



## The numbers game

The India Meteorological Department needs to better tailor its forecast for farmers

With the India Meteorological Department getting its monsoon forecast wrong this year, its modelling has necessarily come under the spotlight. In April, the IMD had predicted “near normal”, or 96%, rains and then upgraded the figure to 98% a couple of months later. These percentages refer to the proportion of rains to 89 cm, a 50-year average of monsoon rains. However, the country finally ended up with “below normal” rains (that is, less than 96% of the 50-year long period average). In itself, this is not a problem. Crop sowing is expected to be only a little less than last year, which saw a record harvest, with more districts posting deficient rain. Better drought management has over the years weakened the link between rain shortfall and food production, but the IMD continues to persevere with the meaningless practice of assigning a catch-all number to the quantum of rain expected during the monsoon. While initially conceived as a measure to bring rigour to the task of warning the government about a drought or weak rains, it has now become a numbers exercise, couched in statistical error margins and pedantic definitions, to ward off blame for getting its forecast wrong. While a single number, 96 or 95, has the power to brand rainfall as “near” or “below” normal, the IMD never admits to being in error. It relies on the security of generous error margins. Thus, a 98% forecast, say, implies a range from 94% to 102% and so could span “below normal” to “above normal”.

The fallout of focussing on numbers to gauge a phenomenon as geographically and quantitatively varied as the Indian monsoon is that it has ripple effects of tricking everyone from policymakers to the stock markets that a ‘normal’ monsoon implies all will be well with rainfall distribution. So this year’s floods in Mumbai, Assam and Bihar, and the months-long drought in Karnataka and Vidarbha were all merged under an umbrella number. The Indian monsoon has over the centuries stayed remarkably consistent at around 89 cm during the monsoon months, give or take 10%. The challenge lies in capturing intra-seasonal variation or forecasting a sudden change in global weather (such as typhoons) that can affect rainfall over specific districts. Therefore, simply getting these blanket four-month forecasts right doesn’t really help. While more and more farmers are opting for crop insurance and have far greater access – via mobile phones – to news on weather patterns, what they seek are localised, actionable inputs to guide them on sowing or harvesting decisions. The IMD is increasingly relying on supercomputers and sophisticated models to warn of weather changes at the district level. These localised estimates aim to warn of threatening weather – and are operationally useful – rather than reduce rain to numerical jugglery. The IMD must give momentum to this shift.

## The day after

A conciliatory dialogue is still Madrid’s best option after the Catalan vote

Catalonia’s defiant vote to secede from Spain is the culmination of Madrid’s costly miscalculations, with potentially serious ramifications for all of Europe. The referendum, marred by violence that left hundreds injured, has further eroded Prime Minister Mariano Rajoy’s authority to negotiate a settlement out of this impasse. When Catalonians voted overwhelmingly for separation three years ago in a non-binding exercise, Mr. Rajoy enjoyed a comfortable majority in the Spanish Parliament. Scotland’s vote just a few months earlier to remain in the U.K. may have given hope to Mr. Rajoy at the time that the crisis would somehow blow over. But in 2017, leading a minority government, he faces the crisis with his hands somewhat tied. Whatever the merits of his judgment calls in the run-up to the referendum and the police action on the day, the handling of this long-festering question by Mr. Rajoy, a veteran leader of the conservative People’s Party, has left much to be desired. Popular backing for separation in Catalonia reached a high point in the aftermath of the eurozone crisis. But it had appeared to wane in more recent times, despite the narrow 2015 election of a coalition in Catalonia committed to independence. Capitalising on the positive mood and engaging the secessionist forces politically would have been the obvious approach. But the centre-right government merely insisted repeatedly that the vote not take place. Mr. Rajoy was on record as saying there was no need to negotiate with a party that fell foul of the Spanish constitution, which prohibits attempts to undermine the nation’s indissoluble unity.

Once Spain’s highest court nullified the referendum, the government was evidently on a firm legal footing, emboldening Mr. Rajoy to do anything to stop the vote. In the run-up to the ‘plebiscite’, Catalonia was threatened with dire consequences for every euro of government funds that was diverted to the campaign. The confiscation of ballot papers and the blockade of polling stations further vitiated the atmosphere. The mood among moderate sections in Catalonia turned rapidly hostile, as citizens viewed the denial of their say on a question of sovereignty as an affront to their fundamental freedoms. Conversely, legislators in Barcelona dropped any pretence to democratic accountability by deciding on a course of unilateral independence, irrespective of the turnout in the vote. They had earlier side-stepped the opinion of the Council of Europe – the continent’s human rights body – that the referendum comply with Spain’s constitution. More striking is the lack of any clear programme for the region’s future, given the history of the self-determination demand. Catalan President Carles Puigdemont tried to lower tensions by saying he did not have in mind a “traumatic” separation from Spain and sought a new understanding. It is in both Madrid’s and Barcelona’s interest to bring a meaningful dialogue to contain the damage.

