

• JAGADANANDA
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THE ANAEMIC ELEPHANT

In the timespan of a century in which civilisation has made such phenomenal progress, 1.3 billion people are still living in poverty. According to the United Nations, 67,000 people join this number every day, many on the Indian subcontinent. However, the official statistics assure that in comparison with 1987, the number of poor people diminished by 17% and that the number of people below the poverty line fell from 25% to 18.96% in the 1993–94 period.

The previous estimates are based on a poverty line which has not been recalculated in the last 20 years. The experts suggest that the methodology of interpretation of the data should be modified and have already presented alternative estimations.

TABLE 1.

Percentage of the population below the poverty line during the pre and post reform period			
Year	Rural	Urban	Total
1987-88	39.1	40.1	40.3
1988-89	39.2	38.4	39.0
1989-90	33.7	36.0	34.3
1990-91	35.0	37.0	35.5
1991 (Jul.-Dec.)	40.0	37.6	39.4
1992 (Jan.-Dec.)	41.7	37.7	40.7
1993-94	37.5	—	—

Source: 1) S.P.Supta «Recent Economic Reforms and Their Impact on the Poor and Vulnerable Sections of Society», Mimeo, 1994.
2) C.P. Chadrasekhar and others, Business Line, Jan. 23, 1996.

The tendency towards a fall in poverty only occurred during the period prior to the reform while it tended to increase during the reform period.

THE POOR AS STATISTICS VS THE POOR AS PEOPLE

The poor sector reaches 40% of the total population but if we consider the poverty of capabilities, poverty increases to 60%.

While 229 million people are poor due to their income, 554 million are poor due to their possibilities.

In all of India, the real average of per capita spending in 1991 remained stuck at the 1990–91 level for the rural population and reduced markedly by 5.5% in 1992. The relative inequality also grew according to the Gini coefficient in 1991 and 1992, compared with the 1990–91 period. The impoverishment of the rural population due to the reduction of per capita expenditure was worsened by the increase of relative inequality.

If the right to life is interpreted as the right to a dignified life, then 90% or more of the homes do not enjoy this right. The National Sample Survey (NSS) classifies homes with outgoings of Rs. 385 per capita per month as the largest group in the rural zones. According to the NSS, only 11.4% of the population belong to the highest spending group. This figure is lower than the per capita National Net Income 1992–1993 (Rs. 521), which is already in itself very low by international levels. Some 90% of the rural population and 79% of the rural population live below this level.

There is no integral plan to eradicate poverty, but the United Front Government at the Centre considers the eradication of poverty a top priority. The government has recommended the adoption of the Lakdawala methodology to measure poverty and thereby formulate the development strategy for the Ninth Five Year Plan (1997–2002). According to the Lakdawala methodology, the population below the poverty line reaches 36%. This is a good starting point from which to forget the statistical cosmetics and confront the reality with our feet on the ground.

THE STATE OF BASIC CONDITIONS

SANITATION AND DRINKING WATER

According to UNICEF, in 1996, 81% of the population had access to drinking water (79% in rural zones and 85% in urban zones) while only 29% had access to adequate sanitation (14% rural and 70% urban).

TABLE 2.

Percentage of the distribution of homes with basic comforts (Excluding Assam and J&K)		
Amenities	1981	1991
Potable Water	37.9	62.7
Electricity	23.7	23.6
Electricity & Toilet	–	25.1
Pucca Houses	32.7	42.3
Semi Pucca Houses	33.2	31.4
Semi Kutcha Houses	34.0	26.3
With only 1 room	44.7	40.5
With 2 rooms	78.6	30.6
With no exclusive room	02.4	0.9

Source: Indian Census, 1991

The current situation has improved, although a recent survey by the government on the drinking water installations between 1991 and 1994 showed 24,000 new villages and 117,000 homes did not have these comforts and 198,000 villages had only partial installations. 645 million people do not even have minimal sanitary installations. A million children die each year from causes related to diarrhoea for drinking unhealthy water.

As for housing, the government sustains it built or collaborated in the building of 3.3 million homes for the rural poor between 1993–1994 and July 1995. In the urban zones the group of programmes includes one for the construction of night shelters for people who live in the streets. 676,000 housing units had been built up until November 1995 according to the 1995–96 Economic Survey.

EDUCATION

According to the 1991 census, the literacy rate was 52%. 64% for men, 39% for women. The literacy rate in rural India was 44.5.

