We just celebrated India’s sixty-sixth ‘birthday’. In human years, it may be seen as an age of maturity but in the history of nations, it is still a comparatively young age. So there we are, at an interesting juncture of being young and old simultaneously. The vision of independence of course was premised on the belief that every citizen with individual voting rights would be deemed equal and would be treated as equal to all. The state backed by its visionary Constitution outlined a roadmap towards the same. This was significant especially as Indian society still remains ridden with extreme hierarchical divisions along caste, gender, ethnicity, religious lines etc.

In this journey we have come far; today we have a robust democracy, a burgeoning and sizable middle class, a strong economy (notwithstanding the recent decline in rupee and growth rate). Today we are the world’s third largest economy on purchasing power parity basis. We have reduced our poverty levels too albeit at a slower level. But there’s a flip side to it as well. Paradoxically, while India houses 55 billionaires (fifth largest in the world), we also house world’s one third poor, about one half of malnourished children and about one third of world’s illiterates. And this is a gap which has either remained stagnant or in fact has begun to increase in the past decades.

A quick look at three aspects of our developmental vision and practice would make it clearer in terms of how this gap is not just worrisome but which should also help us have a rethink before we begin our Independence Day celebrations this year.

While India clocked world’s second fastest growth rate over the last decade or so, one needs to realize that this has been largely achieved on the back of a small services sector of about 30 per cent of population which now produces about 60 per cent of our total wealth. In contrast, while over 50 per cent of population still remains engaged in agriculture, they are just producing about 14 per cent of our income. Moreover, there is a caste angle to this as well. Hence, more than 60 per cent of dalits are working as agricultural labourers barely eking out their livelihoods from a very low skill base. Additionally, employment in the manufacturing industry has remained stagnant (roughly generating 12 per cent employment and 15 per cent of GDP). This means, we are neither providing better opportunities unlike China to employ skill based employment nor are we providing opportunities for people to enhance their skills. As a result, more than 60 per cent of the population is actually engaged in self-employment, most of them doing petty jobs. Additionally, a significant percentage of people work as casual wage labourers. What the government has undertaken to stem some of the ensuing crisis is to initiate policies like the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), providing hundred days job guarantee to a household in a year in rural areas which at best gives people means to survive on the margins with unskilled manual labour and even that is being implemented unevenly across India.

Case two. According to current estimates, even today 80 per cent of all schools are Government Schools making the Government the major provider of education. However, because of poor quality of Public Education, 27 per cent of Indian children are privately educated. With more than 50 per cent children enrolling in private schools in urban areas, the balance has already shifted. This means, we are neither providing equal opportunities for poor children living outside urban areas nor are we providing opportunities to people to enhance their skills.

These children from Bharat also deserve an equal opportunity like children living in India.
tilted towards private Schooling in cities -- a trend which is now entering the rural areas. And yet, according to recent surveys, barring a few high-end expensive private schools the quality of education in the rest of private schools ranges from bad to indifferent. And this is happening even after a Right to Education Act came into place three years ago guaranteeing universal right to education to all children between 6-14 years. The poor quality shows in poor infrastructure, poor quality of teaching, and poor quality of care for the children in general especially for those whose parents can’t afford to send them to good schools. What this means again is that due to lack of political will we have allowed a system where a dual system of schooling remains existent, one with good quality for a few and the other with poor quality to cater to a large number of poor. It is not surprising therefore, that the dropout rate of children (despite near universal enrolment) remains as high as 49 per cent between standard 1-10. This rate further goes as high as 75 per cent for tribal children. This again means abetment of a vicious cycle which begins early for the poor, where they would be forced to opt out of a schooling system to seek low end employment, retaining the old Varna system as it were. And this is happening in a context where the private education market in India despite being small was estimated to be worth US$40 billion in 2008 and had increased to US$ 68–70 billion by 2012. Obviously, only for those who could afford it!

Case three, the Constitution charges every state with “raising the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties”. Approximately 1.72 million children die each year before turning one. In 2006, 47 per cent women were attended by a skilled health worker while giving birth; this dropped to 25 per cent for tribal women. The cost in health care (which is largely privatized already) means that 40 per cent of people have to borrow or sell assets for treatment. This again means that people are either remaining poor, or are being forced under poverty line to remain under that vicious cycle. This also means that due to poor health and nutrition standards in general, people cannot opt for a healthy productive life, again remaining on the margins.

