

## India's Rush to Economic Development: I A Dangerous Development Strategy

Growing at about nine percent annually, India ranks second only to China in success in its economic development. With such a surge of growth, how could anyone complain? That question was addressed recently by India's outstanding social critic, Patwant Singh. What he writes in a new book entitled *The Second Partition* comes down to the growing division of rich and poor. How, he asks, can India maintain its representative government when the rich are growing richer while hundreds of millions of Indians continue to live in poverty.

The facts are daunting: one in two children is malnourished and about 400 million Indians live on the equivalent of less than a Euro a day – about half of them, according to a recent government study, actually live on less than half that amount. And India has the world's highest infant and maternal death rates.

The social divide is now wider in India than anywhere else in the world. The “maharajah class,” traditionally fostered by the British, has been joined by new entrants who have made fortunes in industry and commerce. They live on a scale that is unmatched in Europe with armies of servants, retinues of armed guards and nearly regal privileges. Even the new middle class earns about 600 times as much as the “other half.”

This statistic is demonstrated by the explosive growth of new apartment buildings surrounding the major Indian cities. On the outskirts of the capital, New Delhi, some one thousand new apartment towers have been built. Built not for the poor, as is customary in most Western countries, but for the burgeoning middle class. A typical apartment sells for 50,000 Euros or what most Indians would earn in over a century.

Meanwhile, the poor are being pushed out of sight. Former Prime Minister Indira Gandhi's second son, Sanjay, while not even a minister in her government, effected a sort of purge that displaced scores of thousands of “street people” from downtown New Delhi. There they annoyed in the more affluent citizens, cluttering the streets and gardens with their hovels and carts. With nowhere else to go, they were pushed into already vastly overcrowded slums where they have no access to public facilities, safe disposal of waste or even clean drinking water. Meanwhile, in the countryside, many thousands of Indian farmers and villagers have lost their homes and lands, with little or no compensation.

Heartless these actions may appear to social critics, but they are part of a carefully constructed strategy to promote economic growth. Realizing that it can neither cope with the problems of the 600 million members of the traditional society nor quickly turn them into major producers of wealth, the government is concentrating virtually all the resources of the state on the 300 million people in the modern sector of the society.

They are given priority in education, health care, finance, tax and other incentives because the government believes that only they can push India toward a higher national income. It is for

them that the new apartment towers, schools, hospitals, highways and other facilities are being built. Their “arrival” is signaled by the advent of a special new “peoples’ car” which at about €2,500 only they can afford.

For the others, as Indian Prime Minister Manmohan Singh has admitted, government policy is to ensure that “no one is worse off” than he now is.

Recognizing that this is not a winning slogan in a country dedicated to representative government, the Prime Minister publicly proclaimed that “India cannot become a nation with islands of high growth and vast areas untouched by development, where the benefits of growth accrue only to the few.”

Yet, as Patwant Singh, points out, that is precisely what is happening. “Government policy is not,” he said, “even ‘trickle down.’ In fact, nothing trickles down. Almost half of Delhi’s population of over 13 million live in slums or sleep on pavements and nationwide perhaps as many as 78 million are homeless.”

Patwant Singh, like other Indian critics, does not contest the rationale behind the government strategy. What they dispute is the lack of significant attempts at ameliorating the condition of the poor. They also emphasize the danger of rising dissatisfaction among those who have been sidelined or even harmed by the rush toward development.

Their warning made headlines in India last week when over 25,000 Indian farmers whose lands had been taken and whose houses were destroyed to make way for development projects marched on New Delhi. While their protest peaceful, others have taken to arms. To them I turn in my next article.

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