

Think Outside The Box: India needs a socially inclusive budget

16 Jun 2009, 0557 hrs IST, Bina Agarwal

We have a new government. We await a new budget. Here is a chance to think outside the box for a socially inclusive budget. Five schemes suggested here would mean taking a less-beaten path.

First, laws can be empowering only with legal awareness and legal access. We need to build a countrywide network for this purpose. In 2005, the UPA government passed more pro-people laws in one year than most previous ones did in five: the Right to Information Act, the National Rural Employment Guarantee Act (NREGA), the Hindu Succession (Amendment) Act and the Domestic Violence Act. Potentially all provide major benefits for the vulnerable. Yet unlike laws like NREGA which translate directly into policy, those promising rights have little impact since people lack legal information and advice, especially in villages.

We should create a mobile legal camp service with a lawyer and a local NGO member visiting each panchayat for a full day, on a fixed day each month. This team would create awareness on new laws through written and visual materials in the local language; advise those coming to the camp with particular problems; and provide a referral system about legal services and legal aid if people want to file a case. It could cost as little as Rs 1.2 lakh per year per panchayat at Rs 10,000 per team visit. We could cover 20 per cent of our 2.3 lakh panchayats in the first year with only about Rs 550 crore, and cover 100 per cent over five years with about Rs 2,750-3,000 crore. This would be an important step towards legally empowering villagers, especially the poor and women.

Second, we need housing support for single mothers. Divorce and widowhood as well as domestic violence leave women with children especially vulnerable. Even most middle class single mothers cannot afford the two- or three-bedroom flats typical in government housing schemes, but many could afford studio flats with one room, a kitchen and toilet, with low interest loans. Thirty per cent of all government flats should be studio flats, sold at under Rs 2 lakh each. Only single mothers should be eligible to buy them. Resale should be barred to prevent speculative buying, but bequests to daughters or female relatives could be allowed.

Third, we need a new approach to vocational training. Technology and vocational institutes (TVIs) should be set up for students after class VIII (when large numbers drop out). The TVI curriculum could have two components: a vocational component to teach a job-oriented trade such as carpentry, car mechanics, plumbing and so on; and a general education component for learning, say, English, basic accounting and computers as well as learning about legal rights, civic duties, environmental awareness and gender sensitisation. Those passing a test held after two years would get a certificate. The qualifying person could have three options: a two-year apprenticeship with pay with the private sector, with placement help from TVIs; a two-year teaching assistantship within TVI; or entry into a higher level vocational institution recognising the TVI certificate. This could be a public-private partnership for linking vocational education with employment, and building a middle-level cadre with skills in great demand in construction and other sectors.

Fourth, we need to promote a group approach to farm investment and cultivation, for both higher productivity and economic security for the rural poor. The Indian farmer today is small and increasingly female: 70 per cent of farmers operate 1 hectare (ha) or less. A feminisation of agriculture is also occurring: relative to 51 per cent of male workers, 71 per cent of women workers are in agriculture. Women form 39 per cent of our agricultural workers and are growing, but individually they cannot easily access land or technology for productive farming.

We should introduce a grant-cum-subsidised loan scheme with two components. One would be for marginal farmers (men or women) owning 1 ha or less who form a group of 8-10 to jointly invest in irrigation wells, bulky farm equipment, etc. The group would own the asset. The other component would allow groups of landless women to buy land jointly and farm it collectively. Half the fund could be a grant and half a low interest loan repayable over five years. Funds would be conditional to forming a group. If 10 women jointly buy 10 acres, an acre each could be registered in each one's name, but cultivation would need land pooling.

Self-help groups of the poor should be eligible. As a group, women farmers could take advantage of economies of scale, share risks and labour, afford crop insurance, get better terms in contract farming and improve access to credit, infrastructure and technology. Poor Dalit women in Andhra Pradesh have successfully done land purchase and joint farming in many villages, taking advantage of a state government scheme. We need a similar countrywide central scheme.

Finally, all states should be advised to budget for a women's component plan in their panchayati raj institutions (PRI), as Kerala has done, setting aside 10 per cent of the grant-in-aid in PRI budgets at all tiers: district, block and gram. It is hoped that the finance minister will take these five suggestions.

The writer is professor, Institute of Economic Growth, Delhi.

