



## Transient easing

Cutting fuel taxes is a sure-shot way to address a major component of price pressures

The latest retail inflation data suggest, at first blush, that price pressures have begun to moderate in the economy, with the August print for CPI showing inflation having slowed for a second straight month to a 5.3% pace, after July's 5.59%. Price trends among the constituents of the Consumer Price Index and the latest Wholesale Price Index-based inflation, however, show that it would be premature to drop the guard on price gains. For one, the year-earlier inflation reading was elevated thus imparting a favourable base effect. Month-on-month, however, the CPI nudged up 0.25% from July, belying the inference of softening inflation. And the pace of price gains in at least three essential food components speeded up from the preceding month, with meat and fish, dairy and oils and fats posting significant accelerations. Edible oils have been on a tear for months now – the August print was 33% after July's 32.5% – and an earlier round of cuts in import duties have had little impact in cooling their prices, forcing the Centre to announce another tranche of duty reductions this month. Inflation in two other vital protein sources, eggs and pulses, also continued to remain a cause for concern. While inflation in eggs remained in the high teens at 16.3%, price increase in pulses was 8.81% after slowing 23 basis points from July's 9.04% pace. A persistent and wider deflation in vegetable prices was the main positive contributor to the easing in overall food and beverages inflation last month.

The pace of inflation in fuel and light, clothing and footwear, health as well as household goods and services all ratcheted up last month. Transport and communication, which includes pump prices of the main automotive fuels of petrol and diesel, stayed stuck in double digits at 10.2% albeit after a 30 basis point easing from July's 10.5% pace. And the WPI data show higher transportation costs combined with input price pressures fanned faster inflation in manufactured products as well, sending the segment's pace to 11.4%, a fourth straight month of double-digit price gains. The outlook for inflation is far from sanguine if one considers that IHS Markit's PMI survey for services revealed input costs rose in August at the fastest rate in four months, and a recent CII poll of CEOs showed a majority 67% expect average retail inflation this year to hover close to or exceed the RBI's mandated monetary policy upper threshold of 6%. Policymakers are only too well aware that ultimately, inflation is not just about a point reading but far more about consumers' and businesses' expectations of the trend in prices. Fears of future high inflation dampen sentiment and thus retard economic activity. Cutting fuel taxes is a sure-shot way to address a major component of price pressures and it is time the Government bites the bullet and acts to provide a more abiding solution.

## TN's case against NEET

The odds are against TN, but it is time to ask whether the test has met its objectives

The Bill passed by the Tamil Nadu Assembly to exempt aspirants for its undergraduate medical courses from the National Eligibility-cum-Entrance Test (NEET) is no magical wand that will dramatically alter the status quo. There seems to be no tangible basis for the hope and optimism behind its intent to deliver its rural and urban poor from what it perceives to be an inequitable admission system that favours the rich and the elite. It hopes to receive Presidential assent, even though similar Bills passed by the erstwhile AIADMK regime had been denied the favour in 2017. Such assent is required as the proposed State law is in conflict with the parliamentary legislation regulating medical admissions. The key element the DMK has brought to the table now to fulfil its electoral promise of abolishing NEET is a report by the Justice (ret'd.) A.K. Rajan Committee on the adverse impact of NEET on students and health-care delivery in the State. The committee's view that NEET would adversely affect the rural and urban poor, and consequently, the State's future manpower availability to run its network of primary health centres, has many takers, as well as some truth behind it. The moot question, however, is whether the mere inclusion of these elements from the report in the Bill's preamble and its Statement of Objects and Reasons is sufficient incentive for the Centre to grant the exemption that Tamil Nadu wants.

NEET has become crystallised as the only means of gaining admission to medical institutions, including private colleges, after the Supreme Court's categorical view that such a test alone could help maintain standards. It will be quite difficult for the Union government to grant relief to one State alone in the face of this strong and inflexible judicial opinion. However, what is possible is for the rest of the country not to dismiss the anti-NEET narrative in Tamil Nadu as a product of Tamil exclusivism; rather, there is a case to examine it dispassionately. The State has invested heavily in medical education infrastructure and aimed to afford easy access to all sections: this has so far preserved the efficiency of its health-care system. The time may also have come to examine whether NEET has met its purposes of improving standards and curbing commercialisation and profiteering. Under current norms, one quite low on the merit rank can still buy a medical seat in a private college, while those ranked higher but only good enough to get a government quota seat in a private institution can be priced out of the system. The Centre should do something other than consider an exemption to Tamil Nadu. It has to conceive a better system that will allow a fair admission process while preserving *inter se* merit and preventing rampant commercialisation.

