

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

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**Abstract** Current discourse on post-2015 development goals needs to be situated in the context of the influence of MDGs in shaping national policies and programmes. In this article, India's development trajectory and its impacts are critically analysed to demonstrate the near absence of influence of MDGs discourse on Indian development planning or outcomes. The analysis also focuses on the political economy of India's development trajectory and identifies absence of governance reforms as the key deficit in meaningful impacts on the lives of people in India. In sharp contrast to the High Level Panel's recommendations on post-2015, the author proposes an alternative set of goals focusing on reforming governance in India.

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## 1 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 \$1.8 trillion (million million) annual GDP today. It has averaged an annual GDP growth rate of nearly 8 per cent since 2000; Indian private companies are aggressively investing abroad (in 2012, Indian private business invested more funds abroad than the FDI (foreign direct investment) invested in India). Its global diaspora of nearly 25 million Indians sends home maximum foreign remittances annually (nearly \$70 billion 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 multilateral 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.*).

The Indian development trajectory has in some fundamental ways been its own indigenous trajectory. While India has participated actively in most multilateral bodies of the UN system, it has always managed to create its own socioeconomic development path. Its development experience has also contributed to

lessons for other developing countries, especially in South Asia and sub-Saharan Africa.

Therefore, when the Millennium Assembly was being convened in the UN in 2000, the Indian delegation was active in the UN. Indian civil society had also been active in the preparatory process at WOCSOC (World Conference of Civil Society) 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 1 January 2000); the Jubilee Campaign had gained momentum for writing-off the international debts of many developing countries; and forces supporting the globalisation of economies and massive unregulated movements of capital were at their peak. The 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, the 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

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**Box 1 MDGs and targets – summary of progress achieved by India**

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**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 other major diseases. Slow or off-track

**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. Pattern not statistically discernible

**MDG 8: Develop a Global Partnership for Development**

Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communication. On track or fast

Source GOI (2012b).

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countries like India take notice of global agreements and treaties at all? Would the 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 article examines some of these issues and poses questions for further consideration and deliberation.

**2 India's MDG balance sheet today**

It is useful to start by learning about the current status of achievement of various MDGs and targets by India today. The most recent

document for this analysis is the report prepared by the Government of India Department of Statistics, in 2012 (GOI 2012b). Its summary chart is shown in Box 1.

**2.1 MDGs and targets – summary of progress achieved by India**

Therefore, going by the assessment of the Government of India, the MDGs relating to poverty, education (including girls' education), drinking water, control of HIV/AIDS and spread of information/communication technologies have

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**Box 2 Monitorable targets for the Tenth Five-Year 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 those who have joined the labour force over the Tenth Five-Year Plan period;
  - All children in school by 2003; all children to complete five 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 1,000 live births by 2007 and to 28 by 2012;
  - Reduction of maternal mortality ratio (MMR) to 2 per 1,000 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.
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been met. The MDGs relating 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 UN agencies and independent actors reach more or less similar conclusions on India's track record of achievement on the MDGs up to now, and by 2015.

Why is India's achievement of MDGs so unsatisfactory?

### **3 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 seven times since 2000 to the present level of \$1.8 trillion. Per capita GDP has grown nearly five times to about \$1,450 since 2000. However, India's ranking on the Human Development Index (HDI) has slipped from 124 in 2000 to 136 in 2012.

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

According to the Global Monitoring Report 2013<sup>1</sup> of the World Bank, India accounts for nearly one-third of the world's poorest one billion people (living on less than \$1.25 per day); it implies that nearly 350 million Indians (roughly 28 per cent of the total Indian population of 1.25 billion today) are living in abject poverty.

Indian development planning had been essentially a centralised, top-down planning system based on the Soviet model after India gained independence in 1947. However, after economic liberalisation 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 the country's socioeconomic development. 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 the 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 the heads of governments of all provinces and states. The NDC represents the federal character of the 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 the 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 socioeconomic development that explanations for the *complex, contradictory and contentious* trajectory have to be sought.

If the national planning process since the launch of the MDGs is examined, three Five-Year Plans under three different regimes have to be looked at. The Tenth Five-Year Plan covers the period 2002–07, and its preparation began in 2000. This was the regime of the National Democratic Alliance (NDA), led by the BJP (Bharatiya Janata Party), and a seasoned and well-respected politician – Atal Behari Bajpayee – was 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 on the Millennium Declaration or MDGs. The social sector priorities established by the Tenth Five-Year Plan (see Box 2) do not even mention a target as crucial as the one relating to sanitation (GOI 2002). It is, therefore, no surprise that India's performance in providing sanitation facilities is behind schedule.

