

Poverty

The quest



By Proful Bidwai

Income and wealth inequalities are rising alarmingly in India but they barely figure in public discourse

OCTOBER 17 has been designated the United Nations International Day for Poverty Eradication. This fortnight also marks the 90th anniversary of the October Revolution in Russia, which mounted history's greatest challenge to the global capitalist order, itself based on privilege, inequality, and exploitation. So this is a good occasion to take a hard look at poverty, want and inequality in the world and in India.

The overall picture is so dismal that public-spirited citizens must hang their heads in shame. Despite a glut of food, and a spectacular increase in the globe's capacity to grow more, hunger remains one of the world's major problems. According to the International Food Policy Research Institute in Washington, 850 million people worldwide, or one in seven human beings, go hungry every day.

In the Institute's Global Hunger Index, India belongs to the bottom fourth of the world's nations, with a rank of 94 (among 118 countries). This score is

even lower than India's relative Human Development Index rank (126 of 177 countries). India's hunger index rank is way below China's (47), and lower even than Pakistan's (88). (In HDI, by contrast, India stands six ranks higher than Pakistan.) One reason for this abysmal state of affairs is that almost one-half of India's children are malnourished and underweight.

Besides chronic hunger, another index of India's poverty has recently received media exposure through a report of the National Commission for Enterprises in the Unorganised Sector. Based on National Sample Survey data, this shows that a frightening 77 per cent

potential as human beings.

Even gloomier is the story of rising inequalities almost everywhere in the world, and especially in India. Inequality is now being hotly debated in many countries, including the United States (even under George W. Bush), parts of Western Europe (which have been relatively non-hierarchical societies), Latin America (the worst victim of neoliberal dogma), and even China, where the central focus of the Communist Party Congress is on fighting poverty, the "regulation of incomes" and "gradually reversing" growing income disparities.

Scholars and policymakers are now

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of our population lives on a pathetic Rs.20 (half a U.S. dollar) a day. This brings out the depth and pervasiveness of poverty in India far more starkly than official "poverty line" numbers, measured in calorie consumption, based on extrapolation from the prices of a certain basket of goods.

The 77 per cent translates into some 840 million citizens. Their subsistence is simply incompatible with any notion of human-level existence with dignity. Clearly, we are condemning the vast majority of people to live wretched, impaired or disabled lives under which they cannot develop their elementary

discussing the disparities issue with a level of concern and keenness not seen since the 1970s. Notable here is the publication last December of the World Distribution of Household Wealth report by the World Institute for Development Economics Research, Helsinki, which makes the shocking disclosure that the richest 2 per cent of the world's adults own more than half of global household wealth.

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population owned barely 1 per cent of global wealth. There is now a surfeit of academic literature on poverty, inequality and globalisation, on trade and income distribution, poverty and unemployment, and measurement of inequalities, and so on.

Why, even the International Monetary Fund has devoted its latest World Economic Outlook report on rising inequalities amidst increasing per capita incomes across regions and population segments. One may disagree with the IMF's view that it is not the globalisation of trade or finance, but technological advancement, that is responsible for the rising income disparities. But its focus on inequalities is noteworthy.

Among the most revealing - and disturbing - recent analyses of India's disparities scenario is "Patterns of Wealth Disparities in India during the Liberalisation Era" (Economic and Political Weekly, September 22). This shows, on the basis of National Sample Survey data, that there was a perceptible (and probably underestimated) increase in inter-personal wealth inequality in India between 1991 and 2002.

The top 10 per cent of the population increased its share of total national wealth to 52 per cent, while the share of the bottom 10 fell to just 0.21 per cent. Some of our high Gini coefficients (for instance, 0.92 and 0.99 in respect of ownership of machinery, transport or bank deposits) are probably the highest anywhere. (1.0 represents total inequality).

Even more distressing numbers are contained in the Asia-Pacific Wealth Report just released by Merrill Lynch-Cap Gemini. This says that the number of India's "high net-worth individuals

(HNIs)" has increased by 20.5 per cent over the past year to reach 100,000. (HNIs have net financial assets of at least \$1 million, excluding primary residence and consumables.) Even more important than this rapid increase is the disclosure that this minuscule minority holds \$350 billion in assets - or about half of India's entire gross domestic product!

The contrast between this obscene concentration of wealth at the very top, and the prevalence of mass poverty, with the most appalling conditions of life at the bottom, should shock us all. Not only is this morally indefensible and unacceptable in itself; but coupled with deep and entrenched inequalities of

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Dualistic state: Author Patwant Singh has lucidly, and starkly, documented the dualistic state of Indian society in his extremely readable and accessible new book, *The Second Partition: Fault-Lines in India's Democracy* (Hay House India, New Delhi, 2007). He has warned of the dangers of a lack of minimum social cohesion.

He points out: "The planners of the new Indian democracy visualised a

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opportunity in this super-hierarchical, casteite society, it is especially repugnant.

Such extreme, and yet growing, inequalities belie the hope that the vast majority of India's citizens believe, or will come to believe, that this society is based on a modicum of justice and fair play. They also make nonsense of any appeal to the "common" or "national" good as the basis of making social, economic and political decisions. In the absence of such an appeal, citizens cannot be expected to have faith in the state and its decision-making apparatuses, not even in the rule of law, leave alone obedience to authority.

dazzling future... (But their solemn assurances to Indian citizens were soon betrayed). After spelling out... how the new Republic would safeguard its people's every right, the pledge was broken, the promises remained unfulfilled, and several hundred million Indians have been left to starve... while the country's new urban rich, indifferent to - if not contemptuous of - their luckless fellow countrymen, coarsely flaunt their new-found wealth."

Patwant Singh describes "how little the destitute and the deprived, the homeless... the ill and malnourished, the oppressed and abused, count for in

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