# Tackling the economic slowdown

Greater public investment must now flow into the repair and reconstruction of infrastructure



PULAPRE BALAKRISHNAN

“All hat and no cattle” goes the Texan description of posturing without economic heft. The government of Narendra Modi should be prepared to receive such a verdict on its economic policy if things continue to go the way they are right now. Economic growth has slowed for five consecutive quarters, that is from late 2015-16 onwards. By now growth is slower than it was in the quarter in which it assumed office. For a government that had promised to turn around the economy through decisive governance, this must serve as a wake-up call.

### Why growth matters

Why should it matter to us if the economy is growing more slowly? Growth matters in India as a large number of persons have to make do with far too few goods and services as it is, which is how poverty is defined. Note that these goods also include public goods or goods that are accessed by the entire populace of a country, such as parks, roads and bridges. Since these public goods are provided by government, the government needs tax revenues to supply them, and these depend upon national income. Then there is employment. A demand for labour exists only when there is a demand for goods. So growth is necessary if employment is to be assured.

In India we not only have a pool of unemployed persons to absorb but we also need to provide employment to youth continuously entering the labour force. From this point of view, the slowing of the economy is a source of concern. An



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economy that has been slowing for five quarters is unlikely to turn around quickly. Also, it may not be able to do so on its own.

Replying to the suggestion made that the economy needs a shot in the arm in the form of a fiscal stimulus, the government’s spokespersons have responded by saying that it is working on ‘transforming’ the economy, and that its policies will have long-term favourable consequences. Its transformative approach may be expected to fructify only with a lag, we are told. While the government itself has not ruled out expansionary macroeconomic policy, writers in the media, including an editorial in this newspaper, have poured cold water on the very proposal, championing instead structural reforms. This challenge must be met.

The first thing that comes to mind when ‘more structural reforms’ is proposed is that reforming is what all governments have been claiming to do for more or less a quarter of a century now. Since 2014, in particular, “the ease of doing business” has received great attention from this government. The economy today is far less regulated than it was in 1991. It would be correct to say that labour market reforms have not been taken up yet in Parliament and that exit is necessary for a dynamic economy. Labour laws in India make exit difficult, and complying with

requirements with respect to the hiring of labour is time consuming and therefore costly. It is possible that the share of manufacturing will rise if the labour market is liberalised. And, though only a one-time gain, this could even benefit labour. However, it is not clear how this relates to the situation today which is one of slowing growth.

### Landing an excuse

It is when it comes to the land market that the argument for more reforms is least obvious. Apart from restrictions on conversion of agricultural land, no policy stands in the way of private parties transacting with one another. Surely, we can’t treat the issue of the alienation of agricultural land so casually as to remove all discretion vesting with government. If the argument is that the government must ensure as much land to private industry as they seek, though at a price, this is an intervention out of sync with a market economy. In this context, it may be said that an intervention that government in India should avoid is facilitating land acquired for industry to be alienated from manufacturing activity. Cases in question range from land owned by public sector units in Bengaluru, private mills in Mumbai and private industry in rural Kerala.

For credibility, the argument made for land and labour market reforms as a pre-requisite for accel-

# Urban upgrade to smart governance

Mumbai needs a single coordinating agency with adequate autonomy and power to make decisions



SAHIL GANDHI & VAIDEHI TANDEL

The “resilient Mumbai spirit” in the face of crisis has been lauded by many. But when crises keep occurring frequently, it is a sign that something has gone badly wrong with the city’s governance. The rush-hour stampede at the city’s Elphinstone Road railway station on Friday, in which 23 people died and many were injured, follows just after heavy rain and flooding last month that brought the city to a halt and also cost lives. How did we get here and what should be done?

### Outpaced by growth

The area around the railway station has undergone a dramatic transformation over the years. A few decades ago, the area which comprised the neighbourhoods of Parel, Dadar and Prabhadevi was home to several of the city’s mills. Workers lived in chawls and colonies near the mills. As the textile and manufacturing industry declined and eventually died out within the city, this area saw the rise of services and commercial activity. This

development, which involved the construction of high-rises for offices and residences, occurred without any adaptive response from the public authorities to address transportation challenges and ease the pressure on the existing transport infrastructure. The footfalls in surrounding railway stations, of those commuting to work in these areas, increased manifold exposing the woefully inadequate carrying capacity of bridges and stairways here. This is the same story in other parts of the city as they undergo a transformation in land use in response to changing economic activity. Similarly, the creation of the Bandra Kurla Complex (BKC), a planned business district in the middle of the city, has put pressure on railway stations that connect to the area. Commuters to these places are not from the city alone, with many of them residing in peri-urban areas, cities and towns within the Mumbai metropolitan region. Therefore, one may ask why the authorities have not been more responsive to the dynamic city.

