Mobilizing critical research for preventing and eradicating poverty

The MDGs and Social Policy Innovations from South Asia // Gabriele Koehler

The Millennium Development Goals, with the ultimate aim of improving human rights and human development, have been in place for a decade. Since 2008, massive financial and food price crises, and the recent resurgence of fiscal austerity politics, coupled with the accelerated frequency of natural disasters and political conflict, are reasons for the shortfalls in their implementation. But the deeper shortcoming of the MDGs lies in the lack of analytical and policy depth in the initial MDG design (Hulme and Fukuda-Parr 2009). As the moment to rethink or extend the MDGs approaches, policy makers are taking a renewed look into the structural causes of poverty, deprivations, vulnerabilities, and exclusions and becoming more attuned to the need to formulate comprehensive policies for structural reform (UN DESA 2009; UN General Assembly 2010; Kabeer 2010).

This Poverty Brief argues that:

• The MDGs need to be deepened with comprehensive policies for radical structural reform if human development is to make genuine progress and the MDGs are to materialise equitably.

• There are shifts in global governance, with the emergence of new economic powerhouses which influence global policy decisions and have been introducing socioeconomic policy innovations, notably in social protection. South Asia is one centre of such policy innovations.

• Examples include policies to create employment and wage incomes, policies addressing income poverty, policies addressing social exclusion, and policies for access to information.

• These policies have in common that they are rights based and government-led and -funded.

• If these policy innovations are twinned with progressive, employment-oriented economic policy and coupled with redistributive tax reform, they can serve to accelerate the systemic reform needed to achieve the MDGs.

Introduction

At the global level, the slow progress in human development is due to the asymmetrical power relations which determine global production, trade and finance, and income and wealth distribution. At the national level, deprivations and poverty are rooted in domestic power structures, and anchored in the inequitable distribution of and the systematic lack of access to crucial assets such as land and water; the absence of decently remunerated and long-term employment; the difficulties in accessing quality, inclusive social services; and the knowledge, space and genuine, risk-free empowerment which would enable citizens to claim their rights. Radical reform is needed if the MDGs are to lead towards the necessary transformative change.

Several shifts in global governance may contribute to such reforms. The first is the changing global development architecture – the emergence of the G20 and the BRICS as a new constellation of high and medium income countries influencing global policy decisions and redirecting global resource flows. The second is at the level of policy approaches: countries in Latin America, Africa and Asia are presenting a new generation of policies with the ambition of achieving human development and implementing the MDGs (Hanlon et al 2010). Within these shifts, there is the double effect that some of the countries which are emerging as economically powerful in international trade, investment and development aid are, in their domestic policy, introducing new socio-economic measures, the most prominent of which in the area of social protection.

The South Asia region is one such centre of policy innovation, with a series of programmes designed to advance inclusive human development which are cast as “rights-
Policy Innovations: examples from South Asia

Policies designed to create employment and wage incomes

The best-documented recent policy innovation on South Asia is the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in India, introduced in 2006. Its objective is to enhance “the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work.” (Government of India 2008a). Employment on public works sites must be made available on request; if a work site is not created, registered work seekers are entitled to an “unemployment allowance at a rate agreed at the state level” (Government of India 2008b:37; Chopra 2009: Ehmke 2011). All workers are registered with a job card; information on workdays, wages, annual budget allocations and expenditures are published, state by state, on the MGNREGS website. The scheme has provisions for transparency and social audits. In 2010/11, the scheme provided employment of at least 15 days to 34 million households.

In Bangladesh, an Employment Generation Programme for Hard-Core Poor was introduced initially in 2008/9, with priority for 81 highly poverty-prone rural sub-districts. The government allocated Taka 200,000,000 in 2008/9 and Taka 117,600,000 in 2009-2010. The objective is to create employment for extremely poor unemployed people in rural areas; increase the purchasing power of the extremely poor unemployed people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work.” (Government of India 2008a). Employment on public works sites must be made available on request; if a work site is not created, registered work seekers are entitled to an “unemployment allowance at a rate agreed at the state level” (Government of India 2008b:37; Chopra 2009: Ehmke 2011). All workers are registered with a job card; information on workdays, wages, annual budget allocations and expenditures are published, state by state, on the MGNREGS website. The scheme has provisions for transparency and social audits. In 2010/11, the scheme provided employment of at least 15 days to 34 million households.

In Nepal, the Karnali Employment Programme (KEP), adopted as a policy in 2010, aims to create 100 days of employment for persons without employment living in Karnali, the poorest region of Nepal, with a population of circa 350,000. The government budget allocation is Rs. 250 million. Reportedly, over 60,000 of the 64,000 households found employment, albeit averaging 15 – rather than the stipulated 100 - days in the programme’s first year (Vaidya et al 2010). The programme offers a notion of an entitlement to a job, a minimum wage, and to social protection.

The fact that governments are systematically designing public works schemes to generate – even if limited and exacting – employment with an element of predictability, transparent wage regimes, and access to social transfers if the works scheme does not materialise – suggests a shift in poverty and employment policy.

Policies addressing income poverty

Several South Asian countries feature social assistance, often age related. One of the oldest universal social protection schemes is Nepal’s social pension scheme, introduced in 1995 for Nepali citizens over the age of 75. Eligibility is based on citizenship, creating a sense of entitlement by virtue of having contributed to the economy and society in the course of one’s life. Moreover, despite the low level of the benefit, in low-income rural areas, the amount received gives some - even if marginal - financial autonomy to elder family members. Bangladesh, India, Maldives also have social pensions, they are means tested as opposed to universal.

