

# Investing in People

*Empowering communities*



## India Green Economy Barometer 2017



MAINSTREAMING  
ALTERNATIVE  
PERSPECTIVES  
Towards Sustainable Economies



**Development  
Alternatives**

**G**rowing inequity and unemployment particularly among the young, wastes human potential and stunts innovation. We argue that the moral case for inclusive economic growth is sufficient, but that the environmental and economic cases are also resounding. A green economy offers an opportunity for redistributing access to our natural and financial capital, in order to create more resilient and diverse economies capable of providing stable job prospects.

The prospect of a green economy offers potential for alternative ownership models that will share natural and financial capital more equitably. It offers opportunities for new jobs and employment prospects in emerging and transformed industries that are less dependent on volatile commodity prices for their core business.

### **Economic resilience**

The concentration of power into fewer and fewer hands, be they businesses or individuals or political elites, undermines the longer-term resilience of our economies. Work forces become inflexible, businesses become desensitised to key environmental and social risks, and communities become dependent on single (and often external) revenue sources. All too often, businesses and initiatives are becoming 'too big to fail'. Conversely, economies that encourage diversity, local entrepreneurship and a variety of different business models have been shown to be more resilient to the ever changing demands of the global market.

### **Prosperous societies**

If we invest in the natural world but fail to invest in people, the future green economy is going to remain almost as unequal and unjust as the current one. Experience has taught us that more equitable access to our natural resources can have multiple benefits, including the creation of jobs and improved stewardship of our natural resources.

### **Business opportunity**

The shift to a green economy will favour those companies that can actively make the transition themselves by transforming their business models. This will involve different objectives, namely, to fulfil social and environmental goals, as well as financial ones. It will also mean that employees can apply their skills in new ways, providing training and retraining where it is required.

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## Background – State of People

The disparate benefit of economic growth of India has been a key feature of Indian economy, since independence. The economic growth model with a focus on GDP has led to large increases in wealth and infrastructure facilities and growth of transport, information and communication technology. However, this has not translated into increased employment opportunities vis-à-vis demand, and has not catered to basic needs for its population.

### State of basic Needs Fulfilment

The **Human Development Report** (UNDP, 2010) found that poverty levels in 8 out of 29 Indian states is acute as those in the 26 poorest African countries. It homes about 421 million poor. The acuteness of poverty can be assessed by the accessibility and affordability of basic services like health, education, energy requirements, drinking water, etc. Approximately, 680 million people in the country at present cannot meet their essential needs. (McKinsey Global Institute, 2014) This is also evident by India's low rank of 135 among 187 countries, on the Human Development Index. (UNDP, 2013)

- Around half of the population does not have **access to clean piped water** and improved sanitation, which is a contributing factor to the spread of diseases such as diarrhoea which kills 300,000 children a year in India. (Nandi, 2016) According to a baseline survey done by the Ministry of Drinking Water and Sanitation in 2012, only 38.81 per cent of households in rural India had toilets. (MoDWS, 2012)
- About 15% of India's food production is currently dependent on unsustainable **groundwater use**. In rain-fed or drought-prone areas, where subsistence farming is more prevalent, increased competition between farmers reliant on available groundwater results in a spiralling cycle of well deepening or redrilling, and the purchase of new pump sets. Overall, up to a quarter of India's harvest has been estimated to be at risk due to groundwater depletion. (World Bank, 2015)
- An estimated 260 million people in India, mainly in rural areas, do not have access to clean modern sources of **energy** (Sustainable Energy for All, 2015) to meet their needs at home and at work. This restricts their ability to improve their standard of living and to secure their livelihoods (Pueyo, 2013) by using energy for cooking, lighting, flour mills and water pumping systems for drinking water and irrigation. (Krishnaswamy, 2011)
- India is saddled with one of the highest levels of

**hunger and malnutrition** in the world. More than half of Indian women aged between 15 and 49 years are anaemic, and more than one-third have a low body mass index. Among children younger than age five, 48 per cent have low height-for-age, and 42.5 per cent have low weight-for-age. Further, India has reduced hunger only marginally over the past two decades. (OECD/FAO, 2014)

