



Back home

As India brings back stranded expatriates, it must guard against a new wave of infection

After nearly two months, stranded Indians across the world will begin their journey home this week as aircraft and naval ships, in a government-coordinated plan, are to bring back about 15,000 nationals from 13 countries in the first week. The mammoth exercise, dubbed the "Vande Bharat" mission by the External Affairs Ministry, is expected to last for weeks, given the numbers of people who have registered with embassies in these countries. The stranded include business travellers and tourists who were unable to return in time; due to the pandemic, the last flights allowed to land with incoming passengers were on March 22. There are also students whose university hostels have shut down. Increasingly, those appealing to be allowed to return have included professionals and labourers who have lost jobs due to the economic impact of global lockdowns. With estimates of applicants ranging between 5,00,000 to 10,00,000, embassies and missions will have their task cut out prioritising lists of those who will return. According to the Standard Operating Procedures released by the Home Ministry, only those who have "compelling reasons to return" — people whose visas are expiring, who face deportation, with family emergencies, medical issues including pregnancy, and students who have lost their accommodation — will be allowed to return in the first phase, which is open to only Indian nationals at present. In addition, the government has also laid down stringent conditions which include "mandatory institutional quarantine" for 14 days. All those returning will also bear the costs for travel arrangements and accommodation.

Despite these, the returnees will no doubt be grateful to the government for its efforts, Indian diplomats who have helped keep them informed, organised food and shelter, and also to airline and naval crews who will carry out these operations despite the risks of infection. The efforts required by unsung diplomats and officials have been made all the more difficult by India's stringent lockdown and the government's decision not to allow its own nationals to return, even as about 60,000 foreign nationals were flown out during this period. As the government plans its exit from the lockdown, as well as its repatriation manoeuvres, it is necessary to consider putting in better systems so that it does not have to repeat the trauma of keeping Indian citizens stranded outside the country for extended periods away from their families. It is necessary that quarantine facilities are identified or makeshift centres built to deal with the large numbers of people who may need to return. In particular, the government needs to prepare for both a possible second wave of the novel coronavirus as well as a rapid increase in Indian expatriates needing to return given the drop in oil prices in West Asia and the downturn in global economies.

Blame game

The world needs more cooperation and less animosity in dealing with the pandemic

President Donald Trump's recent attacks on China over the coronavirus outbreak risk further deterioration of already strained ties between the two countries at a time when the global economy is in a precarious situation. Mr. Trump, under fire at home over his handling of the pandemic, seeks to hold China accountable for the infection spread. He has attempted to tie the virus to a virology lab in Wuhan, the epicentre of the outbreak, endorsing an unproven theory, while his administration officials accuse Beijing of withholding information about the virus. Over the past week, the President went so far as to seek compensation, threatening to impose more tariffs on China. This is a U-turn given his initial appreciation of his Chinese counterpart Xi Jinping's handling of the crisis. Stepping up the attacks on China might help Mr. Trump, whose approval ratings are falling, to mobilise his base. The Republican Party has already issued a memo asking candidates to attack China. Mr. Trump echoed the party sentiment when he said last week that China "will do anything" to defeat him in the November election. His supporters are portraying Joe Biden, the presumptive Democratic nominee, as a representative of the old political elite that is "soft on China". With six months left for the U.S. Presidential election, Mr. Trump and his party have effectively turned China into a campaign issue.

The question is about what shape this renewed anti-China rhetoric will leave U.S.-China relations; ties have been uneasy since Mr. Trump became President. The trade war by Mr. Trump and the push to weaken Chinese giant Huawei's global bid to roll out 5G technology had impacted the four decades long partnership. However, both sides agreed to an initial trade agreement in January that cut some U.S. tariffs on Chinese goods in return for China's pledges to buy more American products. A final trade deal is yet to be reached. If Mr. Trump decides to punish China over the COVID-19 outbreak, it would, in all likelihood, lead to the unravelling of the trade talks during an unfortunate time for the global economy. Also, China, which has brought the virus situation at home under control, has sent economic and medical assistance to the hardest hit countries. Even the U.S. is importing personal protective equipment supplies from China. When Mr. Trump halted funding for the World Health Organization last month, China stepped in with an additional \$30 million grant for the agency. Mr. Trump should look beyond his narrow blame game and see the larger picture. If the goals are to defeat the virus, save lives and rebuild economies and societies, those can be achieved only through global cooperation, not through unsubstantiated accusations, conspiracy theories and threats.

