

Life of Rupees 32

- Ela R. Bhatt¹

Now, the Government of India is to revise the criteria of who is poor, as if India has not yet known!

The Government's submission that those spending more than Rs. 32 per day in urban areas or Rs. 26 a day in villages will no longer be called 'poor' and therefore not eligible for the government support lifting them from living the life of poverty.

Is Rs. 32 a day enough for a person to live? It is good that the discussion has come out in the light and out of the clutches of experts, economists and policy makers and has gone to those who have closer knowledge of poverty---the common people. For decades, the experts have written books based on studies about poverty and have devised complicated tools for measuring poverty and counting the poor while the poor themselves did not realize that all these efforts were aimed to reduce their poverty.

SEWA, the Union of 13 lakh women workers across India has welcomed this open and widespread debate on who is poor and what is poverty.

On learning about poverty line drawn by the India's Planning Commission, SEWA members, our sisters, are asking: "We see over 70% of families in India live with continuous income insecurity and social vulnerability, are they not poor?" The sisters point out that most workers in India are in the unorganised sector with insecure, low earnings, and no social security. Some days they may get work and earn, and many days they do not. Their expenses for health and medical care and education are enormously higher than their earnings and often lead them into debt. Do they not need government support?

No, says the Government. The poor must prove that they consume less than Rs 32 a day or Rs 26 in rural areas. It is not only the figures which are absurd, but also the "poverty line" which divides citizens of India into "poor" and "non-poor".

The poverty line is a device through which Government targets its benefits only to the poor. But this line is rather arbitrary. So, according to the Government's targeting plan, for example, in Ahmedabad city, 8% of population are below poverty line! Only they get the benefit of Government subsidies as most subsidies to the poor are intended only for those below this very low, rather arbitrary poverty line.

¹ Founder, Self Employed Women's Association,(SEWA), Ahmedabad. Email : bhattela@sewa.org

Everything is wrong with this targeted approach. Studies show that 50% the really poor do not have a BPL card. Even for those with BPL cards, the subsidies which are intended for them do not reach because of the delivery pipes clogged by corruption, neglect, and poor efficiency. Rising inflation, is rapidly making everyone poor, declaring an amount like Rs 32 every ten years, is hardly the way to approach dynamic poverty.

Sisters in SEWA believes that we need another approach. Not a targeted BPL approach that allows a non poor to decide who is poor and who is not poor, but integrated approach, drawing on poor people's own strengths. Integrated approach aims at building economic growth of the poor. It is most unfortunate that we have lost the faith in lokshakti i.e. people's strength, their resourcefulness.

The plea of SEWA sisters is that we first recognize the fact that over 70% of the population has benefitted far less from this decade of Growth. Those with high education, modern skills, social links, and capital have benefitted tremendously but benefits decline as we go down the asset, occupational and income scale. All are growing at different speeds, with the rich experiencing very high-speed growth and the poor experiencing lower and lower growth and in many cases negative growth. So, the first recommendation is:

Let us have Growth which involves **all**. Let us shift focus from economic growth of economy to economic growth large number of citizens. That is Growth of the poor and women. Let poor experience 8% growth rate as does the economy.

Secondly, at present incomes are very low. Although minimum wages have been declared, it is very rare for anyone to get them. In some occupations, workers earn barely half the minimum wage! The poor, women, self employed earn even less. The country's investments must be in the poor families to increase incomes and productivity.

Rising inflation is rapidly making poor more poor. Declaring an amount like Rs. 32 is hardly the way to tackle poverty in an era where the poor are faced with raising expenses of food, education, health and transportation. The experience of SEWA Bank has shown that a family of five needs at least an income of Rs. 7000-7500 per month **only** to survive. Two or more members' earnings are needed for the survival of a family of five in urban areas where the cost of living, including home rent, food, transportation and health, is very high.

Thirdly, health costs are today the single highest reason for exploitative debt. It is most important that affordable and high quality public health care be available to **all**. Most of

the women who borrow emergency funds do so to address health emergencies. We need a good quality universal, low priced public health system for all.

Fourthly, food security is a basic need. Certain basic foods like grains, sugar and vegetables should be made available at steady and affordable prices to **all**.

Five, educational opportunities, are open to well off families, but poor families either have to go into debt or send their children to low-quality schools, or private schools demanding unaffordable fees. School level education and skill training of good quality too should be made available to **all**.

Finally, it is better to localize benefits. Rather than Government of India deciding who is poor, the village itself, or the urban local community (mohalla) can identify those that need special help. Poverty line must be identified bottom up, by the poor, with the poor, and for the poor.

The Private Sector has to play a far more active role in the spirit of trusteeship, to make the goods and services of primary needs available to all, and not make them costlier, as we see today in the market: Production for all and not for the few must generate profits.

The Government will have to recognize and commit huge investments in poor people's lives and livelihoods **nearby** the place where they live and work.

Will the present approach of Rs. 32 and Rs. 26 to poverty line ever stop the widely prevalent child labour, forced migration, infant mortality, or youth's unrest, in India? No.

The life at Rupees 32 for Indian citizens in the decade of above 8% GDP is disturbing.