

# The ‘revdi’ debate needs re-framing

What is the dividing line between *revdi* and welfare? Judging from the ongoing political slugfest, it appears that one party’s *revdi* is another party’s welfare, and most welfare is “sops” or “populism” to the market-capitalism-embracing elite.

The voice missing in all of this wrangling is that of the average citizen, supposedly in whose name this argument is raging? The ask that Gita from Gorakhpur and Hamid from Hyderabad have is for their families and communities to increase their stock of “human capital”, improving their ability to participate in opportunities, make money, and ensure that subsequent generations do better. They want better education, skills, know-how leading to better jobs, stable and not volatile earning that comes from being able to earn a regular income, and the ability to prevent health shocks or withstand them physically and financially. Even more fundamentally, not having to worry about the family going hungry or having to sleep under a flyover. However, if *revdis* of instant gratification are thrown at voters, who will say no? In business, we would call this “large cost to the company, small value to the customer”.

The “aspirational Indian” (a phrase that finds inevitable and proud mention, in business or political leaders’ speeches), aspires most of all to moving to a higher orbit of good living in every sense. That’s why Consumer India’s consumption centres around pragmatic quality of life improvers, be it productivity tools like two-wheelers and cell phones, cheap entertainment on TV and YouTube, or paying for what should have been public goods like conveyance and education.

The “*revdi* or welfare” judgement should

depend on whether what is on offer builds better human capital as perceived by its beneficiaries or not. Free television sets don’t build human capital; TV penetration and exposure to the world is already very high even in remote villages. Schemes like Rythu Bandhu don’t add to rich farmers’ human capital — most of their children are studying abroad or working in information technology. But when offered to marginal farmers or tenant farmers in appropriate amounts (for the job to be done of improving predictability and yields) along with subsidised or free abundant power, it can boost productivity, as the Bharat Rashtra Samithi claims, and improve income and propel the next generation to something better. If digital payment transactions are free and their impact on gross domestic productivity is celebrated, why not this? It is well-known that the business of small farms is loss-making, and yet they need to be sustained to feed Indian families at prices they can afford — food being the pre-condition for building higher-order human capabilities.

That’s why Amma canteens, midday meals and free food during the pandemic are so well-appreciated by the common citizen.

Education that doesn’t increase the pool of knowledge, skills, or capability to work smarter is wasted. In focus groups, we often hear people saying, “He studied till the 13th class or 15th class, but no one would hire him” (fact: He does not have the required skills or knowledge to be hireable). Election promises to develop and stream standardised, good quality, local language educational content for all 12 standards, free for all schools, or to set up computer labs for free access by children in slums to build human capital are

not populism, neither are dedicated education satellites. Most lower-income Indians understand this, and they pay for private schools, reinforced by tuitions that they can ill afford, which sadly build hope rather than skills.

Girls, particularly young women, are a good investment for building human capital. Their need for freedom from stifling social norms make them more determined to acquire the capabilities needed to generate their escape velocity. Free travel by buses for all women is a long shot at building human capital — free travel in all public transport for women students (easy to target specifically given our digital infrastructure) or bicycles for girls in senior school does the job better, taking away one more excuse from families to not continue girls’ education. Education vouchers for girls for vocational study, paid directly to the institution, does even better.

The last decade has seen India claw its way onto the world’s stage. We now rank first, second, or third globally on various metrics, from population and internet users to unicorns, digital payment transactions, buyers of luxury cars, and, of course, the fifth-largest economy steadily climbing. However, the sobering note is India’s low rankings in the world Human Capital Index. Our goalpost and gaze now need shifting and turning inward, from the external competitive chest-thumping of world rankings to boosting our human capital and human productivity as the central focus of our polity — even in election promises. Even a small gain in each Indian’s capability, multiplied by so many people, will boost our human capital pool to new heights and drive the economy even more.

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