- The **health** outcomes of India have made a substantial progress over the last two decades, with improvement in living conditions, public health interventions and progress in medical healthcare. Despite this progress, the health indicators are far from a desirable benchmark. Life expectancy at birth in India was at 66.3 years in 2012, which is 14 years lower than the OECD average of 80.2 years. (OECD, 2014) India's Infant Mortality Rate, at 43.2 deaths per 1000 live births in 2012, is still higher than the average of low and middle income countries, at 33 per 1000 in 2010-15. (UNDESA, 2013)
- Another important need for India is to increase access to financial institutions and services. According to The Little Data Book on **Financial Inclusion**, 2015, only about 53 per cent of adults (aged 15+) in India have bank accounts. Pointing out that total financial inclusion could be achieved with an investment of less than 0.1 per cent (USD 1.8 billion) of the GDP (which was USD 1.8 trillion in financial year 2013), British brokerage Barclays has estimated that this investment would deliver a return of up to 0.9 per cent of the GDP per annum. (Press Trust of India, 2014)
- The shortage of urban **houses** in India stood at approximately 19 million units in 2012, and it is expected to grow at a CAGR of 6.6 per cent for 10 years, till 2022. (Press Trust of India, 2015) Of this, approximately 95.6 per cent of the shortage is expected to be from the Economically Weaker Sections (EWS) and Low Income Group (LIG) households, who cannot afford houses costing above INR 15 lakhs, according to a KPMG report. (KPMG, 2014) The report has also projected that by 2022, majority of housing demand is expected to be from LIG and MIG segments of households, constituting 50 per cent of the total housing demand.

### Education and Skill Development

- According to the Annual Status Of Education Report (ASER) 2014, India is now close to universal enrolment for the age group 6-14, with the percentage of children enrolled in school at 96



per cent or above, for the last six years. (Pratham Education Foundation, 2014) However, in the age group 15-16, there are still a considerable number of children who are not in school, including drop-outs. (16.6 per cent)

- India's higher education system is the third largest in the world, next to the United States and China. (World Bank, 2007) Indian higher education system has expanded at a fast pace by adding nearly 20,000 colleges and more than 8 million students in a decade, from 2000-01 to 2010-11. (Choudaha, 2012) However, India's GER (Gross Enrolment Ratio) in higher education was only 21.1, as of 2012-13. (MoHRD, 2014) The Indian government has announced a target of achieving a GER in higher education, of 30 per cent (which is close to current global GER average).
- Estimates indicate that only about 2 per cent of the existing workforce has undergone formal skill-training and about 15 per cent has marketable skills, while 90 per cent of jobs in India are skill based and require vocational training. (Simon M., 2014) The government of India has announced a target of skilling 500 million individuals by 2022, of which the National Skill Development Corporation (NSDC) is responsible for skilling 150 million individuals.

### Who are the ones Left Behind?

- India also has an elaborate and rigid caste system: Hindu forward **castes** (Brahmins, Kshatriyas and Vaishyas) and Other Backward Classes (Shudras), Scheduled Castes (also called "Untouchables" and Dalits) and Scheduled Tribes (also called Adivasis); there are also non-Hindu minorities, such as Muslims. (Mogul, 2016) An estimated two-thirds of Scheduled Castes and three-fourths of Scheduled Tribes live in multidimensional poverty (BBC, 2016), with these groups being more likely to have malnourished children and lower life expectancy. (Save the Children, 2013) Entrenched discrimination violates Scheduled Castes' rights to education, health, housing, property, freedom of religion, free choice of employment, and equal treatment before the law. They also suffer routine violence. (Arauco, 2015)
- National Sample Surveys show that Scheduled Tribes, **Scheduled Castes, Muslims and Other Backward Classes** (in that order) have a much higher probability of being in low wage jobs and living in poverty, as compared to the general 'Hindu caste' population. (Thekaekara, 2016) While this is partly explained by unequal access to quality education, it is also due to discrimination which determines job

opportunities for different castes. Thus, the lower castes are forced to do the same jobs for lower wages, resulting in the wages being kept low for them, even as they rise for others. (Human Rights Watch, 2007)

- India ranks 132 out of 187 countries on the **Gender Inequality Index** – lower than Pakistan's rank at 123, as in the Human Development Report. (UNDP, 2013) There are lower rates of female participation in the workforce across all income groups; and men are, on an average, paid 2.5 times more than women. (Ghosh, 2015) Factors reducing participation of 'self-employed' women in rural areas include increasing mechanisation of production which makes their work undercounted, and environmental degradation which makes collection of fuel wood and water even more difficult. (World Bank)

