

Poverty and Rising Social Inequality in India

By [Colin Todhunter](#)

Global Research, September 03, 2012

Region: [Asia](#)

Theme: [Poverty & Social Inequality](#)

The issue of poverty keeps rearing its inconvenient head in India. The Planning Commission tends to keep on shifting the poverty line, but it is always at a ludicrously low level, which underestimates the numbers actually living in poverty. But playing fast and loose with India's poverty line has almost become a trendy pastime.

The truth is that poverty is an embarrassment. It is an embarrassment to many of India's rich and to a good number of politicians, who like to portray the country as an emerging superpower, with its space programme, sophisticated weaponry, sports towns, growth figures, Formula 1 race track and gleaming malls.

Apart from such headline-grabbing trappings, India also houses the second largest number of affluent people in the world, with three million households having over \$100,000 of investable funds. While this represents just 1.25 per cent of households, it is again the kind of phenomenon that some love to promote as part the myth of India sitting at the top table of nations.

Reality check. One in four people in India is hungry and every second child is underweight and stunted. In 2011, India was 73rd out of 88 countries listed in the annual Global Hunger Index, six places down from the previous year. The 2010 Multidimensional Poverty Index indicated that eight Indian states account for more poor people than in the 26 poorest African countries combined. According to this measure, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal have 421 million poor people. This is more than the 410 million poor in the poorest African countries.

Instead of concentrating on GDP growth figures, how about we focus on the annual poverty alleviation figure? The former fluctuates between eight and nine per cent, while the latter is 0.8 per cent, virtually the same as it was 20 years ago. The sacred scripture of free market 'trickle-down' dogma has not delivered.

But, hold on a minute. The eight or nine per cent GDP economic growth figures tell us that India is thriving. Right? Wrong. The rich in India are thriving, but the poor, and these days given the inflationary pressures, many of the middle classes too, are struggling to get by. If the growth figures tell us anything, it is that they – the poor and large sections of the middle class – can be said to be paying for the lifestyles of India's rich.

The logic of 'development'

Step inside the gated communities or a plush 27-storey one billion dollar plus Mumbai house and arrive in a Forbes nightmare world of privilege and wealth. Step inside the brand spanking new shopping malls, and you could be forgiven for thinking that you were in London or New York, with the plastic food joints, bland international chains and an air-

conditioned macburger world of cola dens and coffee bars. These swish temples of modernity are a statement of perhaps where India wanted to be, of where part of India thinks it now is.

But India is capitalism's success story, isn't it? Or so the media like to tell us. Despite the logic of capitalism being to drive down costs and increase profits, politicians in the West are trying to change perceptions of India among their own populations. They are attempting to eradicate the notion of it being a land of call centres and back offices that takes jobs from the West and replace it with the idea that trade between India and the West is a two-way relationship that is creating jobs, growth and higher living standards for all concerned.

The reality is somewhat different. For example, a deal struck between India and the US for Harley-Davidsons a couple of years ago will not benefit plants in the US because a new assembly unit in India is to be built. Setting up shop in India not only often leads to the use of cheap exploited labour that works long hours with few if any rights, but also puts downward pressure on existing labour costs in the West. This is the whole logic behind 'outsourcing'. It's a win-win situation for CEOs and shareholders alike.

Servicing the well-to-do by providing them with Harleys, overpriced coffee and i-phones is what 'development' is all about for those who will financially profit. On his visit to India in 2010, it was noticeable that Barak Obama and his entourage had little to say about the 75 per cent of the population that lives on less than two dollars a day. Not much was said about India's warped development that creates rich-list billionaires while maintaining so many in poverty or merely hovering above it. There seems to be no invite, no reservation at the top table, no impending arrival at destination corporate-driven-nirvana for those people and others like them.

In the West, workers' jobs and wages are heading one way – downwards. In large parts of India, especially with increasing food, worklessness and petrol costs, things are just as tough. Listening to political leaders you'd be hard pressed to notice though. They and the media are adept in twisting the truth and passing off such things to their respective populations as necessary blips in the journey towards to some cheap con-trick notion of the promised-land.

There is a shift in power occurring across the world – from the poor and less well off to the rich, boosted by an economic system that ensures the flow of wealth goes upwards via what academic David Harvey calls 'accumulation by dispossession' and these days reflected in massive handouts to bankers, public services cutbacks or wages that continue to fall in real terms. When politicians speak of 'inclusive growth', it is nice talk. But that's all it is. How could it be anything else, especially in India as the government continues to sell the country to western financial and corporate interests?

