



Risks remain

The spurt in economic growth is news, but the Centre must watch the fiscal deficit

The Indian economy grew at an impressive rate of 8.2% in the April-June quarter this year, its fastest pace in nine quarters, according to official GDP data released on Friday. The first quarter growth spurt was propped by strong performance in the manufacturing sector, which grew at 13.5%, after shrinking 1.8% in the first quarter last year, thanks to de-stocking by firms in the lead-up to the implementation of the Goods and Services Tax. The construction and agriculture sectors that grew just 1.8% and 3%, respectively, in Q1 in 2017-18, clocked growth rates of 8.7% and 5.3% in Q1 of 2018-19. While high frequency data points like auto sales and industrial output are in sync with these numbers, it must be remembered that this 8%-plus growth print can be attributed to the resolution of several GST transition problems, budgetary support to the rural economy and, in no small measure, the effect of a lower base last year. The economy had grown just 5.6% in Q1 of 2017-18, owing to the lingering effects of demonetisation and the impending implementation of GST from July 1, 2017. Government spending made a significant contribution to overall economic growth, witnessing a sizeable increase of about 10% compared to last year, helping boost gross fixed capital formation. The latest data marks a steady upward march in the economy over the past four quarters.

The 8.2% figure couldn't have come at a better time for the Modi government. But some of Finance Minister Arun Jaitley's points to discredit the quality of growth under the UPA – for instance, that it compromised on the fiscal and current account deficits and led to spiralling inflation – are emerging as key risks for the economy again. Just over 86% of the budgeted fiscal deficit target for the current financial year has been reached within the first quarter; GST collections, after a slew of rate cuts to spur consumption, have dipped to about ₹94,000 crore in August. The falling rupee, oil price trends and the expanding current account deficit are equally worrying, as is the Reserve Bank of India's expectation of a rise in inflation in the latter half of this year. Also, growth in the services sector has decelerated from last year's levels. The 'normalcy' of this monsoon is marred by wide regional variations. In such a scenario, the RBI, which has already raised interest rates twice in the last three months, is unlikely to adopt an easy money policy that is congenial to growth. India remains the world's fastest growing large economy. But it needs to grow even faster to spur job creation. The focus must be on sorting out vital economic indicators that are far from perfect. Sustaining an 8%-plus growth rate needs more pro-active policy-making and a continuous pursuit of well-crafted reforms.

Retail therapy

The forthcoming India-U.S. 2+2 dialogue should usher in clarity about defence ties

A bunch of proposals amounting to about ₹46,000 crore approved by the Defence Acquisition Council is likely to boost defence cooperation with the U.S. Among the approvals is one for 24 Multi-Role Helicopters with anti-submarine warfare capability for the Indian Navy, expected to cost around \$1.8 billion. These are likely to be procured under a government-to-government deal with the U.S. through its Foreign Military Sales programme. A suitable platform, the American Sikorsky MH-60, had already been shortlisted by the Navy, but the deal fell through. Helicopters in general and MRHs in particular are a critical capability vacuum for the Navy, with several capital ships sailing with empty flight decks. A major decision is the procedural approval for 111 Naval Utility Helicopters, costing over ₹21,000 crore. The process began last year but has been held up for want of clarity on the Strategic Partnership model, under which this would be the first project to take shape. The DAC has cleared the required guidelines on this, which should help take the process forward. Again, the U.S. has a major interest here as its companies are in the race for NUHs as well as for 114 fighter jets. The timing of these decisions is important as they come just before the first 2+2 dialogue between India and the U.S. on September 6, which will see India's External Affairs and Defence Ministers meeting their American counterparts. An announcement on the MRH sale is expected at the 2+2 dialogue along with the sale of armed drones and the likely conclusion of the foundational agreement, the Communications Compatibility and Security Agreement, which would allow the sale of encrypted systems and enable communications interoperability between the two militaries.

These developments fit into the U.S. strategy of strengthening defence cooperation, reflected in India's elevation as a Major Defence Partner, and the simplification of licensing requirements for high technology trade. India is at the heart of the U.S.'s Indo-Pacific strategy; its National Security Strategy released in December 2017 says the U.S. will deepen strategic partnership and support our leadership role in Indian Ocean security and the broader region. But how long will the deals take to fructify? The Strategic Partnership policy itself needs policy clarity for seamless implementation. In addition, before embarking on multi-billion dollar deals, India must get clarity from the U.S. on its Countering America's Adversaries Through Sanctions Act, that could place limits of India's defence cooperation with Russia. India must retain its independent national security and foreign policy. The upgrade must also get us thinking more seriously about domestic defence manufacture – the country cannot aspire to be a global power and net security provider in the region by holding the tag of the largest arms importer year on year.