# Hardly the India-China century Deng envisioned

For the current Chinese leadership, the 21st century is destined to be China's alone, with India to be shown its place



SHASHI THAROOR

Fifteen months after the clashes between Chinese and Indian soldiers in the Galwan Valley, India-China relations are at their lowest ebb in living memory. To be sure, there have always been political tensions even before, both over each country's territorial claims over land controlled by the other, and over such long-term problems as China's "all-weather" alliance with our hostile separated sibling, Pakistan, and our hospitality to the Dalai Lama, who was granted refuge when he fled Tibet in 1959. But neither country had allowed these tensions to overwhelm them: China had declared that the border dispute could be left to "future generations" to resolve, and India had endorsed the "One China" policy, refusing to support Tibetan secessionism while limiting official reverence for the Dalai Lama to his status as a spiritual leader.

### The line is no provocation

India has usually shown no desire to rock the boat. Its actions and statements have usually been designed not to provoke our northern neighbour, but to relegate the border problem to the back burner while enabling trade relations with China (now worth close to \$100 billion) to flourish. India made it clear that it was unwilling to join in any United States-led "containment" of China; its traditional obsession with preserving its "strategic autonomy" after two centuries of colonial rule made it wary of the blandishments of the West.

Ironically, before Galwan, 2020 was supposed to be a landmark year for the two countries' bilateral relations. In October 2019 in Mahabalipuram, at their 18th meeting in nine years, Chinese President Xi Jinping and Indian Prime Minister

Narendra Modi had grandly pledged to take relations between their two countries to "greater heights". To mark the 70th anniversary of formal diplomatic relations between the two countries, they announced they would conduct 70 joint activities, including further improving their burgeoning trade, supporting scholarly research into their ancient civilizational links, and even exchanging military delegations, in a grand show of Sino-Indian cooperation.

### There is much connect

This wasn't just fluff. The two countries had indeed developed multiple avenues of engagement. From negligible levels till 1991, trade with China had grown to become one of India's largest trading relationships. Prime Minister Modi, an early enthusiast, had lifted residual restrictions on bilateral Chinese investment in strategic sectors of the Indian economy (notably ports, airports, power generation and telecoms technology), so that by 2020, Chinese investment (current and planned) stood at about \$26 billion with infrastructure projects accounting for about half the total. India engages with China diplomatically in the BRICS (an association of Brazil, Russia, India, China, and South Africa), as well as conducting annual summits of RIC (Russia-India-China). India is an enthusiastic partner in the Chinese-led Asian Infrastructure Investment Bank and the New Development Bank (NDB), formerly referred to as the BRICS Development Bank.

But it has become increasingly apparent that the policy of side-stepping contentious issues and encouraging bilateral economic relations has played into Chinese hands. The People's Liberation Army has used the seemingly benign situation to repeatedly undertake "minor" military incursions, inflict small-scale military setbacks on India, take a few square kilometres of territory along the Line of Actual Control (LAC) for local tactical purposes, and then declare peace. Mutual disengagements are duly announced, both



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sides claim the crisis is over, but China establishes and fortifies its new deployment. These mini-crises always end with the Chinese in a better position on the ground than before. Each incident establishes a new "normal" on the LAC.

### The Chinese strategy

In the Galwan clash, the Chinese troops seem to have been engaged in a tactical move to advance their positions along areas of the LAC that it covets, in order to threaten Indian positions and interdict patrols. After the recent incursions, the Chinese now reportedly control over 900 square kilometres of area in Ladakh along the LAC. They are threatening India's construction of roads, bridges and similar infrastructure on undisputed Indian territory, a belated effort to mirror similar Chinese efforts near the LAC in Tibet. Rather than merely patrolling, they have established a fixed presence in these areas well beyond China's own "Claim Line", occupied the "Finger Heights" near Pangong Tso Lake, pitched hundreds of tents, constructed concrete structures and built additional kilometres of road along the LAC. The objective seems to be to extend Chinese troop presence to the intersection of the Galwan river and the Shyok river, which would make the Galwan Valley off bounds to India. The Chinese have constructed permanent structures in the area of their intrusion and issued statements claiming that sovereignty over the Galwan valley has "always belonged" to China.

China's strategy seems to be to consolidate the LAC where it

wants it, so that an eventual border settlement – that takes these new realities into account – will be in its favour. That is the longer-term plan: Beijing keeps saying the border should be left to future generations to settle, knowing full well that each passing year increases China's relative economic, military and geopolitical strength *vis-à-vis* India, while shifting the LAC in its favour.

In the meantime, border incidents keep the Indians off balance and demonstrate to the world that India is not capable of challenging China, let alone offering security to other nations. Whereas Deng Xiaoping had told then-Indian Prime Minister Rajiv Gandhi in 1988 (*picture*) that the 21st century would be "India and China's century", the current Chinese leadership has no patience for such pablum. They believe – indeed believe they know – that it is destined to be China's century alone, and are all too happy to show India its subsidiary place in the pecking order.

