

Fragility, Economy, and Jobs
A Case Study of Telangana/Andhra Pradesh

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Abstract

This paper focuses on the interaction between fragility, economic growth and job creation. The paper examines the successful counter-insurgency strategy deployed in response to the armed conflict in Telangana/Andhra Pradesh in India. The paper unpacks the three-step strategy to address the fragility: First, instead of spreading the meagre financial resources across the province, the available resources were deployed to develop an economic growth-centre. The growth-centre generated additional financial resources, which were used for strengthening the state apparatus; Second, the funds generated by the growth centres provided fiscal space for building infrastructure projects; Third, the government focused on recruiting development/police functionaries at the grassroots. As far as possible, the new recruits came from those social groups/localities that are most likely to gravitate towards violence. The paper opines that replicating this strategy in other contexts merits serious consideration.

This paper validates Paul Collier's argument that construction/reconstruction of infrastructure gives high-returns in facilitating a movement from conflict to post-conflict situations, as a large number of people can participate with minimal skill-set in infrastructure construction. However, it should be noted that, while States experiencing conflict often suffer from scarce financial means, the investment in construction/reconstruction will require substantial monetary resources. The experience of Telangana/Andhra Pradesh demonstrates that development of growth centres, which can be secured with relative ease, should be given priority as they will provide necessary revenues that can then be invested in infrastructure building and welfare schemes.

There is a close relationship between fragility and underdevelopment. According to the World Bank estimates, "half of the world's poor are expected to live in countries affected by Fragility, Conflict and Violence (FCV) by 2030."ⁱ Therefore, fragility becomes critical for ushering in faster development, and this requires that all the activities – economic, political and security – should be geared to reduce conflict and violence. So what is fragility? According to Centre for Research on Inequality, Human Security and Ethnicity (CRISE) fragility implies: "states that are failing, or in danger of failing, with respect to authority, comprehensive socioeconomic entitlements or governance legitimacy."ⁱⁱ The Foreign Policy magazine in its annual Fragile State Index marks countries on a spectrum from least fragile to most fragile countries, which has

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useful indicators to understand fragility.ⁱⁱⁱ Fragile states come into play for two reasons: One, a natural calamity generates anarchy and state apparatus fails to respond to such a crisis; and two, conflict and violence (based on ideological difference, ethnic identity, religious difference, and other identities) undermine the state apparatus. Usually, it is the second dimension of fragility that many states experience.

ⁱ "Overview- fragility, conflict and violence," *The World Bank*, September 24, 2015 available at <http://www.worldbank.org/en/topic/fragilityconflictviolence/overview#1>

ⁱⁱ "An Operational Definition of 'Fragile States'" *CRISE Issue Brief, No. 5*, available <http://www.qeh.ox.ac.uk/pdf/pdf-research/crise-ib5>

ⁱⁱⁱ "Fragile State Index," *The Foreign Policy Magazine*, available at <http://foreignpolicy.com/2015/06/17/fragile-states-2015-islamic-state-ebola-ukraine-russia-ferguson/>