



Choice & conversion

The two seem to have become muddled in the SC's order in the Kerala conversion case

The case of Akhila/Hadiya is becoming curiousest by the day. Entrusted with adjudicating whether her conversion to Islam and marriage to a Muslim man were voluntary acts, the Supreme Court has embarked on a roving inquiry into whether Hindu women in parts of Kerala are being radicalised. Inexplicably, the court has sought inputs from the National Investigation Agency (NIA), tasked with tackling terrorism, to probe the circumstances of the 24-year-old's conversion and marriage even before it heard her out. The question before the court was the correctness of the Kerala High Court's decision to annul her marriage. The Supreme Court's reasoning for its position that it needs the inputs of all stakeholders before it speaks to the woman concerned is hard to comprehend. Of what use would these inputs be if she maintains that she chose to convert and marry voluntarily? The High Court did not question her conversion to Islam, only suspecting the veracity of her sudden claim that she was married to a Muslim. This happened in the course of hearings on a plea by her father complaining that she was under the influence of radical groups. The High Court held that the purported marriage was only a ruse to scuttle the proceedings and annulled the marriage as a "sham". In the process, it made the odd observations that a woman's marriage requires the involvement of her parents and that even if she had attained the age of majority, she was still at a "vulnerable age".

The Supreme Court has nominated a retired judge to supervise the NIA probe, the object of which is presumably to safeguard its independence and credibility. But the inquiry itself has come about because of a submission made by the NIA that there is a pattern to such incidents in Kerala. It is possible to make out a case for a police investigation into the suspicious activities of radical groups in the State. But the mere suspicion that they are working in an organised way to convert people is not sufficient to conclude that they are involved in recruiting them for overseas terror operations for groups such as the Islamic State. The woman's father maintains that she is under the spell and influence of radical activists who, he says, would transport her abroad to destinations such as Syria. These and related apprehensions are subjects that should be addressed by the police and intelligence agencies rather than by a process that involves subjecting the woman to live in a manner not chosen by her. It is unfortunate that the plea that she was living under custody in her parental home despite being a major failed to cut any ice before the two-judge bench. In refusing to entertain the plea, the Supreme Court has lent the unfortunate impression that it has placed a judicial curtailment on her volition. Rather than do this, it should have striven to find a way to protect her freedom of religion and movement.

Son vs Bezos

Softbank and Amazon are upping the stakes in India's e-commerce market

Flipkart's announcement that SoftBank Vision Fund, a private equity fund backed by Japanese billionaire Masayoshi Son, would take a stake in the company has energised India's e-commerce space. The investment is widely reported to be about \$2.5 billion, and the deal would leave Flipkart with a war chest of \$4 billion in cash to sustain its operations. The move is seen as the Japanese billionaire's response to the increasing domination of India's e-commerce space by the American giant Amazon. Amazon chief Jeff Bezos claimed in April this year that his company had become India's fastest-growing e-commerce company. He also said that Amazon plans to increase its investment in India. A number of private data sources have confirmed since then that Amazon, since its launch in India in 2013, has either matched or surpassed Flipkart's performance on various counts. On the other hand, it is well-known that Mr. Son's initial investment in Snapdeal, an Indian e-commerce venture, was far from successful. In fact, in May this year, SoftBank recognised losses of over \$1.4 billion on its investments in Snapdeal and Ola. Mr. Son's attempts to merge Snapdeal with Flipkart to create a larger rival to take on Amazon also failed to materialise last month. Yet the allure of the Indian e-commerce market is hard to resist. E-commerce is projected to grow at a rapid pace given the large potential in a country where people predominantly shop at traditional bricks-and-mortar retail stores.

