Title: Do MDGs Matter? India's Development Trajectory in the 21st Century

Citation: Tandon, Rajesh (2013) 'Do MDGs Matter? India's Development Trajectory in the 21st Century', *IDS Bulletin*, 44.5-6, pp. 22-29.

Official URL: http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1759-5436

Version: Submitted version

This is a download from OpenDocs at the Institute of Development Studies

IDS Institute of Development Studies

Do MDGs Matter?

India's Development Trajectory in the 21st Century

Dr Rajesh Tandon
June 2013

President, PRIA, New Delhi
www.pria.org

Introduction

Of all the many stories of remarkable development trajectories since the second world war, India's journey since the new millennium has been truly unique. India is now the third largest national economy (after USA and China) at nearly $1.8tn annual GDP today. It has averaged nearly 8% annual GDP growth rate since 2000; Indian private companies are aggressively investing abroad (in 2012 Indian private business invested more funds abroad than the FDI invested in India). Its global diaspora of nearly 25 million Indians sends home maximum foreign remittances annually (nearly $70 bn in 2012). It has one of the largest numbers of new billionaires, and HNWIs (High Net Worth Individuals). India's global presence is noticed today, in multi-lateral institutions like the World Bank and IMF, as well as in those informal clubs with high seats on the table (G20, IBSA, BRICS, et al).

Indian development trajectory in some fundamental ways has been its own indigenous trajectory. While India has participated actively in most multi-lateral bodies of the UN system, it has always managed to create its own path of socio-economic development. Its development experience has also contributed to lessons for other developing countries, especially in South Asia and Sub-Saharan Africa.

Therefore, when Millennium Assembly was being convened in the UN in 2000, Indian delegation was active in the UN. Indian civil society had also been active in the preparatory process at WOCSOC in Montreal in 1999, as well as the civil society consultations in New York in the spring of 2000. At this juncture of the turn of the millennium, just recall that the world had witnessed an internet bubble (including fears of its breakdown on January 1, 2000); the Jubilee Campaign had gained momentum for writing-off of international debts of many developing countries; forces supporting globalisation of economies and massive unregulated movements of capital were at its peak. Millennium Development Goals (MDGs) emerged as narrowly focused and globally accepted minimum targets for achievement over the period till 2015. From the eloquent futuristic and inspiring vision of a new world order enshrined in the declaration, MDGs seemed to be mere puny milestones.

Did these MDGs gain any traction in India's development trajectory? Did they influence the Indian development discourse significantly? Do countries like India take notice of global agreements and treaties at all? Would Indian state bother about such goals and targets in future either? Would any future post-2015 goals make any sense from India's vantage point? This paper examines some of these issues and poses questions for further considerations and deliberations.

India's MDG Balance Sheet Today

It is useful to start by learning about the current status of achievement of various goals and targets of MDGs by India today. The most recent document for this analysis is the report prepared by the Department of Statistics, Government of India in 2012 (GOI,2012). Its summary chart is shown here.

MDGs and Targets - Summary of Progress achieved by India

MDG 1: Eradicate Extreme Poverty and Hunger	
Target 1: Halve, between 1990 and 2015, the Percentage of Population below the National Poverty Line	**Moderately on-track**
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.	**Slow or almost off-track**
MDG 2: Achieve Universal Primary Education	
Target 3: Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary education.	**On track**
MDG 3: Promote Gender Equality and Empower Women	
Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.	**Moderately or almost nearly on track**
MDG 4: Reduce Child Mortality	
Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five Mortality Rate	**Slow or off-track**
MDG 5: Improve Maternal Health	
Target 6: Reduce by three quarters, between 1990 and 2015, the Maternal Mortality Ratio.	**Slow or off-track**
MDG 6: Combat HIV/AIDS, Malaria and Other Diseases	
Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	**Moderately on track**
Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and	**Slow or off-track**

other major diseases	
MDG 7: Ensure Environmental Sustainability	
Target 9: Integrate the Principles of Sustainable Development into Country Policies and Programmes and Reverse the loss of Environmental Resources	**On-track**
Target 10: Halve, by 2015, the Proportion of People without Sustainable Access to Safe Drinking Water and Basic Sanitation	**On-track or fast by one main indicator (for Drinking Water) but slow by another main indicator (Sanitation)**
Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.	**The pattern not statistically discernible**
MDG 8: Develop a Global Partnership for Development	
Target 18: In co-operation with the Private Sector, make available the benefits of new technologies, especially Information and Communication	**On-track or fast**

Therefore, going by the assessment of Government of India, the MDG goals related to poverty, education (including girls' education), drinking water, control of HIV/AIDS and spread of information/communication technologies have been met. The MDG goals related to hunger, health (mother, child, malaria and TB) as well as sanitation have not been met, and are unlikely to be met.