### Rising Inequalities

- According to the Forbes list of **billionaires**, the number of Indian billionaires increased from 9 in 2004 to 40 in 2007 and 100 in 2014. (Oxfam, 2014) At the same time, India faces massive multidimensional poverty, and inequality has only gone worse since 1994. Even though the proportion of population living in extreme **poverty** has declined rapidly from 47% in 1947 (Minhas, 1970) to 22% in 2012 (Madgavkar, 2014), the absolute numbers have increased from 191 million people in 1950 to about 270 million in 2012. (Planning Commission, 2013)
- **Inequalities** show a rising trend. The share of income captured by the richest 10% increased from 26% in 1993 to 30% in 2011 (Ghosh, 2015), while according to data from Credit Suisse, the richest 1% now own 53% of the country's wealth. (World Bank) Oxfam has estimated that if India were to take measures to reduce inequality, it could lead to 90 million people being lifted out of extreme poverty by 2019. (Agarwal, 2016)
- India is predicted to have the largest **middle class** in the world, by 2050. (Oxfam, 2014) This has contributed to a growing global middle class, defined as the one earning between USD 2-13 a day, which, in 2010, was around 264 million people.

### Jobless Growth

The 2013 Economic Survey cautioned that by 2020, India could face 16.7 million '**missing jobs**'. The opening up of the economy was expected to increase the "employment intensity of growth", but what seems to have happened is that it led to an increase in "skill-intensive services, rather than in labour-intensive manufacturing". (Mathew, 2014)

Figure 1: Jobless growth in 2011



Comparing **incomes** from agriculture with other sectors of the economy highlights the lower rates of pay. Between 1970 and 2015, the Minimum Support Price (MSP) for wheat increased 19 times. In comparison, in the last 35 years, the basic salaries have increased for government employees by as much as 150 times, for college teachers and university professors by as much as 170 times, for school teachers by up to 320 times and for top corporate executives by almost 1,000 times. (Ghose, 2012) These income inequalities highlight inequality in access and opportunity (access to natural, financial, physical, human and social capital), which help to determine the extent to which a farmer can benefit from agriculture.

The Financial Times (Bhaduri, 2008) reported that the TATA steel plant in Jamshedpur employed 85,000 workers in 1991 to produce 1 million tonnes of steel. In 2005, the production rose to 5 million tonnes, while employment fell to 44,000. This shows that even though output increased approximately by a factor of five, the employment dropped by a factor of half. The mechanisation of industries, making them more capital-intensive than labour-intensive, is one of the reasons for saturation of employment opportunities in the organised sector.

### Decentralisation of Decision Making Process

Panchayats - institutions of rural local self-government - form the last tier of multi order federalism in India. Panchayats derive their power from the sub national government, i.e. the state government which bears the responsibility of nurturing and developing them.

The Devolution Report, developed by the Ministry of Panchayati Raj Institution, evaluates the

performance of States/Union Territories(UTs) in terms of devolution of the 3Fs (Funds, Functions and Functionaries), in addition to the capacity of Panchayats. Following are some highlights from the state ranking:

- **Functions:** In the dimension of Functions, Karnataka tops the list with an index value of 57.90 followed by Maharashtra and Rajasthan with an index value of 56.31 and 52.97, respectively. Kerala, Madhya Pradesh, Tamil Nadu, Odisha and West Bengal are other states, in that order, with scores over 50. It can, thus, be noted that 15 states, including two North Eastern states, are placed above the national average of 34.06, while all the UTs are below it.
- **Finance (Funds):** Maharashtra is leading with an index value close to 55, followed by Karnataka, Kerala and Tamil Nadu with values of 49.97, 48.52 and 46.26, respectively. Disappointingly, the dimension with maximum indicators registers a low national average of 29.45. However, 12 states, including one North Eastern state - Tripura, are above the national average in this sub-index.
- **Functionaries:** Maharashtra ranks the highest with an index value of 75.37. However, Kerala is ranked as second in this dimension with a score of 68.55, followed by Karnataka at 63.12. Gujarat and Haryana have secured scores above 50, along with the North Eastern state of Tripura (53.34). Scores of five other states and the union territories of Lakshadweep (39.82) and Dadra & Nagar Haveli (39.17) are above the national average of 36.9.
- **Capacity:** West Bengal secures the first rank in Capacity Building dimension with a value of 81.18, closely followed by Rajasthan, Karnataka, Chhattisgarh and Maharashtra with values of 79.43, 79.04, 78.52 and 75, respectively. Tamil Nadu, Kerala, Jammu & Kashmir, Madhya Pradesh and Assam scored more than the national average of 49.3. It is heartening to note that Jammu & Kashmir has made a remarkable achievement in capacity building by scoring an index value of 51.61, which augurs well and conveys the state's commitment to strengthen Panchayats.