### Lack of coordination

A key reason is the absence of coordination among the many public organisations undertaking various civic and infrastructure-related functions in the city and metropolitan region. Besides the Municipal



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Corporation of Greater Mumbai, which is the urban local body providing basic amenities and discharging functions such as solid waste management and sanitation, there is the Mumbai Metropolitan Region Development Authority which creates regional plans and plans for special planning areas such as the BKC and implements various infrastructure projects; the Mumbai State Road Development Corporation that undertakes road projects; the Ministry of Railways whose parastatal organisations look after the suburban railway network; and the Mumbai Port Trust, currently planning the commercial development of a part of its land, among others. There is no joint formulation of transport plans in tandem with land use plans by these bodies. Ultimately, the obfuscation due to overlapping functions and jurisdictions undermines accountability.

erating growth today must be able to account for how the economy came close to achieving 10% growth in the late 1980s and during 2003-08 when the policy regime was no more liberal than it is now. Equally, it would be difficult to relate slowing domestic growth to sluggish world trade as data show 2016-17 to be a year of a major turnaround in exports. On the other hand, capital formation as a share of output has declined almost steadily for six years now. In 2014-15 it rose slightly, as if in cue to Mr. Modi’s arrival, but soon resumed its sliding at a faster rate. The government appears to make light of this development. Actually, it contributed to the downward trend by reversing the rate of growth of expansion of public capital formation from 2015-16.

It is generally the case that it is capital formation, or investment, that drives growth in the economy. Investment is an immediate source of demand as firms that invest buy goods and services to do so, but it also expands the economy’s capacity to produce. Of the two sources of investment, namely private and public, the first has been depressed for some years. In a slowing economy, private investment is unlikely to revive in the absence of some external force. This is so as investment involves committing funds for a long period under uncertainty. It is for this reason that economic theory prescribes the stepping-up of public investment when private firms are unwilling to invest more. Not only does increased public investment increase demand and quicken growth but it may be expected to encourage private investors, as the market for their goods expands.

Other things being the same, increased public investment leads to a higher deficit, which is the gap between the government’s expenditure and its receipts. Among economists themselves there is res-

istance to governments running a deficit for fear that it may be inflationary. But in any such assessment, the increase in inflation must be offset with the increase in growth that would have been achieved due to greater public investment. In India, the increase in inflation that could come with higher growth would be due to the shortage of agricultural goods. So any plan for increasing the rate of growth, not just at the present moment but in general, must reckon with agricultural shortages. We have not yet fully solved this problem in India, whichever the party at the Centre.

### Don’t be afraid of deficits

The government is urged by some to refrain from increasing the deficit. While it is right to be concerned with the consequences, the correct approach would be to aim to balance the budget over the growth cycle. That is, the deficit may be increased as the economy slows and contracted as the economy quickens. To object to an increase in the deficit irrespective of the state of the economy is to be dogmatic. Since 2014 the government has focussed aggressively on the supply side by making it easier for private firms to produce. But we are now facing a demand shortage in the economy. The immediate thing to do is to expand public investment in infrastructure. The argument found in the media that there are “no shovel ready projects” is to encourage lazy governance. Repair and reconstruction of India’s creaking infrastructure is the direction in which greater public investment must now flow. It is the most direct and potent measure that can be undertaken to address the slowdown the economy is experiencing.

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The second is a lack of an adaptive and flexible planning process in response to the economic forces that drive demand for land and land use. Planning authorities typically prepare land use plans for a 20-year horizon and in the interim, any upgrading of transport infrastructure and new projects is undertaken in an ad hoc fashion by the respective organisations.

### Case for an entity

Coordination and cooperation among all public authorities concerned needs to take place not just in response to a crisis but as a regular and routine feature of the governance set-up. This requires a single coordinating agency. There are already certain provisions and studies that could aid the setting up of such an entity. The 74th Constitutional Amendment Act calls for establishing metropolitan planning committees (MPCs) for metropolitan regions. However, the experience of MPCs has been disappointing because of lack of autonomy, executive power, finances and functionalities.

Studies on metropolitan governance in India have recommended creating metropolitan councils entrusted with specific powers that are appointed democratically. Then there are other successful instances of transport planning and other functions being managed at the metropolitan level for regions

such as London and New York that could be useful case studies. In reforming the governance system, the existing political incentives of public officials will have to be considered and necessary checks and accountability mechanisms put in place.

