiative. "I know India has problems, we discussed it today, with the concept of One Belt, One Road, but the specific problem in this regard should not make everything else conditional to resolving political issues," Mr. Lavrov said. Targeting India's participation in the 'Quad', he also underlined that a sustainable security architecture cannot

be achieved in the Asia-Pacific region with "closed bloc arrangements." Chinese foreign minister Wang Yi also cautioned against "spheres of influence" and "cliques" by arguing that China opposed "hegemony and power politics and disagree with the sphere of influence and cliques and promote the democratisation of international relations."

China, meanwhile, continued to take an aggressive posture on Doklam and its aftermath. Mr. Wang said in a speech before his Delhi visit: "We have handled the issue of cross-border incursions by the Indian border troops into China's Donglang (Doklam) area through diplomatic measures." Though he suggested that "China and India have far greater shared strategic interests than differences, and far greater needs for cooperation than partial friction," he maintained that "through diplomatic means, the Indian side withdrew its equipment and personnel which reflected the value and importance of China-India relations and demonstrated sincerity and responsibility of maintaining regional peace and stability."

Tension in the air

The tensions in the trilateral framework are inevitable given the changes in the global geopolitical environment. The original conception of this framework was a response to a very different global environment. The proposal for a Moscow-Beijing-Delhi 'strategic triangle' had originally come from former Russian Prime Minister Yevgeny Primakov during his visit to India in 1998, when he argued that such an arrangement would represent a force for greater regional and international stability. This did not elicit as enthusiastic a response from China and India as Russia had perhaps hoped for.



AFP

Thereafter, the three countries continued to focus on improving the nature of their bilateral relationships, maintaining a safe distance from the Primakov proposal. But, this idea of a 'strategic triangle' took a tangible form when former Foreign Ministers of Russia, China, and India – Igor Ivanov, Tang Jiaxuan and Yashwant Sinha – met on the margins of the UN General Assembly in New York in September 2002. Despite the fact that nothing concrete emerged out of that meeting, it represented the first major attempt by the three nations to deliberate on world affairs, and since then has become a regular feature of interactions among the three states.

The three nations had very different expectations from this trilateral. Russia's role was key as its loss of power and influence on the world scene was a major cause of concern for its leadership. There was a growing and pervasive feeling in Russia that it surrendered its once-powerful position on the world stage for a position of little international influence and respect. It is against this backdrop that Russia tried to establish itself as the hub of two bilateral security partnerships that could be used to counteract U.S. power and influence in areas of mutual concern. While Russia witnessed a downward slide in its status as a superpower since the end of the Cold War, China emerged as a ris-

ing power that saw the U.S. as the greatest obstacle, if it was to achieve a pre-eminent position in the global political hierarchy. As a consequence, China recognised the importance of cooperating with Russia to check U.S. expansionism in the world, even if only for the short term. In fact, American policies towards Russia and China moved the two states closer to each other, leading to the formation of a new balance of power against the U.S.

India's stance

India, on the other hand, had different considerations, as it was still far from becoming a global power of any reckoning. India saw in the trilateral a mechanism to bring greater balance in the global order as it believed that a unipolar U.S.-dominated world was not in the best interests of weaker states like itself, even as strategic convergence deepened between Washington and Delhi. Moreover, all three countries realised the enormous potential in the economic, political, military and cultural realms if bilateral relationships among them were adequately strengthened.

As a consequence, the trilateral did not lead to consequences of any great import. It merely resulted in declarations which were often critical of the West, and of the U.S. in particular. Yet this was also a period which saw significant shifts in Indo-U.S. ties as bilateral relations expanded while Russian and Chinese links with the U.S. have witnessed a downward shift.

The joint declaration of the recent trilateral meeting said: "Those committing, organising, inciting or supporting terrorist acts" must be held accountable and brought to justice under international law, including the principle of "extradite or prosecute." It

stopped short of naming Pakistan-based terror groups such as Lashkar-e-Taiba and Jaish-e-Mohammed, something that India would have liked in line with the most recent BRICS declaration.

An arrangement that had started with an attempt to manage American unipolarity is now being affected fundamentally by Chinese resurgence. Both Russia and India are having to deal with the externalities being generated by China's rise. While Russia is getting closer to China, India is trying to leverage its partnership with other like-minded states in the wider Indo-Pacific region. As a multipolar world order takes shape, India will have to engage with multiple partners so as to limit bilateral divergences.

