

'Suffering of the poor will go on if. . .'

Amberish K Diwanji | February 03, 2005 | 12:31 IST



Professor Jeffrey D Sachs, reckoned as one of the world's leading economists, is well-known as a friend of India.

Ever since India's economic liberalisation began, he has been a regular visitor to the country, urging for greater reforms and advocating increased government involvement in the social sectors such as primary education, universal public health, food guarantee for all and rural telecommunications.

In fact, his reputation as an advocate for sustainable development saw him appointed as the director of the UN Millennium Project, an ambitious scheme that aims to eradicate extreme poverty and hunger by 2015, besides a number of other such goals.

The project team brought out a report that was submitted to United Nations Secretary General Kofi Annan on January 17, 2005.

Professor Sachs -- who is currently at Columbia University (he was based at Harvard University for many years) as director of The Earth Institute and as professor for sustainable development and for public health and management -- was in New Delhi for the India launch of the UN Millennium Project Report.

After releasing the report, he dwelt on the Millennium Project and its aims, and called for a larger role by India in the world.

He later spoke to the media about India's role in helping eradicating poverty worldwide and his concerns about India.

Is India's economic growth an essential aspect of getting rid of poverty?

The Indian economy is developing at a rapid pace. This is very important to achieve all the goals. But what is needed now is increased investment targeted at some of the specific goals of health, water and nutrition.

If these investments can be made, then India can really achieve all the goals (as listed by the Millennium Project). India is on the path of eliminating extreme poverty but it has to make an added effort to do that.

What will be your agenda for the meeting with the Planning Commission?

I am going to discuss the concepts that we laid out in the 'Millennium Goal Based Planning.' In other words, we have to make plans ambitious enough to achieve the goals.

The Planning Commission makes public investment strategy. I would like to ask whether these strategies are sufficiently bold to achieve the breakthrough listed in the Millennium Development Goals.

In some areas, the answer is yes, but in some areas the answer is vague. Public health is still way behind. There is a lot of work to be done in this sector.

You said that it is not possible to focus on only one goal and that to achieve holistic development one has to focus on all the necessary areas. But does India have the resources to do all of that?

First, one cannot invest in just one aspect of poverty. For example, you may invest heavily in rural primary schools, but if the poor are too ill or unhealthy due to lack of investment in public health, they won't attend the schools.

So there has to be a balance. Now India is spending around 4 per cent of its gross national product on education. That is a reasonable sum. But it is spending only one per cent of its GNP on public health, and that is not enough. This is a dramatic under-investment. This has to rise significantly.

Clearly, India has to invest more in rural infrastructure. We need to make estimates to ensure that every village will have adequate safe drinking water, and roads leading to major highways. I haven't seen costing in some sectors.

The bills of several projects may turn out to be high, posing several questions like, are these low priority spending areas that could be reverted to these higher spending areas? Are there areas of mobilising new resources that don't pretend that the poor can pay for what they can't afford?

And can the international community do more to help India in what I regard is the transition decade (2005-2015) to get out of extreme poverty into full-fledged

development.

For a decade, India would need development help, in not just a bunch of small projects but a few large projects in health, nutrition, rural infrastructure. I think the international community can help India get rid of extreme poverty.

The Indian government is keen to push through primary education and health. How do you see its efforts?

As I said, the government is spending around 4 per cent of GNP on education, that is not a bad sum at all. Many advanced countries spend around 5 to 6 per cent on education, so clearly India is on the right track on education.

But in public health, the expenditure is less than one per cent of GNP. Clearly this is an under-investment.

There is a move to increase the health investment but as far as I can see, it is still not on a trajectory, not bold enough to really provide effective health service for the country, one that would achieve health for the poorest of the poor, including getting the AIDS and other epidemics, and infant mortality (which remains very high), under control.

India also has one-fourth of all TB (tuberculosis) cases in the world. These are areas that need more investment.

The international community can do much more to help India to finance these high priority areas. The government has to introduce an investment programme to achieve these goals in the next 10 years.

Of course, the private sector has to support this breakthrough with rapid economic growth but not presuming that alone will solve the problems of the poorest of the poor.

What do you think about private sector participation?

This is a very important point. In general, the private sector will not help the poor because they can't afford market costs. This is where the public sector has to come in.

If there has to be a public-private partnership, say, in water or power or irrigation or public health, it must assure access to the poor.

A lot of these public-private partnerships are not well designed. They presume the poor can pay what they can't afford. I would like to see public-private partnerships use public finance to subsidise free provisions of central needs so that the poor aren't left with nothing or in a desperate situation.

A true public-private partnership uses expertise, technology and management practices of the private sector, but uses public finance to ensure universal access to the most desperately poor people.

Are you saying that the private sector has no role to play?

I am talking about public investment in those areas where I think the public sector has a primary responsibility such as primary education, health, basic infrastructure. A country needs a vibrant private sector as well.

Fortunately, India now has a vibrant private sector. India is achieving very rapid growth; it is one of the fastest growing economies, as it now competing with China in economic growth.

I support private sector growth. But there is a major public sector responsibility in health, education, and basic infrastructure that must be met, otherwise the poor won't escape from their poverty trap and their suffering will go on. This won't just be tragic, but also cause harm to the overall economy.

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