Making peace with Naya Pakistan

India should encourage people's initiatives to forge a 'coalition of the willing'



M.K. NARAYANAN

The election of the eminent Pakistani cricketer, Imran Khan, as Prime Minister (albeit through a flawed election) has rekindled hopes among committed democrats in South Asia, especially India, that Pakistan is about to emerge into a new dawn. Also that it would bring to an end many of the travails that afflict India-Pakistan relations today.

Careful about false starts

To be optimistic about the future of democracy in Pakistan and, alongside this, an improvement in India-Pakistan relations is, no doubt, welcome. However, it needs to be laced with more than a tinge of realism, since India-Pakistan relations have witnessed several false starts over the years. A moot question at the outset is this: How far can it be said that real democracy exists in Pakistan today, even though an election process was gone through? More important, can a political neophyte turn around the situation in a country whose attempts at democracy have never been fulfilled all these years?

While hopes have been expressed that Pakistan may effect changes in the way it views relations with India, it is difficult to accept that merely because that country has a new leader who is not a politician in the usual mould, things are about to change. Democratic leaders in Pakistan, especially more recent ones like Benazir Bhutto and Nawaz Sharif, have paid a heavy price whenever they sought to enlarge their democratic constituencies. They have been unable to withstand the machinations of the Pakistani 'deep state', which controls almost every single

aspect of political activity in Pakistan.

For the Pakistani 'deep state', the main enemy is India. No democratically elected leader can afford to ignore this fact. Hence, India needs to assess the situation in Pakistan in somewhat greater depth, and not jump to any conclusion of better prospects in India-Pakistan relations in the immediate, or even medium, term.

No doubt, history is replete with instances of how transformational leaders, who embody particular ideas and ideologies, are able to turn around the fortunes of their countries. No one can possibly accuse Mr. Khan, however, of being a transformational leader – one who is capable of inspiring people through well-considered and carefully thought out ideas and suggestions. Hardly anyone will credit him with a single visionary idea, or articulating a new vision for Pakistan.

With regard to India-Pakistan relations, Mr. Khan has been content with reiterating hackneyed themes that every new Prime Minister or leader in Pakistan spouts at the beginning of his tenure, viz., a desire to initiate talks with India, resolve differences between the two countries, improve trade relations, resolve the Kashmir conflict, and alleviate poverty in both countries. In addition, we have the usual drumbeat of views by other members of his team, stressing the need for a dialogue between the two countries to sort out mutual issues and problems.

The new Pakistan Foreign Minister, Shah Mehmood Qureshi (of 26/11 infamy), has 'tongue-in-cheek' proposed "a continued uninterrupted dialogue" to resolve "all outstanding issues", whatever that means. In his previous stint as Foreign Minister in the Pakistan Peoples Party regime, he had hardly endeared himself to audiences in India, and there is no reason to believe he has changed colour under the Imran Khan dispensation. Many of the other key



Ministers in Mr. Khan's Cabinet are holdovers from previous administrations, quite a few being from the Pervez Musharraf period. None of this holds out much, if any, hope for an improvement in India-Pakistan relations.

Understanding Imran Khan

It would be interesting to conjecture which constituency Mr. Khan caters to, or represents, other than himself. Only after that would it be possible to determine what our policy should be towards Pakistan, and how to deal with him. Not to do so would be the height of folly, notwithstanding the genuine desire for peace in our country, or perhaps in both countries.

The circumstances under which Mr. Khan succeeded in these elections would seem to suggest that the 'deep state' in Pakistan played a not-so insignificant role in his victory, perhaps even a preponderant role. Over the years, the 'deep state' has co-opted some of the key levers of power, not excluding the judiciary, to maintain its stranglehold on Pakistan. Gone are the days when Generals like Zia-ul-Haq and Musharraf openly declared their intention to seek power and take charge of the state. Today, the 'deep state' adopts more insidious means to maintain control over the levers of power.

Included in this repertoire of means and methods is choosing charismatic leaders, who have no worthwhile political base and willing to do their bidding, to front for them. In doing so, they avoid accusations of military dictatorship, and of trampling on democracy

For a shift in gear

There has to be a change from focussing only on managing natural disasters to improving resilience



FEROZE VARUN GANDHI

Kerala's unique topography – of coastal plains and rolling hills between the Arabian Sea and the Western Ghats – is vulnerable to several natural hazards, landslides, flooding and coastal erosion being the most common. Incidents of flooding have become frequent, aided by human intervention. In the massive flooding the State faced recently, more than a million people were displaced and had to be housed in relief camps. The conservative estimate of losses has been put at ₹21,000 crore. While the Madhav Gadgil-led Western Ghats Ecology Expert Panel had recommended the gradation of the Western Ghats into three eco-sensitive zones, with significant restrictions or outright bans on construction and mining activities, this was not acceptable to the State government.