The strength of Mr. Son's investment pursuits has been doubted for long. But he has also picked super-winners such as Alibaba that have more than compensated for his losses. For now his investments in the Indian startup space have failed to take off, but he may still be counting on India to deliver his next big super-winner. With Mr. Son's financial backing Flipkart will be looking to regain the ground it has lost to Amazon. Mr. Bezos, on the other hand, will be keen not to lose out to a rejuvenated Flipkart the way he lost the Chinese market to Alibaba. Meanwhile, other Amazon rivals too have entered the e-commerce fray in India. Microsoft, Tencent and eBay have also invested in Flipkart this year. Alibaba has invested in Paytm, the Indian payments company that also offers shopping services. Going forward, more e-commerce companies in India might evolve into similar payments-cum-shopping platforms. Such a strategy would be similar to the buy-and-pay model at the foundation of Alibaba's rise in China. Notably, Tencent, Alibaba's rival in China, has even come up with a chat App (WeChat) that lets users shop and pay. Amazon seems prepared for the challenge with the launch of its own wallet service in India. But regardless of who wins this battle, the Indian consumer looks set to be wooed by more competitive prices.



M.K. NARAYANAN

Prime Minister Narendra Modi's schedule of foreign visits has been extremely impressive, and he has managed to inject a degree of dynamism into a system accustomed to a more leisurely pace. Estimating outcomes from these visits is, however, more difficult.

Taking the two most recent visits, for example, one can easily see the contrast in outcomes. The U.S. visit was a carefully calibrated one producing few surprises, despite the U.S. President having a reputation of being highly unpredictable. For his part, the Prime Minister charted a time-tested course, concentrating mainly on counter-terrorism and the defence security partnership, avoiding contentious trade-related issues. The naming of the Hizbul Mujahadeen chief as a "specially designated global terrorist" and a "new consultation mechanism on domestic and international terrorist designations listing proposals" were the high points of the counter-terrorism agenda. Reiteration of India's position as a major defence partner and confirmation of the sale of the Guardian Unmanned Aerial System to India, reflected the deepening security and defence cooperation.

In concrete terms, not much else took place during the visit, despite an oblique reference in the joint statement to China's Belt and Road Initiative (BRI) and reiteration of support for "freedom of navigation" in the Indo-Pacific. What was most obvious was the U.S. tilt towards transactional rather than strategic aspects.

A clear de-hyphenation

In the case of Israel, this being the first ever visit by an Indian Prime Minister to that country, the euphoria of the standalone visit, de-hyphenating Israel from Palestine,

was understandable. It also produced better dividends, including elevation of the India-Israel relationship to the level of a 'strategic partnership'. Israel achieved a major propaganda scoop by getting the Indian Prime Minister to visit the memorial of Theodor Herzl, founding father of the Zionist movement.

The main focus of the visit was on defence cooperation, joint development of defence products and transfer of technology. Most of the agreements signed related to transfer of technology and innovative technology-related items and India expects to benefit substantially, considering that Israeli export rules are far more flexible than those of the U.S.

Both countries also expressed a strong commitment to combat terrorism. The reality, however, is that when the two countries speak of terrorism, they speak of very different things. Iran and Hezbollah are the main targets for Israel, which has little interest in the Afghan Taliban or Pakistan's Lashkar-e-Taiba. For India, it is the latter that matters.

The euphoria of the visit cannot, however, conceal China's importance for Israel. China is a far bigger investor and trading partner of Israel than India. On this occasion, India and Israel decided to set up a \$40 million Innovation Fund to allow Indian and Israeli enterprises to develop innovative technologies and products for commercial applications, but it is clearly dwarfed by the Israel-China comprehensive innovation partnership which has an outlay of \$300 million. India and Israel also have differences over China's BRI: Israel is eager to participate in it, unlike India, and possibly views this as an opportunity to develop a project parallel to the Suez Canal.

It's the neighbours

Two countries where India's diplomacy, despite the impetus given to it, is currently facing heavy odds are China and Pakistan. China in Asia is already exercising some of the political and economic lever-



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ages that the U.S. previously possessed. China has a significant presence in East and Southeast Asia, is steadily enlarging its presence in South Asia, and is also beginning to expand into West Asia. For instance, China's influence in Iran today appears to be at an all-time high, whereas India's influence seems to be diminishing.

India has, however, refused to be inveigled by China's blandishments, including the BRI. Nor has it flinched from standing up to Chinese 'bullying', as in the recent instance of the Doklam plateau in Bhutan. Few other countries in Asia are, however, willing or in a position to tangle with China. A divided ASEAN again has provided China with an opportunity to demonstrate its economic and military muscle. Most countries in the region also demonstrate a desire to join China-based initiatives. Even in South Asia, despite India's commanding presence, China has been successful in winning quite a few friends among India's neighbours such as Bangladesh, Nepal, Sri Lanka and the Maldives.