Also in Nepal, a Child Protection Grant was introduced in 2009. The objective is to assist families in offering better nutrition and accessing health services for children under 5. It is categorically targeted to all families in the Karnali Zone, and to low-income, landless Dalit households throughout the country. The entitlement is 200 rupees monthly per child for up to two children per family; if there are more than two children, the girl children are the recipients (Government of Nepal 2009). Although not mentioned explicitly, it relates to the right of the child, as agreed in the country’s post-conflict Interim Constitution.

In Pakistan, the Benazir Income Support Programme (BISP), introduced in 2008, is a scheme to promote “equal opportunities and social justice”, and “poverty alleviation and women empowerment among the underprivileged section of Pakistani society”. It is proxy means tested. Cash transfers of 100 rupees ($12) per month are made to roughly 430,000 beneficiaries, aiming for a 20 percent decrease in poverty by 2014 (Government of Pakistan, no year). In multi-generational households, each family carries its own entitlement. The women as the entitlement holders receive a citizenship card as well as a bank account in their own name, providing women in low-income households an unprecedented degree of visibility and conceivably some status in the family. “The decision to identify women as primary beneficiaries represented a break from past practice and institutional habit of con-
structing the relationship between the state and individu-
als through the male heads of family.” (Gazdar 2011:8).

These social assistance schemes addressing the most vul-
nerable groups are innovative in that they are based on
citizenship – thereby constituting a right. Like the employ-
ment guarantees, this marks a policy shift.

Policies addressing the impact of social exclusion
Exclusions - based on gender, caste, ethnicity, language,
religion, affilation, age, and other vectors of identity - are
pervasive across South Asia, creating economic poverty
and societal and political disadvantage. They are among
the key obstacles to human development and equitable
MDG achievement and require dedicated policies (Kae-
beer 2010; Koehler 2009). Several South Asian schemes
address social exclusion, especially with respect to gen-
eral and caste.

The Bangladesh government introduced a secondary
school stipend as early as 1994 for all girl children, regard-
less of the economic situation of the family, to address
the gender gap in education. Girls’ secondary school enrol-
ment now stands at 42%, compared to 22% in 1989; in
fact, the gender gap has been reversed (Asadullah and
Chaudhury 2009: 1372), and the scheme may now be
extended to all secondary school children to encourage
more boys to continue schooling.

In Nepal, school stipends are available for girls and for
children from disadvantaged castes, administered by a
School Management Committee which identifies eligible
children, and distributes and monitors the scheme (Koe-
hler, Cali, Stirbu 2009). The objective is to overcome fam-
ily- and community-level resistance to the education of
girl children and children from the Dalit caste.

Several states in India have developed girl child grants
to halt female foeticide and infanticide. In Madhya Pradesh,
for example, girl children registered at birth are to receive
an accumulated fund of approximately Rs 180,000 rupees
(approximately US$ 2,700) from the state government at
the time of marriage. A similar scheme in Tamil Nadu de-
posits 22,200 rupees (approximately US$ 500) for each girl
child at birth, which she is to receive at age 20, while the
interest is available to her family for educational expenses
(Government of India 2007; Sinivasan and Bedi 2009).

In terms of policy innovation, these schemes acknowl-
edge social exclusion as a systemic challenge and as a
violation of rights which requires government attention.

Policies designed to facilitate access to information
In most countries, policies and delivery mechanics of so-
cial protection measures are complex, fragmented, and
beneficiaries often lack information as to eligibility, appli-
cation processes, benefit levels, etc. Good communica-
tions and transparency are thus vital for social protection.
It is therefore of interest that right to information acts have
been adopted in India, Bangladesh and Nepal (Bonner-
jee and Koehler 2011). Their impact has not yet been sys-
tematically evaluated, but they undeniably can provide a
handle to facilitate implementation and delivery of the
social policy and social protection measures.

Outlook

The policies presented above are innovative, and they
can contribute to addressing the impact of the fiscal,
financial and food price crises, and they can play a role
in helping achieve the Millennium Development Goals,
 improving human rights and reaching towards inclusive
human development. They have in common that they
are rights based, they acknowledge and attempt to
tackle poverty, vulnerability and social exclusion.

There are nevertheless a number of caveats. These
policy innovations in the field of social protection are
ultimately conceptualised and delivered as individu-
alised forms of poverty policy. This is a move away from
the ‘development policy’ of earlier decades which was
conceived as integrated rural development, includ-
ing attempts at land reform and efforts for agricultural
upgrading, or as community- and national-level eco-
omic development (Bonnerjee and Koehler 2011). The
innovations are primarily situated in the domain of pov-
erty alleviation, and while they address employment,
they are not geared to changing macroeconomic
growth patterns and facilitating economic restructuring
towards employment-rich, high productivity, creative
sectors (Sabates-Wheeler and Koehler 2011). Despite
considerable increases in the fiscal resources devoted
to these programmes, they do not (yet) constitute a re-
direction of incomes and wealth that would redress the
increasing income inequalities witnessed across most of
South Asia. And, related to this latter point, the small size
of the social assistance benefits in the individual pro-
grames would rarely suffice to enable asset building
in the recipient households, and thus genuinely change
circumstances of economic and social exclusion.

The policy innovations should therefore not be roman-
tised as a panacea, but instead recognised and
enhanced as a shift in policy philosophy which can have
a considerable impact on social policy governance,
nationally, regionally and globally. If they are twinned
with progressive, employment-oriented economic poli-
cy and coupled with redistributive tax reform, they can
serve to accelerate the systemic reform needed if hu-
mankind is to make genuine progress and the
MDGs are to materialise equitably.

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