It is clear that **Maharashtra** has secured the top rank in the composite Devolution index, as well as in the key sub-indices of finances, functionaries and accountability. The state is among the front runners in releasing the Thirteenth Finance Commission grant on time. Panchayats in the state enjoy maximum power to levy taxes and non-taxes. The state ranked first in the Accountability dimension as well, with an excellent score in the indicator of 'social audit'. (Ministry of Panchayati Raj, 2013)

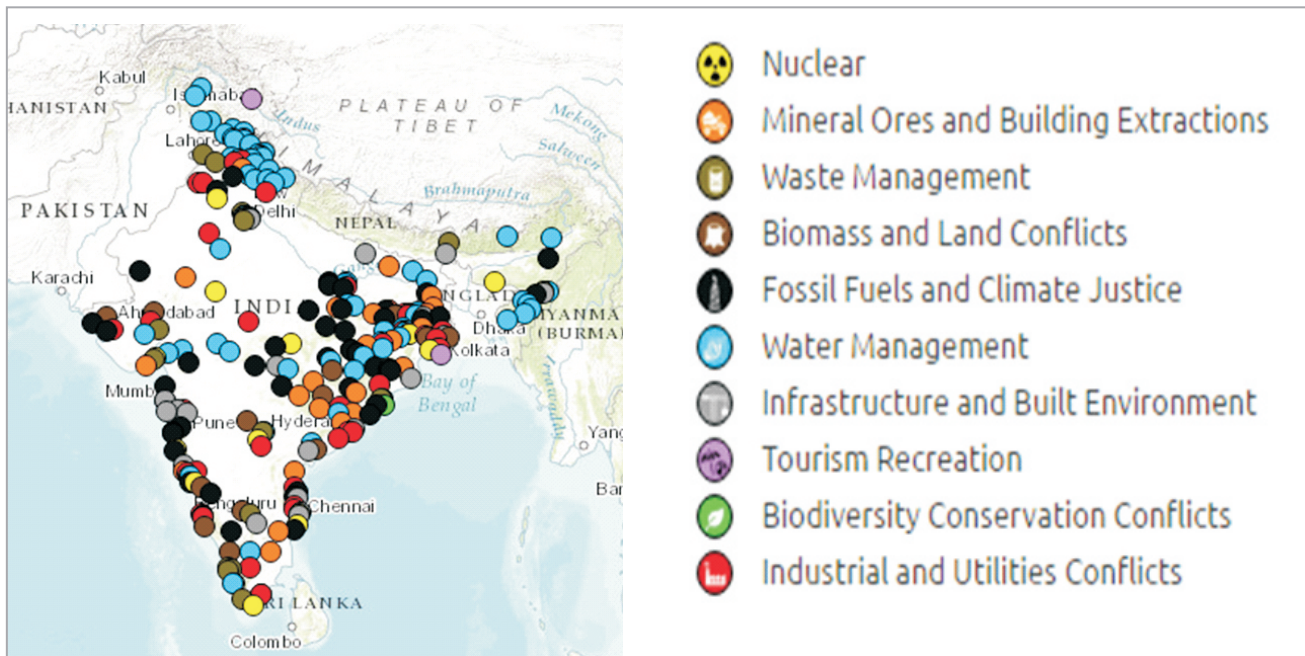
## Conflicts of Interest: People and Development

Lower caste tribal groups (Sharma, 2016) are especially impacted, with Amnesty International arguing that those tribal communities with strong links to land and forests “have suffered disproportionately from development-induced displacement and environmental destruction in India”. (Central Fact Finding Team, 2015) People living in rural areas are especially impacted, which is significant because natural resources constitute a key part of the livelihoods of approximately 833 million people living in rural areas. (Amnesty International, 2016) The most marginalised often depend on agriculture, forests, fisheries etc. for their livelihoods and survival. (Ranjan) A report by the Rights and Resources Institute and Tata Institute of Social Sciences has found that land-related conflicts in India affect about 3.2 million people and impact investments worth over USD 179 billion. (Bhamra, Shanker, & Niazi, 2015) Over 200 cases of socio-environmental conflicts have been catalogued by scientists and activists, the number being the highest among 133

countries in the Environmental Justice Atlas. (Refer – Figure) Conflicts related to the ‘water management’ category appear highest with 59 cases, followed by conflicts in fossil fuels and climate justice category with 47 cases, and the industrial and utilities conflicts category with 36 cases. (Rights and Resource Initiative, 2016)