The new colonial masters

India has been moving increasingly closer to the US in recent years and, by implication, complying with its geo-political and economic hegemony. In return for the US sanctioning, supplying and facilitating the development of India's nuclear industry (despite India not being a signatory to the Non-Proliferation Treaty and having developed a nuclear bomb – contrast its treatment to that of Iran, which is a signatory and cannot be proved to be pursuing a nuclear weapons programme), the Indian economy is being prized open on behalf

of western retail, agribusiness, pharmaceutical and various other concerns.

On August 15, India celebrated Independence Day. Some 65 years earlier, Nehru stood in Delhi and spoke about a tryst with destiny. Free from the shackles of British colonialism, India was on course for a bright new future.

But appealing to base instincts, greed and narcissism has become the priority value of 'modern' India. Shopping and consumerism have become the concerns and priorities of India's misinformed and misled creamy layer. Misinformed by news outlets that pass off infotainment for news. Misinformed by a government that cosies up to western multi-nationals with secretive 'Memorandums of Understanding' and then proceeds to target some of the poorest people in the country as 'the enemy within'.

Part of India's own self proclaimed 'war on terror' is taking place in the highly mineral rich mountains and jungles of Chhattisgarh, Orissa, Jharkhand and Andhra Pradesh. State governments have already signed hundreds of agreements with companies to begin mining and build steel and aluminum plants and other industries. How easy it was for the Indian government to discredit any legitimate protestor in those regions as a Maoist or Naxalite insurgent. How easy it was for it to then attempt to secure those areas for rich foreign companies by killing thousands and forcing nearly 50,000 adivasis (tribal people) into camps in order to control dissent.

Some 300,000 people have been forcibly displaced. Hundreds of thousands of security personnel have poured into the region with sophisticated military hardware.

Despite Nehru's misty eyed views, the Indian and western elites are now the new colonial masters in India. Is this the bright new future he had in mind?

But imagine for a moment a world where India pursued a more independent path that would be strident in its rejection of predatory capitalism and US-led militarism increasingly aimed at China, India's neighbour.

Imagine a model of development that would in fact be inspired by particular policies adopted by the likes of Cuba, Bhutan, Venezuela, Costa Rica and Bolivia, which place strong emphasis on health, 'happiness', education or bio-diverse agriculture and not least on the rights of indigenous peoples, sustainability, respect for the environment and/or common ownership

Unfortunately, imagination does not match the reality.

For many foreigners who visit India, it is the land of the great philosophies. It is the land of spirituality, morality and enlightenment. Many view India through this distorted prism. It is this rose-tinted perception that brings them here. For other foreigners, however, it is a land ripe for the taking. And Washington knows it.

India threw off the shackles of colonialism in 1947. And long ago it threw off the shackles of any moral philosophy. There's a new game in town. And it's based on selling anything you can get your hands on to the highest bidder, even the soul of the country. Now there is a new colonial master on the block.

Whether it's the waging of war on its poorest people or the collusion with foreign governments and corporations to loot the economy for profit, successive Indian

administrations have conspired to deceive their own people as they work hand in glove with Wall Street and proponents of 'free trade' and neo-liberalism to sell the lie of freedom and independence to an affluent section of the population eager to believe it and willing to regard the oppression of the country's poorest folk as 'collateral damage' in the drive to secure 'necessary economic infrastructure'.

With 75 per cent of the population living on less than two dollars a day, the influence of western agribusiness leading to well over 200,000 farmers' suicides and large parts of the country under military law, politicians and the media abroad still talk of India as capitalism's miracle, as democracy's great success story. The old clichés and convenient lies are often trotted out about a land of enterprise and growth, Bollywood and glitz, millionaires and cyber parks.

But there's always Bollywood novacaine, the infotainment obsessed media or the latest Forbes rich list to distract or dull the pain, isn't there? Better still – the stroke of a bureaucrat's pen in drawing a new poverty line will do just fine.

The original source of this article is Global Research
Copyright © [Colin Todhunter](#), Global Research, 2012

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Colin Todhunter](#)

About the author:

Colin Todhunter is an extensively published independent writer and former social policy researcher. Originally from the UK, he has spent many years in India. His website is www.colintodhunter.com
https://twitter.com/colin_todhunter

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca