



Currency pressure

RBI will have to ensure price stability and prevent further rupee weakening

The rupee is yet again facing renewed pressure, along with major peers, as the dollar continues to strengthen in the wake of the Federal Reserve's latest jumbo 75 basis points interest rate increase and the U.S. central bank's unequivocal message that it remains squarely focused on taming inflation. The Indian currency weakened past the 81-mark against the dollar for the first time ever in Friday's intraday trade, before ending the week at a new record closing low. The rupee's slide was softened by the Reserve Bank of India's intervention to smoothen volatility; the cumulative impact of such interventions over the 12 months through September 16 have shrunk the RBI's war chest of foreign exchange reserves by almost \$94 billion to \$545.65 billion. The fact that the rupee is not alone in depreciating against the dollar can be of little comfort to Indian companies reliant on imports of raw materials or services for the smooth functioning of their businesses. They are struggling to contend with rising costs at a time when domestic demand is still to regain a durable post-pandemic footing. The higher import bill is also bound to add inflationary pressures to an economy already beset by persistently elevated inflation and further complicates monetary policymakers' efforts to rein in the price gains.

The rupee's more than 8% depreciation against the dollar so far in 2022, with almost all of the weakening having occurred in the wake of Russia's invasion of Ukraine on February 24, has also largely offset whatever gains that may accrue from the fact that the price of the Indian basket of crude oil has now retreated substantially and is close to its pre-war levels. Overseas portfolio investors too have once again turned net sellers of Indian stocks and debt in the last two sessions after having resumed their purchases of local assets in August and for most of this month. As a result, so far in 2022, FPIs have in total dumped \$20.6 billion of Indian equity and debt following three straight years of net investments. And the Fed's projection of further steep monetary tightening, of at least another 125 basis points, is only likely to lead to more outflows over the last quarter of this year. With the rupee's real effective exchange rate (REER), or trade-weighted average of its value, also signalling that the Indian currency is still overvalued, the RBI's rate setting panel will have a fine tightrope to walk next week as it battles to restore a semblance of price stability without choking growth and by ensuring the rupee does not weaken too sharply.

Ageing regime

Iran's failure to usher in political, social reforms is triggering violent protests

The death of a young Iranian-Kurdish woman while in the custody of the morality police has triggered nationwide protests in the Islamic Republic, bringing the clerical regime under public pressure yet again. Twenty-two-year-old Mahsa Amini had been detained earlier this month for allegedly wearing the *hijab* (headscarf) in an "improper" way. The authorities attributed her death three days later to a heart attack while being trained on *hijab* rules, but her parents and activists say she was beaten to death. The incident triggered widespread anger in a country where state suppression of women's rights and resistance has always been a big political issue. Several cities, including Tehran, the capital, and Mashhad, a conservative city that hosts one of Shia Islam's holiest shrines, saw demonstrators chanting slogans against the clerical establishment and women publicly burning *hijabs*. Rights groups say some 36 people, including security personnel, have been killed in seven days. These are the most notable mass protests since the 2019 agitations sparked by a rise in fuel prices, and a key political challenge for President Ebrahim Raisi, who took office last year. As in the past, the regime has made it clear that it would use force to quell the protests, with the Revolutionary Guard Corps terming the protesters "traitors" and urging the authorities to "crush" them.

The mandatory *hijab* rules were introduced in 1981, two years after the revolution that saw the fall of the Pahlavi monarchy and the seizure of power by the Shia clergy. While the Mullahs have since built a system of clerical dictatorship with limited democratic practices, two things have remained constant – state-sponsored conservatism and social repression. This model also produced constant tensions between the rulers and the ruled; those tensions have become more prominent in recent years as the political experiments to reform the system from within failed and economic miseries mounted because of American sanctions. In the last 25 years, Iranians elected two reformist Presidents for two terms – Mohammad Khatami in 1997 and Hassan Rouhani in 2013. But they failed to make any substantial reforms in the political system, which is tightly controlled by the clerical establishment. The lack of reforms and ballooning economic and political pressure often triggered large-scale protests and violent repression – in 2009, 2019, and now in 2022. Protests are part of the political culture in democracies. But in a dictatorship that claims the legacy of a politico-religious revolution, repeated protests chanting slogans such as "death to the dictator" are signs that the Islamic revolution is ageing. Iran's clergy should learn from the social strife and be ready to address the larger problems that its state and society face.

The Global South's assertion in geopolitics

The international system is witnessing geopolitical changes and a push for competitive great power hegemony. The United States leads with its goal for primacy in the international system. The U.S.'s national security documents advocate curbing China's rise, weakening Russia's capabilities, securing Europe behind U.S. leadership and building satellite alliances with countries which conform to U.S. interests and values. But other players have different agendas and the Global South matters more than before.

China is the 'near peer', but in reality is no match to the U.S. militarily. Given its phenomenal economic reach that widened during globalisation, China began building counter institutions. It looked for accommodation with the U.S. in its 'peaceful rise' project. As the U.S. found this unacceptable, China turned from partner to competitor to threat.

Experiences with the West as a factor Russia, with its vast natural resources and military capability, has shown capacity to assert its will in global geopolitics. The Russian aggression in Ukraine confirms the view of U.S. strategists who would like to weaken Russian capabilities. Further, they see Russia especially when in alliance with China or any other country as dangerous to U.S. geopolitics. Russian aggression against Ukraine and the terrible war of attrition have been a geopolitical watershed. The U.S. is using this conjuncture for global primacy. Europe is now firmly behind the U.S.'s strategic plans and is re-militarising. The developing Sino-Russian strategic partnership 'without limits' is the clearly defined enemy other for the West. So, the only speed breaker is the Global South.

Countries of the Global South, especially India, China and others, are being blamed for the failing sanctions against Russia in the context of the Ukraine war. The truth is that the Global South, with a few exceptions (except seven), wants a quick and negotiated end to this terrible war; all oppose the sanctions regime and all advocate



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The Global South has new agency in a changing world, with several countries finding that neutrality and strategic autonomy have become a viable option

neutrality. The reasons for neutrality include: the needs for regime survival especially because many in the South are dependent on Russian energy, fuel, fertilizers, wheat, commodities and defence equipment. They have memories of colonialism and recent interventions such as Iraq (2003), Lebanon (1982, 2006), Libya (2011), Afghanistan (2001-21), Yemen (2010-on) Syria (supporting Jordan), Mali, etc.

Recent experiences such as the refusal by the West to grant a one-time exception for patents for the COVID-19 vaccine have not helped either. Media images of the way refugees from the South are treated in contrast to the welcome to Ukrainian refugees have revealed the unsurprising racism. Many countries of the South believe that they are unlikely to get western help when they need it the most. In such circumstances Russia is not seen as a threat in the Global South.

China marches on

China's expanding military footprint is problematic for many countries in Asia. China's 'grey zone' policies – of creeping expansionism, violation of maritime zones in the South China Seas and elsewhere – have antagonised several countries which include Vietnam, Indonesia, India and the Philippines. But even then, most of these Southern countries would not like to be a part of security or military alliances with either the West or the Russian or Chinese sides. For example, the security pact that China (May 2022) offered to 10 Pacific island nations did not find favour with them (the Solomon Islands, Kiribati, Samoa, Fiji, Tonga, Vanuatu, and Papua New Guinea, the Cook Islands, Niue, and the Federated States of Micronesia). They also did not agree to China's 'Common Development Vision'.

The U.S. response to this neutrality has been to put massive pressure for sanctions on Russia and build threat narratives about China. But there has been an unprecedented pushback from the South that wants to make its own strategic choices. For example, the U.S. Congress recently passed a bill – "Countering Malign Russian Activities in Africa Act" – that advocates pressuring, monitoring, and punishing African states and leaders who engage with Russia. In response, the South African Foreign Minister Naledi Pandor in a press conference – U.S. Secretary of State Antony J. Blinken was present – said no African country could be bullied and described this U.S. Bill as "offensive legislation". Ms. Pandor called for diplomacy and urged: "African countries that wish to relate to China, let them do so, in whatever the particular form of relationship of their choice" (August 22, 2022). She also reminded Mr. Blinken of the plight of Palestine under occupation.

On its part, China is waiving debt owed by 17 African countries (for 23 interest-free loans that were due in 2021) – as India did in 2003. There

has been similar pushback from Latin America and the West Asian countries. Of course regional powers also work with the U.S. to project their own power – for example Saudi Arabia vis-à-vis Iran. Smaller states do a balancing act between regional powers – as Sri Lanka does between India and China.