### India's options

India's tactical options are unenviable: it has reinforced its military assets on the LAC to prevent deeper incursions for now, and hopes to press the Chinese to restore the *status quo ante* through either diplomatic or military means. Chinese and Indian officials are currently engaged in diplomatic and military-to-military dialogue to ease tensions, but de-escalation has been stalled for months, with China behaving as if their disengagement is already complete.

India has responded with largely symbolic acts of economic retaliation, banning Chinese apps in India on grounds of data security. It is likely that Chinese companies will be barred from various lucrative opportunities in the vast Indian market, as two of them, Huawei and ZTE, have been from the ongoing trials to be picked to build India's 5G telecoms infrastructure. India has also reimposed tighter limits on Chinese investment in projects such as railways, motorways, public-sector construction

projects, and telecoms, a reversal of the openness to China that the Modi administration had initially shown.

### The economic angle

Yet, India is far too dependent on China for other vital imports – such as pharmaceuticals, and even the active ingredients to make them, automotive parts and microchips, all needed by Indian manufacturers – that many in New Delhi fear it would be shooting itself in the foot if it acted too strongly against China. Today, India's dependence on China for its non-consumption economy remains high; what is more, imports from China have become indispensable for India's exports to the rest of the world. Various manufacturing inputs, industrial equipment and components, and even some technological know-how come from China; eliminating them could have a seriously negative effect on India's economic growth at a time when, thanks mainly to the COVID-19 crisis, our GDP is estimated to have shrunk dramatically. And there are limits to the effectiveness of any Indian retaliation: trade with China may seem substantial from an Indian perspective, but it only represents 3% of China's exports (<https://bit.ly/2VHsmWD>). Drastically reducing it would not be enough to deter Beijing or cause it to change its behaviour.

This range of considerations seems to leave only two strategic options for New Delhi: reconciling itself to playing second fiddle to an assertive China in the region, or seeking strength and leverage by aligning itself with a broader international coalition against Chinese ambitions. Since the first is indigestible for any democracy, is China de facto pushing India into doing something it has always resisted – allying with the West?

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# 'Know the enemy, know self' is sound professional advice

It can be achieved if the national leadership and military education system have access to full-time domain specialists



MANMOHAN BAHADUR

Sun Tzu, Chinese general, military strategist, writer, and philosopher, famously said, "If you know the enemy and know yourself, you need not fear the result of a hundred battles... if you know neither the enemy nor yourself, you will succumb in every battle." Considering the recent events in military circles, this needs examination, and certain facets of Professional Military Education (PME) in the Indian armed forces evaluated.

### A structured process

Knowing the adversary and yourself is a three-step process. First, gathering information (the adversary's and your own), its distillation into knowledge and finally recommending options to decision-makers; the third step is critical for national leadership.

Pragmatic leadership seeks advice from knowledgeable people. Thus, the National Security Council Secretariat (NSCS), the National Security Advisory Board (NSAB) and NITI Aayog advise the Government and offer options on key issues. Each body must have domain specialists from important fields and when one considers the

NSCS and the NSAB, the three arms of the armed forces should be represented at the senior advisory level. Unfortunately, this has not been the case for many years now; it would be instructive to see how other nations fare in such apex bodies since the members need to be both, academics and professionals, rolled into one.

### Apex institutions abroad

I had the good fortune of doing two specialist courses abroad. In the test pilots school (EPNER) in France that I attended in 1987, the Chief Ground Instructor, who taught us theory of test flying, was a civilian aerodynamicist. The school's commandant had earlier been the Air Force's Mirage-2000 project pilot with the aviation company M/s Dassault; he was seconded to EPNER to teach test flying. Can we replicate such intermixing in PME institutions so that personnel benefit from expertise available within ourselves? Incidentally, the examiner for my final examination was the chief test pilot of Aerospatiale, i.e., a civilian working in the French aviation industry.

The EPNER example, one from the tactical level, illustrates how theorists and practitioners from different fields can be dovetailed to holistically train junior professionals who later hold appointments at the operational and strategic realm. The United States Air Force has its air university with a faculty of civilian academics who,



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having dedicated their lives studying just one particular field, are the last word in their area of expertise. Their teachings are co-related with real life experiences by uniformed service instructors. When I was doing my course there, Colonel John Warden came as the Commandant of the Staff College – an air power strategist, the Colonel had designed the brilliant air campaign in Operation Desert Storm against Iraq in 1991; post the successful air campaign, it would be remembered, ground forces had a free run. After his successful operational tour, he turned an academician and enriched the staff college syllabus with his operational experiences.

### The situation in India

How are we doing in India? It would be safe to say that in our PME institutions most, if not all, instructors are service officers posted-in from field/staff appointments who do their two/three-year tenure and move on; there is no time to become an "expert". Having guest lectures is no substitute to having subject matter experts on staff doing full-time teaching.