The Russia-India-China template comes with its own set of challenges. China's *Global Times*, commenting on the recent trilateral, suggested that "the leaders of the three only meet with each other on international occasions," adding, "this indicates it does not have high status in diplomacy and cannot bear more functions." While this may be true, New Delhi's continued engagement with the duo suggests that India is today confident of setting its own agenda in various platforms. Just as China engages with the U.S. on the one hand and with Russia on the other, a rising India is quite capable of managing its ties with Washington, Beijing and Moscow simultaneously. It will not always be easy, but in an age when the certitudes of the past are fast vanishing, diplomacy will have to tread a complex path.

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Whither disaster management after Ockhi?

More lives of fisherfolk would have been saved if disaster management action plans were implemented properly



M.G. DEVASAHAYAM

A disaster is an event causing extreme disruption in a society's functioning. It results in widespread human, material, and environmental losses which are beyond the ability of the affected people to cope with on their own. Most disasters – floods, cyclones, earthquakes, landslides – are due to nature's fury. When a disaster causes death and destruction, it becomes a calamity beyond human endurance. This is what happened when cyclone Ockhi struck Kanniyakumari district in Tamil Nadu and parts of Kerala on November 29th night and 30th morning.

As per the information given by fishermen associations in Tamil Nadu and Kerala, over 120 fishermen are dead and about 900 are still missing. Fishermen who ventured out into the sea to help in rescue operations reportedly saw bloated bodies floating. They were, however, unable to bring several of these bodies back to the shore. The Tamil Nadu government continues to be in denial

mode as far as the number of deaths is concerned, although there is some consensus on the number of people missing.

Cyclone Ockhi has left a massive trail of destruction in Kanniyakumari district. It is here that the government's rapid response by way of disaster management should have stepped in.

Failure in damage control

There are three basic failings in the government's response: the cyclone warning was delayed; the warning, when it came, was ineffective because it could not be conveyed to thousands of fisherfolk who were already out at sea; and once the cyclone struck, there was no war-like mobilisation and action, which are the hallmarks of good disaster management.

Cyclone Ockhi's devastation started within 12 hours of the first "rough seas" warning that was put out on November 29. Such conditions may have deterred fisherfolk in other parts of Tamil Nadu, but not those in Kanniyakumari, which has among the highest density of fisherfolk in India. Given the limited quantity of fish in near-shore waters, many fisherfolk have diversified into deep-sea and long-distance fishing. Considering that their fishing voyages sometimes last from ten days to more than a



A. SHANMUGHEEN

month, the Indian Meteorological Department's timing of the cyclone forecast was futile.

The government's own estimates suggest that 3,677 fishermen from Kanniyakumari and Kerala were lost in sea. On November 30 morning, action plans should have kicked in and the Indian Coast Guard, with its seaborne vessels and helicopters, should have launched emergency search and rescue operations. Coast Guard ships should have taken along a few fishermen from the villages as navigation assistants (because they knew where to look for missing people) and should have intensely combed the area. Had this been done, hundreds of fishing boats and fishermen would have been found and rescued within the shortest possible time.

Nothing of this sort happened, say fisherfolk in the worst-affected villages that I visited: Neerodi, Marthandamthurai, Vallavillai,

Eraviputhenthurai, Chinnathurai, Thoothoor, Poothurai, Enayamputhanthurai. The Coast Guard, they said, turned a deaf ear to their pleas. Even when the Coast Guard reluctantly moved with some fishermen on board, all it did was to go up to about 60 nautical miles and then stop saying that it cannot go beyond its jurisdiction.

Even so, the Indian Navy with its vast array of ships, aircraft and state-of-the-art technology should have stepped in immediately. This too did not happen. The resultant outcry forced Defence Minister Nirmala Sitharaman to come to Kanniyakumari, conduct a review, and make some promises. A few days later, the government announced the rescue/recovery of several hundred mechanised/motorised fishing boats and over 3,000 fishermen who had landed on the coasts of Gujarat, Maharashtra, Karnataka and Kerala. While the Coast Guard and the Indian Navy staked claim to this "rescue" mission, the fishing community leaders say that all these boats and the fishermen drifted to the coast on their own.