The aim of education for all means that primary education has been made universal, along with non-formal education for truants and adult education programmes within the framework of the National Literacy Mission (NLM). The literacy campaigns are carried out in 330 districts with the aim of making 100 million people in the 15–35 age group literate before the end of the Eighth Five-Year Plan. It is estimated that more than 71 million people are inscribed in the programme and that 44.8 million have become literate.

A recent study by NCAER revealed that nearly 55 million children aged between 6 and 14 years–old (30% of the 185 million in this age group), had never been registered in a school. Although it is supposed that primary education is free in the State schools, in rural India parents spend up to Rs. 680 for the education of a child aged between 6 and 14 years–old each year. The government estimates the schooling rate at between 110 and 120%. However, the

NCAER has founded its conclusions on the following question made to children of up to 14 years–old: Have you been to school for at least one year? The 55 million do not include the truants.

In many parts of India, especially in the north–east, the school schedules are not even known and the social responsibility and pressure which guarantee that teachers actually go to work does not exist. The Dalit, tribal and Muslim children in rural India do not normally attend formal school. If girls go to school it is only to receive a free uniform or the free lunch as they generally look after their siblings or help their mothers.

TABLE 3.

Spending on education took 2% of the budget in 1992–1993

Enrolment and Truancy Rates (%)				
	Enrolment		Dropouts	
	1990-91	1993-94	1990-91	1993-94
Classes I-IV				
Boys	114.0	115.3	42.0	35.1
Girls	89.6	92.9	47.6	38.6
Total	100.1	104.5	44.3	36.3
Classes I-VII				
Boys	109.0	102.3	60.6	50.0
Girls	70.8	79.3	67.6	56.8
Total	66.0	91.2	63.4	52.8

and 1993–1994. The revised figure for 1994–1995 showed 2.3%. In 1995–96 the percentage was 2.3%. Although the government has tried to make education universal, the budget assigned to primary education (as a percentage of the total education spending), fell to 56% in the First Plan to 47% in the Eighth.

HEALTH

In India the health services are provided through a network of sub-centres, primary health centres and community health centres in rural areas and through hospitals and clinics in the urban zones under the central government's Minimum Needs Plan (MNP). The aims of the MNP are: one sub-centre for every 5,000 people, a primary health Centre (PHC) for every 30,000 and a community health centre for every 100,000 by the year 2000. Per capita health spending grew by 7.9% per year from Rs. 47.82 to Rs. 69.85 between 1985–86 and 1989–90. (See Table 4)

Although 85% of people have access to health services, 136 million have no access to any of the services.

Four of each five women suffer from anaemia (the highest rate in the world). Only one in every three mothers receive qualified help at the moment of giving birth which leads to the death of 1.2 million women per year. Of the 26 million children born each year, 2.3 million die before they are a year old. Of the survivors, 1.2 million die before they are five years–old. More than 90% of these deaths could have been avoided through access to

TABLE 4.

Indicators of Health				
Indicators	Year	Total	Rural	Urban
Infant Mortality Rate (per 1000 live births)	1990	80	86	50
	1992	79	85	53
Child Mortality Rate	1994	119		
Maternal Mortality Rate (per 100.000 live births)	1993	570		
Births attended by trained health personnel (%)	1983-94	33		
General Fertility Rate	1989	126.5	135.7	97.6
	1991	119.2	127.2	33.3
Total Fertility Rate	1989-92	3.39	3.67	2.70
Expectation of life at birth	1986-91			
	Male	58.1	-	-
	Female	59.1	-	-
	1991-96			
Male	60.6	-	-	
Female	61.7	-	-	

Source: 1. Indian Social Sectors, Centre for Monitoring of Indian Economy, 1996.
2. Human Development Report, 1996, UNDP

clean drinking water, adequate nutrition and basic health installations.

Malaria also provides cause for concern. The plan undertaken in 1977 reduced the number of cases of malaria to 2.18 million in 1984. In recent years, cases of malaria have remained at the level of approximately two million cases each year. But the rate of deaths from malaria have grown worryingly in the last two years (an increase of 20% between 1990 and 1993). The incidence of malaria more than doubles this amount in rural areas, concentrated in the over 60 age group, while in the urban areas it mainly affects the under five's.

FOOD SECURITY AND DISTRIBUTION

The daily per capita calorie intake (1992) was 2,395, 77% of the average of the industrialised countries (in the last 27 years there has been a growth of 5%). 33% of new-borns were low birth weight babies (1990). Despite the per capita daily calorie intake being higher than the required level, 69% of children aged under five years-old were underweight and 65% suffered from delayed growth.