Stronger countries of the Global South such as India have used their leverage to negotiate with multiple sides. India increased oil purchases from Russia, shrugging off western pressure. India has a military Logistics Exchange Memorandum of Agreement (LEMOA) with the U.S.; at the same time it has developed the International North South Transport Corridor connecting Russia and India via central Asia and Iran with three sanctioned states. It participates in military exercises such as the U.S.-led RIMPAC (the Rim of the Pacific Exercise, and one of the world's largest maritime exercises) but also sends a military contingent for the Vostok exercises (one of exercises Moscow routinely conducts) with Russia and China. So, India, Vietnam, Indonesia, Malaysia, Turkey and others have developed the capacity to transact with competing and conflicting sides.

Moving to geoeconomics

The South's choices are extending slowly to geoeconomics. The fear of the U.S. strategy of freezing dollar reserves has made the South cautious. Further, there is the U.S. Treasury Secretary Janet Yellen's recent announcement about U.S. trade policies of 're-shoring' and 'friend-shoring' – meaning trade between allies. This is leading the South to gradually find ways of bypassing the dollar in bilateral trade by using local currencies. Currency swap arrangements are used by China and Association of Southeast Asian Nations (ASEAN)+ 3 countries; India with Russia and 23 other countries. This does not mean the end of dollar dominance, but alternate paths are opening up for them.

In sum, the Global South has new agency. Multilateral institutions, ranging from BRICS (Brazil, Russia, India, China and South Africa) and the African Union, to ASEAN, and the Community of Latin American and Caribbean States, have given it new confidence. Several countries including India, Brazil, South Africa, Indonesia and Malaysia have become economic powerhouses, albeit with their own inequalities and domestic problems. In these circumstances, neutrality and strategic autonomy have become a viable though not a normative option.

The Global South has made a statement on its development, for better terms for trade for which it needs strategic autonomy. If the Global South were to voice collective concerns on existential threats from climate change, ecological devastation, inequalities and increasing militarisation, and work in plural inclusive ways, it could make the world a better place for itself.



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LETTERS TO THE EDITOR

Refreshed, @144

I live in Mulund in Mumbai and the family subscribes to four newspapers. We were introduced to *The Hindu* whenever my father-in-law came to visit us from Coimbatore. He insisted that it had to be only *The Hindu* for him. As a retired journalist from the Press Trust of India, reading the newspaper was his ritual. From the date line on the first page to the last word on the last page, every line was scanned and keenly read. On one of his visits in the early 1990s, we had to search for a person or a vendor who could get us the previous day's issue. Since then, we too have become regular readers. The new look is very appealing to me. My father-in-law – he faded away – is sure to have given his thumbs up. Because if it is *The Hindu*, everything about it is perfect.

Jayashree Krishnamoorthy, Mumbai

Even after 144 years, the daily still looks fresh and appealing. The redesign makes it look radiant. I bank on *The Hindu* in my preparations for various competitive examinations. The clarity on socio, political, economic and cultural issues is of great help. Apart from the good design, I hope that attention is paid to publishing well-written articles.

Challapalli Neeharika, Guntur, Andhra Pradesh

I am absolutely delighted with the strikingly attractive look of my 'long-time' favourite daily. The new design helps a reader navigate with ease from one story to another; now, the day starts with cheer. I have always believed *The Hindu*

to be a mini library and the new design enhances this.

B.K. Chandrashekar, Bengaluru

I am sending my comments by snail mail and hope my letter finds a place in this column. I have been a reader since 1951 and find the changes to the font and layout make reading *The Hindu* easy. With the use of bigger pictures, the news reports are catchy.

P.K. Krishna Narayan, Chennai

The new look is eye-catching and elegant. The timely change in design without deviating from the original track is praiseworthy. I am sure that it conforms to the visual aesthetics that readers have in mind, which will definitely enhance readership.

J. Radhakrishna Kurup, Ettumanoor, Kottayam, Kerala

I am not 'a long-time reader' of *The Hindu*, but have every right to express my joy in experiencing the benefits of the new design: better layouts, typefaces in bold font and lines under headings that help a nascent reader and learner of the English language like me. The underlining of certain words is a great help to me in expanding my vocabulary.

Shiju Thalikulju, Secunderabad

The imprint took me back to the past when as a boy, in Class six, I held my first copy of *The Hindu*. Our paperboy had delivered the copy – a noteworthy edition indeed – subscribed by my pater from Africa, all the way to Udupi, Karnataka. I soon took to the paper. After reading the September 20,

2022 edition, my heart went out to my parents who had introduced me to the paper, and my mother, in particular, who helped me read reports and understand them since I was not very conversant in English then. The new changes, such as bolder and sharper fonts, typefaces, better cutlines, leads, and a better hierarchy in the layout, are a feast for the eyes. Reading the daily now results in a wide grin.

