



Human Development and Safety Net Program Strategies in India

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Consultation on Policy Action for the Poorest in South Asia

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Macro-National Perspective Essential

- ❖ Towards Faster and More Inclusive Growth – A New Vision !
- ❖ Sectoral Growth – sectors of production and distribution – fast pace of growth in Services, followed by Industry.
- ❖ Agriculture is cause of worry!
- ❖ Labour mobility from inefficient to efficient sectors is most difficult !



Macro-Regional Growth

- ❖ Regional development and political economy within the multi-party coalition frame is important.
- ❖ A factor important is to strike a balance between management of programs and *ad hoc* political interferences.
- ❖ Development programs and projects must link themselves with the macro-national objectives
- ❖ Equity, inclusiveness and people's participation



Macro-National Perspective 11th Plan Objectives

- ❖ 9 % GDP GR / 32 % Savings Rate / 35% Investment
- ❖ *Bharat Nirman* – Infrastructure/Information/water
- ❖ Nat. Rural Employment Guarantee
- ❖ JN-Urban Renewal Mission
- ❖ Inclusive Development –ICDS/Nat. Rural Health Mission / Sanitation

- ❖ **A set of Monitorable Targets**



Pro-Poor & Equitious Growth

- ❖ National objective as well as a dominant part of the MDGs – global concern as well.
- ❖ India hosts the largest number of poor compared to any country in the world. 300 million – about a quarter of all Indians.
- ❖ Programme personnel and Evaluators need to strengthen the understanding of what keeps the poor from participating in the growth process.



Balanced Regional/State level Development

- ❖ Factors that prevents growth from reaching specific regions and sectors :

Eg. States– UP, Bihar, Orissa and many more
Agriculture, informal self-employed, casual labourers etc.

- ❖ Ensure growth strategies translate into poverty reduction: Enhanced understanding as to how inter-sectoral mobility can be a mechanism.



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Rural – Urban Linkages

- ❖ Migration
 - ❖ urban-rural linkages
 - ❖ inter-sectoral mobility
- Do they support the growing economy and income distribution?
- ❖ The growth story of India is highly urban biased!
 - ❖ Balanced growth require strengthening urban-rural linkages and strategies to improve rural productivity.
 - ❖ Growth causes poverty reduction more effectively when it occurs in sectors and regions where most of the poor work for living– for example, agriculture sector in India.



Gender Equity

- ❖ Indian patriarchy - absolute control of resources by men
- ❖ Ensure program focus on Women
- ❖ The extension of this approach is to cover children who have a limited voice in programs
- ❖ All development parameters which have individualistic relevance are gender blind
- ❖ Gender Sensitivity essential in education, health, nutrition, employment generation and social safety net programs
- ❖ Child focus == Future Human Capital and Resource.



