

Great expectations:

The Jagan Mohan Reddy government must build on Andhra Pradesh's high potential

The YSR Congress Party begins only the second government in the bifurcated successor State of Andhra Pradesh following a thumping win in the Assembly and Lok Sabha elections. The party won all-round support across classes, with significant gains among Dalits and Adivasis. A firm mandate from farmers and the youth in favour of the YSRCP catapulted it to a four-fifths majority in the Assembly. Strong mandates come with great expectations, and the new government will have to address the fiscal issues that have lingered since bifurcation. While registering high economic growth rates, Andhra Pradesh, which lost a significant portion of the undivided State's revenues, has sustained high public debt; it reached 28.79% of the State GDP, according to latest figures. The previous Telugu Desam Party government led by N. Chandrababu Naidu had gone on a populist spree in the latter part of its tenure, exacerbating the State's debt situation. The YSRCP has also promised its own set of welfare measures. While redistribution measures tend to spur consumer demand, wasteful populism could hurt the State; and Chief Minister Y.S. Jagan Mohan Reddy must be more discerning on this aspect than his predecessor.

Another legacy of the TDP government was its emphasis on building a grand new capital at Amaravati. The State needs a functioning and workable capital city; the new government should scale back the pointlessly grandiose aspects of the plan and focus on the necessary brick and mortar. The government should take forward the previous regime's work towards the diversification of the State's economy by focussing further on industrialisation. New industries and capital have flowed in after bifurcation, helping spur economic growth. Much more can be done considering Andhra Pradesh's potential, including leveraging its strong diaspora. This should be among the priorities of the government. Much has been made of the need for special category status for the State, but this may have little benefit beyond its emotive value. The government can address fiscal concerns through growth, diversification and meaningful redistribution rather than expending political capital seeking a largesse from the Centre. In any case, as Mr. Jagan has noted, there is little chance of the Centre conceding the status to the State as the BJP-led government at the Centre enjoys a clear majority and does not require the YSRCP's support. Another encouraging sign for the State is the amiable relationship between Mr. Jagan and Telangana Chief Minister K. Chandrasekhar Rao, in contrast to the animus that persisted during Mr. Naidu's tenure. This should enable the States to resolve issues related to sharing water resources, and so on. Mr. Jagan should hit the ground running.

<u>Words</u>	<u>Kind</u>	<u>Meaning</u>
Bifurcate		Divide into two parts
Thumping win		a very big win
Mandate		Authority, approval/instruction, decrease, order.
Catapult		Propel, launch, move, drive, push
Fiscal		budgetary, financial, economic
Linger		persist, continue, endure, carry on
Sustained		continuous, on going, continual, prolonged
Populist		popularly accepted by people

Spree	unrestrained, binge
Exacerbate	Aggravate, worsen, intensify, augment
Discerning	Discrimination, Judicious, shrewd, clever, astute.
Predecessor	Forerunner, precursor, ancestor, forebear
Legacy	Bequest, inheritance, inheritance, partrimony
Grandiose	Overwritten
Brick and Mortar	Physical presence of an organization.
Diversification	Expansion, expansion, extension
Spur	Stimulus, encouragement, in centre, fill up
Diaspora	Movement of people from their own country
Leverage	Grip, hold, Support, anchorage
Expend	Spend, pay out, disburse, utilize, consume
Largesse	gift, generosity, liberality, munificence
Contrast	contradictory, opposite, contrary
Animus	hostility, ill feeling, animosity, forbidding
Persist	continue, push on, carry on, persevere
Resolve	to find answer to a problem, settle, sort out

Slowdown confirmed:

With the economic crisis deepening, the government will have to hasten reforms

There is now no denying that the second Modi government takes office amid a clear economic slowdown. The first macro data set released under the new Finance Minister, Nirmala Sitharaman's watch, on Friday, showed an under-performing economy with GDP growth falling to 5.8% in the fourth quarter of 2018-19 and pulling down the overall growth for the fiscal to a five-year low of 6.8%. Growth in gross value added (GVA), which is GDP minus taxes and subsidies, fell to 6.6% in 2018-19, pointing to a serious slowdown. If further confirmation were needed, the growth in core sector output — a set of eight major industrial sectors — fell to 2.6% in April, compared to 4.7% in the same month last year. And finally, unemployment data, controversially suppressed by the Union government so far, showed that joblessness was at a 45-year high of 6.1% in 2017-18. These numbers highlight the challenges ahead for Ms. Sitharaman as she sits down to draft the Budget for 2019-20, to be presented on July 5. The economy is beset by a consumption slowdown as reflected in the falling sales of everything from automobiles to consumer durables, even fast-moving consumer goods. Private investment is not taking off, while government spending, which kept the economy afloat during the last NDA government, was cut back in the last quarter of 2018-19 to meet the fiscal deficit target of 3.4%.