Naman Ravi Argekar, Udupi, Karnataka

I began reading *The Hindu* from 1996, but became an online reader a year ago as my village is quite far from Kakinada town, where one can get a copy of *The Hindu*. I am unable to make a comparison with other dailies, as getting a copy of these dailies is difficult where I live. But the new look – the third such exercise in improvement since I began subscribing to the daily – is a great and visual treat.

N.S.R. Sastri, Kakinada, Andhra Pradesh

The "bold and beautiful" *The Hindu* is elegant and draws in the reader. I hope there will be fewer advertisements now, at least on the first few pages. I began my newspaper reading habit just a year ago. Earlier, and when I was younger, I used to spend a lot of time looking at the catchy advertisements and film advertisements in *The Hindu*. We live in an era of consumerism, but now I want the news without distractions.

Nivedhita Gopinath, Chennai

I am a septuagenarian and an avid reader for over five decades. The eye-friendly

font size is the highlight of the new design. The disappointing aspect is that the Editorials look a bit cramped – there needs to be space to formulate viewpoints based on an objective analysis of events and opposing or conflicting opinions.

K.V. Chandra mouli, Mysuru

The Hindu has been the daily the family has read since the 1950s. My grandfather began reading it when he was 13 years old; my father was next. and it is now me. Apart from being a perfect daily, it has become a part of the family, evoking strong emotions. The new design is cleaner, sharper and bolder.

R.K. Thevatarhsni, Kovilpatti, Tamil Nadu

The changes such as the underlining of straplines and headings are of help in note-taking for a reader like me who is busy preparing for competitive examinations under the Union Public Service Commission.

Prabhat Modi, Patna, Bihar

I was getting the printed version till a few months ago and switched to the online edition to save on costs. But after having a look at the 'newly wed bride' look of the paper, which I thought to be more appealing, I intend to subscribe for the printed version from October. I second the views of some readers that the 'Letters to the Editor' column needs more space. I started letter writing only from 2016 at the age of 65. I would not be exaggerating things in sharing this anecdote: whenever I am introduced to someone at a function or

get-together by a friend or relative, one of lines is 'he writes letters in *The Hindu*'. I find my stock going up instantly. Finding one's name printed in the paper is special. The paper could go in for innovation at regular intervals. The gentleman who devised the new format [Dr. Mario Garcia] deserves praise for the new look.

V. Subramanian, Chennai

My congratulations for reaching 144 years. I have been a regular reader since 1964 – my father's advice to improve my English was to read the paper without skipping the Editorials and the letters. The new design is appealing with its fresh look.

V.V. Naganathan, Chennai

The new design is even more attractive than the previous one. I hope that the daily continues to be a great source of information.

Pilat N., Begambur, Tamil Nadu

The 'bold and beautiful look' does work well for many readers. There are many readers, in their seventies, eighties and nineties, still with *The Hindu*. Many of us hope to see the daily reach the double century mark.

J.P. Reddy, Nalgonda, Telangana

I am a young reader, 18 years old, and in awe of the new, bolder and sharper design. Maintaining its legacy of customer satisfaction, the redesign is perhaps the best version; it ensures a seamless read!

Parul Khicha, New Delhi



To read more letters online, scan the QR code. Stay connected. Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

the general impression that there is something refreshing and magical about the new look. As someone whose day begins with *The Hindu*, I prefer the old format and style. Bolder and more legible letters cannot be a value addition. We are used to reading the daily in an established and accustomed manner and happy with it.

This makeover is quite uncalled for. Now, reading the new look *The Hindu* makes one feel that it is a different newspaper altogether. The literary quotient of the daily is unsurpassable. If the desire was to want to make it even better, the aim should have been to try something different. In fact, any ardent reader may not have expected this transition. There could have been an attempt to ask for feedback from those who treat the daily as a close family member.

V. Lakshmanan, Tirupur, Tamil Nadu

The outpouring of admiration for the new look of *The Hindu* has been unbelievable. But, there is no real difference as far as I can see when one makes a comparison with the other dailies. An as avid reader of the daily for over four decades, I feel sad that in the redesign, the paper has lost its elegant look.

Prabhu Raj R., Bengaluru