It is estimated that around 60% of India’s energy is generated using coal; consequently the government has plans to significantly increase coal production to meet the growing energy demand, (International Energy Agency, 2015) even if this is not as high as previously stated. Amnesty International notes that around 70% of coal is located in central and eastern regions, (Greenpeace, 2016) such as Chhattisgarh, Jharkhand and Odisha, where over 26 million members of lower caste Adivasi communities live, accounting for nearly 25% of the Adivasi population in India. (Darby, 2015) (Rowlatt, 2015)

**Figure 2: Social & environmental conflicts in environmental justice atlas**



Source: <http://ejatlas.org/country/india>



## Trends in Action - Government

An analysis of the 2016-2017 Budget argues that the government has not dedicated sufficient resources to help vulnerable groups, and is unwilling to raise corporate, wealth and capital gains taxes. (Chandrashekhar, 2016) It sees fiscal deficit reduction as its main priority, particularly to satisfy foreign investors to continue the dramatic rise in FDI flows which rose by 39% between 2013 and 2015. (Narendra Modi, 2015) Oxfam India has already argued that “more than half of FDI in India is channelled through tax havens” and that “money that can be invested to tackle inequality is diverted by tax breaks & public-private partnerships”. (Oxfam India)

Some of the government programmes and efforts that have contributed to investing in people are elaborated below:

### Self Help Groups – An Initiative for Self-employment

The implementation of SHGs has generated self-employment opportunities for the rural poor. The progress of the programme since inception led to the formation of 35.7 lakh SHGs and generation of INR 12.4 million. The Government of India released INR 114.86 billion under the programme; the total subsidy provided is INR 93.18 billion. The social impact of the SHG programme caused an increased involvement in decision-making, awareness about various programmes and organisations, increased access to such organisations, and increased expenditure on Health and Marriage events. Because of SHGs, women now know about their local political institutions such as the Gram Panchayats, and have gained better knowledge on where to report certain types of grievances. As part of the political empowerment process, it is a pertinent fact that many women have not only been elected in the Gram Panchayats, but have become the role holders too. (Manisha, 2016)

### Initiatives on Financial Inclusion

- **Pradhan Mantri Suraksha Bima Yojana (PMSBY):** Considered to be the cheapest accidental death cum disability insurance policy with an annual premium of just INR 12, it has received a massive positive response from most of the Indians. Although the insurance cover is small - INR 2, 00,000 for accidental death and INR 1, 00,000 for partial disability - considering the fact that nearly 80% of the country's population does not have any insurance, the scheme has evoked a very good response as it will increase the insurance penetration to the remotest locations of India. Until now, due to high

annual premium by private insurance companies, not everyone was able to buy a policy. But this has become possible with Suraksha Bima.

- **Atal Pension Yojana:** This pension scheme was launched with the sole purpose of providing post-retirement pension to the workers from unorganised sector, in order to meet their daily needs. According to it, contributions can be done monthly/quarterly/every 6 months, with an equal amount contributed by the government of India; there would also be an option to prematurely exit from the scheme before the age of 60 years. Pension amount receivable would be in the range of INR 1,000-5,000.
- **Jeevan Suraksha Bandhan Yojana:** This scheme is a Raksha Bandhan gift and has been launched with an objective to drive PMSBY and PMJJBY. Through this Yojana, brothers can gift social security schemes to their sisters by purchasing a gift card worth INR 351 and deposit scheme worth INR 201, which will be used for making the premium payment for Suraksha Bima Yojana and Jeevan Jyoti Bima Yojana.
- **Pradhan Mantri Jan Dhan Yojana:** Opening a zero balance saving account for every unbanked Indian household was the main objective behind the launch of PMJDY. Overdraft facility of INR 5,000 is also available, provided the account is kept active for 6 months after opening. While some banks are also opening accounts for existing customers, majority of them have restricted to only those with no bank accounts.
- **Sukanya Samriddhi Yojana:** With a mission to secure the financial future of the girl child, this small savings scheme – Sarva Shiksha Abhiyan (SSA) – was launched under the 'Beti Padhao Beti Bachao' initiative. For the year 2015-2016, the interest rate offered was 9.2%.

