

Hunger Behind Glamour

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Anyone with an income below Rs.100 a day should be considered poor and there are not less than 800 million of them living on this sub-continent.

Pyrotechnic infusion of money, mostly as a continuing stimulus to accelerate the economy is resulting in serious distortions in the economic system. Poorly implemented social security and poverty alleviation schemes have led to generation of black money or super concentration of wealth. The basic complaint is that the enterprises have not been sufficiently inclusive. The Commonwealth Games beginning with an initial budget of 5,165 crores has already touched 10,000 crores and may yet ask for more. The IPL II has generated 6,000 crores as bid money. In a big economy these may be mere drops but the point is that the drops do not seep into the lower layers. The primary obligation to reach food to the hungry has not been met. Social tension is rising insidiously. To the victims of food-injustice the system would seem cruel and immoral. Good intentions of the government as are evident in the Public Distribution System (PDS), the National Rural Employment Guarantee Act (NREGA) etc. have been barely mollifying and not really substantial. Twenty-five percent of world's poor is in India – about 230 million people. This is certainly a very conservative estimate. 200 million Indians do not have two meals a day. Nearly half of India's children are malnourished, a scenario worse than that in the poorest parts of Africa. Widening the definition of poverty, Justice D.P. Wadhwa Committee report recommends that every Indian with an income below Rs.100 a day should be considered poor and they should be eligible for official subsidies, including 35 kg of grain per family.

800 million Indians do not have an income of Rs. 100 a day and at the current state of inflation Rs.100 is surely hopelessly inadequate to meet the demands of food, shelter, health, education and the other inevitable expenditure. We still do not have a reliable data in respect of the scale of our poverty. Current estimates of poverty range from 270 million to 450 million people. The World Bank reckons 300 million Indians live on less than one dollar a day. The situation is dismal and tragic. Government denial of deaths due to starvation is untrue. It is a technical denial. Millions are dying, especially children, of chronic malnutrition which is another name for continuous starvation.

To be fair the government cannot be called wholly indifferent or insensitive. Through the PIL instrument the Supreme Court has been on a scrutinising mode of the hunger scene. During the last nine years, the court has passed more than 50 orders underscoring the right to food and sustenance. In the so-called forward march of the economy, some features of allocation and enforcement of the social content of the economy have woefully weakened. The sorry state of agriculture testifies it. Since 2008, while manufacturing grew by 14.3 %, agriculture shrank by 2.8 per cent. As 70 % Indians are still rural and farm-based, shrinkage of agriculture has hit them hard. Indebtedness and starvation preceded countless suicides in non-urban India. Somewhere the point that in the Indian context "inclusive" growth cannot be achieved without robust progress in agriculture was missed.



Some foreign commentators have observed that the Indian politicians have treated agriculture as a source of votes rather than an engine of growth. Experts believe that investment in agriculture is high-yielding and the yield permeates into lower economic and social levels. Ashok Gulati of the International Food Policy Research says that an additional rupee spent on agriculture research yields 9.5 rupees of output. The time tested norm of classical economics that creating surplus in agriculture is the first task and thereafter the surplus is to be ploughed into industry, infrastructure etc. China has done it in front of our own eyes. China made fundamental reforms in the farms. With rising efficiency in agriculture, labour and capital were released for non-agricultural firms. In the same process Brazil has transformed itself into an agricultural powerhouse. It has been criminal therefore, not to have had maintained a steady focus on India's agriculture.

Some intelligent and well-meaning politicians, competent institutions and dedicated social activists notwithstanding, the larger economic scene of India is not inspiring. A suspicion that somehow some well-entrenched vested interests have succeeded to give neo-liberal spin to the economy is strong. Nobody wants the old raj of licences and permits but the situation calls for an inclusive and comprehensive view. For the current situation of immense poverty and food injustice, apart from same policy infirmities, the implementation of even the good policies has been thoroughly faulty. The government knows the scale of corruption, pilferage and wastage involved in its social security and poverty alleviation programmes. The bureaucracy from the top to the bottom is vastly responsible for the prevalent state of affairs. Most politicians themselves being corrupt, incompetent and insensitive are unable to control the machineries under them. Often the politicians do not have the intent even to control it.

If the agricultural economy is in shambles, several features of the Indian economy in general are dreadful. Some sober economists believe that Indian "sin" economy comprising bribery, counterfeits, smuggling, gambling, prostitution, speculation etc. constitute about 50% of the Gross Domestic Product (GDP). Central Statistical Organisation puts the size of the Indian economy at around Rs. 6,164,000 crore. About half of it, i.e. more than 30 lakh crore, is black money in the country. The Largest volume of black money is created by the rich, powerful and the influential. They exploit all possible routes available in a soft system. They subvert the financial institutions, the banking system, the tax and audit systems and deny the state as a whole of revenues — basically tax revenue — of above 1,000,000 crore. This is colossal money but not available to the government for right investments.

It is not that the government is not alive to the growing danger of mass discontent. Inflation, particularly food-inflation, hits the poorest the hardest. More and more of the poor are being driven to utter desperation. The proposed Food Security Act 2010 is certainly an anodyne. Issues like the identification of the poor and the quantum of food subsidy are still not fully settled. The delivery experience in the PDS is frustrating. The urgency of delivery of food is so great that attendant details of the Food Security Act cannot be allowed to delay assistance. The desperation of India's poor is a serious security threat. Many internal security problems are in many ways linked to the problem of growing poverty and visible injustice in a neither-fish-nor-fowl neo-liberalism.