In the case of Pakistan, the implosion of the state arising from its internal stresses and problems, together with the virtual standoff between India and Pakistan (involving a total cessation of talks or any kind of worthwhile contacts), has enabled the Pakistani Deep State to further entrench itself. India has been left with few options and this is leading to a diplomatic gridlock which does not augur well for India.

That sinking feeling

In contrast to its pronouncements, the government's own data suggest the economy is in a deep hole



M.V. RAJEEV GOWDA & SALMAN SOZ

Prime Minister Narendra Modi, in his Independence Day address, spoke triumphantly about how demonetisation drove ₹3 lakh crore of unaccounted money into the banking system. The Reserve Bank of India (RBI) is still counting old notes, and unaccounted money cases are ongoing. Thus, this number is at best a guesstimate, and cannot be taken seriously.

Dipping indices

For the facts, turn to the mid-year Economic Survey II, tabled in Parliament deliberately on the last day of the monsoon session, ensuring no discussion. The Survey states that GDP growth will miss the targeted 6.75% to 7.5%. This is a massive understatement. Examine this quote from the Survey: "A number of indicators – GDP, core GVA (GVA excluding agriculture and government), the Index of Industrial Production (IIP), credit, investment and capacity utilisation – point to a deceleration in real activity since the first quarter of 2016-17, and a further deceleration since

the third quarter." The Survey thus confirms that demonetisation ambushed a slowing economy. Consequently, core GVA, i.e. private business activity, dropped steeply from 11% in March 2016 to 4% in March 2017.

The Survey shows how demonetisation devastated the informal sector, using two-wheeler sales as a proxy indicator. These dropped steeply for two quarters after demonetisation. Construction, which absorbs migrant labour, was also badly hit. The Survey thus supports the Opposition's argument that Finance Minister Arun Jaitley's "record" allocation for MGNREGS merely reflects displaced migrant workers returning to villages and exercising their right to social insurance.

Demonetisation badly affected farmers' incomes resulting in a loss of demand, lowering food prices. Consequently, inflation has hit lows below the RBI's targeted band. Low inflation levels come at a human cost – farmers and those in the informal economy are losing their limited purchasing power.

Additionally, hasty implementation of the Goods and Services Tax (GST) has paralysed the informal manufacturing sector which lives on the edge, often saddled with debt. Protests in the textile hub of Surat reflect how GST is affecting medium, small and micro-scale en-

terprises. Formalisation of the economy should not shut down businesses and extinguish livelihoods. Similarly, leather, another labour-intensive sector, is in trouble due to restrictions on cattle slaughter.

Overall, there is concern that the economy is in a deep hole, the opposite of what the government would have us believe. It has entered the "Modi Slump". Banks are not lending. In the year ending March 2017, credit growth plunged to 5.1%, lowest in 60 years. The private sector is not borrowing and the manufacturing sector is operating at a historically low capacity utilisation of 70%. The latest IIP shows a contraction of 0.1% in June 2017.

Neither credit nor investment will increase until the government addresses the "twin balance sheets" problem. Fixing these should have been top priority. Sadly, the Modi government's early focus was on undoing the 2013 land acquisition law instead of addressing non-performing assets (NPAs). Bank lending is the lifeblood of the economy but government inaction has brought investments to a halt. In March 2014, NPAs were ₹1,73,800 crore. Today they are about ₹7,79,163 crore. Instead the government talks up foreign investment (only 2-3% of GDP) or aggressively lobbies the RBI to cut interest rates, which is unlikely to



achieve much.

As State governments find their fiscal space narrowing, private investment falters, and demand slows, we are entering a deflationary environment. Still there are fiscal policy measures that the Union government can deploy. It can belatedly share the benefits of low oil prices by cutting excise duties on petroleum to give people and businesses more spending power, boosting demand.

Destroying, not creating

On the most important indicator – jobs – we are seeing job destruction! The Centre for Monitoring Indian Economy reports that 1.5 million jobs were lost during January-April 2017. Ignoring his own promise of creating two crore jobs a year, Mr. Modi exhorted job-seekers to become job creators. But international experience, for example in developed OECD (Organisation for Economic Co-opera-

tion and Development) countries, shows self-employment is only about 15% of total employment. Most Indians are self-employed out of necessity.

