Poverty not cause of problems but result of misgovernance

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EXCLUDING the local governments' expenditure and inter-governmental adjustments, the combined total expenditure of the Union and state governments, according to the Budget estimates for 1999-2000, is a whopping Rs 524,000 crore.

The actual expenditure was in excess of Rs 550,000 crore. Judging by past experience, next year it could well be Rs 600,000 crore. This amounts to Rs 1,644 crore a day, or in terms of purchasing power it is equivalent to \$2 billion a day!

What do we get in return and what do we have to show? Eighty million children with no access to school education, 700 million people without access to proper toilets, shortage of teachers and excess of peons and clerks, appalling public services and woefully inadequate infrastructure.

We have locked ourselves in a vicious cycle of low literacy, poor health, non-existent infrastructure, low productivity, low investment, unemployment and poverty.

Without having to increase public expenditure, without having to seek aid from international agencies, these 80 million children could all have access to basic school education. It just requires some reallocation of funds and commitment of the governing class.

At 50 children per classroom we need to build 1.6 million class rooms. Each class room can be built at Rs 1 lakh or less. This will incur a one time expenditure/investment of Rs 16,000 crore.

This is equivalent to only 10 days' government expenditure! Running the school — teachers and basic teaching aids — would incur a recurring expense of Rs 8,000 crore; a mere five days' expenditure! A very paltry investment when you calculate the social and economic returns to the country.

Fifty years have gone by without any attempt at fulfilling this fundamental need. With concern and commitment it can be done. Madhya Pradesh has proved that this could be attempted with even less expenditure by redifining a school.

With its innovative Education Guarantee Scheme, it started 28,000 schools in 18 months. That schools don't function properly even if they exist, and teachers don't do their work is a related problem. But this issue is obviously not linked to resources. It is a governance problem, plain and simple.

Now to sanitation. An estimated 140 million households have no access to basic sanitation and over 70 per cent of our people are forced to ease themselves in public. There are of course cultural issues related to sanitation, but no one really wants to resort to the indignity and inconvenience of public defecation.

A safe, modern, hygienic toilet without frills will cost about Rs 2,500. This is not a farfetched assumption. Sulabh, the movement started by Bindeswari Pathak built over a million toilets for the poor at this cost.

In my own village, over 400 toilets were built at this cost over the past two years, liberating the whole population from the scourge of public defecation. At this basic cost, we will need Rs 35,000 crore to build toilets for every single household in India.

There are of course other problems — availability of land, water, housing etc. But these are again related to governance, technology or resources. But to take the issue of sanitation alone, the total one-time

investment required to solve the problem affecting 700 million people is equivalent to 22 days' public expenditure!

And yet millions of elderly people, children and young women are forced to endure unspeakable indignity and shame and unbearable inconvenience, not to speak of lack of health and hygiene.

This analysis would seem simplistic at first. After all, government has many commitments; there is no money to spare in reality, etc. But what is government for? Is it the servant of the people to fulfil our basic needs or a master to lord over us and do as it pleases?

Do people owe the corrupt, bloated and extortionary bureaucracy a living? Do we all exist to gratify the egos of power-hungry politicians and treat their whims as our commands?

Clearly huge amount of public expenditure is incurred everyday, and if it is properly deployed, most of the basic needs of our population can be met.

For this to happen, we should first stop the legal plunder going on in the name of governance. We would then be entering the virtuous cycle of basic infrastructure. High skills, high productivity, greater investment, more jobs and prosperity. The message is loud and clear. Poverty is not the cause of our problems; it is the consequence of misgovernance.

No amount of obfuscation can hide the ugly reality of the legal plunder of our public resources and perpetuation of poverty and inequity. The answer does not lie merely in good economics, but it lies in a fundamental restructuring of our politics and government to make our money do things for us.

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