### Decentralised Renewable Energy for the Last Mile

- **Electricity Act, 2003:** The act has opened up the rural electrification market to decentralised distributed generation systems. It promotes decentralised generation and distribution of electricity to institutions like the Panchayats, users' associations cooperative societies and NGOs in rural India that are not under the purview of distribution companies. In addition, private developers are free to set up renewable energy based generators and sell electricity to rural consumers. (Bhushan, Goswami, Kumarankandath, Agarwal, & Kumar, 2014)

- **Rooftop solar policies of state governments:** States like Gujarat, Andhra Pradesh, Uttarakhand, Karnataka and Tamil Nadu have policies to promote solar energy generation from rooftops of residential, commercial and industrial buildings. The response to these policies has been highly encouraging. Although the results of this policy are likely to be realised quite slowly, the stage for re-inventing electricity generation with power from rooftop installations has been set. In the coming years, we could see thousands of energy producers feeding the grid or supplying electricity to consumers through local mini-grids. We could also see millions of consumers generating their own electricity and feeding the surplus to the grid. (Bhushan, Goswami, Kumarankandath, Agarwal, & Kumar, 2014)

## Education and Holistic Development

- **Sarva Shiksha Abhiyan (SSA):** Education for All: The Right to Education (RTE) Act, enacted in 2009 and enforced from 1-4-2010, gave a statutory base for providing education. SSA, launched in 2001-02, addresses the educational needs of children in the age-group of 6-14 years by strengthening educational infrastructure in terms of opening of new schools, construction, renovation and expansion of school buildings, and providing other amenities like text books etc. It covers about 194 million children in over 1.22 million habitations.
- **The Integrated Child Development Services (ICDS):** This is a nutrition and child development scheme launched in 1975 with the objective of improving the nutritional and health status of children in the age group of 0-6 years, to reduce the incidence of mortality, morbidity and malnutrition and enhance the capability of mothers to look after the health and nutritional needs of their children. The programme covers about 89.3 million children and pregnant/lactating mothers.
- **The Mid Day Meal (MDM) Scheme:** It covers elementary education (upto 8th class) and aims at providing free "hot cooked mid-day meal with the stipulated, nutritive and calorific value". About 120 million children are being covered under this scheme.

## Basic Needs Related Programmes

- **Housing:** Indira Awas Yojana is essentially a public housing scheme for the poor, below poverty line (BPL) houseless families, identified by the community through Gram Sabhas, allowing the criteria suggested for such identification to be renewed from time to time. Assistance for construction of a new house would

be Rs.70, 000/- in plain areas, INR 75,000/- in hilly states is provided.

- **The National Rural Drinking Water Programme (NRDWP):** It ensures supply of adequate water for drinking, cooking and other domestic needs on a sustainable basis in rural areas. Access to sanitation in rural areas is provided through Total Sanitation Campaign (TSC) which follows a community-led and people-centric approach, with components like information, education and communication for demand generation of sanitation facilities, individual household latrines, community sanitary complexes, school sanitation and hygiene education (SSHE) etc.
- **A Targeted Public Distribution System (TPDS)** is in place to provide subsidised food grains to the disadvantaged populace. It will also facilitate operationalisation of the proposed National Food Security Act, which will then provide statutory food security to the vulnerable.
- **National Rural Health Mission (NRHM):** In order to provide health security, especially to women, children and the poor residing in rural areas, NRHM was launched in 2005. It adopts a synergistic approach covering vital determinants of health, like nutrition, sanitation, hygiene and safe drinking water. Its major goals are to reduce infant and maternal mortality rates, prevent communicable and non-communicable diseases etc.