A quick look at the list of priorities in Box 2 indicates that certain aspects of socioeconomic development have long been on the list of priorities of national governments. Since the early 1970s when the then prime minister Mrs Indira Gandhi issued a clarion call for '*Garibi Hatao*' (End Poverty), poverty eradication has been consistently on the agendas of all previous Plans. Rural development and agriculture were also emphasised in previous Plans. A focus on primary education and literacy also dates back to the 1980s, and the short-lived Janata government in the 1977–9 period had directed some Plan investment into 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 goals in India's socioeconomic development planning.

A new regime came to power in 2004 under the leadership of Congress and Dr Man Mohan Singh (an economist-technocrat) was appointed as prime minister. This coalition, called the 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 the socioeconomic development of India. The NCMP had set certain broad targets and aspirations for food security, poverty eradication and women's empowerment; its specific targets were 6 per cent of GDP investment in education (at least half in primary and secondary levels) and 2–3 per cent of GDP in health. It had also included social protection for the rural poor and the Mid-Day Meal (MDM) to provide additional support with respect 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 laws and policies related to the Right to Information (2005), the National Rural Employment Guarantee (2006) and the Forest Rights Act (2008), enshrining in the Indian constitution various new rights for the socioeconomic development of citizens. The new thrust to primary and secondary education under the national education programme 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 (2007–2012) (GOI 2007a). Simultaneously, an agenda for promoting rapid economic growth was also prioritised. But there was no clear reference to the 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 policymakers and government officials on the MDGs. Around

the same time, in India, a national civil society campaign was launched to put pressure on the UPA government to implement the commitments enshrined in the NCMP agreed to in 2004 – the Wada Na Todo Abhiyan (WNTA – Don't Break Promise Campaign). By the time the UN reviewed progress on achievement of the MDGs in 2008, the national government in Delhi had realised the need to demonstrate its own progress. Its progress report proudly proclaims the above-mentioned new programmes and schemes. The independent assessment of WNTA and others focused on the shortcomings and likely obstacles to future progress on the 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 on the Eleventh Five-Year Plan – Mid-Term Assessment (MTA) – 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 the MDGs in the MTA discussions either. As preparations began for the Twelfth Five-Year Plan (2012–2017) in early 2011, reference to MDG debates and priorities did not seem to make any difference (GOI 2012a).

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

#### **4 Complexity, contradiction and contestation**

The brief overview presented above of the policies and policymaking concerning socioeconomic development in India raises some critical issues. These relate to complexity, contradiction and contestation in India today.

##### **4.1 Complexity**

India's diverse socioeconomic reality creates enormous complexity in development planning and implementation. While aggregate data on per capita GDP for the country as a whole appear to show rapid improvements since 2000, national averages mask internal disparities. Two kinds of

disparity are most critical from the perspective of complexity. First is disparity relating to geography. Due to unequal and heterogeneous 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. The bulk of the poverty, illiteracy and marginality of families and households is concentrated in nearly 100 of the 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 (UP). As a result, most socioeconomic indicators from this region are much lower than national averages. These states also account for a much higher proportion of the rural population, the vast majority being landless labourers or small and marginal farmers.

Therefore, development planning and public investment in social programmes dealing with education, health, water and sanitation need to be accelerated in these states. Additionally, the base 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 still been 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 action. Low levels of literacy and education (especially among women and girls), high infant mortality rates, high malnourishment among children, gender inequality in employment and wages and absence of safe drinking water and adequate sanitation seriously afflict these households, especially in the rural areas of these states (GOI 2007b).

