Argument in Favor of Income-Based Taxation for Clean Water Allocation in India

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With over 1.25 billion people, India is the second-largest nation in the world. India has over 4 times as many people as the United States does, and is only one-third the size, leading to a population density of twelve times that of the United States. Caught between the cold and imposing Himalaya Mountains in the North, the Bay of Bengal in the East, the Great Thar and Afghani Desserts in the West and the warm and tropical Indian Ocean in the South, India remains one of the most geographically diverse countries on Earth. Its diversity doesn't stop there however; India has 122 major languages and, with each state having at least one official language, there is no shortage of ethnic and linguistic diversity [1]. However, while its diversity creates a rich culture and heritage, one type of diversity – economic diversity – has time and time again caused many of India's biggest problems.

India is attempting to modernize quickly, creating multi-millionaires in the technology, commerce and finance industries but leaving behind nearly half a billion people who still rely on the traditional lifestyle of rural India, far away from the "new" technologies like indoor plumbing, electricity and running water. Rapid industrialization has lead to rapid pollution in India and in a country where so many people are tasked with sharing so few resources, the wealthy have a distinct advantage. One important and limited resource in particular is clean water. In the cities wealthy citizens will buy bottled water, or *Bisleri*, or secure a filter in their house for tap water drinking, and in the rest of the country, rural workers will travel far to collect water for their families, water that is often tainted and impure. Figure 1 shows a typical group of rural women travelling far to

access basic clean water. Clean water is essential but the growing disparity between the wealthy and the poor in India and their access to basic necessities remains a hot conversation topic. Because of the inherent geographical landscape of India, providing water to its people has always been a great challenge. It is, for the most part, a dry very warm climate (except in the extreme North) and water will always be hard to come by. Everyone agrees that clean water is essential, however people argue and debate over how to ethically provide clean water to all people in India. In this paper I argue that, from an ethical perspective, in the future India must charge a clean-water tax on the top 10% of earners, in order to provide clean water to all citizens, and develop the necessary infrastructure to provide clean water to the poor people in rural communities.

Figure 1
http://www.usaid.gov/sites/default/files/nodeimage/OTWF.%20Photo%20Credit%20-%20Andre%20J%20Fanthome.jpg

According to the U.S. National Academy of Science, each human requires between 20-50 liters of clean water per day for cooking, drinking, and bathing, and for many people in India, this amount is unattainable. [2]. Water is essential for life, but moreover, clean water is essential. Without clean water people die from diseases like dysentery, cholera, and dehydration. The Lancet, a medical journal, describes how in South Asia (also known as the Indian Subcontinent) only 1/3 of people have access to modern sanitation systems that ensure clean and non-contaminated drinking water [3]. In order to understand clean water and why it is in short supply in India, we first must understand where clean water comes from. According to the British Medical Bulletin, clean water is the "major prerequisite for a healthy life" and waterborne illnesses, caused from drinking impure water, are a "significant economic constraint in many subsistence countries" or countries where rural farming agriculture is common, like India [4]. Freshwater comes from either surface reservoirs or groundwater, and can easily be polluted, commonly by industrial waste, lack of sanitation, or poor agricultural practices [4]. Many of these issues are common in India, as with other developing nations (e.g. China) where industrialization often comes at a huge cost in terms of pollution. These sources further paint the picture of why clean water in India is so hard to come by for most people. Because of the pollution and lack of good sanitation, clean water is expensive and can only be afforded by a small subset of the population. Figure 2 shows the relative lack of available freshwater in India in comparison to the rest of the world. According to the World Bank estimates, in 2012, roughly one quarter of all of India lived on less than $1.25 per day [5]. This means that nearly 300 million people are living below the global poverty line, which means they struggle to put a roof over the heads, and for these people a single bottle of water would

cost more than a day's wages. It is because of this that I argue that it would be ethically sound and just to tax India's rich citizens in order to provide clean water for all people.