Other assessments by the UN agencies and independent actors reach more or less similar conclusions of India's track record of achievement of MDGs till now, and by 2015.

Why is India's achievement of MDGs so unsatisfactory?

Unique Development Trajectory

India's development trajectory over the past two decades, especially after the economic reforms of 1991, has been *complex, contradictory and contentious*. India's GDP has grown nearly 7 times since 2000 to present level of $1.8tn. Per capita GDP has grown nearly five times to about $1450 since 2000. However, India's ranking on Human Development Index (HDI) has slipped from 124 in 2000 to 136 in 2012.

Its position on Gender Inequality Index has also remained almost static at 132 (2012).

According to the recent report of the World Bank, India accounts for nearly one-third of the world's poorest one billion people (living at less than $1.25 per day); it implies that nearly 350 million Indians (roughly 28% of total Indian population of 1.25 billion today) are living in abject poverty.

Indian development planning had been essentially a centralized, top-down planning system based on the Soviet model after India gained independence in 1947. However, after the economic liberalization began in 1991, certain aspects of this planning had become market-determined. The central national body mandated to do so, the Planning Commission, in Delhi has continued to play a major role in determining the broad contours of socio-economic development of the country. The primary instrument for this is the Five Year Plan. As a national body with technical and political expertise, the Planning Commission is chaired by the Prime Minister of India. It determines broad trajectories and priorities of public sector investments and spending on a five yearly basis. The Planning Commission then recommends this Five Year Plan to the National Development Council (NDC) which comprises of heads of governments of all provinces and states. NDC represents the federal character of Indian constitution, and polity. The Members of the Planning Commission, including its Deputy Chairman, are appointed by the Prime Minister. India's parliamentary democracy also enjoins that annual budget and plans of the government are presented, debated and approved by the parliament annually.

It is in this system of planning for India's socio-economic development that explanations for the *complex, contradictory and contentious* trajectory have to be sought.

If the national planning process since the launch of MDGs is examined, three five year plans under three different regimes have to be looked into. The Tenth Five Year Plan covers 2002-07 period, and its preparation began in 2000. This was the regime of National Democratic Alliance (NDA), led by the BJP, and a seasoned and well-respected politician—Atal Behari Bajpayee—was the Prime Minister.

The review of the documents from the Planning Commission (and reports of its various task forces and working groups set up for this purpose) entailed in the preparation of this plan do not provide any reference to the thinking of the

Millennium Declaration or MDGs. The priorities of social sector established by the Tenth Plan (see box below) do not even mention such a crucial target as that related to sanitation (GOI, 2002). It is, therefore, no surprise that India's performance in providing sanitation facilities is most tardy and deplorable today.

MONITORABLE TARGETS FOR THE TENTH PLAN AND BEYOND

- Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012;

- Providing gainful and high-quality employment at least to addition to the labour force over the Tenth Plan period;

- All children in school by 2003; all children to complete 5 years of schooling by 2007;

- Reduction in gender gaps in literacy and wage rates by at least 50 per cent by 2007;

- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2 per cent;

- Increase in Literacy rates to 75 per cent within the Plan period;

- Reduction of Infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012;

- Reduction of Maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 and to 1 by 2012;

- Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012;

- All villages to have sustained access to potable drinking water within the Plan period;

- Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012.

A quick look at the list of priorities in this box indicates that certain aspects of socio-economic development have been on the list of priorities of national governments for long. Since early 1970s when the then Prime Minister Mrs Indira Gandhi gave a clarion call for 'Garibi Hatao' (End Poverty), poverty eradication has been consistently on the previous Plan's agendas. Rural development and agriculture were also so focused in previous Plans. Focus on primary education and literacy also dates

back to 1980s, and the short-lived Janata government in 1977-79 period had focused some Plan investment in primary health care. Therefore, the apparent convergence of some of the MDG goals and targets with the Tenth Five Year Plan is largely due to the historical continuity of those in India's socio-economic development planning.