Luckily, we see a whiff of change in some institutions. The Naval War College in Goa invites an eminent academic from abroad to run capsules on operational art. The college also has an adjunct faculty of tri-service retired officers acting as mentors in specialised areas of learning. It is also heartening to see the National Defence College at Delhi set-up a President's Chair of Excellence teneted by a retired scholar warrior; and, this is how it should be elsewhere too.

### IDU project languishes

The Defence Services Staff College should be the starting point with permanent chairs for subject matter experts teaching military history, strategy, geo-politics *et al.*; service officers would be the links to field realities. It is a joint institution and hence the Commandant should be a reputed scholar warrior from any of the three services, and not just from the Army as has been till now. The Army War College, College of Air Warfare, College of Defence Management, etc. should take similar action. And as one moves up the hierarchy of learning, one wonders where the Indian Defence University (IDU) project (earlier INDU – Indian National Defence University) is languishing after its foundation stone was laid in 2013 near Gurgaon. In times when road infrastructure and the setting up of additional Indian Institutes of Technology, Indian Institutes of Management, All

India Institutes of Medical Sciences, etc. are being fast-tracked, the silence on the IDU, which would be the capstone institution to guide PME architecture in India, is unfathomable. While the Ministry of Home Affairs has set up the Rashtriya Raksha University (RRU) in Gujarat (whose head is a member of the NSAB too), one wonders why the Ministry of Defence is procrastinating with IDU that is planned to have all tri-service institutions, including the National Defence College, under its tutelage. Incidentally, the website of RRU states that it will have schools for Air and Space, Navy, Army, *et al.*; but, one thought that the charter for such schools of higher strategic learning was to be for IDU.

Which brings us to the topmost policy advisory tier, the NSAB and NSCS. These apex bodies conduct long-term analyses and provide perspectives on issues of national importance to India's political leadership; if there was ever a case of sound academic presence and military professionals from all three services populating them, it is here. The national leadership, both civil and military, in these times of galloping technology in the military sphere and re-hashing of international relationships, will gain immensely in knowing the enemy – and 'itself'.

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## LETTERS TO THE EDITOR

Letters emailed to [letters@thehindu.co.in](mailto:letters@thehindu.co.in) must carry the full postal address and the full name or the name with initials.

### Achieving 'net zero'

Notwithstanding the fact that the pressing need is for all nations to cooperate to combat global warming on a war-footing, given India's abysmal social indicators, it is certainly asking too much to expect a developing nation to announce a timeline for net-zero emissions today. The veritable truth is that global climate action has lost precious momentum due to the lackadaisical attitude of two U.S. Presidents, George Bush and Donald Trump, towards climate change as they were evidently

prompted by the powerful U.S. oil companies. Had the U.S.'s helping hand come earlier, India would have been better placed to announce a timeline for net-zero emissions today. As far as climate action is concerned, the U.S. must put its house in order. Its investment in large-scale gas infrastructure could lead importing countries onto a fossil-dependent pathway that will not be compatible with the Paris Agreement's temperature goal.

NALINI VIJAYARAGHAVAN, Thiruvananthapuram

### The RE

The Readers' Editor's columns do strike a chord; I have been an avid reader of *The Hindu* from the 1960s. These columns have been couched with pragmatism, dynamism, and forthrightness while discussing a range of issues. Mr. A.S. Panneerselvan's observation that an ombudsman is an active listener is right.

R. SAMPATH, Chennai

In *The Hindu*, Mr. Panneerselvan's columns added radiance to one's

reading pleasure. His perspectives and vistas on journalism were interesting. The Open House sessions he conducted further strengthened the bonds between *The Hindu* and its readers over the years.

R. SIVAKUMAR, Chennai

I was fortunate to participate in two Open Houses – one in person and the other virtual. When I joined issue with the Editor on one subject, it was handled well. The RE's services as a bridge between readers and the daily upheld

the responsibilities of the ombudsman.

J.P. REDDY, Nalgonda, Telangana

In Mr. Panneerselvan's case, whatever be the battles of perception he has fought, he has done an exemplary job as the ombudsman of the newspaper: always listening and caring about readers' views, and taking criticism in his stride, even if toxic.

KOSARAJU CHANDRAMOULI, Hyderabad

### Youngsters shine

The grand victories of 18-year-old Emma Raducanu

and 25-year-old Daniil Medvedev in the US Open women's and men's singles, proves that the masters need to watch out for determined, dedicated and hard-working youngsters. The Grand Slam victories of Novak Djokovic this year and the absence of Roger Federer and Rafael Nadal had almost made Djokovic an obvious winner, but there was to be change. The final match that ensured a break in the line was a treat in every sense.

AKSHI GOYAL, Gurugram, Haryana

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