

Economic growth and The millennium goals

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INDIA'S FACE may not be glowing, but it is certainly changing – and this, rather rapidly in the past decade. Spurred on by economic reforms since 1991, a vibrant middle class populated mostly in towns and cities has emerged. A brand new generation of executives, businessmen, and industrialists has begun to compete in the global market. Call centres, information and communication technology (ICT) companies, business process outsourcing (BPO) firms, and premier educational institutions have not only begun to offer world-class services, but have also boosted up high rates of service exports. Not surprisingly, then, the World Bank, in its July 2005 report, has ranked India's economy as the world's tenth largest; the prospects of 6-8 per cent growth in the coming years look brighter.

Politically too, India seems to be surging ahead. Quite justifiably, it is keen to step out of an image of a poor country and join the league of developed, self-confident nations. Among its initiatives are diplomacy for a permanent seat on the United Nations Security Council, and more substantial trade and bilateral cooperation in science and technology with the European Union and the United States. And, despite the enormity of destruction to lives, property, and environment in the wake of the tsunami on its own soil, India played a leading role in tsunami relief operations in Sri Lanka and other countries.

But are India's poor included in this changing scenario? I am afraid not. According to official (Planning Commission) figures, over 260 million still live below the country's poverty line. Behind these figures are human faces, human pain and suffering, and a moral duty to make poverty a thing of the past. Being poor, as Amartya Sen has urged, is not just about low income, low consumption, and low calorie intake – the criteria that policy makers use to count the poor. Rather, it is a lack of access to essential things required for a decent living: health, education, economic opportunities, security, and social respect. Therefore, not only is much of India's unfolding economic success not reaching many of its poor citizens, but its political aspirations at home and abroad seem to make very little difference to their battered lives.

With just 10 years to go, how well, then, is India poised to attain the United Nation's Millennium Development Goals relating to poverty reduction? On some fronts the prognosis, though challenging, looks positive. On others it is not so encouraging, requiring even more concerted, redoubled efforts.

The Millennium Goals call for halving of hunger-poverty between 1990 and 2015. This seems an achievable target, given India's track record in preventing famines and reducing extreme hunger-poverty. Prior to Independence in 1947, India suffered from frequent and terrible famines, but no such thing has occurred after Independence. In the early 1950s, more than 50 per cent of population was living in poverty, but this has now dropped almost by half. The newly legislated National Rural Employment Guarantee Act, if implemented conscientiously,

tiously, can bolster the efforts to banish hunger-poverty, since it is typically in rural areas rather than cities that people are more vulnerable to hunger-poverty.

The prospects of attaining the Millennium Goals relating to basic education, however, are mixed. It is likely that India will fulfil the Millennium Goal of enrolling all children aged 6-11 in primary school by 2015, provided Panchayati raj institutions, literacy campaigns, non-governmental organisations (NGOs), and self-help groups throughout the country remain involved and engaged. However, the goal of retaining the enrolled children and ensuring that they complete their primary schooling might prove to be challenging. In this, the variations among States and regions are large. While States such as Kerala, Goa, Maharashtra, Karnataka, and Tamil Nadu have a completion rates of 60 per cent and above, Bihar, Madhya Pradesh, Uttar Pradesh, and Rajasthan rank at the bottom with completion rates of 50 per cent or lower.

Further, the Millennium Goal of a complete elimination of gender disparities in primary and secondary education might also seem elusive, given the general attitude of people to favour boys over girls. Discrimination against girls and women remains pervasive, even in relatively prosperous parts of the country.

Child health indicators are miserable in India, and hence, the country might miss the millennium goals on these counts. Unfortunately, Indian society – government as well as civil society – which has been quite effective in tackling famines and acute hunger-poverty is notorious for tolerating and even being complacent about child malnutrition and infant mortality. More than 1.5 million children die each year before seeing their first birthday; nearly one-half of children aged 0-35 months are underweight or stunted.

There is, indeed, a positive relationship between rapid economic growth and a victory over poverty. But this does not happen automatically. A good economic that concentrates on the even distribution of economic opportunities and benefits is essential. And further, good economics has to be also combined with sensible and responsible politics. I think what India at present very badly requires is conscientious and effective delivery of services in basic education, primary health care, and public institutions. In the absence of proper delivery of services, the rich and the relatively well-off tend to buy them in the private market. But the poor who depend on government schools, public transport, state-run hospitals and clinics, and the public distribution system for their livelihood are badly hit by dismal delivery of services.

Institutional reforms:

Serious overhaul and wide ranging institutional reforms are long overdue in Indian policy-making. These involve not only more investments in education and health care, but also identifying the right type of policy intervention to spend resources on. Providing a free midday meal in schools, for instance, has played a vital role in improving enrolment and tackling nutritional deficiencies; maternal and child immunization can be the key to reverse trends in infant mortality. But institutional reforms also require mechanisms and incentives to improve service delivery such as making teachers, doctors and public officials accountable, empowering local communities and governments, and, if needed, even broaching public-private partnerships in certain services so that the consumers can demand better services.

In the fight against poverty, science and technology need not be seen as superfluous or as a villain – as some politicians and policy makers caricature. Besides the obvious benefits of more jobs and revenues the modern technologies can generate, they can be quite innovatively used to improve the quality of life of the disadvantaged, even in remote rural areas. Perhaps computers and the Internet might not be the most useful things if you cannot read and have more pressing problems of food, clean water, sanitation, medicine, and safety. But mobile phones, for instance, are useful to empower the poor and to ignite bottom-up advancement. Arumugam, an autorickshaw driver in Chennai tells me that he has doubled his income and is able to offer a more satisfactory service to customers ever since he started to use a mobile phone. Hawkers and milkmen, fruit vendors and shopkeepers, fishermen and farmers – all are going for mobile phones because of the economic benefits and because they can conveniently keep in contact with their families and friends.

We do not, however, have to always make a definitive choice about one technology over the other. Provided the ends and the commitment to improve people's quality of life are in place, the appropriate technological means can suitably follow. Probably, now and in the near future, a mixture of modern and traditional technologies is what might be effective to disseminate information and facilitate public action.

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