

INDIA

What does the 2030 Agenda mean to one-sixth of the world's population?

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India is one of the world's emerging economies, with impressive economic growth. While this growth has increased the income of a very small section of the population, India has the largest number of poor people in the world. The country has the world's third largest number of billionaires¹ and still millions of children are out of school; many millions of children do not live to the age of five; many millions of mothers die in childbirth. Despite economic growth, the country faces challenges of social and economic inequalities, urban-centred economic growth and shrinking civic spaces. While economic growth indeed made a difference to the large middle class, it is yet to 'trickle down' to rural poor, farmers and a vast number of poor and marginalized people, including Dalits (Scheduled Castes) and Adivasis (Scheduled Tribes)², which make up 25 percent of the population. The environment is under increasing stress and there is a vibrant discussion about the consequences of mining and other disruptive activities on forests and environment and the implications for climate change. On the one hand, economic growth provides resources for

greater investment in achieving the Sustainable Development Goals (SDGs), and on the other, the urban-centric growth model, and increasing instances of crony capitalism also result in rising inequality and shrinking democracy and civic spaces and pose a challenge to effectively realize the 2030 Agenda and its SDGs.

India's gross domestic product (GDP) grew 7.6 percent in 2015-16, making it the fastest growing large economy in the world.³ With USD 31 billion in foreign capital inflows (FDI), India has also surpassed China and the US to take the pole position in attracting FDI in the first half of 2015.⁴ While India has gone up the ladder in macroeconomic rankings I is very much at the bottom of the ladder when it comes to social indicators. The Sustainable Development Goals (SDGs) are based on the three pillars of sustainable development: social, economic and environmental. Locating Indian development in the context of these three pillars is therefore vital.

Social Development

India ranked # 130 of 188 countries on the Human Development Index (HDI) in 2014, up marginally from 135 in 2013. When inequality is factored in, however, India loses over one-fourth of its HDI value, with education registering the highest inequality in outcomes.⁵ In its Asian regional economic outlook

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1 http://www.thehindu.com/opinion/columns/Harsh_Mander/harsh-mander-on-the-rising-economic-inequality-in-india/article7407472.ece

2 Scheduled castes are those who are socially and historically marginalised as those in the lowest rung of caste hierarchy. The sociopolitical term is Dalit communities (Dalit means broken people). Scheduled tribes denote the tribal communities beyond the Indian caste system, which often lived in the forests or closer to the forests. The socio Political term is 'adivasis', meaning first settlers.

3 <http://indianexpress.com/article/business/economy/gdp-7-9-percent-its-official-india-is-now-the-fastest-growing-economy-in-the-world/>

4 <http://indianexpress.com/article/business/economy/india-trumps-us-china-emerges-top-fdi-destination-in-h1-fy16-report/>

5 <http://www.thehindu.com/news/national/inequality-pulls-back-india-undps-human-development-report/article7988558.ece>

released last week, the International Monetary Fund (IMF) has put out new data that shows how the two most successful Asian economies after 1990—China and India—have seen inequality rise in tandem with economic growth. In India inequalities operate at many levels, including income, gender and caste.

The latest data from Socio Economic Caste Census (SECC) conducted by the Ministry of Rural Development⁶ underlines how the rhetoric of growth belies the social realities in rural India. The census takes into account the multi-dimensional aspects of poverty and estimates deprivation in terms of seven parameters including source of income, the presence of an able and literate adult and a quality dwelling. SDG 1 calls on countries to end poverty in all its forms everywhere and hence acknowledging and measuring multi-dimensional poverty is a first step to its eradication.

The findings of SECC suggest that in nearly 75 per cent off rural households, the main family earner makes less than Rs 5,000(USD75) per month. In just 8 percent of households does the main earner make more than Rs 10,000 (USD150) per month. These extremely low income numbers follow from the nature of employment in rural India. The vast majority (over 90%) of rural households do not include a salaried worker. Over half derive their household income mainly from casual manual labour; another 30 percent derive it from cultivation.

The status of gender equality is abysmal with India being ranked 114 on the Gender Gap Index (GGI) in the Global Gender Gap Report released by the World Economic Forum (WEF) in 2015.⁷ When broken down into components of the GGI, India performs well on political empowerment, but is scored as poorly as China on sex selective abortion. If the women of India were their own country, they would rank 151 out of 188 countries in human development, while India's men would come in at 120.⁸ The average adult man in India gets twice as many

years of schooling as the average adult woman.