The Public Distribution System (PDS) aims to offer food security to all the poor in the country. Recent information indicates that only 2% of the rural population in four states can get provisions from the PDS. In the urban areas of 8 states, less than 10% of the population can buy in the subsidised shops.

In the sixties, there was a deficit in food production while in the nineties there is a surplus. The irony is that the present surplus is accompanied by a reduction in consumption. The per capita consumption of cereals has decreased by 0.52% in the rural zones and 0.23% in urban zones between 1970-71 and 1991-92.

Two-thirds of the PDS markets are found in urban zones while 80% of the poor live in rural zones, which blocks their access to the PDS.

THE ECONOMIC MODEL AND ITS CONSEQUENCES

The «stabilising» and structural reforms which have been implanted since July 1991 have not fulfilled their objectives. Nonetheless, the government is still optimistic.

The growth in GDP (1980-81 prices) was 5.1% in 1992-93, 5.0% in 1993-94, 6.3% in 1994-95 and 7% in 1995-96. Despite copious monsoon rains, the reform period saw average growth of 2% per year, less than in the eighties (3.5%) and lagging behind demographic growth. The proportion of rural poverty grew from 35.04% in 1990-91 to nearly 44% in 1993-94. Even in years when agricultural production increased (1993-94, 1994-95), food consumption did not increase.

The surprising industrial growth estimated at 11.7% for 1995-96, compared with 8.3% in 1994, is a short term situation. The liberalisation of the market in India has conserved a relatively high level of protection for the final products while access to a variety of intermediate imported products and capital is leading to the elimination of the accumulated demand by freeing the products in their final stages from the imported components.

The fiscal policy consisted of non taxing, or under-taxing the rich, even providing subsidies, which included running up an internal and external debt to reduce the gap in incomes. This has led to the existence of a great transferral of income from the poor to the rich, which increases the inequality in the income and wealth of the nation.

The reform period was characterised by the greatest corruption scandals in the history of India. If we take into account that corruption accounted for resources equal to 2.3 times the GDP of 1991-1992, we can suppose there is a black market income which is probably higher than the GDP of the entire nation. The government, with the aim of attracting the tax-evaders back to the tax system, have tackled the black market income with a series of amnesty programmes which have only served to legitimise the illegal accumulation of wealth.

The aim of achieving an egalitarian system via a progressive tax system has not meant much in practice. The relation between taxes and the GDP in India is 14.4%, one of the lowest in the world. Direct taxes were low, at around 2.7% of the GDP throughout the reform period compared with 3.26% during the sixties. Inheritance tax was eliminated, and income from the tax on wealth and donations did not even total 0.12% of the total collected in the year. The collection of taxes in the business category did not reflect the increase in profits.

Between April 1991 and November 1995, prices rose by 62%. From 1991 to date, the inflation rate has been higher than 10% in almost every month. The greatest burden of inflation has fallen on the poorest people and the rural zones rather than urban areas.

ASSIGNATION OF RESOURCES

The proportion of the budget spent in areas unrelated to development (mostly administrative and maintenance costs, the payment of interest, defence, etc.) has risen from 70.1% in 1992–93 to 75% in 1996–97. The payment of interests corresponded to 40% of the total non-development spending between 1992–93 and 1995–96 and it is expected to grow even more. Defence spending has remained at a constant 20–22%. These two sectors of spending limit the governmental capacity to increase spending on development.

The subsidies, which serve the function of protecting the weakest sectors, have not been correctly administered or used. In the reform period these were reduced (from 11% of the total budget in 1991–92 to 7.2% in 1995–96 and from 2% of the GDP in 1991–92 to 1.2% in 1995–96).

The main government subsidies are for food and fertilisers (86% of the total central government subsidies in 1995–96). The food subsidies grew from 23.3% of the total subsidies in 1991–92 to 42–3% in 1995–96.

Development spending increased 19% in 1992–93 and 14% in 1993–94. In 1994–95 there was an increase of only 0.35% and of 0.6% in 1995–96. The assignment to the social sectors has diminished compared with other sectors in recent years.

In 1992–93, the social services saw growth of 9% while the total investment in development increased by 19%. Other sectors related to the growth of infrastructure did not have such good results, and there were reduction in the energy sector (6%), industry and minerals (13%) and irrigation (25%). Agriculture is thought to have suffered a 2% reductions in real terms in 1995–96.