Vulnerable country

India is prone to disasters. About 70% of its coastal areas are prone to tsunamis and cyclones, about 60% of its landmass vulnerable to earthquakes, and 12% of its land to floods. Multi-storied housing is

booming in urban India, built on a framework of beams, pillars and brick walls. With parking spaces prioritised at the ground level over structural stability, retrofitting is urgently needed, despite the significant costs. Most Indian houses are made of brick masonry walls, with fire/unfired bricks and stones, and yet few if any undergraduate civil engineering courses consider these materials, focussing instead on reinforced cement and concrete. Earthquake engineering is taught as a specialisation at just a few universities, leading to a serious shortage of retrofitting-trained civil engineering manpower.

The gaps

Yet, risk management is still in its infancy. In the case of Kerala, in 2003, the Home Ministry had proposed the formation of specialist teams to manage disasters using four battalions from the Central Industrial Security Force and Indo Tibetan Border Police. Kerala was required 'to identify a State-level training institution' for the purpose. The project has been forgotten. It has been the same response, even after the Ockhi disaster when the Centre proposed forming a special team and funding.

We are far behind even in forecasting disasters that occur annually. Even now, after the Kedar-nath floods in 2013, Uttarakhand



still has few if any Doppler radars to provide early alerts about cloudbursts and heavy rain. There are few guidelines on construction in flood-prone regions, or even a map of safe zones.

Few States have prepared emergency action plans for the over 5,000 large dams in India, with reports of just 200 dams having been covered so far. Inflow forecasts are available for around 30 reservoirs and barrages (there are over 4,800 such structures). Mitigation projects for upgradation of the observatory network have barely commenced. The effectiveness of the National Disaster Response Force (NDRF) has been hampered by a shortage of trained manpower, training, infrastructure and equipment, which prompted the Comptroller and Auditor General to highlight the National Disaster Management Authority's performance in projects such as vulnerability assessment and mitigation projects of major cities as "abysmal".

and democratic rights. It would not be the first time in Pakistan, or for that matter elsewhere in the world, that these kinds of tactics have succeeded.

Whatever may be the initial euphoria, an individual functioning in this milieu is unlikely to be able to navigate an independent path that could lead, at least a part of the way, to eventual success. In the case of Mr. Khan, he seems to have even less room to manoeuvre. To all intents and purposes, he appears to be a prisoner of the 'deep state'. India would do well to realise this at the beginning of his tenure as Prime Minister. It is much better than being lulled into a false sense of complacency.

Be clear

In this context, India will need to create a framework that leads to realistic outcomes, given that it genuinely believes in peace with Pakistan. There needs to be clarity regarding short- and medium-term goals, before embarking on the ultimate objective of bettering India-Pakistan relations. Repeating past shibboleths and setting impossible goals is not the answer.

The first step should be an acknowledgement that the new government in Pakistan faces threats, from elements both within and outside the government. Furthermore, the threat to better India-Pakistan relations comes from the 'deep state' embedded within the Pakistani establishment. Given the entrenched nature of the 'deep state', Mr. Khan will be compelled to adopt what may be termed as the 'Pakistan First' approach', in which relations with India would have least priority, and the emphasis would be on better relations with China as also the U.S. and the West. In the light of this, the establishment in India should tailor its response appropriately if it hopes to succeed in the longer term.

For the present, it would perhaps be advisable for the Indian state to step back and provide

greater scope for people's initiatives, strengthen the existing democratic order initiatives driven by people's groups, and enhance the constituency for peace in the subcontinent. Towards this end, it should coordinate strategies among different agencies within the government on how to enlarge the constituency for peace and liberal tendencies in both countries. The effort should also be on increasing the share of people in Pakistan who recognise the need to act responsibly, and rally the 'like-minded' who seek peaceful co-existence with India. It should involve appealing to people in Pakistan, much beyond those involved in the administration.

Only after such moves reach a certain stage, and the outlines of a 'coalition of the willing' emerges, should the establishment step in. The short message is for people's groups in India to engage, and engage with whomsoever it is possible to in Pakistan with a view to creating a suitable climate for peace and better relations. Admittedly, there are many segments in both countries that may not be willing at present to back the move for better relations. However, there does exist a constituency for peace in both countries, especially in India, which needs to be galvanised to act.

Strengthen democracy

India should also take steps to encourage the rest of the democratic world to advance, and defend, democracy in Pakistan, and implicitly improve relations with India. It means actively cultivating a constituency for collective action among civil society worldwide, going beyond mere populism and the usual range of India-Pakistan tensions. If sufficient progress is made, then the establishments on both sides could proceed to the next step.

M.K. Narayanan is a former National Security Adviser and a former Governor of West Bengal

We need to revise the norms for disaster relief in India. Each State and district has different costs for labour and construction, making the idea of a uniform amount for relief redundant. In Kerala's Kuttanad region, one of the earliest affected by the floods, the specified compensation of around ₹92,000 for a completely destroyed house offered was seen to be inadequate. Current disaster norms do not differentiate between States, offering, for example, the same amount per unit for disaster relief in Bundelkhand as in Goa. Such practices are bound to lead to an inadequate recovery.