Despite the system of universal adult franchise there is a substantial difference in the standard of living of India's Scheduled Castes (SC) and Scheduled Tribes (ST) and "others". Fewer than 5 percent of SC and ST (who account for 25% of the Indian population) households have a main earner who makes more than Rs 10,000 per month (USD150) – for "others", there are twice as many households.⁹ The Scheduled Tribes are in fact among the poorest and most marginalized sections of Indian society. Although numerically only about 8.6 percent, they disproportionately represent the people living below the poverty line, are illiterate and suffer from extremely poor physical health. To illustrate, 45.7 percent of the population as a whole was below the poverty line in 1993-94. In the same year, 63.7 26 percent of tribal people were living below the poverty line, almost 20 percent more than the rest of the country.¹⁰ The poverty figures were 37.7 and 60.0 percent respectively in 2004-05. The scenario has been similar in the sphere of education and health. The literacy rate of tribes in 2001 was 47 percent as compared to 69 percent for the general population. Moreover, as per the National Family Health Survey, 2005-06, the infant mortality rate was 62.1 per 1000 live births among tribes, and the under-5mortality rate was as high as 95.7 per 1000 live births.¹¹

Economic Development

India's growth story has been propelled by a services-led growth model with nearly 65 percent of GDP contributed by the service sector. Agriculture, which is the mainstay of nearly 55 percent of the population contributes only 15 percent of GDP with very low productivity levels. The data also points to the subsistence level of farming that rural India currently practices. Over half of rural India owns no land at all. Among households who do own land, 40 percent of the

6 <http://www.thehindu.com/data/socio-economic-and-caste-census-data-on-standard-of-living-of-rural-households/article7383259.ece>

7 <http://reports.weforum.org/global-gender-gap-report-2015/>

8 <http://www.thehindu.com/news/national/inequality-pulls-back-india-undps-human-development-report/article7988558.ece>

9 <http://www.thehindu.com/data/socio-economic-and-caste-census-data-on-standard-of-living-of-rural-households/article7383259.ece>

10 <http://www.kractivist.org/wp-content/uploads/2014/12/Tribal-Committee-Report-May-June-2014.pdf>

11 Ibid.

land is not irrigated. Just 4 percent own any sort of mechanized agricultural equipment, and just 10 percent own any irrigation equipment. Fewer than 4 percent have an agricultural credit card that entitles them to at least Rs 50,000 (USD750) per month.¹²

Working in anything other than agriculture will be a tough challenge, given the level of education – fewer than 10 percent make it to higher secondary or above and just 3.41 percent of households include a family member who is at least a graduate.¹³ India's unemployment rate grew from 6.8 percent in 2001 to 9.6 percent in 2011, according to Census 2011 data. In fact every month a million Indians become eligible to join the workforce.¹⁴ The India Exclusion Report 2013-14 by the Delhi-based Centre for Equity Studies, an autonomous research and social justice advocacy institution, says only 27 million jobs were added in the supposedly high-growth period of 2004-2010 compared with over 60 million between 1999 and 2004. Thus the jobless growth story could turn the demographic dividend into a demographic liability with huge political and social ramifications. The importance of quality education and productive employment has been highlighted in Goals 4 and 8, reflecting their relevance in the sustainability of a country.

Formal Informal Sector

Another important facet of the Indian growth story has been the urban-led growth with big cities contributing disproportionately to GDP compared to the rest of the country. This has led to rapid and unplanned urbanization, causing stress on the basic civic amenities. Data collated during the socioeconomic caste census in urban areas, shows as many as 50 lakh households have drinking water away from the premises, while 20 lakh households have no electricity supply and no water-sealed toilets (where water acts as a barrier between the toilet seat and the sewers). This is in sharp contrast to

the 86 lakh households that own a refrigerator, washing machine, a landline telephone connection and two wheelers.¹⁵ The irony is that though basic amenities like water and sanitation are not available, relative luxuries like phones and refrigerators are available.

Hence it is of vital importance that the new government scheme of 'smart cities' is made inclusive in order to achieve Goal 6 on water and sanitation as well as Goal 11 on inclusive and sustainable cities. Care should be taken to ensure that 'smart cities' do not become technocratic solutions to governance issues but rather be technology enabled solutions to people's problems.

Environment Protection

India is the fourth largest emitter of greenhouse gases in absolute terms even though its per capita emissions rank is low.¹⁶ However, given the high growth rate and the large population, India needs to charter a new non-resource-intensive, sustainable growth model. Fossil fuel-based energy production is the largest contributor to greenhouse gas emissions. While sticking to the principle of Common but differentiated responsibility (CBDR) based on historical debt owed by developed countries, India needs to promote a new green technology-enabled growth model. It needs to recognize that those most affected by environmental degradation and climate change are the poorest who depend most on the environment for their survival.

