

Empowerment, Governance and Poverty Eradication in South Asia:

An agenda for action

Presentation by

Professor Rehman Sobhan

Chairman, Centre for Policy Dialogue (CPD)

and

Professor Rounaq Jahan

Adjunct Professor, School of International and Public Affairs,
Columbia University, New York

UNCC, CR-4
Bangkok, Thailand

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1. Introduction

- SACEPS-CPD study titled –

Equitising Development:
Agendas for Poverty Eradication in South Asia

- Focuses
 - Poverty as structural injustice and the consequent implication for policy
 - *feasible* agenda for action

This is a work *in progress* and needs to be operationalized through designing concrete programme of action in country specific situations

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2. Agenda for Action

- Following slides put forward key recommendations derived from six chapters of the SACEPS-CPD report which *exclusively* focus on correcting the structural injustices of poverty
- It should be borne in mind that the following should not be perceived as an exhaustive list of recommendations; rather, it only points out to an immediate set of actions that are deemed sufficiently feasible to be placed before the region's policymakers for their consideration

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Centre for Policy Dialogue (CPD)	
2.(a) Agenda for Action – Promoting Agrarian Reforms (1)	
Issues1	Recommendations
<i>Implementing the existing land reforms</i>	<ul style="list-style-type: none"> -An agenda could be initiated through a rigorous implementation of the prevailing land reform legislation, which would involve diligent investigation of all land holding and recovery of all lands held above the ceiling. -A land ceiling enacted in 1972 in Bangladesh or 1964 in Nepal or 1974 in Pakistan, would have to be redefined in relation to the current heirs who hold title to such land. In this connection, establishment of a national commission for agrarian reform (NCAR) can help facilitate the process of implementing the existing land reforms.
<i>Promoting tenancy reforms</i>	<ul style="list-style-type: none"> -The enquiry relating to redistributing surplus land may be extended to include the issue of vesting permanent ownership rights on sharecroppers and tenant farmers. The SACEPS-CPD study observed that there was a principal-agent problem in the tenurial arrangements across the region. -In this connection, the study recommended exploring whether and on what terms landowners, big and small, with no intention or capacity to farm the land themselves, are willing to sell off their land to sitting tenants or prospective new owners. -Though a policy of transforming tenants into owners may not initially be necessary, which may also prove controversial, the government can offer to buy land from the farmers who do not intend to or have little capacity to do so, by paying the market price and can on the other hand, offer a variety of policy incentives to the owners such as remittance of all taxes and transfer fees or costs from transactions for the sale of the land.
<i>Distributing state owned lands to the landless</i>	<ul style="list-style-type: none"> -Apart from land realized under land reform legislation or tenancy reform, the SACEPS-CPD study observed that governments of SA owned large areas of land that were either inherited under earlier laws or acquired under various land development schemes. -It is strategically important that the governments of SA firstly investigate, as accurately as possible, the amount of land which remains under public ownership and make an attempt to re-allocate lands under the permanent control or ownership to the landless or land poor. -On a different note but on the same issue, in most South Asian countries, a considerable part of the public assets may be located in the urban areas and the approach to recovering such lands may be carried forward as part of a policy for addressing the housing needs of the urban poor.

Centre for Policy Dialogue (CPD)	
2.(a) Agenda for Action – Promoting Agrarian Reforms (2)	
Issues	Recommendations
<i>Making agrarian reform effective through collective action</i>	<ul style="list-style-type: none"> •Collective action can be a central part of the process which seeks to eradicate poverty through the empowerment of the rural poor. •This mode of collective action can be extended to other areas, whereby groups of landless households could be provided with credit and incorporated to own and operate tubewells, farm machinery, etc so that, all the opportunities available to a large farmer can be accessed by small farmers through collective action. •It would be useful to involve the international development community who tend to play an influential role in most, if not all, South Asian countries with regard to promoting agrarian reforms which serve to empower the deprived.
<i>Institutional mechanism for agrarian reforms</i>	<ul style="list-style-type: none"> •A major part of the reform strategy will need to focus on the institutional arrangements for promoting collective action. In each country of the region, it would be prudent to establish a national commission for agrarian reform (NCAR) which could address the issues indicated above in a country-specific context. Ideally, the NCAR should be set up by the concerned government in each country. Where the government may be reluctant to institute such a NCAR, the initiative may be taken by civil society. This commission, whether constituted by the government or civil society, would need to draw upon wide consultation with all concerned stakeholders to the reform, including those who may initially be adversely affected by its outcome. •It is vital that the commission is accountable to the citizens of the country in order to ensure its legitimacy. Nevertheless, without substantial political support, it would be difficult to initiate such an agenda for change, which impacts on the political economy arrangements of a country.

Centre for Policy Dialogue (CPD)	
2.(b) Agenda for Action – Enhancing the market power of the excluded (1)	
Issues	Recommendations
<i>The collective action model</i>	<ul style="list-style-type: none"> •The SACEPS-CPD report highlighted many success stories of collective action in India – SEWA, SERP, Lijjat, etc – in order to underline the strategic relevance of collective action in the context of empowering the excluded. In India, cooperatives and self-help groups (SHGs) have used the mechanism of collective action to empower small farmers and artisans in order to negotiate better terms with market intermediaries. • Collective action is needed to facilitate value addition through creating an institutional facility, which is sufficiently strong to access the higher tiers of the market. A collective entity can only be strong enough to assume organizational and fiduciary responsibilities for - <ul style="list-style-type: none"> •Marketing the poor's produce, investing in value addition, which enables its members to share in the benefits of both backward and forward linkages •serve the ultimate goal of adding value to their produce.
<i>The corporate patronage model</i>	<ul style="list-style-type: none"> •Many corporates across the region have made an attempt to reach the poor in order to source farm inputs for their manufacturing and retail chain directly from farmers. There is an inherent risk of agency capture in such models, which constrain benefits from accruing to primary producers and limits their share in the value addition process. •In contrast, the cooperative and SHG model is contingent on collective action by the excluded, which serves to strengthen their capacity to move up the value chain, and also empowers them to bargain directly with stronger players in the upper tiers of the market (see the main report for more details of the AMUL cooperative and SEWA in India). •This model can be replicated for the corporate and NGO sector where the benefits of collective action can also be offered to the excluded in their transactions with these more powerful institutions.

