

HEAD TO HEAD

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Should rich countries stop sending development aid to India? No

The UK has announced that by 2015 it will stop sending aid worth some £200m a year to India. **Jayati Ghosh** (doi:10.1136/bmj.f78) says foreign aid is not key to development, but **Nisha Agrawal** says that aid can help the half a billion people in India who live on less than \$1.25 a day

Nisha Agrawal chief executive officer of Oxfam India, 2nd Floor, 1, Community Centre, New Friends Colony, New Delhi 110 025, India

The UK's recent decision to end aid to India from 2015 seems to have been taken after a media debate that generated more heat than light. India, the British public were told, is a powerhouse that has moved up the international economic league achieving middle income status. It could and should do more to tackle its own poverty, and it doesn't need outside help.¹

But when you look beneath the headlines about India's space programme and burgeoning economy, you find a country that is home to a third of the world's poor people and that cannot afford to eliminate domestic poverty.

There are more than 400 million people in India living below the global extreme poverty line of \$1.25 (69 rupees, £0.77; €0.95) a day—more than the combined total populations of the United States, Australia, and the United Kingdom.² Even taking account of the small but growing number of super rich elite, India's average income per head is just \$3650, a 10th of that for Great Britain, comparing gross domestic product per capita using purchasing power parity to adjust for different costs of living.³

The needs of poor people in India are no different to people living in Africa or anywhere else—shelter, food for their families, drugs when they get sick, schooling and with it the chance of a better life for their children. Although we have 61 billionaires, in India 217 million people will go to bed hungry tonight.^{4,5}

There is not enough money among India's elite to help such a vast number of poor people. Nor is there sufficient money among the middle classes. Martin Ravallion, director of the World Bank's development research group, has calculated that even if the Indian government confiscated every last rupee from every Indian living on more than \$13 a day (the US poverty line) and gave it all to people living on less than \$1.25 a day it would eliminate only "a modest fraction" of Indian poverty.⁶

Ravallion's analysis was published the day before the UK announced it would end aid to India and almost certainly after

the decision had been taken. But should it have made any difference?

To my mind, aid should be given to the countries where it is needed most to combat poverty and inequality, and the extent to which a country is able to solve its own problems is a crucial factor in determining that need.

Of course aid must also make a difference. UK aid to India has helped 1.2 million children go to school in the past 10 years and lifted more than two million people out of poverty in the poorest states. Aid has helped push polio to the brink of elimination.⁷ So it is clear that UK aid—targeted at the poorest states—does reach the people it is supposed to help.

But critics of sending development aid to India haven't got it all wrong. India might not be able to afford to end domestic poverty but those who point out that India's wealthy elite, its government, and its civil society need to take more responsibility are absolutely correct.

As India cements its newfound status as a middle income country, we cannot expect to be able to rely year after year, decade after decade on the goodwill of foreigners to help Indians in poverty. Nor would we want to. It is time we did more ourselves.

That is one reason why a few years ago, Oxfam India became a fully fledged partner in Oxfam International, funding our work in India by raising donations from the Indian public. It is vital that Indian philanthropists (individuals, trusts, and foundations) help fill the void created by departing international donors. Within India the culture of giving is growing, but slowly.

The 0.9% of national income the Indian government spends on health is the lowest in the world and nothing short of a scandal when you consider that despite recent improvements, a mother in India dies in pregnancy or child birth every 10 minutes.⁸

Education spending at 3% of gross domestic product is little better.⁹ Requiring the individuals and companies benefitting

most from the booming economy to pay their fair share in taxes would allow both figures to be increased considerably.

Here too aid has a role to play: it embarrasses wealthy Indians to do more than they would otherwise. Aid not only pays for vaccinations, but it also encourages the Indian government to buy more vaccines itself. Statements from ministers about the country no longer needing aid simply betray that embarrassment.

I wish the reality was different. I wish India had developed to the stage where it could indeed solve its own poverty problems, where a focus on trade in place of, rather than alongside aid would be enough. That day may not be far off and there are ways to bring it closer—changes to trade rules to allow Indian farmers to compete fairly with heavily subsidised European and US producers, for example.¹⁰ But when you look at the evidence rather than the headlines it is clear that ending aid to India in 2015 is too hasty.

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