A new regime came to power in 2004 under the leadership of Congress and Dr Man Mohan Singh (an economist-technocrat) was anointed as Prime Minister. This coalition, called United Progressive Alliance (UPA), had also brought in its fold several political parties with socialist and leftist ideologies (including Communists). It evolved a National Common Minimum Programme (NCMP) as a basis for formulation of its policies for socio-economic development of India. NCMP had set certain broad targets and aspirations for food security, poverty eradication and women's empowerment; its specific targets were 6% of GDP investment in education (at least half in primary and secondary levels) and 2-3% of GDP in health. It had also included social protection for the rural poor and Mid Day Meal (MDM) as additional support to child nutrition. These targets focused on expenditures and schemes, not outcomes.

Armed with these ambitious goals, the UPA government in Delhi began to make legislations and policies related to Right To Information (2005), National Rural Employment Guarantee (2006), Forest Rights Act (2008), enshrining in the Indian constitution various new rights for socio-economic development of citizens. The new thrust to primary and secondary education under Sarva Shiksha Abhiyan (SSA) was financed through an additional cess on income tax. A revised National Rural Health Mission (NRHM) was also launched in this period. These new policies and development programmes were given a clearer thrust in the Eleventh Five Year Plan (2007-12) (GOI, 2007). Simultaneously, agenda for promoting rapid economic growth was also prioritized. But, there was no clear reference to MDGs in the preparation of this Plan either.

By 2005, at the level of the United Nations, a Millennium Campaign (UNMC) had been launched. Anchored in UNDP, the UNMC attempted to galvanise civil society actors around the world to focus the attention of policy-makers and government officials on MDGs. Around the same time, in India, a national campaign of civil society was launched to put pressure on the UPA government to implement the commitments enshrined in NCMP agreed to in 2004—Wada Na Todo Abhiyan (WNTA--Don't Break Promise Campaign). By the time the UN reviewed the progress of achievements of MDGs in 2008, the national government in Delhi had realized the need for showing its own progress. Its progress report proudly proclaims the above-mentioned new programmes and schemes. The independent assessment of WNTA and others had focused on shortcomings and likely obstacles to future progress on MDGs (WNTA, 2005).

To its own surprise, the general elections of 2009 returned the Congress and its allies to power again; a new regime of UPA II began in May 2009 without the

communists and any NCMP. The review of progress of the Eleventh Five Year Plan—Mid Term Assessment (MTA) it is called—was carried out by the Planning Commission in late 2009 (interestingly, most Members of the Commission had continued from the previous era). There was no reference to MDGs in the MTA discussions either. As preparations began for the Twelfth Five Year Plan (2012-17) by early 2011, reference to debates and priorities of MDGs did not seem to make any difference (GOI, 2012).

Therefore, it can be seen that planning for socio-economic development in India took very little account of the MDGs over the past 12 years. However, several development programmes and schemes of the government had resonance with some of the MDGs. Most notable amongst these are primary education, girls' enrolment and primary health care with focus on child nutrition and maternal health.

Complexity, Contradiction & Contestation

The brief overview of the policies and policy-making on socio-economic development of India presented above raises some critical issues. These relate to the complexity, contradiction and contestation in India today.

Complexity

India's diversity of socio-economic reality presents enormous complexity in development planning and implementation. While aggregate data of per capita GDP for the country as a whole appears to show rapid improvements since 2000, national averages mask internal disparities. Two kinds of disparities are most critical from the perspective of complexity. First disparity relates to geography. Due to unequal and heterogonous historical patterns of development, certain regions and states in the east and north of the country lag considerably behind others in the south and west of the country. Bulk of the poverty, illiteracy and marginality of families and households is concentrated in nearly 100 poorest and backward districts of the so-called 'BIMARU' (meaning sick) states (GOI, 2003). These are West Bengal, Odisha, Chhattisgarh, Jharkhand, Bihar, Madhya Pradesh and Uttar Pradesh. As a result, most socio-economic indicators from this region are much lower than national averages. These states also account for a much higher proportion of rural population, vast majority being landless labourers or small and marginal farmers.