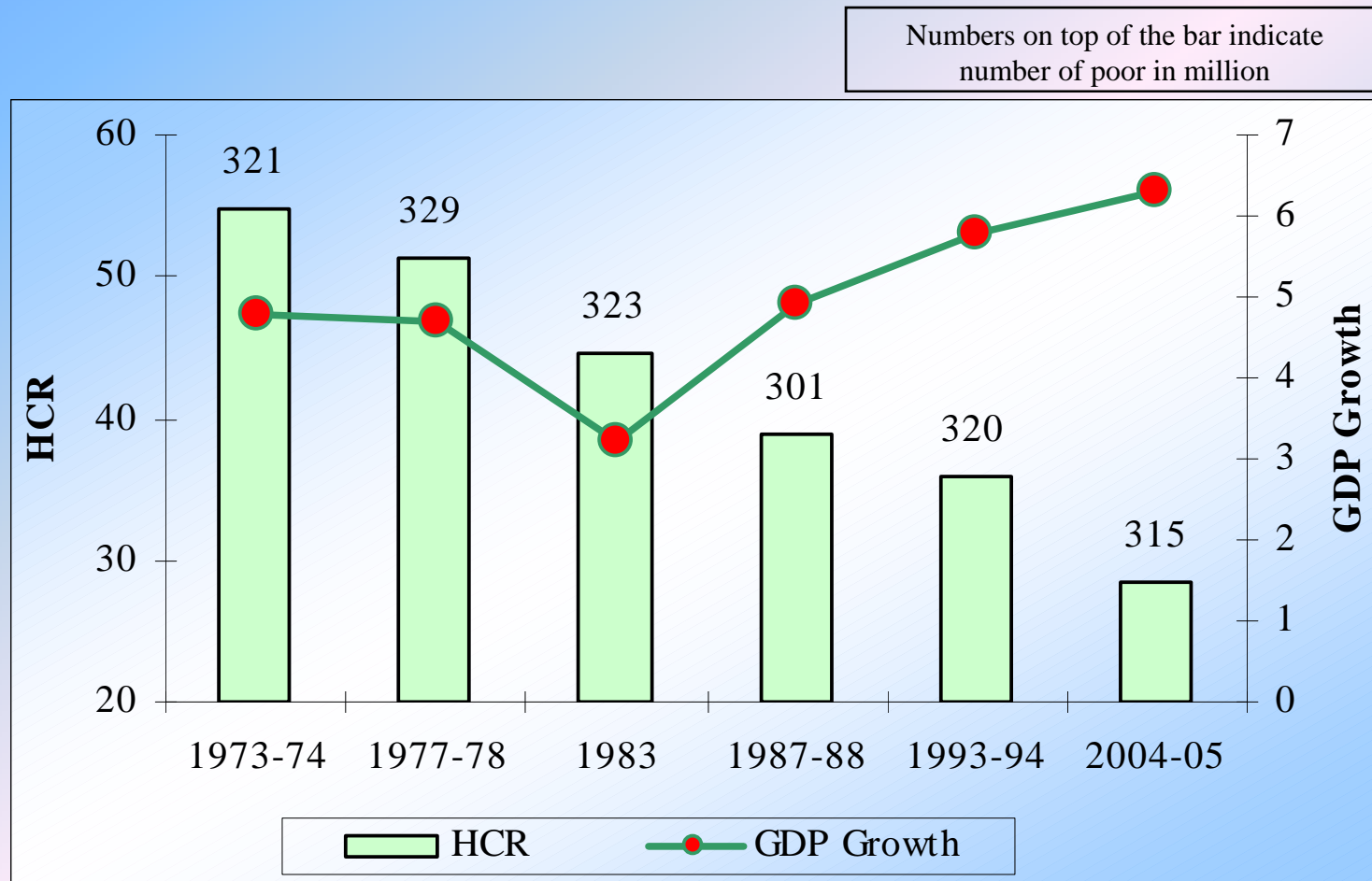
Social-Group Identity and Equity

- ❖ India's spectacular plurality - religious and caste identities.
- ❖ Identities are so revealing and upfront that these very identities must be used to ensure equity in programme and project access
- ❖ Focus on Dalits, Adivasis and Minority-Muslims is essential
- ❖ Recent growth & resources can exhibit better policy management and champion policies for social inclusion
- ❖ Ample evidence across the world that high growth can be achieved alongside policies for social inclusion



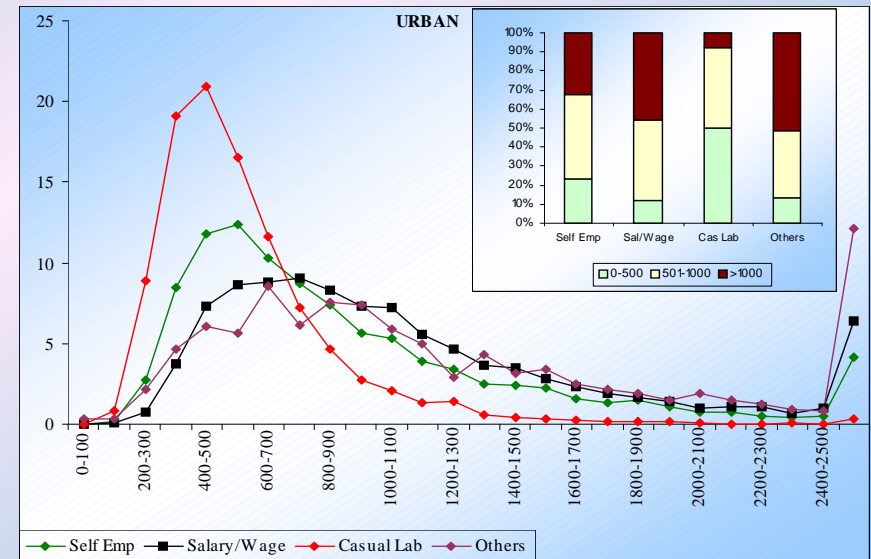
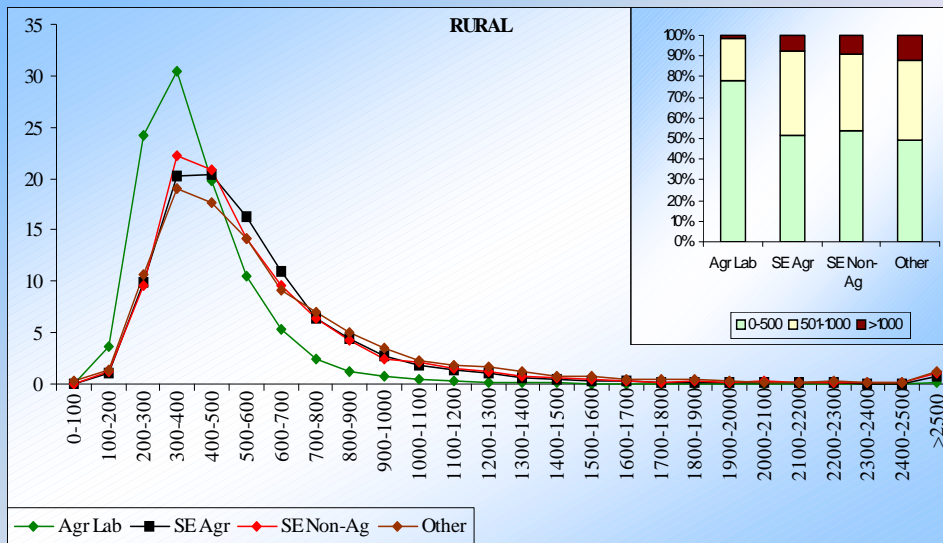
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Head Count Ratio (HCR) and Growth of GDP