What has happened to the National Disaster Management Act (2005), the National Policy on Disaster Management (2009), the National Disaster Management Plan (2016) and the National Disaster

Response Force and infrastructure created thereof? Did the disaster management control room in Delhi function at all? Villagers have printed the photos of the dead based on eye-witness accounts and the number is not less than 100. The government continues to dismiss this as being untrue.

The need for compensation

The cyclone has also resulted in massive losses to the livelihoods of people living in the coasts due to the destruction of crops, banana, rubber, coconut and forest trees. Relief and rehabilitation is going to be a monumental task and the State government alone cannot take the huge burden of providing a decent compensation to the victims of the cyclone.

This calls for the combined efforts of the Central and State government (departments of agriculture, horticulture, animal husbandry and fisheries) and various departments (rubber board, coconut board, spices board, etc.) To get things moving, the Central Relief Commissioner should immediately visit the district, make realistic assessments, and award reasonable compensation immediately.

M.G. Devasahayam is a retired bureaucrat

LETTERS TO THE EDITOR

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

EC sends notice

The Election Commission (EC), considered an independent constitutional body, is losing its reputation ("EC notice to Rahul for TV interviews", Dec. 14). Earlier, Election Commissioners were able to maintain the dignity and authority of the body. Now the EC seems to want to please those in power. When the EC took its own time to mention the dates for the Gujarat polls, it gave vague reasons. Now, on the complaint of BJP leaders, it has promptly sent notice to Rahul Gandhi for violating the Representation of the People Act. What about Mr. Modi who conducted what can only be called a road show when he went to vote? Will the EC consider that a violation of the code of conduct too?

N. NAGARAJAN,
Secunderabad

The EC's move is neither the first nor is it going to be the last. During Assembly elections, such notices are issued against every party. What is the result though? Everyone knows that these are veiled threats and will be buried once the election results are out. We need an iron hand to rein in politicians who overstep the boundaries, but who will bell the cat?

N. MAHADEVAN,
Chennai

Protecting the police

Though the Tamil Nadu police has been credited with efficiency on par with any other top police force in the world, it is sad that it lacks adequate equipment to tackle criminals ("Inspector shot dead", Dec. 14). When will the force be given bullet-proof vests? Isn't that a must for any police force that is on

such a dangerous mission? While we try to maintain law and order, the precious lives of our forces must be paramount.

B.S. SELVAKUMAR,
Vellore

Facts and fiction

During the Gujarat campaign, the BJP did not miss a chance to polarise the Hindu vote bank by remarking, for instance, on Rahul Gandhi's 'temple visits' ("The facts do not matter", Dec. 14). But the fact that Mr. Modi could go as far as to blame a former Prime Minister of conspiring with Pakistan to influence the elections came as a surprise. It was unbecoming for a man occupying such high public office to indulge in such rhetoric without any valid proof. The rise of right-wing populism and growing echo chambers pose a serious

threat to democracy. How does a voter decide which leader has society's best in mind in such a case?

M. NIKHILESH,
Hyderabad

What about the fact that Mr. Modi has been referred to by the Congress as "chaiwala", "neech", "Yamraj", "Ravana", etc.? Caring for the truth applies equally to Mr. Modi's critics. Selective quotes and one-sided criticism in the name of liberalism is doing more harm to society than good.

DUGGARAJU SRINIVASA RAO,
Vijayawada

NPA menace

Mr. Modi's attack on the United Progressive Alliance government for the NPA mess is difficult to accept ("NPAs are a UPA scam: Modi", Dec. 14). The whole problem of NPAs is

predominantly due to bad corporate loans. If Mr. Modi castigates the previous dispensation after ruling for three and a half years, what is the remedy? The bitter truth is that the present government has not taken effective action against wilful corporate default, which is the root cause of the problem. Bank unions have been demanding stringent action against defaulters and amendments to criminal laws to make wilful default a criminal offence. The proposed

CORRECTIONS & CLARIFICATIONS: >>In the Editorial page article titled "The facts do not matter" (Dec. 14, 2017), a sentence in the paragraph where the writer talks about sociologist Timur Kuran read: "There are many things we feel or believe but do not express because we fear social *approbation*." It should be social *disapprobation*.

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