

## Religare Arts.i Coverage

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**INDIA TOMORROW**  
RURAL DEVELOPMENT

# The Politics of POVERTY

Empowering people at the grassroots and keeping the bureaucracy from getting in the way are the keys to building a new India

— By **MANI SHANKAR AIYAR**

**O**ur politics of poverty is characterised by our poverty of politics. Although poverty is the overwhelming fact of our national life, it is hardly the theme of our politics. It is stunning rates of GDP growth that command the attention of Parliament and the media, hardly the accompanying deterioration in the Gini co-efficient that measures disparities in the economy, disparities that in our case are widening so obscenely as to threaten the very continuance of our democracy.

Ritually, in every session of Parliament, we debate drought, floods, unemployment and rural development. Unfadingly, the House empties as soon as these themes are taken up and the press gallery stares naked over the proceedings. Lucky is the MP who gets a line of what he says into the TV evening news or the papers next morning. A virtual blanking out from the minds of the dynamic, surging, media-guzzling middle class follows of the everyday lives of the vast majority of our people—the 836 million who live on less than Rs 20 a day, as identified by the Arjun Sengupta Committee.

Three months ago, I was on a renowned channel discussing with a whole load of corporate hunchos their excitement over the promise of the economic survey that the Budget would be loading them with yet more freebies. The anchor kept referring to these suggestions as "sensible". I suggested that he take lessons from me in both economics and ethics. We agreed that once the Budget was behind us, we would discuss inclusive growth, poverty alleviation and labour laws. Tragically for our poor (but happily for our rich), the woes of the stock market, the recapitalisation of every failing enterprise, and the misery of being rich and famous in a time of economic downturn has crowded out any boring discussion of why two-thirds of our people are languishing in the most awful conditions as we soar towards our destiny as the coming economic superpower. The plaudits of Wall Street drown out the wailing of our widows. We deeply love the successful.

This is emphatically not because our politicians or journalists are particularly venal. Karl Marx observed 150 years ago that the cultural, social and ethical superstructure of any society reflects the relationship between its classes and the means of

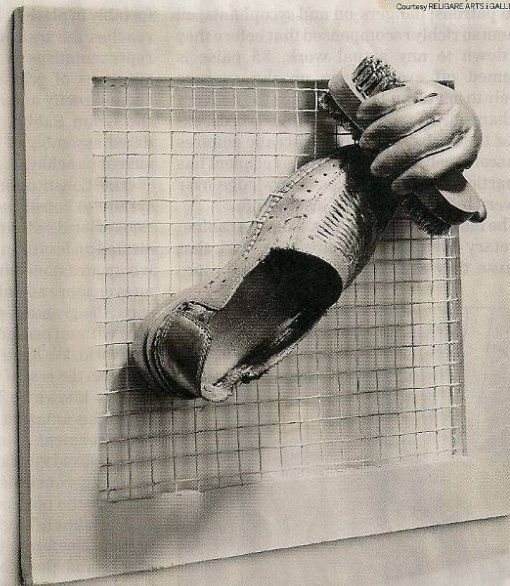
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production. What was true of Victorian England, Bismarckian Europe and the burgeoning United States of the 19th century is true of us too. In our superstructure, there are two classes of Indians: the consumer and the citizen. Our consumers number 200 million who are defined by their "effective demand", that is, the money in their pockets. The deeper the pocket, the more they matter to the market. Our citizens (a mere 800-900 million of them, and growing) are defined by their presence on the margin of the market (or, more often, right out of it) and a monetary inability to translate their "demand" for basic goods and services (food, fuel, drinking water and shelter) into "effective demand".

Every one of INDIA TODAY's readers can recite parrot-like our 9 per cent growth record through most of the last five years, and the lip-licking prospect of a return to that trajectory before the year is out, but few would know that after standing 134 on the first-ever UN Human Development Index (HDI) in 1994, the latest index places us at 132. We have slithered just two places up over the last 15 years despite a 15-fold increase in Central government budget spending on anti-poverty programmes, from around Rs 7,500 crore in 1993-94 to well over Rs 1,20,000 crore in the 2008-09 (in addition to another Rs 70,000 crore of farmers' loan waivers). There is simply no correspondence between outlays and outcomes: outlays have soared; outcomes have remained derisory.

The conventional wisdom is that higher growth leads to higher government revenues and thus opens the path to increased social sector spending. To go by the miracle in government revenues during 2004-09, this is entirely true. Anti-poverty spending rose from Rs 36,000 crore in the last year of the NDA (2003-04) to Rs 1,20,000 crore in the last year of the UPA. Yet, apart from increasing vastly the number of Indians whose income rose from Rs 8.99 per day to Rs 9.01, which is the Plimsoll Line that divides the BPL from the non-BPL, what real impact did this have on human development for the poor? Almost nothing says the UN HDI. Almost nothing adds every sectoral evaluation (primary education, primary health, etc) of the Planning Commission.