The configuration of the development funds assigned to the social sectors in the reform years show the relative importance given to these sectors. The proportion of the total of social sectors saw a constant growth in its budget from 1992 to 1995 before falling in 1995–96. The employment sector had even greater growth, from 5.2% in 1992–93 to 7.1% in 1995–96; education saw a slight improvement from 2% to 2.3% in recent years; the water and sanitation supply sector increased from 1% to 1.6% in 1995–96; urban development barely grew from 0.1% in 1992–93 to 0.4% in 1995–96. The health sector actually reduced, from 3% to 2.9% in the same period, as did housing with 0.9%.

When looking at the configuration of the increase in the development budget in the last two years, it is obvious that the social sectors were not a high priority. More than 82% of the budget increase went to the energy sector (32.7%), industry and minerals (25.9%) and transport (23%).

DEVELOPMENT CO-OPERATION

India is found in a part of Asia where foreign aid is receding (aid to Southern Asia fell from US\$ 5.2 billion in 1987 to US\$ 4.9 billion in 1993). Although the total aid to countries with lower incomes has almost doubled in this period (US\$ 16.9 billion to US\$ 31.4 billion) and that India is home to 15% of the world population

and nearly 25% of the poor, foreign aid is equivalent to only 0.6% of the national GDP.

TABLE 5.

Aid for basic education aimed at the poor signified 0.73% of

Sectorial assignment of foreign aid expenditure (percentage of total)		
Sector/Subsector	1993	1994 (% total disbursements planned)
Basic Education	0.73	0.89 (only nonformal education)
Higher Education	2.73	13.24
Health	6.23	19.47
Drinking water & Sanitation	1.79	1.59
Urban Development	4.23	2.64
Housing	0.37	0.03
Irrigation & drainage and watershed management	9.05	–
Power (Hydroelectric & geothermal)	32.01	12.75
Transport	1.80	0.13
Telecommunications	0.07	0.01

Source: Derived from the Development Co-operation Report (DCR) for India, 1993, UNDP.

the total during 1994. Only 20% of the funds assigned went on the development of human resources during 1993 and was planned to go down to 7% for 1994. On another front, technical and professional training were planned to go up in 1994 although to begin with this will benefit the non poor

Nearly 20% of aid was assigned to the agriculture sector, forestry and fishing. 75% of this went to research, development and the support services. Only 3.3% of the money spent in the sector directly benefited the growing of food in 1993.

The sector oriented almost exclusively to the poor received 2.7 percent of the total aid. It was hoped this figure reached 7.49% for 1994–95. The programmes funded for this sector were those related to integrated rural development, the development of villages and communities, the improvement of settlements, and to displaced people and rehabilitation.

The use of aid improved from 12.51% to 20% by the end of 1993–94. In 1993, the rate of use was mediocre in the infrastructure sector (0.17%), the social sector (9.48%), urban development (13%) and agriculture (15.57%).

LABOUR PARTICIPATION AND UNEMPLOYMENT

The Indian government maintains it gave the highest priority to the development of sustainable employment. The Eighth Plan (1992–97) foresees a 2.8% increase in potential employment.

In 1995, the workforce made up 37.4% of the total population of the country with annual growth of 2.1% in the 1990–95 period while work opportunities increased 1.8%. The proportion of peo-

ple aged over 15 years–old is expected to increase by 10% in the next decade, whereby the workforce will be considerably bigger, increasing the demand for work opportunities.

TABLE 6.

In the urban zones, the rate of male participation in the workforce was 53.7% but barely 15% amongst women. In the rural areas, this difference fell to 55.9% of men and 29.3% of women. In general, the participation in the workforce was greater in the

Employment and Unemployment (Millions)				
March End	Employment	Unemployment		Labour Force Participation Rate
		Total	% of Labour Force	
1991	398.7	13.4	4.3	36.9
1992	301.7	17.0	5.3	37.0
1993	306.3	17.1	5.3	37.3
1994	312.3	18.9	5.7	37.4
1995	320.5	18.7	5.5	37.4

Source: Planning Commission Estimates

rural than urban areas. The unemployment rate has increased from 4.29% in 1991 to 5.51% in March 1995. The fact that unemployment is lower in the rural areas is due to the fact that a large part of the work is generated by agriculture. Taking into account that the gross investment in the agricultural sector has stood still in real terms and that the pattern of good monsoon rains stopped in 1996, the negative growth predicted for agriculture in 1995 could be an indicator of a new wave of unemployment in rural areas.