In summary, despite our lip service to being a welfare state and a guarantor of rights, we have allowed and sustained a kind of dual citizenship in this country which has not just endured but is actually thriving in the present times.

Three absolutely necessary solutions! One, guarantee people’s basic and universal right to life through equal access to uniform quality of basic services like health, education, water and sanitation and food and create accountability mechanisms where people's elected institutions can manage and monitor the same. Oxfam India’s experience in the field shows how things can change when the community takes leadership in its own hand.

Second, guarantee people’s basic right to their assets like, land, water and forests as per the already given laws and invest in broadening the base of skilled employment including better investment in agriculture, small, micro and medium enterprises and manufacturing sectors.

Third, despite some of the rights based laws passed in the last few years, they have largely remained on paper also because of continuing low investment. This is partly due to a lack of political will to increase the tax base, cut out subsidies and corporate incentives which benefit the rich, introduce new taxes like inheritance tax and reinvigorate the wealth tax (as highlighted in a recent paper commissioned by Oxfam India). Unless a pie from the growth is cut in these ways to re-distribute, we would never see a truly independent India.

**WHY I ROOT FOR RIGHT TO FOOD, FOR ALL**

While the government’s food security scheme has come under attack by many for its economic non-viability, Shankar Jaganathan argues that it may actually be both desirable and feasible if its reach is expanded.

The Food Security Ordinance* passed by the Union Cabinet earlier this month highlights one critical point. Lack of visible opposition to an issue does not mean full support for it either. Given the laudable goal of eliminating malnutrition in India, it is both politically incorrect and unbecoming of a citizen to openly oppose an act that saves human lives. Despite this, muted concerns do exist on multiple facets: its desirability, viability and practicality.

At an annual estimated cost of Rs. 125,000 crore, the desirability of providing food security definitely needs to be rationally evaluated despite the emotional support it may have garnered. Since it is a matter of cost, economic evaluation seems a good place to start. GDP and per capita income are barometers of measuring economic affluence. Since they only consider goods purchased and not actual consumption, classification of goods into economic and non-economic goods plays a large role in this measure. At one point in human history, food, clothing and shelter were freely available to every human being, with the only cost being collection effort. With time, these goods became economic goods bought and sold for a price. Soon thereafter other goods followed, some of them essential for life, such as medicine, and many more belonging to the class of comfort and luxury goods, making human life flourish. As the standard of living in an economy increased, a strange phenomenon occurred. Basic economic goods in quite a few societies soon became non-economic goods, or public goods provided free for all its members, immunization against diseases and elementary education being the most prominent among these.

Advanced economies provide a high standard of living only for those who can afford it. As the scarcity fear receded in these economies, many of them evolved into responsible societies

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* The Food Security Bill has since then been passed by both houses of Parliament
by turning basic economic goods into public goods. This move took a consistent path across countries. Initially goods needed for episodic events such as immunization for polio and relief after natural disasters became non-economic goods. Gradually this extended to providing continuing support as in elementary education, education for disease prevention like AIDS and the like, before finally addressing the issue of day-to-day sustenance with programmes like food security and healthcare.

Free toffees and candies kept at the reception desk for visitors in five-star hotels are not seen as costs. These hotels do not incur a loss on account of this generosity. Rather they command a premium by creating the right ambience. Their evaluation horizon has shifted from transactional measurement to a longer timeframe. The case for an economy providing food security is no different. A well-fed and healthy population is the basic prerequisite for a resilient and prosperous economy and more than compensates its cost.

Even if we concede the desirability for food security, is it viable considering the annual cost estimated of Rs.125,000 crore? Translated as a percentage of GDP, it comes to a little more than 1 per cent. To put this in perspective, the Union government’s annual interest payments cost Rs.370,684 crore and the expenditure on defense services is Rs.116,931 crore. Viewed differently, it represents 15 per cent of our tax collections. It is a cost no doubt, but what would we do in our personal budgeting if we had to additionally incur 1 per cent of our total expenditure to eradicate malnutrition in the family? So seen this way, viability also does not seem to be an issue.