Therefore, improvements in India's socioeconomic development indicators, as well as those of the 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 will be largely meaningless unless the goals are disaggregated at the state and district levels. This will require planning and

investment decisions to be made in a decentralised fashion. Since 1993, the Indian constitution contains provisions in its sections IX and IXA for such decentralised planning and service delivery. Twenty years ago, the three-tier system of *panchayats* was introduced throughout the country. Despite its inclusion in the UPA's NCMF as a priority, *panchayati raj* institutions (PRIs)<sup>2</sup> continue to remain weak, under-resourced and unaccountable. The Indian constitution provides for a District Planning Committee with the mandate to do precisely the same thing – plan, implement and monitor socioeconomic 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 ironic that elected leaders of *panchayats* (and there are nearly 1.2 million at any one time, more than half being women) and officials attached to these institutions were never involved in any discussion of the MDGs (even though *panchayats* alone have jurisdiction over all matters covered by the MDGs).

#### 4.2 Contradictions

The emerging contradictions in the 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, today more Indians use mobile phones than toilets. By opening up the licensing in mobile telephony and providing spectrum at throwaway prices (including huge corruption running into nearly \$10 billion), the national government encouraged inexpensive mobile connectivity. Communications have become much more accessible today. But the loss of public revenue creates opportunity costs for investment in other priorities.

Second, tax breaks provided to IT companies over the past decade have made them global Indian icons. However, nearly 85 per cent of their turnover is in exports. The revenue so forgone has subsidised the growth of a powerful industry that employs less than 1 per cent of the labour force.

Third, the model of economic development focusing on growth in the formal sectors of the Indian economy has resulted in jobless growth.

A recent study (IAMR 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 per cent 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, 2013) are attending poor-quality private schools. This is also true in rural areas and for poor households. This trend continues at the 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 per cent 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 urbanisation. Nearly two-thirds of India's GDP and new jobs are coming from urban areas. The JNNURM (the 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) (GOI 2012b). The constitution of India mandates municipalities to be responsible for the socioeconomic development of citizens within their jurisdiction. But successive governments in this period have ignored investments in the institutional, human and financial capacities of municipalities.

Finally, the growing promulgation of rights and schemes for Indians does not translate into socioeconomic wellbeing for the vast majority of its people. Between 2000 and 2012, public investment in social sector development programmes increased nearly ten times to a staggering \$100 billion annually. Yet India's HDI rank 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 out for a substantial number of Indians. And the costs of private education and private health care have been ballooning.

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

#### 4.3 Contestation

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

The 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.<sup>3</sup> Yet the private business interests utilise those lands, forests, mines and water for huge private gains. This has led to violent conflicts in nearly one-third of the country's districts. Maoism is merely a new manifestation of this phenomenon.

The second dynamic is related to the absence of administrative and governance reforms. There is a long list of required reforms, from electoral reforms (so that criminals cannot contest elections) to reforms in the administration system, police and judiciary. Everyone knows what reforms are needed; the present regimes are party to those

forces that want the status quo to continue. In the absence of such governance reforms, investment in socioeconomic development does not reach those for whom it is intended.

The third dynamic is the growing disconnect between citizens and the state. India's democracy is failing the 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, young Indians are coming out on the streets and in the virtual spaces to condemn, demonstrate against and demand actions from the ruling class. This trend, if allowed to continue, could result in the youth of India losing faith in democratic participation itself (Tandon 2012).

Hence, the major challenge facing Indian society and the Indian 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 the 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 per cent improvement in transparency index ranking (from the present 94 out of 176) ([www.transparencyindia.org](http://www.transparencyindia.org))
- 50 per cent improvement in ranking for ease of doing business (from the present 132 out of 185) ([www.doingbusiness.org](http://www.doingbusiness.org))
- 100 per cent reduction (to zero levels) of Members of Parliament with criminal records (from the present 25 per cent) ([www.adr.org](http://www.adr.org))
- 50 per cent reduction in black economy as percentage of GDP (from the present 30 per cent) (*Business Standard*, 13 January 2013)
- Women parliamentarians and legislators form 50 per cent of the total (currently 10 per cent) ([www.electioncommissionofindia.org](http://www.electioncommissionofindia.org))
- 50 per cent of the recommendations made in the Second Administrative Reform Commission (2008) are implemented.

## Notes

1 [http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1327948020811/8401693-1355753354515/8980448-1366123749799/GMR\\_2013\\_Full\\_Report.pdf](http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1327948020811/8401693-1355753354515/8980448-1366123749799/GMR_2013_Full_Report.pdf) (accessed 17 July 2013).

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2 Institutions of local self-governance in rural areas.

3 Eminent domain theory refers to the ability of the state to take over land for its own purposes, claiming that it has the jurisdiction and authority to do so.

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