

# INCLUSIVE DEVELOPMENT

*Not as Charity but as Investment*



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# The Poor Are Always With Us

*No matter how rich or how poor a country is,*

*No matter what policies it follows,*

*Whether capitalist or socialist or any other,*

*Whether democratic or totalitarian,*

**HALF THE POPULATION WILL ALWAYS BE**

**POORER THAN THE OTHER HALF.**

*We cannot eliminate poverty*

*We may only make it more bearable*

# Inclusive Growth, Inclusive Development

- ◆ Inclusive Growth is physical
- ◆ It can increase; it can decrease
- ◆ It depends on income
- ◆ Inclusive Development is chemical
- ◆ It cannot be easily reversed
- ◆ It depends on wealth, status etc

# Indian Government Policy

- ◆ The Indian Government got itself re-elected
  - By offering NREGA
  - By canceling massive agricultural loans

***That is Inclusive Growth***

- ◆ It will vanish when the scheme is withdrawn
- ◆ It is not self sustainable

# The Choice

Give one fish to eat

or

Teach one to fish?



# Mumbai

- ◆ Anybody willing to do any work
  - Can get a job within a few days in Mumbai
- ◆ However willing to work,
  - One cannot get a job easily in any village
- ◆ But, Mumbai cannot provide shelter
  - Even for the middle class
  - While villages do for the poor even

# Self-Sustaining Development for India

Guarantee every poor the following:

- ◆ Dwelling with water, electricity, sanitation
- ◆ Training in employable skills for every adult
- ◆ Mass transport that offers access to:
  - Schools, hospitals, markets



# A Virtually Self Encompassing Scheme

- ◆ The scheme creates new high paid jobs
- ◆ Enough income to pay for new amenities
- ◆ But not for the imports the poor need!



# Export Business Needed

- ◆ The poor need to buy some goods
  - Which they do not make themselves
- ◆ For that they need export income
  - Export to the non-poor
- ◆ That income they will get only if they work
  - For **MODERN** businesses owned by the rich
- ◆ The rich and the poor need one another!



# Essential Issues

1. Villages do not offer jobs; cities do
2. Cities do not offer shelter; villages do
3. The poor should export goods and services
4. The poor have no assets; they are indebted

*How do we develop poor villagers?*

# The Plan

1. Locate close to a new, large business:
2. Offer employees shelter, schools, hospital and markets - as a commercial proposition
3. Build shelter for other employees too
  - Once again as a commercial proposition
4. But subsidise the poor – charge marginal fees
5. Offer a bus to every village (free?)
6. Get maximum help from the state

*Let villagers get 20 per cent of the income*

*Guarantee income for ten years*

# Suggestion

- ◆ Will anyone develop a business plan?
- ◆ Get initial capital for the scheme for:
  - Schools/ hospitals/ mass transport
- ◆ Let the poor enjoy those services
  - By paying marginal costs only

*That may need a million dollars or two*

*I will contribute two million rupees*

**Development is investment, not charity!**