On the ground

Disaster norms are also skewed more towards rural areas, focussing on agriculture, fisheries, livestock and handicrafts from a relief perspective. Typically, after a disaster, revenue officials are responsible for visiting affected areas and identifying people for relief, in turn offering scope for misuse and corruption. In addition, any disaster relief will typically exclude anyone living in an unauthorised area. Such norms also exclude share-croppers and agricultural labourers, while focussing only on small and big farmers. The former are also the ones excluded from the rural credit market, while facing significant risk from agricultural uncertainty. Finally, unlisted disasters which are not neatly

bucketed in the specifications under the Calamity Relief Fund are restricted to a relief of 10% of the fund's annual allocation.

Moving forward

Planned urbanisation can withstand disasters, a shining example being Japan which faces earthquakes at regular intervals. The India Disaster Resource Network should be institutionalised as a repository for organised information and equipment gathering.

India needs a strong disaster management agency. Disaster preparedness should be focussed on meeting the immediate contingency, implementing a conceptual, long-term rehabilitation strategy while maintaining an ethnographic understanding. It must be built on anticipatory governance, emphasising studies that embed foresight and foster citizen awareness. The NDRF must fill its vacant specialist positions while being given better control over transfers and deployment of its personnel. Without such reforms, only the Indian Army and paramilitary forces can remain first responders, and States will continue to cry out for relief. Perhaps, it's time to move on from being focussed only on managing natural disaster emergencies to improving resilience.

Feroze Varun Gandhi is an MP representing the Sultanpur constituency for the BJP

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.

Looking ahead

The floods in Kerala have been devastating in terms of the loss of lives, damage to houses and other infrastructure and, most importantly, loss of occupations and businesses. There is debate about the causes of floods and the authorities in Kerala should study this subject scientifically. They should not hesitate to reach out to the United Nations and other countries that have vast expertise in flood mitigation strategies. There must be a flood management plan for each river basin. Natural infrastructure such as marshes, reefs, mangroves and beaches can help protect coastal areas. All this is well-

documented. There should also be concerted efforts to promote rainwater harvesting. Since there is a debate about the safety of dams, new sources of energy should be sought out. Sunlight is the most freely available form of energy and harvesting it should be encouraged. As these floods occurred in an age of improved technology, each town must have guidelines on flood safety precautions. This would also mean ensuring sufficient numbers of boats in flood-prone villages.

Dr. AJAYA KUMAR A.,  
Pathanamthitta, Kerala

Readers speak

It is gratifying to know that *The Hindu* turns 140 this

month (Page 1, "Let us know you better", September 1). I have been reading the daily since the mid-1970s. It would be no exaggeration to say that the paper is like a family member. I would strongly recommend it to friends and relatives as there is no paper to compete with it.

B. JAMBULINGAM,  
Thanjavur, Tamil Nadu

I am 80 and have been reading the paper for over 60 years. It has become a habit that is difficult to give it up. However, I notice certain changes. The first page is one page most of us look forward to reading. In the past, all one had to do was go straight to the first page (page 1) with all the main news. Today, one

has turn four pages to get to page 1 as it is clear that advertisements and the revenue from them are more important. There are also errors in many reports and articles. Being a lawyer and a chartered accountant, I keep an eye out for news in these fields. I hope there is an emphasis on these.

T.A. RAJAGOPALAN,  
Chennai

Right-wing ideology is dangerous and the new generation of voters may not understand this, probably swayed by what is portrayed in the media under the generic slogan of "development". *The Hindu* has always stood for core principles and must uphold the concept of unity in diversity, which is the

essence of India. One looks forward to coverage in the form of reports and features that support this. Please do not disappoint this reader.

RAVI CHARLES,  
Chennai

Though a lot has been written about the greatness of *The Hindu*, perhaps what distinguishes this newspaper from the rest is its bonding with readers through its Readers' Editor. The appeal to readers to re-connect with it will only further strengthen the bond.

R. SIVAKUMAR,  
Chennai

Inspiring stories

The report on the victory, in boxing, of debutant Amit Panghal, the 22-year-old son of a farmer, who struggled to

practice with tattered gloves because of financial issues (a detail given in other media reports), was moving. One is impressed by his dedication to overcome the odds. Coverage of the struggles of many Indian sportspersons – many from small towns and villages in India, with another example being Swapna Barman – in this edition of the Asian Games and their inspiring stories are deeply motivating. The Sports Ministry needs to step up its approach to identifying the immense talent waiting to be discovered ('Sport' page, "Debutant Amit lands gold", September 2).

ISMAIL ANSARI,  
New Delhi

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