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HOW CAN NEW GOVERNMENT MAKES POVERTY FREE HAPPY INDIA

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As a conscious optimistic citizen one has a vision of a poverty free happy India. At a time when India is world's third largest economy, an intellectual pool and technology friendly country, existence of extreme poverty can't be justified any longer. Considering India is home to highest number of poor in the world, a poverty free India would be a significant contribution to realising a global vision of the poverty free world.

Poverty Alleviation

First and the foremost thing to benefit extremely poor community is their identification first using practical and acceptable eligible criteria and then targeting them through technical, financial and social protection support to help them cross over the poverty line in a time bound manner. Those who are just above the poverty line should also be identified and supported as any minor shock may pull them down below the poverty line.

Governance Reforms

Despite above 16 percent social sector expenditure in last few years out of the government's total expenditure, government schemes remained ineffective due to mismanagement and institutional incapacity.

Now on instead of bringing one scheme after other a significant effort should be focussed on reforming and capacitating number of government institutions that deliver

services to the poor to bring in more accountable in its functioning. These agencies should be properly resourced and capacitated, and wherever needed services should be outsourced to the private sector. Introduction of technology to make them effective and efficient is the need of hour. Efficient here means delivery of services and inputs to poor in a time bound manner and effective means delivering services and inputs that meet the need of the poor. This would require investment in human resource development and building infrastructures with use of IT to deliver transparent and time bound services.

Business Friendly Regulations

It has been established that private sector led growth after liberalisation of economy led to millions of poor families crossing over the poverty lines by creating new employment opportunities. This has happened despite India's 134th rank on the ease of doing business in 2013 indicating non conducive regulatory environment to starting and operating of a local firm. Imagine a scenario when regulatory policies become supportive of not only big enterprises but microenterprises as well through timely and single window clearances, extreme poverty could be eradicated sooner than expected. This would significantly help rural areas that have remained largely unaffected by the liberalisation growth story of last two decades.

An unregulated private sector may

have negative impacts on human rights, environment and feeding into rising inequality, price rise and more widespread deprivation. In a free market environment where wealth attracts wealth and rich become richer government needs to ensure that poor don't become poorer.

Boosting Microenterprises

The MSME ministry defines microenterprise in manufacturing sector is one where investment in plant and machinery doesn't exceed INR 2.5 million and for service sector investment in equipment doesn't exceed INR 1.0 million. It excludes investment in the land. Even among the microenterprise spectrum defined above the ones at the lower end of spectrum with investment say less than INR 0.1 million forms the majority in India but these don't get recognition and benefits under the current policy environment. These microenterprises are spread throughout India and have good potential for generating additional employment locally. Therefore, microenterprises with low investment, say INR 0.1 million should be defined separately and an exclusive national policy should be framed for their promotion and sustainability. This requires an inclusive saturation approach that targets each and every microenterprise in the country. R&M

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