Resuscitating multilateralism with India's help

It could lead a coalition to bridge the global deficit of trust with China through a regime of rules



AMITABH MATTOO & AMRITA NARLIKAR

Even as the coronavirus pandemic unleashes its devastation across the globe, the great and the good have been quick to remind us of the value of multilateralism and the necessity to preserve it. And yes, they are right. To reduce the further spread of the virus, to develop effective medical treatments, and to curtail the worst effects of the inevitable recession that is already in the offing, cooperation among nations will be necessary. But there is a problem: multilateralism is possibly at its weakest today, when the need for it is more dire than ever before. Unless the fundamental problem is addressed, no meaningful fix will be possible.

We believe that India may be uniquely positioned to help resuscitate multilateralism. With the United States facing multiple internal challenges including the prospects of a deeply divisive Presidential election in November, New Delhi (together with like-minded partners even beyond the usual suspects) could assume leadership in strengthening constructive transnational cooperation. At a time when China is facing a global crisis of credibility, India may even consider a last-ditch attempt at mediation; to temper what is increasingly seen as Beijing's unilateralist revisionism; revive the promise of the gradual socialisation of China into the international system; and its acceptance of the norms and rules that regulate the principal multilateral institutions.

Deepened by the pandemic

The malaise that afflicts multilateralism is not new. The paralysis of all three functions of the World Trade Organization (WTO) — negotiation, dispute settlement, and

transparency — was one sign of that deep-rooted malaise; the severely dented credibility of the World Health Organization (WHO) is just another more recent indicator. The pandemic has heightened the crisis of multilateralism, not created it. And amidst the many cracks in the system, it has deepened one especially dangerous fault-line: multilateralism, in its current form, is incapable of dealing with misuse by "systemic rivals", and this goes beyond the personality of its current Director-General, Dr. Tedros Adhanom Ghebreyesus, and his perceived Chinese bias.

The underpinning assumption of the post-war multilateral system was that peace and prosperity went hand in hand. Some like-mindedness and a commonly-held purpose were also assumed among members: increasing economic integration and shared prosperity would help enhance these affinities and contribute to peace. Countries with fundamentally different domestic systems of governance did not form a part of this multilateral order, as was the case with the Soviet bloc in the Cold War years. None of our multilateral institutions was built for a world where the ties of interdependence — which were supposed to enhance the well-being of all — could themselves be "weaponized" for nationalistic gain, at the expense of other players. The misuse of existing rules (or loopholes within the existing rules) by several countries, especially by China (e.g. via forced technology requirements, intellectual property rights violations, and subsidies), to gain an unfair advantage in trade relations was already attracting critique in the last years. But the pandemic has provided us with some even more alarming illustrations of how damaging the weaponisation of global supply chains can be.

As death tolls rose (in some cases, to catastrophic proportions) many countries responded with export restrictions on critical medical supplies. This was far



GETTY IMAGES/STOCKPHOTO

from ideal, but almost inevitable given the absence of adequate stocks within countries, and little in the rules to curb export restraints. Recognising the shortages that countries were facing — masks, personal protective equipment, ventilators and more — to deal with COVID-19, China offered to sell these products to countries in need. For instance, when the European Union (EU) put up export restrictions, China stepped in at Serbia's request. But China's coronavirus diplomacy did not stop there. When India complained that test kits imported from China were faulty, China slammed it for "irresponsible" behaviour. When Australia indicated that it would conduct an independent investigation of China's early handling of the epidemic, China threatened it with economic consequences. Add to this the dangers of using faulty equipment on critical patients, plus the risks that several actors, including the EU and India, see of predatory takeovers of their companies by China. The pandemic is teaching countries, through bitter experience, that weaponised interdependence is not just a theory but a practice that is rapidly evolving. And it can have life and death consequences.

Against this background, repeated calls by heads of governments and international organisations urging countries to remain committed to multilateralism ring hollow.

Reforming multilateralism

To argue for a multilateral rules-based system will never suffice on its own; one must always address the issue of the goals and values that underpin the rules. The remedies are obvious.

A war-like state and a bond to the rescue

With the pandemic's shadow over the economy, a Consol Bond issue is a more compelling solution for the government



RANGARAJAN MOHAN KUMARAMANGALAM

As India's ominous COVID-19 curve stretches further, urgent attention needs to be paid to an economy that is teetering on the edge. Several economists, former Finance Ministers and central bank Governors have made the clarion call for a large stimulus to pull the economy back from the brink. There are a few who seem to believe that there are ways and means to provide this stimulus without breaking the bank as it were. As we spend more time in a national lockdown or quasi-lockdown situation, I believe that austerity measures and reallocations notwithstanding, we will definitely need to go beyond current revenue receipts to fund the complete stimulus.