Now, having established the desirability and viability of providing food security, how can we be sure that our money is well spent, especially when it is common knowledge that only around 20 per cent of the cash subsidy money reaches the targeted population. This overall perception of leakage needs to be scaled down as leakage in the public distribution system is estimated at a level of around 40 per cent. Given this sorry state of affairs how can it pass the test of practicality?

Looking around at the various subsidies being administered, the fuel subsidy, i.e. subsidy on petrol and diesel seems to be an exception in one way. Even though its desirability is questioned, leakage is not an issue. The reason for it is obvious – as fuel subsidy is a universal subsidy and not targeted at any specific section of the population, there is zero misappropriation. Since all users are eligible, the scope for leakage itself is curbed. In addition as the most vociferous and vocal, the rich and middle class, are included among its beneficiaries, its administration is also fine-tuned and availability ensured. This is in sharp contrast to all other targeted subsidies, where large amounts are spent first on segregating the population and then an equally large amount is spent on policing the ‘fence’ to prevent leakage. Given this, what is the cost of expanding the food security programme and making it universal?

The current Food Security Bill is expected to cover 67 per cent of the population who are below the specified economic criteria. If we extend the coverage to all, i.e. universalize it, the pro-rata cost works out to Rs.187,000 crore, an increase of about Rs.62,000 crore. This increase will be for the benefit of the middle class and the rich who are today paying taxes. The additional cost can be recovered by increasing the tax rates, which will not be an additional tax burden for taxpayers as they also get food at lower prices. Incremental cost of tax collection is also likely to be marginal as tax-payer groups remain the same, with only tax collection going up. Further, we would save substantial amounts earmarked for identifying and segregating the target population for administering the scheme, in addition to eliminating the cost of preventing leakage of course.

If the rich in India, including billionaires, can get subsidized fuel for driving their BMWs and SUVs, should we grudge the ‘poor’ middle class for getting subsidized food? Given the widely reported instances of rotting foodgrains in India, can we take a leaf out of the Eskimos who believe that the best place to store surplus food is your neighbour’s stomach, and practise the same?

These thoughts prompt me to support the food security ordinance. If they make it universal I will even root for it.

Shankar Jaganathan
Oxfam India Board member

(Article reprinted from Indiatogther.org)
REGISTRATIONS OPEN!!!
What started as a training exercise for the Gurkha Regiment in Hong Kong in 1981 is today the flagship fundraising event for 11 Oxfams across the globe including for Oxfam India. The Oxfam Trailwalker is regarded as the world’s greatest team challenge to overcome poverty and injustice.

Participants team up in fours and are required to walk (or run) 100 km in 48 hours, taking a true test of physical endurance, stamina, mental strength and team spirit.

Oxfam India launched Trailwalker in Bangalore in 2012 and has conducted two events successfully ever since. During the second Trailwalker in Bangalore in January 2013, team participation grew tremendously. 164 enthusiastic teams participated and raised INR 2.5 Crore from the event.

Encouraged by the response Oxfam India is now taking Trailwalker to Mumbai and Pune from 15-17 Nov 2013.

The exciting and challenging trail starts from MDC, Garudmaachi near Pune, loops around the Mulshi Lake and traverses through the Western Ghats culminating in Lonavala. The greenery, the flora and fauna, the fresh air and the clear blue skies along this trail are simply a visual delight and offer many photographic opportunities.

Around 70 per cent of the trail runs through the forests in the Sahyadri that is home to many tribal communities. A part of the funds raised by this event will be utilized for upliftment of tribals here and in other areas.

The event invites participation from anyone above the age of 18 years by simply registering on trailwalker.oxfamindia.org by paying a registration fee of INR 4,000 per person (INR 16000 per team). The teams then have to raise funds from friends and family. A minimum amount of INR 50,000 is a must to be raised by each team to qualify to walk the trail. All contributions are used by Oxfam India for various projects across the focus states.

Participation is also invited in the form of volunteers for the event who manage the check points where the participants come and refresh themselves. In the last two years over 500 volunteers from various institutions and corporates have come forward and helped.

Come, be a part of this exciting and inspiring event!

For registrations: log on to trailwalker.oxfamindia.org or send an email to joel@oxfamindia.org

Oxfam India, 4th and 5th Floor, Shiriram Bharatiya Kalakendra, 1, Copernicus Marg, New Delhi 110001
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