

From: cuts-tradeforum@googlegroups.com [mailto:cuts-tradeforum@googlegroups.com] **On Behalf Of** Kathyayini Chamaraj
Sent: Thursday, January 13, 2011 7:22 PM
To: cuts-tradeforum@googlegroups.com
Subject: Re: [CUTS-TradeForum] Re: Professor Bhagwati on growth and poverty]

Very compelling arguments by Professor Saner. When growth is already at 8-9%, it is possible to spend more than tuppence for the social sector. But is it being done? The increased revenues from growth are being used to show generosity to the wrong sectors, like the Rs. 5 lakh crore tax exemptions given last year. That 5 lakh crore could have been used to help every child overcome malnutrition and get a basic education and vocational skills. It could have also helped upgrade skills of the large mass of unskilled workers who have not even completed Class VIII and cannot get jobs in the growing economy. The large informal sector involved in 'indecent work' could have been given higher wages, decent working conditions and social security, in turn raising demand. It is not as though education will create only open minds and empty purses. The skilled can create their own jobs to an extent. The 8-9% growth has also created enough jobs and demand for skilled workers but there are none available with the required skills. Much of the meagre amounts allocated to the social sector or those allocated for upliftment of the SCs/STs lapses and does not get spent due to lack of prioritisation and 'governance failure'. The problem is that only tuppence is being spent when more could be spent.

Kathyayini Chamaraj