Source: Different NSSO Rounds and 61st Round Consumer Expenditure Survey 365 days reference period

MPCE Class distributions by SRCs - 2004-05





Identifying the Vulnerable is not easy!

- ❖ Quantitative and qualitative assessments can estimate the size and to a limited extent distribution of vulnerability.
- ❖ But do not help in physical identification
- ❖ Direct targeting strategies may not be effective during the quick income shocks
- ❖ Socio-cultural and economic attributes of vulnerability
- ❖ Structural and institutional aspects of vulnerability and its distribution is essential.



Exclusion and Inclusion Errors in Programs

- ❖ **Under (low)-coverage:**
Exclusion Error / often not identified as a problem!
- ❖ **Leakage out of actual beneficiaries due to mismatch**
Inclusion error /program inefficiency
- ❖ **Correctly identified Beneficiaries –**
Small fraction of the Eligible !
Small fraction of those covered by programs !



Group – V – Individual Targeting

- ❖ Group versus individual equity debate relevant
- ❖ **Social identities** – Ethnicity, caste like identities, religious affiliation helps reach out
- ❖ Central India - Madhya Pradesh, Chattisgarh, Jharkahand, Bihar and UP



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History of Programs

❖ Plan periods

CD block

Land consolidation

Green revolution

❖ Targeted Programs

Land reforms

land development, drought and desert development

PDS, ICDS

❖ Centrally Sponsored Programs

Employment programs

IRDP, TRYSEM

❖ Rights Based Programs

NREGA

Right to Education

Implementation of ICDS, MMP



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Cash or Kind Transfers- Does it Matter?

- ◆ Income support / transfer strategy to boost demand but what about distribution of such demand?
- ❑ Matters only when the total transfer is substantial part of the total household consumption.
- ❑ Individually targeted transfers may not alter household welfare due to marginal impact
- ❑ High transaction costs for targeted programs
- ❑ Problem of exclusion and leakage reduces overall welfare effect to the community to local area.



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**Pty Alleviation, Human Development and SSN Programs
Percentage Share to Total Central Budget Allocation**

Central Government Budget Expenditure at Constant 1999-00 Prices	Most Recent Periods (2004-07)	First three years of Reform Periods (1990-92)	Growth Rate (%)
1. Poverty Alleviations (Income Transfer Prog.)	6.8	4.9	40
2. Social Safety Nets	1.3	0.4	237
3. Social Protection/Security Programs	0.7	0.6	22
4. Human Development Programs	3.3	1.6	103
1+2+3	8.8	5.8	51
1+2+3+4	12.1	7.4	63



HH Reporting Govt. Safety Net Transfers

	Rural	Urban
INCOME QUINTILES		
Lowest	17.2	12.7
Quintile 2	17.1	7.8
Middle	15.4	7.2
Quintile 4	14.4	6.3
Highest	12.4	4.7
Total	15.7	6.4



NREGA Enrolment

Catagories	Rajasthan	UP	MP	Bihar	Jharkhand	Chattisgarh	Orissa
(a) % Households							
All	77	41	68	14	27	56	65
Economic Condition							
Deprived	76	39	67	12	26	53	59
Average living standard	78	44	71	18	27	61	69
Better off household	67	0	50	0	33	38	67



Decentralization

- ❖ **Localization and Decentralization**
- ❖ Local involvement
- ❖ Regional solutions
- ❖ Empowering local communities

- ❖ **Intra Household dynamics – helps reach most vulnerable, children, women**

- ❖ Empowering Women in household decision making



Balancing Long-Term and Short-Term Objectives

- ❖ ‘Show results quickly’ approach of programme execution will divert efforts from the quality of results.
- ❖ Eg. Efforts to increase enrolments may be at the expense of quality of learning outcomes.
- ❖ Hospitals equipped with high specialty instruments with no trained personnel in place.



Strengthen Evaluation and Research Tradition in India

- ❖ Although India is a pioneer in formulation of a large array of poverty alleviation programs since the Independence, little attention is devoted to R & D and evaluation.
- ❖ Programmers such as the ICDS, PDS which are over 4-decade old programs do not undertake evaluation studies on a regular basis. More recent programs are NREGA and micro credit programs which needs evaluation and assessment.
- ❖ Earmark 5-7 % of the program / project costs for Evaluation purposes



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Thank You

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