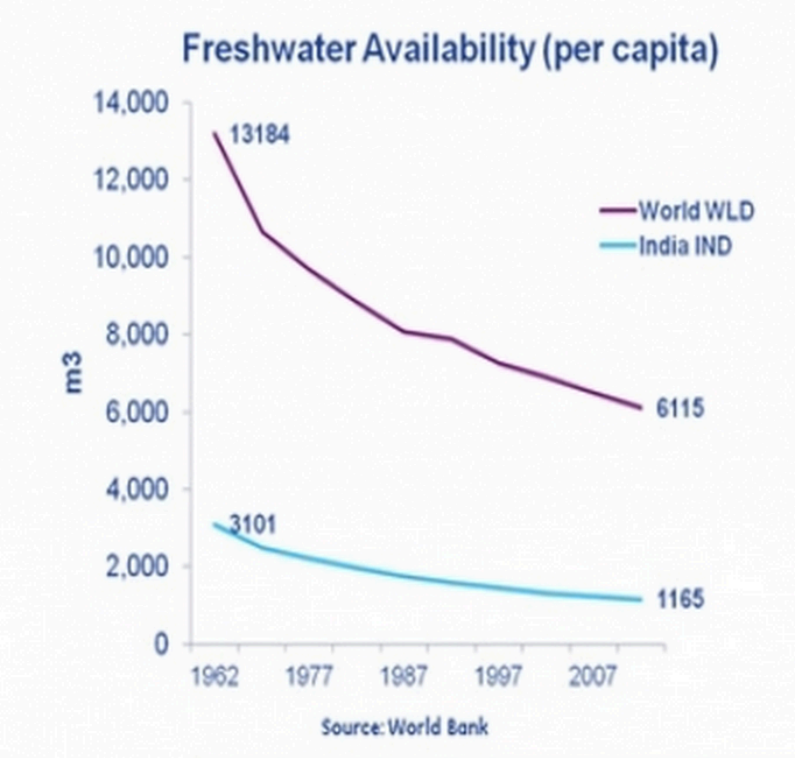

Figure 2
Adapted from http://img-d03.moneycontrol.co.in/news_gallery_images/600x450/2013/s/slide1_64175138.jpg

In ethics, the Rights Test states that the ethical decision is the one that respects and promotes human rights. Life is an essential human right, and furthermore, the Constitution of India guarantees the right to life to all people, and guarantees that the right to life will never be deprived unless due to certain capital and heinous crimes committed (Article 21, Constitution of India). Because clean water is the most fundamental aspect of promoting life (as shown earlier from the British Medical Bulletin article) it is imperative that as many people as possible have access to clean water as possible. In this vein, it is clear that from an ethical standpoint, engineers must do what they can to provide access to water for all people, even if it comes at a cost. I argue that this cost should come in the form of a tax on the top 10% of Indian income earners. Looking at this ethically from the rights test alone,

this action is justifiable because the greater good and the overreaching right to life supersede any qualms with increasing taxes on a group of people. By not doing enough to provide clean water throughout India, we would be depriving many people (heavily skewed toward the poor) of an inherent right to thrive in society. If a person does not have to worry about where his/her water is coming from next and whether it is clean, then that person can focus on other things, perhaps education or providing food for children.

As a byproduct of India's rapid industrialization, it has developed a massive income gap. The income gap refers to the large divide between the very poor (earning less than $1.25 per day) and the very, very wealthy. The Organisation for Economic Cooperation and Development (OECD) estimated in 2011 that 42% of India lived below $1.25 per day and that the top 10% of wage earners in India earn ten times as much as bottom 10% [6]. While that huge ten-fold income gap between the rich and poor is troubling and shocking, there is an even more alarming statistic. According to OECD, 20 years ago the top 10% in India only earned six times as much as the bottom 10%, meaning the gap between the rich and poor has almost doubled in the last 20 years [6]. For a country that is rapidly trying to develop and industrialize this presents a huge problem. As the country modernizes and technology, commerce, and corporations develop and flourish, the educated people that work there will see their economic status increase but the poorer and more rural people who lack the skills will see their *relative* economic status decrease. As wages in India increase for the wealthy, prices will increase overall and the lower class will have a harder time getting necessities. If clean water is already a problem for the large group of people in India that live under $1.25 per day, then the problem of attaining clean water, a fundamental nutrient essential for life, will be increasingly difficult, especially if the income gap continues to grow. These

facts further support my previous argument that from a rights standpoint, taxing the wealthy to ensure clean water for all is an ethically just option.

In arguing for the ethical justification of taxing India's top 10% of earners in order to give clean water to all, I also strive to show that this action benefits as many people as possible without increasing the harm on any group of people. This can be evaluated via the Utility Test. In terms of the distribution of clean water, the action that can benefit the people the most is to simply try to distribute or provide available clean water to everyone, if possible. This may be a utopian goal that is not feasible, but the idea is to work toward that without causing any harm to any group. In the eyes of the Utility Test, when judging an issue from an ethical perspective, one must take into account that all people want to be happy and that the action that maximizes this happiness is the correct one. As I have stated many times, I think it is obvious that to have a happy life you need for first not have to worry about basic essentials, such as if you will die of dehydration or get sick from cholera or dysentery. Once you don't have to worry about those obscure diseases, and if you know that clean water is coming, you can spend more time growing a business or pursuing hobbies. Since 1/3 of India has no access to sanitization and clean water [3] providing clean water would benefit at least that much of India, if not more.