## Decent Work and Labour Rights

- **National Floor Level Minimum Wage (NFLMW):** Apart from both the Central and State Governments fixing minimum rates of wages under the Minimum Wages Act, 1948, for various employments under their respective jurisdiction, the Central Government fixes the NFLMW, revising it from time to time. It presently stands at INR 115 per day, w.e.f. 1-4-2011.
- **Self-employment and wage employment:** Swarnajayanti Gram Swarozgar Yojana (SGSY): Under SGSY, financial assistance is provided to members of Below Poverty Line (BPL) families for creating income generating assets through a mix of bank credit and subsidy.
- The organised sector workers are being provided social protection through operation of various Acts, like The Employees' Compensation Act (1923), The Employees' State Insurance Act (1948), The Plantation Labour Act (1951) and The Maternity Benefit Act (1961).



## Targeted Social Security Programmes for the Very Poor

- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** It aims at enhancing the livelihood security of people in rural areas by guaranteeing 100 days of wage employment in a financial year to a rural household.
- **Indira Gandhi National Old Age Pension Scheme (IGNOAPS):** Under IGNOAPS, all citizens living below poverty line (BPL) and above the age of 65 years are provided pension of INR 200 per month, from the Central Government. In addition, State Governments provide old age pension ranging from INR 200 to INR 1000 per month.

## Reservation Policy of India

The following reservations exist in India:

It has been observed that the policy of minority political representation has been effective in reducing

poverty for individuals close to the poverty line. This impact, however, has been felt more in the urban areas, than rural areas. According to an estimate, a 1% increase in SC representation reduces urban poverty by 0.2%, whereas the same increase in ST representation reduces urban poverty by 0.7%. Reservations have helped improve enrolment of SC and ST candidates, who would not have otherwise pursued higher education, into universities and other institutes of higher education. As per statistics, the proportionate representation of SC and ST students in total higher education enrolment has been rising slowly. From the late 1970s to the late 1990s, the SC proportion has seen an elevation from 7% to 7.8%, while the ST figure rose from 1.6% to 2.7%. If compared to the total population figures of these two classes, which is 16% and 8%, respectively, it can be seen that by the end of the century, SC and ST student representation in the higher educational institutions had reached roughly one-half and one-third of their representation in the population as a whole. (Alexis Foundation, 2016)

**Table 1: Reservation policy of India**

	Caste			Gender
	Scheduled Castes	Scheduled Tribes	Other Backward Classes	Women
Lok Sabha	15.4%	8.6%	-	-
Local elected bodies	In proportion to population in state	In proportion to population in state	Decided by state laws	33%
Public Sector jobs	15%	7.5%	27%	-
Central govt. funded higher education institutions	15%	7.5%	27%	-

## Trends in Action – Businesses

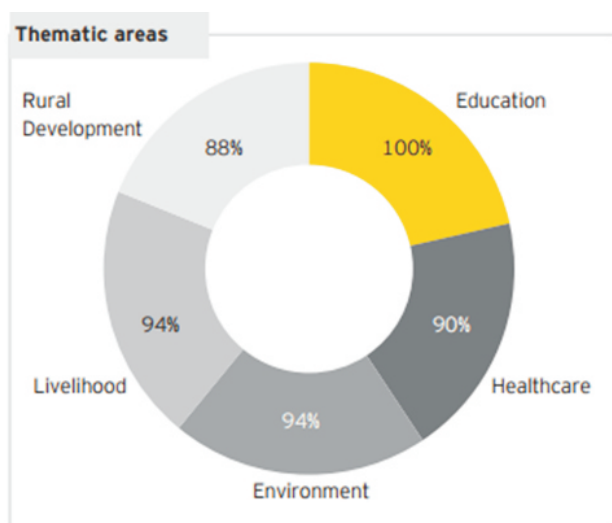
Business mobilisation form an important core of the green economy agenda, since it is businesses which often take the lead in driving innovation and new strategies to both enhance and expand economic growth. The dual challenges facing business are inclusion and innovation, with the latter incorporating concerns of employment in the era of aggregation and technological advancement, and the latter spanning growth that can devise ecologically-sensitive and people-centric business models.

