

Be not ashamed of thy virtues, honor's a good brooch to wear in a man's hat at all times
Ben Jonson

BJP sweeps UP civil polls

The BJP has swept the UP civic body elections. The Congress and the SP have been totally marginalized while the Bahujan Samaj Party of Mayawati has managed to emerge as a distant second. The Congress has been trounced even in Amethi, the traditional bastion of the Nehru-Gandhis. The BJP has registered the sweeping victory despite demonetization and GST despite its alleged failure to create jobs and umpteen other 'failures'. The Opposition parties need to analyse the results coolly and find out the reasons why they failed to carry the people with them. No party has alleged that there has been wholesale rigging of the elections. Obviously there was a lack of connect between the Opposition and the electorate. The distress caused by demonetization and GST is too true to be denied. Together, the two steps did harm the informal sector, adversely affected the small and medium industries, several lakh people lost their jobs. But still the urban voters of UP placed their trust in the leadership of Yogi Adityanath and Narendra Modi.

If demonetization and GST could not sway the voters of Uttar Pradesh against the BJP, it would be logical to believe that the results will not be much different in the Assembly elections in Gujarat either. Somehow, the people of this country still repose their faith in Narendra Modi. The net effect of the impassioned speeches of Rahul Gandhi, his witticisms and barbs against the Prime Minister, will be known only after the 18th of this month. If the UP civic poll results are anything to go by, the BJP is likely to retain Gujarat this time also, even if it is unable to retain the strength it had in the outgoing Assembly. The BJP succeeded in making the final phase of the Gujarat elections a fight between the asmita (self-respect) of the Gujaratis versus the Nehru-Gandhi family which was painted as anti-Gujarati. Economic issues like development, job creation, unearthing black money etc., ceased to be the main poll issues. Rahul Gandhi harped on these issues throughout his campaign but how far his campaign impacted the people is still uncertain. The first thing the Congress (as also the other parties) will have to do will be to 'phase out' the old leaders and induct young and dedicated ones who have vision for the future and who do not view politics as merely a cynical pursuit of power and personal aggrandizement.

Lack of momentum in economic recovery

REFLEX ACTION

S. Sethuraman

Official data on second quarter (July-September) for 2017-18, with GDP estimated at 6.3 per cent, may signal at best a modest revival over the first but the economy is still months away from a rebound overcoming lingering effects of the disruptive demonetisation. Additionally, GST glitches, resulting in revenue depletion from the hurriedly launch from July 1, 2017 also had a sobering effect on second quarter growth.

It is possible CSO would revise up the growth estimates of second quarter when final figures of indirect tax collections are made available. For the present, GVA (gross value added) in second quarter is put at 6.1 per cent over 5.8 per cent in the first (April-June) while GDP which includes tax receipts at 6.3 over the first quarter's 5.7 per cent. This seemingly improving look clouds projections for the full year, as in the first half (April-September) GDP is estimated to have grown at only 6 per cent (7.7 per cent in 2016-17) while the more widely recognised GVA at 5.8 per cent (7.2 per cent). At present, RBI's revised down growth estimate for 2017-18 is 6.7 per cent while the budget had assumed 7 to 7.5 per cent. International estimates are aligned at 6.7 per cent (IMF, World Bank and OECD) and thus India would be trailing China's projected 6.8 per cent in 2017. Finance Minister Mr Arun Jaitley who has been putting a brave face on the economic front, now accepts the slow moving graph, hoping for the year to end with around 7 to 7.5 per cent.

But what is more worrisome for him is the steep rise in fiscal deficit in the first seven months (April-October) to 96 per cent of BE, with another five months to go. His challenge is to contain the final year's fiscal deficit at the budget target of 3.2 per cent of GDP and earn credibility. Surely, the axe will fall on committed development expenditure along with additional mobilisation from state undertakings and RBI surplus to bring down the mismatches between revenue and expenditure at 48 and 60

per cent respectively of the total budgeted expenditure for 2017-18. The second quarter data just published show a decline in agriculture to 1.7 per cent (4.1 per cent) due mainly to fall in kharif foodgrain output (-2.8 per cent) from 10.7 per cent in previous year. Sectors registering growth of over 6.0 per cent included a few manufacturing segments, electricity, gas, water supply & other utility services and trade, hotels, transport & communication services.

