

BRINGING POOR TO THE CENTRE STAGE

(A CHALLENGE BEFORE THE INDIAN ECONOMY)*

The Challenge that Indian economy today is not technology, not entrepreneurship, not capital, not management. These all can be organized.

The challenge is the participation of the poor of this country in the economy, their mobilization, and delivering them the capacity to realize their potential. The challenge is to deliver them health, to enable them to work next day; education or at least literacy so that they understand what opportunities are before them. And how they can use them.

For years since independence, at least upto end of 70's, and early 80's, we have had Governments which may be described as people centred. This is so with Jawahar Lal Nehru, Lal Bahadur Shastri and Indira Gandhi. People were their priority. And somehow the system failed to deliver to a large majority of people their minimum needs in terms of health, education, shelter and food and nutrition. This sizable proportion of population estimated at 40 to 50 percent did not or could not participate in the development process because of their inherent weaknesses arising out of a certain social neglect. Efforts at correcting this situation were galore, but not meaningful enough. Trickle down theory had failed and had been consciously abandoned. Direct attempts at income generation, asset transfer, skill development, etc. did not appear to yield results either because of defects of policy or implementation.

Answer was found in abandoning the poverty issue altogether and poor with it. A paradigm shift was initiated in early 80's towards a market oriented Government by Rajive Gandhi and brought to near perfection in early 90's courtesy Narsimha Rao and Manmohan Singh. The umbilical cord between the government and the poor was cut. The poor had to fend for themselves as also the rich, the former without the capacity to do so, Poverty was no more the Issue. Reforms, meaning market forces took over. This paradigm shift accelerated the Growth rate from 3 percent to over 5 percent. It also accentuated the differentials between the poor and the rich, the haves doing much better than the have nots.

The income distribution was becoming more skewed than ever before. This increasing gap between the rich and the poor has to be abridged through a better

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deal for the poor. They need an opportunity to work and also there should be a shift in terms of trade in favour of the work performed by the poor. This is the challenge. And with all parties including the BJP having already committed themselves to a market oriented Government, the answer to this Challenge has to be found to a large extent outside the Government.

In this context there are three separate streams of action that deserve to be watched.

The first is much better recognition by the haves of the needs and problems of the have nots. Haves, including industry and commerce, and also Governments of the day have come to realize that they may be sitting on a volcano, which may burst any time, if needs of the relatively vulnerable sections are not met, at least to some minimum extent. Therefore, we now come across several schemes and projects sponsored by private sector in public interest. These are multiplying and augur well for the future of the country. In addition increasingly documentations coming from national industry chambers such as FICCI, Assocham and CII show concerns for slow growth of social sectors, and a realization that this relative lag in social sectors has now started adversely impinging upon accelerated growth of industry and agriculture. A fortunate realization has come that in enhancing the productivity of economic investments, social investments have an important role to play.

The second movement in favour of the relatively poor is the civil society movement which is gaining considerable ground and strength through the Non-Government Voluntary Organizations. These are multiplying with speed both in terms of area and geography and in terms of concerns and issues. These are also being aided partly by people themselves and partly by International aid agencies. Government system is also taking their help, in delivering social development in selected areas. Their performance or lack of it can make considerable difference to the poor.

The third and more important factor is better organization of the poor themselves. With increasing level of awareness they are reluctant to be cheated of

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what is due to them. Their voice at present may be feeble but they contain the potential to make or unmake the Governments of the day. Media, specially the electronic media, has informed to the poor, what it means to be rich. Rich today are living in the glare of the media which provides transparency to their lifestyle. Mahbub ul Huq did a great job in quantifying the claims of developing societies on the developed ones arising from unequal contracts forced on the developing societies by their then rulers. What, if someone does a similar quantification of the claims of the poor on today's rich in developing societies such as ours, arising from an unequal social contract.

The challenge then is the poor of the nation. The challenge is that about one percent of Indian population, i.e. approximately one crore people are stark hungry at any point of time. Another about 7 percent are just hungry and additional about 32 percent are vulnerable because of inadequate food. Challenge is that one-fifth of India's urban population lives in slums, this proportion being much larger in Metros. One-fourth of urban population and two-third of rural population have no access to electricity. Safe drinking water is not available to one-fifth of the urban population. Toilet facilities are absent for almost 90 percent of the rural population and 75 percent of the urban population. About two fifth of the rural population still uses cow dung for fuel.

Let us hope that business houses increasingly conscious of their social responsibility, the NGOs', and the people themselves with the active support of the Government of the day strengthen the social infrastructure in such manner that poor can draw maximum advantage from it. Unless the present poor and the vulnerable start contributing to the growth process, the expectations of achieving a higher rate of growth by the Indian economy in the coming years may be frustrated. These may even be jeopardized, if the poor do not see a future in the goings on.

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