GENDER AND EMPLOYMENT

The growth in the rate of female unemployment contracted by 8% in the eighties until it reached 2.77% in 1991–92 and it fell even further in the following three years despite the higher number of female headed households. Between 1990–91 and 1992–93, urban and rural male unemployment showed marginal growth while female unemployment showed a clear tendency to fall. The rate of female participation in the workforce also fell both in the rural and urban zones in the 1987–94 period.

These figures indicate an increasing under–employment and invisible workforce amongst women. According to the UN Secretary, only 40% of female economic activity was paid, compared with 75% of the male work. A woman's working week is 69 hours compared with a man's 57. Women's work within the home is frequently not recognised as productive work and therefore goes unnoticed.

Women's salaries continue to be low. Nearly 30 million women who work as agricultural labourers receive salaries below the minimum wage. More than 21 million women farmers are given no property rights, especially to farming property. The number of young girls working in the agricultural sector is still rising. This «feminisation» of the workforce conceals exploitation and deprivation.

WORK SECURITY AND EMPLOYMENT GENERATION

Work security is an essential part of social security in a nation like India where the access to resources and production goods is so limited. There are two elements of work security which must be adequately co–ordinated especially in the context of the structural adjustment measures: the access of the poor to productive employment and the protection of the way of making a living of the residual workforce which has been marginalised by the economic growth process. However, special and emergency programmes against poverty have generated a large proportion of work opportunities.

TABLE 7.

The special employment programmes generate more than half the estimated jobs. Although these programmes have a certain relevance in exercising a protective role as «a security net», they cannot lead to sustainable employment.

Employment Generation through Special Employment and Poverty Alleviation Programs (in millions)						
Year	Rural		Urban		Total	
	PD	PY	PD	PY	PD	PY
1992-93	782.1	2.61	14.0	0.05	796.1	2.65
1993-94	1075.3	3.58	12.4	0.04	1087.7	3.63
1994-95	1225.7	4.08	6.7	0.02	1232.4	4.11
1995-96	524.9	1.75	5.7	0.02	530.6	1.77

Note 1: One job = one person year = 300 person days

2: PD = person days, PY = person years.

Source: Taken from the Economic Survey 1995–96

The reforms led to the restructuring and closure of some industries along with a reduction of personnel and large scale unemployment. The government answered the threat of the reduction of personnel becoming simple unemployment by forming the National Renovation Fund (NRF). The NRF aimed to fund voluntary retirement programmes, assessment, training and the redistribution of workers who accept voluntary retirement and regeneration programmes for zones with an especially high level of job loss. The outcome of these programmes to date has been mediocre.

The national work service keeps a register of people looking for work and facilitates their insertion in the work market through a network of employment agencies nation–wide. The register is voluntary, as is the use of these by employers. As the sector of organised work is limited, this has no important impact on the general level of unemployment. Similarly, its effectiveness is limited as of the 37.2 million people registered in August 1995, only 2.7% managed to enter the work market.

CITIZEN PARTICIPATION

Although India has not enjoyed a political unity for a great part of its existence as a civilization, this has not affected the conti-

nunity and coherence of its society and culture. This is due to the fact that the social leadership structures on all levels are strong, class based and capable of surviving crisis. The civil society organisations are functional and to a large extent independent of the political regimes. During the post-independence era, the State progressively took charge of the functions of the civil society organisations and practically disqualified them. The State, and the government which represented it, became the only legitimate mechanism for development and government. As a result, a situation has been created where the people pass nearly all the responsibilities which exist beyond their own homes onto the government. Against this precedent, legal changes have occurred to encourage popular participation in community government organisations within the Panchayati Raj system.

In the case of the State converting into an omnipotent government system, the only form to encourage citizen participation is through the expansion of the state institutions and the decentralisation of power. This is being sought in India through a multilevel system called the Panchayati Raj system which will supposedly link people from those in the general village organisms to Parliament, the greatest legislature in the country. In 1993, the system was given constitutional status through amend-

ments 73 and 74.

The new system establishes that the Panchayati Raj Institutions (PRI) are self government bodies but their functions are limited to development. The power and function of the Panchayati Raj are subject to decisions delegated from the various state legislatures. The participation of representatives in assemblies and parliament under the system and the lack of transfer of financial resources convert the system into a dependent subsidiary of the central political system. In this way, citizen participation in this context occurs in virtual subordination.

The PRIs were established in several states, and some states still have to designate them. Even when these bodies have been nominated the delegation of the powers and functions still remain in State hands.

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