A gathering financial storm

In the Budget before the pandemic, India projected a deficit of ₹7.96-lakh crore. However, even

then there were concerns around off balance sheet borrowings of 1% of GDP and an overly excessive target of ₹2.1 lakh crore through disinvestments. The financial deficit number is set to grow by a wide margin due to revenue shrinkage from the coming depression that will most certainly be accompanied by a lack of appetite for disinvestment.

In addition to the expenditure that was planned, the government has to spend anywhere between ₹5-lakh crore and ₹6-lakh crore as stimulus. The Finance Ministry is sanguine about this fact as was clear in a press conference held by the Economic Affairs Secretary on March 31, 2020, where he said that the government will not exceed the borrowing limits indicated in the Budget. The insipid stimulus provided by the government so far and recent announcements by the Reserve Bank of India (RBI) only serve to highlight how out of touch with reality they are. All the RBI's schemes are contingent on the availability of risk capital, the market for which has completely collapsed. The two have tried several times over the last year to nudge banks into lending to below investment grade micro, small and medium enterprises, but have come



GETTY IMAGES/STOCKPHOTO

up short each time. Furthermore, while the 60% increase in ways and means limits for States is a welcome move, many States have already asked for double the limits due to the shortages in indirect taxation collections from Goods and Services Tax, fuel and liquor. The government and the central bank need to understand that half measures will do more harm than good. It will only lull us into a false sense of security, much like a lockdown without adequate testing.

Echo from the past

Politicians and epidemiologists across the world have used the word "war" to describe the situation the world is currently in. As we wage a united war against this virus, it would be interesting for us to look at war-time methods of raising financing. One such method that has been used as early as

the First World War is the Consol Bond. In 2014, the British government, a century after the start of the First World War, paid out 10% of the total outstanding Consol bond debt. The bonds, which paid out an interest of 5%, were issued in 1917 as the government sought to raise more money to finance the ongoing cost of the First World War. Citizens were asked to invest with the advertising messaging: "If you cannot fight, you can help your country by investing all you can in 5 per cent Exchequer Bonds. Unlike the soldier, the investor runs no risk."

One cannot help but wonder how successful a Consol Bond issue would be for the Indian government if the Prime Minister had made a similar call to every citizen of our country to invest in them instead of making donations to PM-CARES, or the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund. After all, most of the Consol bonds in the United Kingdom are owned by small investors, with over 70% holding less than £1,000. Furthermore, unlike PM-CARES, the proceeds of the bonds could be used for everything — from Personal Protective Equipment for doctors to a stimulus for small and medi-

um-sized enterprises. There is no denying the fact that the traditional option of monetising the deficit by having the central bank buy government bonds is one worth pursuing. However, given an as yet hesitant (to raise debt) Prime Minister's penchant for making citizens active participants to his missions, he might view a Consol Bond as a more compelling alternative. Furthermore, with the fall of real estate and given the lack of safe havens outside of gold, the bond would offer a dual benefit as a risk free investment for retail investors. When instrumented, it would be issued by the central government on a perpetual basis with a right to call it back when it seems fit. An attractive coupon rate for the bond or tax rebates could also be an incentive for investors. The government can consider a phased redemption of these bonds after the economy is put back on a path of high growth — a process that might take that much longer for every day we extend this lockdown.

A role for India

The current crisis in multilateralism could be a remarkable opportunity for India, a country whose pluralism, democracy, and liberalism have often been underestimated by the West. At an immediate level, the gains are obvious: India has also maintained a consistent reserve about a blanket entrenchment in global value chains. As some constituencies in the West seek a gradual decoupling from China, they would be well served to look toward India.

To make use of the opportunities, for itself and for the provision of certain global public goods, India's cooperation with like-mind-

ed actors will be key. Here, India could work closely with the Alliance for Multilateralism (an initiative launched by Germany and France) to shape both the alliance itself and the reform agenda at large. Working together with a group of countries from the developed and developing countries could further amplify India's voice.

