India: Welfare vs Well-being

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Abstract: Into the sixty-seventh year of independence shall we find our nation in a few days, a span of a generation; however, the nation’s state of development yet gives a vibe akin to the ones witnessed under the colonial times: poverty is huge, the government is inept and the economic institutions have failed badly (and unfortunately still exist, undeterred). The main issue with our country has been illogical and quixotic policies aimed at prosperity of the masses. The governments have yet not been able to reconcile with the truth that the benefit of the rich and the common class is not always mutually exclusive. Majority of the investment of the government is in inept and the economic institutions have failed badly (and unfortunately still exist, undeterred). The main issue with our country has huge problems at every level.

Whether these welfare schemes have done the masses any good, is something the whole world knows perfectly clearly. It is time for our government to direct its policies towards actual welfare: creating jobs by spurring investment and bringing about financial and economic independence of it people.

Keywords: Profit, Indian Debacle, Subsidies, Economic Empowerment

1. Introduction

India, having witnessed unparalleled economic boom in the past two decades when recently was struck with a jolt, an unwelcome signal that it might be its time to return to the pre-liberalisation era, the impact was so huge that the biggest and the most influential party found its way spiralling down from the throne of power to the lowliest of the gutters.

The whole propaganda of welfare, social equality, and communal harmony was not enough to have Congress being prevented from its shameful humiliation that even surpassed the one that it faced in the first elections after Indira Gandhi’s infamous emergency.

Whether the new party shall deliver or not, time will be a better judge of that; however, the point worth consideration is that India, even the most ignorant and illiterate of masses have begun to assert their wish to lead a prosperous life, akin to the ones people enjoy in the developed world.

In the name of welfare, the nation found its way towards bankruptcy in 1991, thankfully prevented by Narsimha Rao’s regime. However, the two decades of the boom, the basic principles of which Nehru would’ve had abhorred, have become the most glorious decades of the Indian Independence.

The welfare schemes such as Public Distribution System (PDS), unproductive subsidies, etc have acted more like a drain on the nation’s resources than acting as a boon. Indira Gandhi’s “Gareebi Hatao” actually ensured that there was a section constantly in need of the government’s charity. The immense power that one institution, the government wielded in the name of it representing the people caused huge problems at every level.

2. Profit: The detestable word

Nehru, once, as rumour has it said that profit is the most loathsome word which he shall never want to hear again. Having witnessed the immense power and ruthlessness of British corporations (the first of which was the infamous “East India Company”), he was bound to be pre-disposed towards the Lenin-style socialism which did Russia a great good until it was reversed by Stalin, a contemporary of Nehru. (1)

While growth was inevitable post-independence owing to huge scope of development that was required, it somewhat didn’t pick up as was expected. The last fifty years of the previous century saw poorer countries like South Korea, with zero resources and over-populated territories, grow as established developed countries while India’s negation of International trade and privatisation caused the nation to remain a minor force in global economics, and even worse resulted in her becoming one of the most impoverished nations in the world.

3. The post war miracle and the Indian debacle

The post-war expansion of trade post the WWII did not benefit India owing to its policies promoting autarky. The country had an objective to become self-reliant, the motto resulted in India struggling to grow while Japan, Italy and the four Asian tigers viz. Singapore, Hong Kong, Taiwan, South Korea grew at huge rates in the same time period; (2) (3) (4)

To have India aligned to the Soviet-influenced development model; the country rooted out all possible chances of private ownership and international trade. In the same time-frame, South Korea, Japan, etc. developed as they targeted markets in foreign lands; the immense poverty in these nations, especially South Korea, was tantamount to no real market existing in their own native land, so it was a wise step to target established markets providing them cheap services.

While these countries adopted a method of logical development, India was all for doling out charities, financing inefficient public enterprises, investing finances where they were to yield no return. These charities, though, targeted at unproductive well-being of the masses, making them depend indirectly on government’s tax revenue. Paradoxically, the country aimed at self-reliance by making its masses dependent upon the government’s welfare policies. India had and still has the most logically incoherent welfare policies.
4. Subsidies: An exercise in futility

Subsidies are a crucial and debatable aspect, more so in context of a developing nation. While it is true that the very prospect of these subsidies may sound emotionally appealing, their actual functioning in the Indian context is way opposite to the promises it makes. There have been many numbers of times when popular opinion has proved to act against the long-term benefit of the economy and the issue with subsidies is no different. Not until very recently, this paragon of social equality was the premise on which the Soviet-inspired Indian socio-economic scenario was founded; however, the recent boom and unprecedented economic improvisation brought about in the 1990s has caused the charity-fond Indian poor class to think otherwise. It is a fact not unknown to any of us as to how PDS has been manipulated to serve the interests of the bureaucrats and the employees engaged in it rather than act as an actual welfare provider. Also, isn’t it better that employment generation by encouraging investments be made a priority so that people are actually made capable of expenditure, expenditure that fuels the growth of the economy.

5. Employment Generation: Creating an economically empowered India

A well-respected journalist in one of her articles recently stated that the prime reason why Modi has made an impact is because he tries to give to India a vision that does not have millions of poor soliciting government aid. He tries to erase the image etched in our minds by the British and perpetuated by ill-performing governments: that there is always going to be an under-privileged class looking up to the higher class for charity benefits. Whether PM Modi succeeds in promoting this wave of the Indian dream or not, is a question that will be answered by the future, but what is to be noted here that people want employment, self-dependency.

The developed world is no Utopia but the levels of poverty we have in India are not to be found there. An average daily worker shall earn enough to live in a good house and eat good food, even in over-populated countries like South Korea, and yet their enterprises shall be in a state of profit.

Recently, the government’s rejection of the Vedanta investment in Orissa has caused big giants like Posco to withdraw. The amount of employment these companies would’ve had generated would have caused immense economic empowerment among the people.

6. Conclusion

What seems evident is that the key to development is investment that leads to employment-creation. However, the Indian policies have always been anti-investment. What Nehru failed to realise was that profit is the basic requirement for an organisation to work and that the financial well-being of an organisation affects the financial prosperity of its employees.

The point worth noting is that the legacy of the infamous License Raj continues up to this day. The Environment ministry under Jai Ram Ramesh works with a target to curb development, investment in manufacturing sector and instead of coming up with alternatives it is solely preventing any investment.

The only way India can prosper is by economically empowering its masses for only then education will seem valuable and only then can our masses be socially empowered and responsible in every sense.

References