

# Amartya Sen on India: Past and future

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It is 60 years now since I, like many other schoolchildren, stayed up till midnight, bleary-eyed, to hear Jawaharlal Nehru, soon to be prime minister of India, give his famous speech on India's "tryst with destiny."

This was on the eve of India's independence from British rule on Aug. 15, 1947. India would not only be, we were told, a fully democratic and secular state but also a country that will fight for "the ending of poverty and ignorance and disease and inequality of opportunity." It is interesting to ask how far along we have gone in 60 years in fulfilling that momentous resolve.

On the democratic front, India's success was immediate and came with astonishing speed. India became overnight the first poor country in the world to be a full-scale democracy. And there was--and is--success enough here. There was a short-lived hiccup in the 1970s when there was a brief attempt to change the system, but when the government sought endorsement in a general election for those changes, it was driven out of office by the voters.

There have been regular and orderly elections, and the ruling parties have vacated office when defeated in general elections, rather than calling in the army. India has also had other essential features of a democracy, in particular continued freedom and vigor of the media and independence of the judiciary, with the Supreme Court often disallowing decisions of those in governmental office on constitutional grounds.

So democracy has indeed flourished nicely in India, and that has been the case right from the time when India became independent after two centuries of authoritarian British colonial dominance. India's democratic success is sometimes seen only as a consequence of British rule, but that is comparatively recent history shared by a hundred or more other countries that also emerged from the empire, none of which has had quite the easy success that India has had with democracy.

In fact, as I have tried to argue elsewhere (in my book *The Argumentative Indian*, Piccador, 2005), India's long argumentative tradition and toleration of heterodoxy, going back thousands of years, has greatly helped in making democracy flourish with such ease. This would be remarkable enough for any poor country, but it was a much harder task in a land with a great many major languages, each with a long and proud history, and with a rich and old literature.

And there was, of course, the challenge of the multiplicity of religions in India, with nearly every religion well represented. Jews came to India in the first century; Christians in the fourth; Parsees immigrated as soon as persecution began in Persia in the late seventh century; and early Muslim traders started coming to the western coast of India from the eighth century, well before the later invasion of the north of India by Muslim conquerors in the late tenth century onwards.

Even though British India was partitioned into India and Pakistan in 1947 on religious lines, the vast majority of Muslims on the Indian side chose to stay on in India, and today India has nearly as many Muslims as Pakistan and many more Muslims than Bangladesh.

India chose to have a solidly secular constitution, and it is as a secular democracy that India has flourished. Secularism has been threatened from time to time by actions of sectarian groups, but the massive support for secularism across India has asserted itself again and again, the last time in the Indian general elections in 2004. In the political field, India's success today is a firm vindication of what, 60 years ago, it breathlessly tried to achieve.

The story is very different on the economic side. The growth rate of the Indian economy

remained stuck at its low traditional point of 3 per cent a year for a very long time. The economic policies needed substantial reform. In the old days, some wise guys used to put forward the thesis that India's growth rate was low because of its democracy, which seemed to many of us rather ridiculous.

But with continued low growth, that anti-democratic point of view gained some ground among high-octane commentators (never with the general public, though). When India changed its economic policies, the growth rate picked up as expected, without India becoming any less of a democracy to achieve this result.

The economic changes came amid much hesitation and huge resistance. To start with, India hastened slowly. The 1980s, which saw some moderate reforms, produced some quickening, with an economic growth rate of 5 per cent, which may now seem sadly slow but was much faster than what had happened in the early decades of independence, not to mention a century of colonial semi-stagnation.

But the economy was still full of problems connected with financial instability, trade imbalances and choking public administration. In general, what used to be called the 'license Raj' made business initiatives extremely difficult and at the mercy of bureaucrats (large and small), thereby powerfully stifling enterprise while hugely nurturing corruption.

When Manmohan Singh came to office in the early 1990s as the newly appointed finance minister, in a government led by the Congress Party, he knew these problems well enough, as someone who had been strongly involved in government administration for a long time. (This was after his stint as a very successful university professor at Delhi University where I was privileged to have him as a colleague.)