Growth in core sector industries, other than coal and electricity, have not fared well. These include cement, steel and refinery throughout. IIP Manufacturing index at 2.2 per cent (5.5 per cent last year) does not indicate any strong revival. Thus, both agriculture and a vital area of industry require special focus for a healthy growth rebound. Importantly, the Services sector as a whole, contributor of 60 and odd per cent to overall GDP growth, has not been performing to expectations in major components. Also of concern is continuing decline in private final consumption expenditure, by over 2 per cent at current prices from 11.9 per cent in previous year's corresponding quarter. Government final consumption expenditure showed a marginal rise by Rs. 36,000 crores as compared to II quarter of 2016-17. The data reveal a steady decline on private and final consumption expenditure.

The continuing decline in rates of savings and investment is one of major domestic factors hindering a growth take-off. Private consumption at constant prices (2011-12) was 6.5 per cent in II quarter as against 7.9 per cent

in Q2 of 2016-17. Government consumption fell by 4.1 per cent as against 16.5 per cent of 2nd quarter of 2016-17. At current prices Government Final Consumption Expenditure grew only by 7.1 per cent against 21.2 during Q2 of 2016-17. Does growth still at 6 per cent in the first half, and with unfinished GST and other reforms in the banking sector, warrant a rate reduction by the Monetary Policy Committee meeting in first week of December? It may be premature for Government to claim that the "transitional challenges" experienced earlier have been "weathered".

Growth prospects in the second half, with two months of third quarter already over, are not promising either, even if the economy is able to clear off pending GST issues which would perhaps improve the revenue receipts for the year. Still, the fiscal gap in the year may not be fully covered to remain within the targeted 3.2 per cent of GDP. Price pressures have been building up over the last two months and partly attributable to the multiplicity of GST rates, now intended to be simplified, besides seasonal rise in vegetables and fruits. CPI and WPI have been edging upward over the last two months. CPI may not remain long within the 4 per cent benchmark for stabilisation. This is primarily due to rise in international commodity prices, especially oil, and the forecast average price for 2018 is 60 dollars a barrel. India, the largest importer, would be hit badly with a worsening of the Centre's fiscal outlook and external balance as CA deficit would rise to 2 per cent of GDP. This calls for a vigorous export drive in the environment of expanding global trade and given the need to contain CAD within manageable limits.

US FED is set to raise the Federal Funds rate above the current 1.5 per cent though FED is pursuing a policy of gradual increases as warranted by incoming data on inflation with the US economy growing steadily at an annual rate of 3 per cent from mid-2017 and unemployment rate at 4.1 per cent, a return to pre-crisis level. (IPA)



NEW DELHI, DEC 6 (UNI): Civil Defence Volunteers demonstrating a rescue drill on the occasion of Civil Defence Raising Day-2017, in New Delhi on Wednesday.

Recent agitations in Pakistan

FOCUS

Barun Das Gupta

Some recent developments in Pakistan leading to the forced resignation of the country's Law Minister, Zahid Hamid, have not received much attention in India. A 'movement' for the sacking of the minister was launched by a small and little-known party of recent origin - the Tehreek-i-Labaik Ya Rasool Allah (TLY). The party demanded the removal of Hamid because of a change he purportedly made in the text of the oath of affirmation by members of parliament, which allegedly related to the finality of Prophet Muhammad as enshrined in the Elections Act of 2017. The change replaced the phrase "I solemnly swear..." by "I believe..."