Therefore, development planning and public investment in social programmes of education, health, water and sanitation need to be accelerated in these states. Additionally, the starting levels (in 2000) of poverty and hunger were much higher in these states. While some states from this list have shown somewhat higher economic growth in the past five years (Chhattisgarh, Odisha and Bihar) others like UP, West Bengal and Jharkhand have been still lagging behind.

The second source of disparity relates to social groups; some of these have been facing systemic social exclusion for decades. These primarily comprise of tribal, dalit (scheduled caste) and muslim households. These communities have faced discrimination and exclusion despite certain policies aimed at affirmative actions. Low levels of literacy and education (especially amongst women and girls), high infant mortality rates, high malnourishment amongst children, gender inequality in employment and wages and absence of safe drinking water and adequate sanitation seriously afflict these households, especially in rural areas of these states (GOI 2007).

Therefore, improvements in India's socio-economic development indicators, as well as those of MDGs, can only be possible when these indicators also improve for these households. Any national goal setting in India's diverse, heterogeneous and hence complex society can be generally meaningless unless they are dis-aggregated at the state and district levels. This will require planning and investment decisions to be made in a decentralized fashion. The Indian constitution contains in its sections IX and IXA provisions for such a decentralized planning and service delivery since 1993. Twenty years ago, the three tier system of panchayats was introduced throughout the country. Despite its inclusion in the UPA's NCMP as a priority, panchayati raj institutions (PRIs) continue to remain weak, under-resourced and unaccountable to date. The Indian Constitution provides for a District Planning Committee with the mandate to do precisely the same—plan, implement and monitor socio-economic development programmes in each district, starting from village level. In the absence of political support and affirmation for such local governance institutions, top-down planning has continued to distort and displace development goals. It is indeed ironical that elected leaders of panchayats (and they are nearly 1.2 million at any time, more than half being women) and officials attached to these institutions were never involved in any discussion of MDGs (even though panchayats alone have the jurisdictions over all matters covered by MDGs).

Contradictions

The emerging contradictions in Indian development trajectory outlined above need to be taken into cognizance as well. Several of these, in relation to MDG goals and targets, become evident.

First, more Indians use mobiles today than toilets. By opening of the licensing in mobile telephony and providing spectrum at throw away prices (including the huge corruption running into nearly $10 bn), the national government encouraged inexpensive mobile connectivity. Communications have become much more accessible today. But, the loss of public revenue creates opportunity costs for non-investment in other priorities.

Second, tax breaks provided to IT companies over the past decade has made them global Indian icons. However, nearly 85% of their turnover is for exports. The

revenue so forgone has subsidized growth of a powerful industry which employs less than 1% of the labour force.

Third, the model of economic development focusing on growth in the formal sectors of Indian economy has resulted in jobless growth. A recent study (2012) by the Institute of Applied Manpower Research (under the Planning Commission) has concluded that India's growth story has not created enough regular jobs. The informal and marginal nature of employment has increased in this period; such employment now accounts for 85% of the labour force. The bulk of these employment opportunities are in urban and peri-urban areas.

Fourth, the exclusive focus on universal enrolment in education has resulted in a rapid drop in quality. An increasingly larger proportion of children in the country (nearly one-third according to ASER Report 2013) are attending poor quality private schools. This is also true in rural areas, and for poor households. This trend continues at secondary and tertiary levels of education as well. A new class system of education has emerged in India, thereby forcing even educated youth from rural and poorer backgrounds to remain 'ghettoised' in low-paying, short-term, marginal, informal and unprotected employment.

Fifth, the focus on girls education has improved enrolment and educational levels amongst them. But, women continue to be paid lower wages than men, even in government supported development programmes. Violence against girls and women has increased at a rapid pace; Indian society is more unsafe for girls and women today than ever before.

Sixth, nearly 40% of India's population today is in urban and peri-urban areas. Hardly any meaningful policies and development programmes have been undertaken to address the challenges of rapid urbanization. Nearly two-thirds of India's GDP and new jobs are coming from urban areas. JnNURRM (first national urban renewal programme which began in 2005) and Basic Services for Urban Poor (BSUP) programmes have been poorly planned and under-resourced. Urban poverty is growing very fast. Yet, the government could not even assess its patterns or act on it (as admitted in India's 2011 MDG Report). The Constitution of India mandates municipalities to be responsible for socio-economic development of citizens in their jurisdiction. But successive governments in this period have ignored investments in institutional, human and financial capacities of municipalities.