And Singh's response was sure-footed though cautious, given the complex politics of policy reorientation. While the going has been rough from time to time, the direction of policy change has been unmistakable from that point onwards, endorsed even by successor governments run by other political parties.

India is now getting used to its much higher rate of growth, first around 6 per cent a year and now about 8 per cent, occasionally touching 9 per cent. It is also remarkable that India's main success has come not in traditional areas of exports but largely on newer industries, with a large component of high-tech, such as the information technology industry, which has rapidly grown to be a giant from a very modest beginning.

Another area is that of pharmaceuticals. Even though in that field the Indian entry began with generic drugs (with a huge reduction--sometimes a cut of 80 per cent or so in the price for many essential drugs, like AIDS medicines), it is now going much more into new research as well.

There is reason enough to celebrate many things happening in India right now. But there are failures as well, which need urgent attention. For example, there is still widespread undernourishment in general and child undernutrition in particular -- at a shocking level. The failures include, quite notably, the astonishing neglect of elementary education in India, with a quarter of the population--and indeed half the women -- still illiterate.

The average life expectancy in India is still low (below 64) and infant mortality very high (58 per 1,000 live births). It is certainly true that India has narrowed the shortfall behind China in these areas--that is, in life expectancy and infant mortality--but there is still some distance to go for the country as a whole.

The problems are gigantic in some of the more 'backward' states like Bihar and Uttar Pradesh. And yet there are other states in which the Indian numbers are similar to China's.

There is also one state, Kerala, where the life expectancy is higher than China's (75 years at birth, as opposed to China's 72), and infant mortality lower (12, as opposed to China's 28).

Kerala has had good state policies of supporting school education for all and making sure that it works, and has provided free health care to all for many decades now. Even though now many better-off families choose private medical care, everyone still has the option of having health care from the state.

If India has to overcome these failures, it has to spend much more money on expanding the social infrastructure, particularly school education and basic health care. It also needs to spend much more in building up a larger physical infrastructure, including more roads, more power supplies and more water. In some of these, the private sector can help.

But a lot more has to be spent on public services themselves, in addition to improving the system of delivery of these services, with more attention paid to incentives and disciplines, and better cooperation with the unions, consumer groups and other involved parties.

On the basis of some investigations that have been done by the Pratichi Trust (a trust I was privileged to set up in 1999 through the use of my 1998 Nobel money), it is clear how much needs to be done and can be done to change the organizational structure of school education and basic health care. (We studied only one part of India, but the results from other studies from elsewhere in India are often quite similar.)

However, aside from organizational change, more public funds, too, will be needed. Where will the money come from? Well, to start with, India can spend a much higher proportion of its public resources on school education and on basic health care, on both of which its percentage share of public spending is among the lowest in the world.

There is, furthermore, good news that has been discussed astonishingly little. If the total revenue, from taxes and other channels, of the central and state governments keeps pace with the rapid growth of the economy, when the economy is growing at 8 per cent a year, that would be a big rate of increase of available funds for public services.

As it happens, government revenue has persistently grown faster than the growth of gross domestic product: in 2003-04, the economic growth of 6.5 per cent was exceeded by the revenue growth of 9.5 per cent, and in 2004-05 to 2006-07, the growth rates of 7.5 per cent, 9 per cent, and 9.4 per cent have been bettered, respectively, by the expansion rates of government revenue (in 'real terms'--that is corrected for price change) of 12.5 per cent, 9.7 per cent and 11.2 per cent.

Money will continue to come very rapidly into the government's hands if the fast economic growth continues. What is critically important is to use these generated resources to remedy India's continuing deficiencies, in particular in basic health care, in school education and in rapidly expanding its physical infrastructure.

So, as we look back over the last 60 years, some things have happened well enough, and some, where the gaps were large, have started to catch up. However, there are other areas in which there are still huge shortfalls. These gaps would need to be urgently remedied. We know what to do, and there are resources to do it. What we need now is some determined action to do what we can do and must do.

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