It is estimated that the more than one-third of the population displaced due to development projects like big dams or mining activities are tribals, the traditional guardians of the environment.¹⁷ India in fact has a long history and tradition of harmonious coexistence

12 <http://www.thehindu.com/data/socio-economic-and-caste-census-data-on-standard-of-living-of-rural-households/article7383259.ece>

13 Ibid.

14 <http://indiatoday.intoday.in/story/employment-scenario-job-crunch-jobless-growth-economy/1/647573.html>

15 http://www.thehindu.com/news/national/large-percentage-of-people-are-still-without-basic-amenities-secc/article7383864.ece?utm_source=InternalRef&utm_medium=relatedNews&utm_campaign=RelatedNews

16 <http://www.wri.org/blog/2014/11/6-graphs-explain-world%E2%80%99s-top-10-emitters>

17 <http://www.indiaspend.com/cover-story/tribals-account-for-a-third-of-communities-displaced-by-large-projects-11821>

between humans and nature. The concept of intra-generational and inter-generational equity has been internalized into the Indian psyche. The case of a small tribal population (DongriaKondh) standing against the might of a multinational company and winning the case to protect its mountains and rivers is a glorious example of this culture.¹⁸ The dubious tendency to dub environmental protection groups like Greenpeace as anti-national because they do not subscribe to a resource depleting growth model goes against the basic Indian ethos.

Such development projects are often in conflict with Goal 15 which seeks to promote sustainable use of terrestrial ecosystems and halt and reverse land degradation and biodiversity loss. The effect of climate change has already impacted farmers as untimely heavy rain and drought affect the growth cycle of different crops. No external agreement can deny India's right to material prosperity and industrial development but the key is to find the right balance between the economy, environment and energy. This is even more relevant given the Modi Government's policy of promoting manufacturing in India through the "Make in India" project.

Understanding SDGs in the public policy context of India

The 17 SDGs are very much in consonance with the Directive Principles of State Policy enshrined in the Indian constitution. In fact, India has adopted a slew of rights based policies like Right to Work (Mahatma Gandhi National Rural Employment Guarantee Act), Right to Food (National Food Security Act), Right to Information (RTI Act), Right to Land (Forest Rights Act) and Right to Education (RTE Act). Many of these policies have immense scope, cross cutting various SDGs. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which guarantees a minimum number of work days to every household with stipulation that at least one-third of people employed should be women is a case in point. Further many of the works undertaken under MGNREGA like rainwater harvesting and soil

conservation are aimed at protecting the environment. Thus if we map this policy to the SDGs we understand that it promotes ending poverty through a safety net (Goal 1), ending hunger and achieving food security (Goal 2), achieving gender equality (Goal 5), productive employment (Goal 8) and sustainable use of terrestrial ecosystems (Goal 15).

In fact at a policy formulation level India is very progressive, but the main challenge is in implementation. One key aspect of translating policy to outcome is budget outlays. The failure to allocate sufficient funds for social infrastructure including health and education is a huge lapse in the Indian growth story and also the root cause of increasing inequality. Education spending in India has been lower than the world average. Globally, 4.9 percent of GDP was spent on education in 2010 while India spent only 3.3 percent of GDP, according to World Bank data. Similarly in health, India spends only around 1 percent of GDP when the benchmark is 3 percent. In fact social sector allocations have been further reduced under the new Government.¹⁹

A key challenge in translating outlays into outcomes is the wasteful expenditure in the form of corruption and duplication. A recent reform is the JAM (Jan Dhan, Aadhar and Mobile) through which all benefit recipients are linked to a bank account with unique biometric identification that allows monetary transactions to take place through mobile phones, thus enabling targeting of subsidies and reduction of wasteful expenditure.

The recent 14th Finance Commission recommendation to increase devolution of funds from the centre to state level brings in a new set of challenges to social sector allocations. The main concern is that the states might use the increased funds for fiscal deficit management given the potential to increase outlay for salaries under the 7th pay commission. Another concern is that the central sector schemes including the rights-based schemes will have reduced outlay from the centre

¹⁸ <http://www.survivalinternational.org/tribes/dongria>

¹⁹ <http://www.indiaspend.com/budget-2015-modis-moment-of-reckoning/jaitley-slashes-education-health-spending-67467>

which without an institutional mechanism in the states can be mismanaged.