Mr. Modi extolled the job-creating impact of the MUDRA loan scheme. In contrast, MUDRA's CEO is on record saying that it cannot be verified that the agency has created large numbers of jobs. Another misguided Union minister recently gloated about "job creation" under MGNREGS – not realising that it is a social protection scheme that people turn to when they have no alternative employment and not exactly a reason for cheer.

Overall, the real state of India's economy is deeply worrying. The latest RBI surveys of consumer confidence, industrial outlook, and professional forecasters point to pessimism on all fronts except inflation management. Mr. Modi spoke of how a train slows down as it changes tracks. Unfortunately, Economic Survey II's numbers suggest that the economy has actually been derailed. The sooner the government understands this, the better.

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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.

Cause of tragedy

Whatever be the cause attributed to this tragedy by the Central government committee, it cannot be denied that gross human negligence on a major scale has played its part ("Gorakhpur deaths not due to lack of oxygen, says panel", August 17). Moreover, the claim of the Central committee that fewer deaths have occurred this year compared to last year is no excuse and can never console those who have lost their little ones.

N. VISVESWARAN,
Chennai

Not only are the figures shocking, but the fact that they are not seen as alarming and that these deaths have been occurring regularly in the region is

extremely worrying ("15%-29% AES fatality rate at BRD Hospital", August 17). That 20 deaths daily are recorded on average seven decades after we achieved independence reflects the terrible functioning of the hospital and the state of health care in India. We still have many government hospitals in the country where maintenance and service are both poor. Governments are always ready to spend on capital expenditure, which will fetch commissions and kickbacks, but don't give enough importance to health-care services.

KSHIRASAGARA BALAJI RAO,
Hyderabad

It seems as though there is enough evidence to prove that the hospital and the

State administration ignored reminders by the private firm that supplied oxygen for payment of outstanding dues. Yet the Central committee report says that the deaths were not due to oxygen. This argument does not cut ice. Who were the members of this committee? We need to know their names and affiliations. Matters of this magnitude cannot be allowed to go unverified.

V. LAKSHMANAN,
Tirupur

Right to free speech

Free and fearless exchange of ideas is essential for the evolution of a democracy ("The architecture of 'censorship'", Aug. 17). However, as a society we have failed to realise that the right to free expression

does not mean only expressing those ideas that are in line with what a majority of the people think. It's no coincidence that we are yet to come out with a serious political film in India in recent times, for instance. Compare this with Hollywood where films like *All The President's Men* and *Frost/Nixon* have released. They had the names of actual political figures. This is unlike in India where we give them fictional names and allude to them only through clothes or mannerisms. This is because there is fear that a legal case might have to be fought later. It is a pity that courts do not uphold this basic right to expression.

BIPIN THAIVALAPPI,
Payannur

Defending racists

With Donald Trump as U.S. President, the far right clearly feels emboldened to unleash violence with impunity against those who seek to protect liberalism ("Both sides at fault, says Trump on racial violence", Aug. 17). Rather than condemning the

Charlottesville incident in strong words, President Trump has sided with the white supremacists, which is a great pity. He should not pander to obscurantist elements on the ground.

M. JEYARAM,
Sholavandan

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CORRECTIONS & CLARIFICATIONS: >>In the report headlined "They wanted to create terror: witnesses" (August 15, 2017), there was a reference to the "decoration" of American independence. It should have been *declaration*.

>>Correction: The report headlined "46 killed as massive landslide buries vehicles" (August 14, 2017) erroneously said a *Vohvo* bus was involved in the accident. It was not a *Vohvo* bus.

The correction above – published in the Corrections and Clarifications column on August 17, 2017 – had inadvertently given the date of publication of the report as August 14, 2016.

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (place of publication), date and page. The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300 (11 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-28552963; E-mail: readerseditor@thehindu.co.in; Mail: Readers' Editor, The Hindu, Kasturi Buildings, 859 & 860 Anna Salai, Chennai 600 002, India. All communication must carry the full postal address and telephone number. No personal visits. The Terms of Reference for the Readers' Editor are on www.thehindu.com