The TLY was founded two years ago, in August, 2015, by Khadim Hussain Rizvi. "I whipped up a campaign against Hamid and, with just a few thousand followers coming out in the streets of Islamabad, Lahore, Rawalpindi and Karachi, brought life to a standstill in these cities. They also shut down all private TV channels, Twitter, Facebook and YouTube. Then something strange happened. When the civil government of Prime Minister Shahid Khaqan Abbasi asked the

party to remove the protesters from the streets, the army said it could not turn against its own people who loved the army. To put it bluntly, the army refused to obey the government's orders. Instead, the army proffered its help to the government to resolve the crisis. It was Chief of Army Staff (COAS) General Qamar Javed Bajwa who came forward to 'negotiate' with the protesters and eventually brokered a deal between TLY and the government. The Law Minister resigned and the movement was withdrawn. It was clear that the army was directly interfering in politics through its proxy TLY.

The TLY is a hard-line Islamist party, which opposes any change in the much-criticised blasphemy law of Pakistan. It demands that the Sharia law should become the law of Pakistan. It is a party of Sunni Muslims belonging to the Bareilly school of thought. The Pakistani media has been unparagoning in its criticism of TLY and the controversial role the army played in brokering peace with the government. Pakistani commentators have dubbed TLY as 'zealots', 'bigots', 'fanatics' and 'hard-line Islamists'. Its members have been called hot-blooded and

driven by 'dark passions'. Even the judiciary is perturbed over the role the army played as a mediator between the civil government and the TLY protesters. Justice Shaukat Aziz Siddiqui of the Islamabad High Court demanded to know:

"Who is the army to adopt a mediator's role? Where does the law assign this role to a major-general?" The angry judge pointed out that the COAS, instead of following the orders of the government, chose to become a 'mediator'. The document of the agreement with TLY, which was submitted before the court, bore the signatures of Interior Minister Ahsan Iqbal, Interior Secretary Arshad Mirza, TLY supremo Khadim Hussain Rizvi and Major-General Faiz Hameed. The role of the army has come under the scanner for several reasons. First, it is none of the business of the army to act as a mediator between

political organizations and the civil government. Secondly, the subterranean connection between TLY and the army has also come under the scanner. Is TLY actually the political façade of the army?

Thirdly, the excuse given by the army in not carrying out the orders of the government to remove protesters blocking the roads was pretentious, to say the least. The army said it "cannot take action against its own people." But the record of the Pakistan army is full of instances of turning against the people of Pakistan. In 1971, when the Bengali people of East Pakistan had voted overwhelmingly for the Awami League and its leader Sheikh Mujibur Rahman, it was the Pakistan army which turned against its own people and killed tens of thousands of Bengalis when they rose in revolt against the conspiracy to prevent Mujibur Rahman and his party

from coming to power. Again, it was the army which 'acted against its own people' in Baluchistan, in the Federally Administered Tribal Areas (FATA) and more recently (in early 2016) in the Okara district. A militant, but peaceful, movement was launched by the peasants of Okara in the Sahiwal division of Punjab to get back the 14,000 acres of farm land under the occupation of the Military Farms Administration. The army suppressed the movement with a heavy hand. Most of the peasant leaders were arrested under anti-terrorist laws, scores were thrown behind the bar while dozens went 'missing'. The civil authorities in Punjab, working in tandem with the army, declared the agitators 'terrorists'. With such a record, the excuse that the army could not act against 'its own people' is hypocritical and ludicrous. No one was deceived by it. The larger and more disturbing question is whether the Pakistan army is trying to create a political proxy for itself, which will eventually supplant the democratically elected government to become the civilian façade of army rule. The recent developments in Pakistan have to be viewed in this larger context. (IPA)

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| 15 Slender sticks | 13 At home |
| 18 Growl angrily | 14 Natural gift |
| 21 Line of seats | 16 Accomplish |
| 22 Plunder | 17 Distend |
| 24 Part of a shoe | 19 Acting parts |
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| 28 Nullify | 23 Share |
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