Finally, the growing promulgation of rights and schemes for Indians does not translate into socio-economic well-being of vast majorities of its people. During this period between 2000 and 2012, public investment in social sector development programmes has increased nearly ten times to a staggering $100 bn annually. Yet, the rank of India in HDI is stuck around 136, and its Gender Inequality rank around 132. This is the real contradiction in the Indian story. Internal inequality has been increasing; regional disparities have grown. The economic development model has resulted in double digit inflation over the past five years. Gains in per capita income

are being wiped away for a substantial section of Indians. And, costs of private education and private health care have been ballooning.

So, what kinds of future post-2015 goals would make sense in and for India?

Contestation

At the heart of the current malaise facing India's development trajectory is the crisis of governance. Public institutions have become apathetic, inefficient and corrupt. The everyday news of large scams under the present regime hide more than they reveal. Three particular dynamics of contestation have become manifest in this scenario.

First dynamic is the growing anger against a development path that displaces people from their land, habitat and livelihood. Whether it is mining or free trade zones, farmers, tribals and other households around the country are up in arms against national and state governments forcing them to relocate in the name of national interest—eminent domain theory. Yet, the private business interests utilize those lands, forests, mines and water for huge private gains. This has led to violent conflicts in nearly one-third of the districts of the country. Maoism is merely a new manifestation of this phenomenon.

Second dynamic is related to absence of administrative and governance reforms. Starting from electoral reforms (so that criminals cannot contest elections) to reforms in the system of administration, police and judiciary, there is a long list of the same. What reforms are needed is known to all; the present regimes are party to those forces which want the status quo to continue. In the absence of such governance reforms, investment in socio-economic development does not reach those for whom it is intended.

The third dynamic is the growing dis-connect between citizens and the state. India's democracy is failing a vast majority of its citizens. Its democratic institutions are crumbling, its political system is self-centred and its process of responsiveness to its citizens is declining. Hence, the young Indians are coming out on the streets and in the virtual spaces to condemn, demonstrate against and demand actions by the ruling class. This trend, if allowed to be continued, could result in the youth of India losing faith in the democratic participation itself (Tandon,2012).

Hence, the major challenge facing Indian society and economy today is to re-energise its democratic foundations of governance in a bottom-up manner. Global, universal post-2015 development goals will not have much relevance to India of today. The post-2015 goals for India have to be centred on governance reforms that make its public institutions transparent, accountable, responsive, and efficient. It is unlikely that any set of universal post-2015 goals would have much relevance to India's future development trajectory.

My set of post-2015 targets for India to achieve by 2025 can read as below:

- 50% improvement in transparency index ranking (from the present 94 out of 176) (www.transparencyindia.org)
- 50% improvement in ease of doing business ranking (from the present 132 out of 185) (www.doingbusiness.org)
- 100% reduction (to zero levels) of Members of Parliament with criminal records (from the present 25%) (www.adr.org)
- 50% reduction in black economy as percentage of GDP (from the present 30%)
  (Business Standard, Jan 13, 2013)
- Women parliamentarians and legislators become 50% of the total (from the present 10%) (www.electioncommissionofindia.org)
- 50% of the recommendations made in the Second Administrative Reform Commission (2008) are implemented.

References
- ASER (2013) Annual Survey of Education, Pratham
- Govt of India, Planning Commission (2002) Tenth Five Year Plan
- Govt of India, Planning Commission (2007) Eleventh Five Year Plan
- Govt of India, Planning Commission (2007) The Poor in India
- Govt of India, Planning Commission (2009) Mid Term Review of Eleventh Five Year Plan
- Govt of India, Planning Commission, (2012) Twelfth Five Year Plan
- Govt of India, Ministry of Statistics (2012) Millennium Development Goals India Country Report 2011
- Institute of Applied Manpower Research (2012) Jobless Growth in India
- Planning Commission (2003) Sarma Committee Report on 100 Backward Districts of India
- Tandon, Rajesh (2012) Civil society @ Crossroads, Pria, New Delhi (www.pria.org)
- WNTA (2005) Citizens' Report on MDGs, Wada Na Todo Abhiyan, Delhi (www.wadanatodoabhiyan.net)