The good news is that inflation is undershooting the target and oil prices are on the retreat again. But the rural economy remains in distress, as seen by the 2.9% growth in agriculture last fiscal; the sector needs a good monsoon this year to bounce back. Overall economic growth in the first quarter of this fiscal is likely to remain subdued, and any improvement is unlikely until the late second quarter or the early third. There are not too many options before the new Finance Minister. In the near term, she has to boost consumption, which means putting more money in the hands of people. That, in turn, means cutting taxes, which is not easy given the commitment to rein in the fiscal deficit. In the medium term, Ms. Sitharaman has to take measures to boost private investment even as she opens up public spending again. These call for major reforms, starting with land acquisition

and labour, corporate taxes by reducing exemptions and dropping rates, and nursing banks back to health. On the table will be options such as further recapitalisation of the ailing banks, and consolidation. The question, though, is where the money will come from. With tax revenues likely to be subdued owing to the slowdown, the Centre will have to look at alternative sources such as disinvestment. There may be little choice but to go big on privatisation. A rate cut by the Reserve Bank of India, widely expected this week, would certainly help boost sentiment. But it is the Budget that will really set the tone for the economy.

<u>Words</u>	<u>Kind</u>	<u>Meaning</u>
Hasten		hurry, scurry, expedite
Suppress		cancel, bottle up, repress, quell, quash
Beset		surround, besiege, encircle, ring
Consumption		use, utilization, expending, depletion
Durable		long lasting, hard wearing, tough, resistant
Take off		Flourish, become popular
Retreat		withdraw, retire, draw back, pull back, fall back
Distress		anguish, suffering, pain, agony, torment
Subdue		conquer, defeat, vanquish, overcome
Boost		enhance, increase, amplify, energise, revitalize
Acquisition		obtaining, acquirement, gaining, earning
Ailing		suffering, troubling, distressing, bothering

Language issue:.

The crisis caused in non-Hindi speaking regions as a result of the draft education policy has been defused. But it cannot be termed a complete reversal (Page 1, “Mandatory Hindi goes out of draft education policy”, and Editorial, “Crisis defused”, both June 4). Insistence on one common language for the country is impractical. Apart from the mother tongue, English functions well as a link language. Considering the diverse nature of our country, it would be ideal to have only the two-language formula — mother tongue and English. However, this should not prevent individuals from learning other languages.

D. Sethuraman,

Chennai

One cannot discount the fact that Hindi is culturally alien to the south. In such a situation, it is baffling why the Union government repeatedly followed attempts to ignore these strong sentiments. The south has done well economically and culturally without the need for Hindi. Language is to be learnt out of love and necessity, not because of a policy.

Anand Aravamudhan,

Chennai

Straitjacketing a linguistic and culturally rich pluralistic nation like India into a Hindi-land is wrong. The insistence on Hindi already impacts the job prospects of non-Hindi speakers in some areas of employment such as banks and the railways. The three-language formula was never earnestly

implemented in the Hindi-speaking States. One hopes that this government is not pursuing what George Orwell ominously hinted at: “Control the language and you control the people.”

H.N. Ramakrishna,

Bengaluru

Why impose it on others who are not willing? Imposition of Hindi will only alienate the Central government from those States. Let learning a language be one’s personal choice. Dictating sensitive issues such as what to learn and food habits will only divide this country and disturb the peace. The government’s focus should be to unite the people and not sow the seeds of hatred.

T. Anand Raj,

Chennai

Any language is an asset and the south, especially Tamil Nadu, has suffered in blocking the entry of Hindi. As a result, many a youngster has missed numerous opportunities on the job front. When Hindi is important, it becomes a necessity to know the language. Considering a language as taboo is being short-sighted.

T.V. Sreekumar,

Puducherry

<u>Words</u>	<u>Kind</u>	<u>Meaning</u>
Crisis		difficulty, fix, predicament, muddle
Defuse		blast, explode, detonate, let something off
Mandatory		compulsory, obligatory, binding, essential
Insistence		Demand, command, bidding, dictate
Alien to		Strange
Baffling		confusing, flooring, twisting, puzzling
Strait jacket		jacket put on to protect violence/danger
Pursue		follow, run after, chase, hunt
Numerous		many, countless, innumerable
Taboo		prohibition, proscription, veto, interdiction