Beyond these immediate gains could be a greater role for India. Not since Chernobyl has global public opinion lost as much faith in the competence and integrity of a great power as it has in China because of COVID-19 and the apparent malfeasance and the opaqueness with which it has dealt with the crises. While China may recover faster than most economically, and its military might remains intact, its image as a reliable partner has suffered a huge dent. Neither aid diplomacy nor the unleashing of Chinese soft power can easily recover the trust deficit that exists today between China and much of the rest of the world. While prudence may demand gradual decoupling, it is critical to not be seen as immediately isolating China; with fewer stakes in world order, Beijing's turn towards revisionism could be faster than anticipated. Instead, India could lead a coalition to bridge this deficit of trust through a regime of incentives and sanctions that seek to embed Beijing into a much more guided and directed socialisation into the rules of the international system. Clearly, the strategic and economic have, however, to be in consonance with each other. In the longer term then, whether multi-polarity is the only firm guarantor of a sustainable and fairer multilateralism requires further debate among scholars and practitioners alike.

Amitabh Mattoo is Professor of International Relations at Jawaharlal Nehru University and Honorary Professor at the University of Melbourne. Amrita Narlikar is President of the German Institute for Global and Area Studies (GIGA)

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.

States need funds

The report, "Centre has not stopped any funds to States," (*The Hindu*, Inside pages, May 5, 2020), had a statement from government of India officials rebutting the facts in a report the previous day — a byline news item, by N.J. Nair, headlined, "Scramble for funds as Centre tightens purse strings" (*The Hindu*, Inside pages, May 4). The report by Mr. Nair had portrayed a grim picture of Kerala's finances in the time of COVID-19. It is true that the central government has transferred the revenue deficit grant and the share of central taxes as per the award of the 15th Finance Commission to State governments. But these are statutory transfers already provided for in the State

Budget. Our criticism has been that no additional money has been transferred to the State government because of the pandemic which has played havoc with the State's revenues. The Kerala government's own revenue receipts for the month of April this year is just ₹347.85. In April 2019, it was ₹3,399.86 crore. It may be noted that the devolution of tax share is substantially below the expected receipt because of a fall in the taxes of the central government. The Goods and Services Tax (GST) compensation of ₹652 crore released in April 2020 relates to the period October-November 2019. GST compensation dues, of ₹2,868 crore for the previous fiscal, are pending release from the Centre.

State Governments have all been forced to cut various development expenditure because of the shortfall in revenue. This expenditure squeeze will have a severe and adverse impact on the macro-economic situation. The Centre must loosen its purse strings and help State governments in fighting this crisis. State governments form the frontline in the battle against the pandemic. Routine things will not suffice. State governments must be provided with more money to tide over this crisis.

T.M. THOMAS ISAAC,
MINISTER OF FINANCE AND COIR,
Government of Kerala

E-court

As a lawyer I was baffled to read the views on having a virtual judiciary (OpEd,

"It's time for a virtual judiciary", May 6). The art of advocacy lies in the spirit of donning that regal attire and deftly putting across your case in the open court and fighting tooth and nail till the end. However, due to the catastrophe created by COVID-19, the idea of open court may be ruled out, but virtual courts can never be a substitute or the 'new normalcy', as suggested by the writers. The concept of trial, which forms the backbone of every case, can never be done virtually. The life of lawyers and judges is highly demanding, both physically and mentally. One needs to keep abreast of the latest positions of law in order to be relevant. Hence, one cannot belittle the vacations granted to them,

as after all one also needs to relax.

K. INDU PRIYA,
Chennai

Stop the drift

The sledgehammer-like stripping down of Jammu and Kashmir's special status was assumed to be a panacea for the intractable problem ravaging the State since the 1990s (Editorial, "Dangerous drift", May 6). But, nothing has changed in the paradise of India. The

CORRECTIONS & CLARIFICATIONS:

In the graphic, "Painting messages", that accompanied the report "Virus kills three in Karnataka, Andhra Pradesh" (May 6, 2020), the figures corresponding to the active Covid cases and the discharged cases in Andhra Pradesh got mixed up. The figures given in the text of the story — active cases — 1,094 and discharged cases — 589 — are correct.

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, Kasturji 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

To read more letters online, scan the QR code



political process lies in tatters, with the imposition of a lockdown and the Internet clampdown only adding to grievances. Cross-border insurgency is on the rise which shows that a lot of heavy lifting needs to be done. The aspirations in the region need to be met in order to cement integration with India firmly.

GAUTAM GUNJAN,
Bokaro Steel City, Jharkhand