It is crucial that the agency have a clear functional mandate and adequate autonomous power for planning and decision making. Further, it should have jurisdiction over certain functions such as transport for the entire metropolitan region. Besides transit, other functions such as solid waste disposal and water supply, that require provisioning at a regional level, could be delineated to be undertaken by this agency. It needs to have representatives from other public organisations and domain experts from outside the public sphere. Finally, it needs to be accountable to citizens for the functions in the region. This could be done by having direct or indirect elections to appoint the political head for this agency.

The time for discussion has long passed; it is now time for action. Else Mumbai is destined to meet the same fate as the goose that laid the golden eggs.

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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.

### Flawed urbanisation

The article, “A question of responsibility” (October 2), explains exactly why we have not been able to fix our cities. India is a nation of a billion-plus people, but has just a few cities that are bursting at the seams. Mumbai, New Delhi, Kolkata, Bengaluru, Hyderabad are a case in point. The so-called IT boom has created most of this mess. All these cities are fast crossing breaking point as we have been able to neither keep pace with sustainable infrastructural development nor create employment in lesser important cities, which means people will keep migrating to the big cities seeking employment.

‘De-stressing’ our cities, which means developing larger areas around the existing ones, must be thought of. However, the long-term plan would be to create employment opportunities in Tier-III cities. Yet another aspect that

needs consideration is traffic management. Improving urban transportation systems, having dedicated bus lanes, imposing very stringent emission norms and ensuring that there are fewer personal vehicles on our roads by levying more taxes are steps necessary to get more people to use public transport. Innovative urbanisation is bound to improve the standard of living and urban administration. The moot point is, who will implement it?

RAHUL NAIR H.,  
Thiruvananthapuram

### Faith vs ecology

At a time when the spotlight is on a ‘Rally for Rivers’ campaign, the report on a choked Yamuna, at the end of Durga Puja festivities, shows that the message is not reaching the people who matter (“Yamuna in distress after immersions”, October 2). We launch various cleanliness and hygiene programmes at the national

level but fail to see the results on the ground. There must be a ban on the use of Plaster of Paris and awareness campaigns carried out in neighbourhoods on the danger of water pollution. Unless the administration and bureaucracy stop fighting shy of earning the displeasure of the public in executing rules and regulations, such pollution of rivers will be a yearly occurrence.

R. SRIDHARAN,  
Chennai

■ It is unfortunate that the sacredness of rivers has been reduced to a mere polemical notion rather than an inviolable principle that has to be respected and observed in letter and spirit in the course of our daily lives. Dumping chemical-based idols into rivers is a wanton act of defilement. Religious leaders should come forward to stop this desecration of rivers in the name of faith. Indiscriminate idol

immersion has no religious significance. A symbolic immersion of a single clay-based idol is enough to satisfy the religious sentiments of devotees. Scriptures praise the intention and faith behind rituals as being more important than the ostentatious display of garish paraphernalia.

V.N. MUKUNDARAJAN,  
Thiruvananthapuram

### Tall leader

The article, “Babuji, my guide” (October 2), was a moving tribute to Lal Bahadur Shastri. Babuji’s concern for the welfare of people, especially the rural masses, was evident in the write-up. The writer’s references to how Babuji wanted to improvise rural industrialisation, find a lasting solution for the agrarian crisis and unemployment problems, and have an efficient administration in place were revealing. Finally, his explanation of wanting to be evergreen grass is a cue to

our youth and politicians on the need for selfless service.

E.S. CHANDRASEKARAN,  
Chennai

### Still a struggle

While the government deserves credit for running a scam-free administration until now and the Prime Minister our compliments for his sincerity in working for the nation, the BJP should also realise that people have not forgotten about the bagful of election promises and the associated rhetoric and are impatient for the promised rosiness to unfold. In expecting Acche Din that are still to be delivered even after three years of rule, people have put up with the nightmarish

demonetisation exercise. The ground realities have not changed a wee bit from what they were under the earlier regime, be it the prices of essentials, exorbitant educational expenses, unaffordable housing, both owned and rental, rising transportation costs and, above all, the scale of on-field corruption while dealing with the government on a day-to-day basis. Trust cannot be assumed by virtue of simply claiming it. Slogan ringing alone does not suffice. Visionary statements should be backed by results.

PUSHPA DORAI,  
Nurani, Kerala

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### CORRECTIONS & CLARIFICATIONS:

Brig. B.D. Mishra’s photograph inset in the lead story on appointment of Governors (Oct. 1, 2017) erroneously described him as the Governor of Meghalaya. It should have been Arunachal Pradesh.

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