The institutional mechanism for Central Sector Schemes planning and monitoring was until recently that of the Planning Commission. However under the new Government the Planning Commission has been replaced by a National Institute for Transforming India (NITI Ayog) which is to serve more as a monitoring and best practices centre.²⁰ This is clearly a manifestation of the neoliberal agenda and one wonders how equipped the NITI Ayog is to fulfill its new mandate to implement the SDGs in India.

India follows a federal form of government and hence coordination with the states is a key aspect of any successful policy. The National Development Council along with the Planning Commission was one of the major forums for cooperative federalism but it remains to be seen how NITI Ayog will take up this function. In fact with the three-tier structure of national, state and local governments in place it is essential that a bottom up policy is undertaken for SDGs implementation in India.

Together we can: Translating SDGs rhetoric into reality

SDGs are universal in nature and a universal approach involving all stakeholders is the need of the hour if the SDGs are to move from rhetoric to reality. India is vital to the success of SDGs because of the disproportionate weight that India has on the outcomes with its 1.31 billion population. Furthermore, India plays a key leadership role in the South Asian region as well as the global south and other countries look up to it for best practices. The key challenges listed below require a networked approach to co-create optimal solutions.

- **Mobilizing Funds-** Finance remains the elephant in the room which needs to be urgently addressed. It is estimated that India will need around USD 565 billion per annum in the next 15 years to achieve the SDGs. Thus it is evident that the Government alone won't be able to fund the SDGs. With the Addis Ababa conference unable to agree on concrete steps

to crack down on global tax avoidance and illicit money transfers and with official development assistance (ODA) from developed countries becoming less dependable, developing countries such as India are forced to rely solely on their own resources to achieve the SDGs. A carefully managed multi-stakeholder approach in which the corporate, community, philanthropists and foreign remittances are mobilized for SDGs is the key to success.

- **Transformation through technology** –The creation of a 'Technology Facilitation Mechanism' could be the silver bullet that leverages the transformative power of technology for sustainable development solutions. Technology has the capability to be the game changer promoting sustainable consumption and production patterns (Goal 12). The developed nations need to be open for technology transfer without holding to patent laws. Developing nations like India need to adapt these technologies to suit the local context. Technology is likely to remain the cornerstone for all our climate change adaptation and mitigation measures.
- **Innovative local solutions-** India being an old civilization has numerous traditional practices for sustainable development, some of which are not well documented. Traditional forms of agriculture like the below-sea level farming practiced in Kuttanad, in Kerala need to be promoted at a global scale given the high risk of sea level rise due to climate change. An effort to document traditional practices in the form of a traditional knowledge digital library is a step in the right direction.
- **Integrating the SDGs into Policy Formulation and Monitoring-** Many of the SDGs are already part of existing policies but care must be taken to formulate new policies to address the gaps. More importantly these policies need to be properly monitored and evaluated. Only data-driven, evidence-based policy-making can create the world we want.
- **Improving awareness and participation-**

²⁰ <http://www.niti.gov.in/>

Awareness about the 2030 Agenda and the specific SDGs need to be promoted for two purposes. First, it will keep demand side pressure on the Government and make it accountable for its activities. Second, such awareness is vital if people are to adopt these goals into their lives. A case in point is the 'Swach Bharat Abhiyan' which seeks to eliminate open defecation from the country. One of the main problems of the current scheme as well as 'Nirmal Bharat Abhiyan', its predecessor with the same objective, was that the focus was on creating physical infrastructure in the form of toilets rather than bringing about a cultural shift in understanding the dangers of open defecation. Civil society can play a key role in spreading awareness as well as keeping governments at all levels accountable to SDGs.

- Creating Win-Win Global Partnerships- Revitalizing global partnerships as envisaged in Goal 17 is pivotal for sustainable development.

India has taken the lead with the recently launched International Solar Alliance (ISA) at the CoP21 Climate Conference that seeks to share collective ambitions of reducing the cost of finance and technology that is needed to deploy solar power widely. Among the tasks that the Alliance would pursue are, cooperation in training, building institutions, regulatory issues, common standards, and investment including joint ventures.²¹

Economists and policy makers may argue on the means for SDG implementation but everyone agrees that with one-third of the global poorest²², India is important for the success of the SDGs. The 2030 Agenda does pose a huge challenge to India given its capacities, resources and current growth model. However an agenda of transforming the world is never easy and by charting a growth model that balances economic, social and environment indicators India could champion the cause of creating the future we want.

21 <http://www.thehindu.com/sci-tech/energy-and-environment/modi-launches-international-solar-alliance/article7934560.ece>

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http://www.worldbank.org/content/dam/Worldbank/document/State_of_the_poor_paper_April17.pdf