



Fast growth will save lives not the Food Security Bill

By: Swaminathan S. Anklesaria Aiyar – May 12, 2013

Amartya Sen wants to estimate the number of deaths caused by the delay in passing the Food Security Bill. He thinks this may shame Opposition politicians into ceasing disruption of proceedings in the Lok Sabha. “To capture people’s attention, you have to have a number,” he says.

Fine, but let’s hope Sen will also estimate deaths caused by faulty policies that historically kept India’s GDP growth slow, and have once again slowed growth today. He loves to emphasise that for any given GDP growth, better social investment will improve outcomes. Why not equally emphasise that, for any given level of social investment, faster growth will also improve outcomes and reduce deaths?

Sen gained fame by estimating that 100 million women were “missing” because of gender discrimination that led to excess female mortality. He looked at the male-female ratio in China, South Asia, West Asia and North Africa, and asked what would have happened if these regions had the same sex ratio as in Western countries where women and men receive equally good care. He calculated that these countries would have had more than 100 million extra women.

Now, this was a very simplistic calculation, ignoring the many factors influencing female mortality other than sex discrimination. Indeed, this explains why Sen published this article in the New York Review of Books: any top economic journal may have rejected it for want of economic rigour.

His critics included economist Emily Oster, who suggested that the high incidence of hepatitis B in women in Asian countries, rather than discrimination, could be the main cause for high mortality. A separate careful review by demographer Ansley Coale suggested that the number of “missing women” might be far lower at 60 million. These criticisms didn’t dent Sen’s reputation at all. Despite its lack of rigour, Sen’s calculation of 100 million missing women caught the public imagination because it highlighted, in simple language, the enormity of social disasters that can flow from gender discrimination. What mattered was not the precision of data but the magnitude of the social disaster.

We need similar estimates of social disasters caused by lack of economic growth. Back in 2009, I wrote a paper for the Cato Institute titled “Socialism Kills: The Human Cost of Delayed Economic Reform in India”. ([http:// www.cato.org/publications/development-briefing-paper/socialism-kills-human-costdelayed-economic-reform-india](http://www.cato.org/publications/development-briefing-paper/socialism-kills-human-costdelayed-economic-reform-india)). In the same spirit of inquiry as Sen, I estimated the number of “missing children”, “missing literates”

and “missing non poor” as a result of delayed economic reform and the consequent poor growth performance of India.

The paper noted that for three decades after Independence, India suffered from the slow Hindu rate of growth of 3.5%. This accelerated with mild reforms in the 1980s and more comprehensive reforms from 1991 onwards. The paper considered what would have happened if the reforms had started just one decade earlier in 1971, produced faster growth, and produced the better social outcomes actually observed in India with faster growth.

The paper calculated elasticities — the rate at which infant mortality, literacy and poverty had changed with economic growth. Using these elasticities, the paper calculated what social outcomes might have been if the reform process and faster growth had begun in 1971. The results were startling. With faster growth, infant mortality would have fallen much faster. So, between 1971 and 2008, 14.5 million infants would have been saved from death.

The numbers for literacy were equally startling. India would have achieved almost 100% literacy by 2007. That would have meant an additional 261 million literates.

What about poverty? Delayed reform and slower growth kept an additional 109 million people below the poverty line. This calculation used the old Lakdawala poverty line — the more recent Tendulkar poverty line would yield a far larger number. In sum, delayed reform, resulting in slower economic growth, led to a huge social disaster — 14.5 million “missing children”, 261 million “missing literates” and 109 million “missing non-poor”.

Critics can say these calculations are simplistic: social indicators are affected by many factors other than growth. Yes, but exactly the same criticism was made of Sen’s calculation of “missing women,” yet this did not affect the relevance or importance of his paper.

I invite Sen and others to rework my calculations. Maybe some critic will estimate, for instance, that Nehru-Indira socialism killed only say 10 million children and not 14.5 million. That will not change the fact that it was a monumental social tragedy.

The proportion of people saying they are hungry in any month fell from 15 per cent in 1983 to 2% in 2004. The 2011-12 survey will probably show it at just 1%. This has been achieved by faster growth, and it eclipses anything the Food Security Bill will achieve.