The amount of money it would cost to provide the infrastructure to build pipes, filters, and reservoirs for the dissemination of clean water would be justifiable under the ethical Utility Test because it would bring happiness to an additional 300 million people. Of note is the fact that there would be a tax on the top 10% of earners to provide the money to build the infrastructure to provide clean water. However, first off, the 10% paying the tax are less than the 33% that are benefiting from it, second, the tax system will be

constructed in such a way that it doesn't harm the wealthy income earners (i.e. a small but effective tax, rather than a large one). A small flat tax per year on the top 10% of earners could be considered almost negligible, in which case the ethics of a tax to create clean water would not harm anyone but would result in at least 300 million people being happier. In turn, the argument for a clean-water tax on the wealthy top 10% of earners is justifiable under the Utility test.

As was stated in the Constitution of India, the right to life is guaranteed to all people in India [7]. Because this law was passed by the government, it must be said then that the government is heavily invested and focused on improving the quality of life of the citizens, as are most (if not all) governments. In order to further justify the action, I turn to the Character or Virtue Test to validate my claim. First, it must be noted that the Indian Constitution guarantees fundamental rights and amongst them are right to life, freedom of press, and prohibition of discrimination, amongst others [7]. Because these are specifically titled as "fundamental" rights in the Indian Constitution, it can be inferred that these represent the foundational and core beliefs of the government itself. Therefore, if the government is passing any law it most heavily has to protect these fundamental rights and it must always strive to continue to uphold these. Nowhere in these fundamental rights does it mention anything about taxation, because taxation is a normal part of Indian society, as well as a normal part of any other democratic society. In a sense, the Indian government prioritizes these fundamental rights over all other issues when making laws. In the ethical Character test, the judgment of the ethics of a new law rest on whether an action represents what type of person an organization wants to be. In this case, the action is my proposed law to tax the top 10% of earners to aid in clean water initiatives, and the

organization is the government of India. Because this law focuses solely on distributing an essential nutrient (clean water) required for a stable and healthy life it passes the character test, despite it placing an additional tax on a subset of the population. This is because the Indian government specifically mentioned the right to life as a "fundamental" right and so any law that aids in ensuring that right via the well being of people should be ethical, despite any backlash it may face for its taxation.

In constructing my argument it is also prudent for me to consider possible counter arguments. The most pressing argument is that it is unfair to tax only part of the population. For example, why should only wealthiest 10% of the population get taxed for the clean water initiatives when everyone is an equal member of society and everyone benefits from clean water? Even more, opponents may cite the Justice Test by saying this places an unfair burden on a certain group of people. They may argue that each person deserves what he/she can pay for and that it is not any one individuals responsibility to support the poorer members of society. While this argument may have some merit to some people, I would like to counter some points to it. The Justice Test addresses benefits and burdens and I have argued that my proposed clean water tax will not be a significant burden on any group of society because it is only a small tax and it would only be on the wealthiest group of people. For example, just a once-per-year flat tax of $50 on the top 10% of Indian earners could generate over USD $6 billion per year – all for clean water initiatives. Many developed countries including the USA employ graduated income scale taxation and with the growing income gap in India, the wealthy are getting wealthier and a small clean-water tax on them may only cause a negligible burden. In addition, opponents say that it is unfair to tax only the wealthy in this case because everyone has worked

equally hard so everyone should be taxed the same. Unfortunately, this isn't the case in India. It is very unfortunate but the fact is that in India an unofficial caste system still remains. Many of the wealthiest people were simply born into high castes and were given/inherited wealth, and many of the poorest people work even harder but have no upward mobility options because of their low caste. It is this sad and backwards social system of India that rejects upward mobility and does not create equal opportunity for all. Therefore, the Justice Test, which is useful in situations where all people are equal, cannot be fully applied here because in this situation (India) many of the wealthy began with unfair advantages. Thus even the counter arguments that state that it is unfair to tax only some of the people are not valid in this ethical argument.

In summary, I have argued in this paper that to solve India's problem around access to clean water, a tax must be levied in the future on the top 10% of earners through which funds can be raised to create clean water initiatives. I have shown the importance of clean water as well as facts asserting that India, as a developing nation, lacks clean water in many areas and that a growing income gap prevents the impoverished from accessing basic water and nutrition. Furthermore, I have shown that this selective tax is ethical based on many of the established ethical tests: namely the Rights Test, the Character (or Virtue) Test, and the Utility Test. I described in depth how opponents who state that it is unfair to tax only some people do not have a compelling ethical argument and that this new clean water tax that I am proposing can help raise the quality of life for all people in India.

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