- **Urban inclusion:** A major fillip is being given to green buildings in India, as one of the modes of urban inclusion through equitable and inclusive housing for all. With more than 40 per cent of India's population expected to be in urban areas by 2030, the volume of green buildings will increase dramatically, reaching 20 per cent of all building stock by 2018. The rating system has been adopted by major Indian companies. These green buildings are designed and constructed as better buildings. India also reports greater decreases in operating costs for retrofits than the global average, which may encourage more growth in that sector.
- **Corporate Social Responsibility (CSR):** India's CSR landscape is witnessing improvements. There has also been a change in terms of companies choosing to opt for sustainable supply chains, with the number of companies committing to procuring raw material at a fair price going up from 4 in 2015, to 9 in 2016; and the number of

firms committing to human rights policies going up from 40 in 2015, to 54 in 2016. Also, in 2015, 60 firms did not have a policy on giving priority to local suppliers; this number has gone down to 39 in 2016. A study by E&Y analyses the CSR activities of 50 companies from the S&P BSE Top 100 Index, in order to identify the trends of CSR activities in India. The common themes covered by the companies under their CSR initiatives include health, education, livelihoods, environment and rural development. Of these thematic areas, education is the most common one, and research indicates that 100% of the companies included in the research were found to have some initiatives on education, followed by livelihoods and environment, and then health care and rural development.

- Some CSR initiatives (Prathima, 2015) are highlighted below:
  - o As part of its Corporate Service Corps (CSC) programme, IBM has joined hands with the Tribal Development Department of Gujarat for a development project aimed at upliftment of tribals in the Sasan area of Gir forest.
  - o TATA Chemical spends INR 120 million every year on wildlife conservation, especially conservation of whale shark-a rare species.
  - o Mahindra group's programme, 'Nanhi Kali', focuses on educating the girl child. CSR is a mix of strategic philanthropy, shared values & sustainability.
  - o Siemens invests in raising health awareness in India. Fitness, in general, is still not a high priority for most people in India. To change this, the Health Management team at Siemens India introduced the Fit4Life programme.
  - o Coca-Cola India has supported community programmes with a focus on education, health and water conservation. The company has commissioned 400 rainwater harvesting systems, provided clean drinking water to more than 100 schools, supported school projects, and driven reform in sustainable packaging, disaster relief and rehabilitation.
- Among the clear low points of business for the people, is India's poor record in **rehabilitating** and providing justice to people displaced by various industrial projects. The mining projects in Jharkhand, Odisha and Chhattisgarh have seen serious displacement of the locals and the tribal people. Here, it is not the rule of law, but arbitrary

**Figure 3: Thematic distribution of CSR expenditure**



Source: Ernst & Young and PHD Chambers of Commerce and Industry, 2013

politics of crony capitalism that rules the roost. Most recently, locals from 25 villages of Tamnar block in Raigarh district staged 'Koyla satyagrah' on Mahatma Gandhi's birth anniversary. . They were demanding rights to their land and the coal extracted from it.

- According to the 2012–13 Comptroller and Auditor General Report of the Government of India, on the land acquired for **special economic zones (SEZs)** initiated in 2005, at least 38% remains unutilised- manufacturing industries account for only 9%, and only 8% of the employment target has been met. “Land banks” created in some states of India hold acquired land, from which large industrial houses and companies choose land in suitable locales with considerable time lags.



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## References

GER is the number of actual students as a share of all potential students. In higher education, it is the number of students enrolled in higher education as a share of the total population of age 18-23.

Functions – Effective transfer of functions as envisioned in the 73rd Amendment Act

Functionaries – Adequate number of functionaries to discharge the functions under the control of elected leadership

Funds – Commensurate funds to discharge their functional responsibilities

***“Green economy cannot be attained without involving people in their respective geographic region. If the people dependent on forests/mines; around the mining area become the shareholder of the economy generated due to mining activities, they will conserve and take care of the environment; and this will boost local economy. Local communities as shareholders to development are instrumental for a green economy.”***

- Bhakt Charan Das, Member of Parliament (Congress)

***“Governance systems are dictated by local elites and feudal lords. There is a need to strengthen Forest Rights Act to provide real power to the local communities for ownership of the natural resources. At the same time, there is a need for a strong independent civil society network that works in transparent manner, to track and review government and business action towards people and nature’s well-being.”***

- Dr. Mohan Gopal, Rajiv Gandhi Institute of Contemporary Studies

## **About Development Alternatives Group [www.devalt.org](http://www.devalt.org)**

Development Alternatives (DA) is a premier social enterprise with a global presence in the fields of green economic development, social equity and environmental management. It is credited with numerous technology and delivery system innovations that help create sustainable livelihoods in the developing world. DA focuses on empowering communities through strengthening people’s institutions and facilitating their access to basic needs; enabling economic opportunities through skill development for green jobs and enterprise creation; and promoting low carbon pathways for development through natural resource management models and clean technology solutions.

### **DISCLAIMER**

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