Rajiv Gandhi told us 20 years ago that 85 paise in the rupee gets spent on administrative expenses, leaving but 15 paise to actually reach the intended beneficiaries. This is one Rajiv Gandhi quote that the practitioners of the politics of poverty, both in the media and



Latex Glove Sculptures by MEGH A. JOSHI  
Courtesy: RELIGARE ARTS GALLERY

## WE CAN'T ATTAIN THE 11th PLAN GOAL OF 'INCLUSIVE GROWTH' WITHOUT ENSURING 'INCLUSIVE GOVERNANCE'.

Parliament, have repeated ad nauseam not because it is the key to understanding the persistence of poverty but because the statement has been portrayed as a confession to corruption in high places. Because of this deliberate or ill-informed misunderstanding, the key point has been consistently missed, that we just cannot attain the 11th Plan goal of "inclusive growth" without first ensuring "inclusive governance".

In 2004, we inherited close to 300 Centrally-sponsored schemes for alleviating poverty (since reduced to about 100). Each of these schemes has its own delivery silo, all designed to deliver basic goods and services to the same set of intended beneficiaries—the poor—but so carefully insulated from the other delivery silos that there is no possibility of converging the schemes or synergising their endeavours. Each delivery system has its own set of the privileged: district and sub-district officials; comprador NGOs bowing and scraping before their

If we can repeat the performance of the last 30 years, the small-scale industries sector can generate an additional 36 million jobs by 2020.



babu patrons; hangers-on and sycophants, all of them so richly recompensed that before they get down to any actual work, 85 paise is skimmed off every rupee on the average merely to install and keep in place the delivery mechanism. The schemes, in other words, exist for themselves, little bureaucratic empires so incestuously designed that the recipient has no participation in, and less knowledge over the very building blocks of his own life.

The bureaucracy assumes, from the cabinet secretary down to the meanest patwari, that because they are better educated and more



regularly paid than those they "serve", there is no need to involve the benighted in planning or implementation. Moreover, the self-image of the bureaucracy is that they are not only more efficient but also more honest than politicians, especially low-level politicians. Notwithstanding constitutional arrangements that have been on our statute books for 15 years, there is virtually no discussion on the floor of our legislatures or in government or in the media of how to secure a manifold increase in outcomes without increasing even a paisa of the outlay. State legislators, in particular, block every attempt at genuine empowerment through the effective devolution of functions, finances and functionaries fearing a dilution in their powers of patronage. As long as we rely on an alien and transient bureaucracy to dispassionately "deliver" development to the poor, the delivery mechanism will swallow most of the resources on just putting itself com-

fortably in place. It is only if the money directly reaches the treasury accounts of the elected representatives at the grassroots that the institutions of grassroots governance will become directly and immediately responsible to the Gram Sabha, the constitutionally-mandated assembly of all eligible voters in every village panchayat.

The Constitution has obliged our political system to constitute around 2,50,000 institutions of local self-government to which we have elected no less than 32 lakh representatives, of whom an astonishing 12 lakh are women, and an even more astonishing 80,000 are chairpersons, the greatest-ever experiment in democracy without precedent in history or parallel in the world. We have more elected women in office than the rest of the world put together. Yet, little is known to legislatures or the media about this amazing saga of political and social empowerment. The rising middle class has so monopolised media and political space with its own petty concerns as to crowd out almost altogether the politics of poverty.

The lakhs of elected representatives, closer to their electorate than any bureaucracy will ever be and, therefore, necessarily responsible for delivering responsive administration to

**THE MIDDLE CLASS HAS SO MONOPOLISED MEDIA AND POLITICAL SPACE AS TO CROWD OUT THE POLITICS OF POVERTY.**

their electorate, are yet to be made part of the democratic discourse or the development process. For the most part, they are spurned or neglected by the higher echelons of our democracy. But I am confident this will eventually change because democracy is, at bottom, a game of numbers and all we need to do is mobilise 32 lakh local government representatives to pit themselves against 5,000 MPs and MLAs to secure ineluctably, irreversibly and irremovably their constitutional right to be the masters of their fate and the captains of their souls.

Hanging on my wall is a poster with Mahatma Gandhi's response, on the eve of Independence, to a question about the "India of your dreams", to which he responded: "I shall work for an India in which the poorest shall feel that it is their country, in whose making they have an effective voice". It is only when that happens that the politics of poverty will really come into its own. ■

**“ Because the government is a small player in the healthcare delivery, it must encourage the private sector which delivers nearly 70-80 per cent of it. ”**

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