Centre for Policy Dialogue (CPD)	
2.(b) Agenda for Action – Enhancing the market power of the excluded (2)	
Issue	Recommendations
<i>The Self-Help Groups (SHGs) Model</i>	<ul style="list-style-type: none"> •The SHGs are strategic institutional mechanisms for promoting collective action. Bina Agarwal, in the Indian context, pointed out the opportunities for using SHGs to promote joint production by land poor farmers who can pool their land, or can lease in or even purchase additional land, make joint investments in the land and even derive the benefits of division of labour through collective action. •SHGs can be linked with the production process which could include collectives of landless farmers, who could be organized to invest in tubewells or to lease, manage and maintain irrigation channels. •The most important area of collective action by SHGs for the landless could be in the area of labour contracting, which has been traditionally assigned to local government bodies, drawing budgeted funds, to provide employment to those in need of income. •Not surprisingly, most of the state sponsored public work programmes, including the NREG programme in India, fall within the patronage of elected local leaders and public officials, which has exposed such programmes to corruption and elite capture.

Centre for Policy Dialogue (CPD)	
2.(c) Agenda for Action – Democratizing educational opportunities (1)	
Issues	Recommendations
<i>Enhancing state's role in democratizing opportunities</i>	<ul style="list-style-type: none"> •It has been observed in the study that in South Asia, states' commitments (in terms of public expenditure on education) towards ensuring an acceptable quality of education and also broadening the coverage, has not been encouraging. It is vital that the current levels of public expenditure on education are enhanced with the immediate goal of doubling the expenditure/GDP ratio in each country. •The ideal goal should be a uniform educational system, providing quality education to all citizens of the country, irrespective of income. This was the model which served to democratize educational opportunities in Western Europe, Canada, the Socialist countries and even in East Asia. •Until such time as it is politically feasible to establish such a uniform system in South Asia, a significant part of the proposed incremental expenditure on education should be invested in schools serving low income households. Expenditure could also be targeted to substantively improve the quality of a selection of secondary schools serving the low income groups and less developed areas, to the level of the best public schools and the better private schools.

Centre for Policy Dialogue (CPD)	
2.(c) Agenda for Action – Democratizing educational opportunities (2)	
Issues	Recommendations
<i>Democratizing educational opportunities through providing access to disadvantaged children to access better quality schools</i>	<ul style="list-style-type: none"> •It is essential that special allocations be made under the PRSP programme and the FYPs for poverty alleviation to promote education as an instrument for moving household out of poverty. This would involve investments in providing scholarships for disadvantaged children to attend the better quality state secondary schools, and to invest in their special tuition in order to accelerate their learning process and thereby bring it upto acceptable standards. •A part of the PRSP based scholarship fund may be invested in providing scholarships to disadvantaged children in order to enable them to attend quality private schools. These private schools should be mandated to reserve at least 10 per cent (rising eventually to 20 per cent) of their seats for these children. In order to encourage such moves, tax breaks may be offered to such schools. •The most decisive factor in this case would be to conscientize the management and the parents of these quality private schools about their social obligations.

Centre for Policy Dialogue (CPD)	
2.(c) Agenda for Action – Democratizing educational opportunities (3)	
Issues	Recommendations
<i>Increasing IT-related awareness</i>	<ul style="list-style-type: none"> •The advancement in information and technology (IT) has changed the way the world used to work a decade back. Special investments will need to be made for extending IT education into all schools serving the disadvantaged. These schools will need to be equipped with special facilities that are directed towards enabling children to access IT facilities after school hours. •Such education and access to IT services, provided in the village schools, may also serve a functional purpose of enabling disadvantaged children to inform their parents on issues pertaining to their welfare.
<i>Widening access to higher education</i>	<ul style="list-style-type: none"> •It is necessary to expand the prevailing opportunities for graduation of the disadvantaged into quality higher education. Public universities must be mandated to reserve a third of their seats, equally divided between girls and boy, for the disadvantaged. India already has such a system of affirmative action for disadvantaged castes. For other South Asian countries, an income/gender criteria must be built into public policy to ensure privileged access to higher education for the disadvantaged. Taking the cue from the state schools, private institutions of higher education must also be mandated to reserve 15 to 20 per cent of their seats for the excluded. •The scholarship fund allocated under the PRSP programme may also be used to cover enrolment of the disadvantaged in private institutions for higher education.

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Centre for Policy Dialogue (CPD)	
2.(d) Agenda for Action – Budgetary policies for poverty eradication (1)	
Issues	Recommendations
<i>Transparency and accountability in the South Asia's budgets</i>	<ul style="list-style-type: none"> •The Open Budget Index (OBI) 2008, which analyses the budgetary process and outcomes in 85 countries, highlighted one crucial aspect of the budgetary system across the world – 80 per cent of governments do not account for their spending. •This holds true for the majority of the South Asian governments, excluding Sri Lanka and India who ranked among the top 20 countries in the OBI, whilst the remaining 3 countries were positioned in the bottom quartile. •Specific actions need to be initiated to democratize the public consultation process associated with formulating the budget and making budgets more transparent and accountable

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Centre for Policy Dialogue (CPD)	
2.(d) Agenda for Action – Budgetary policies for poverty eradication (2)	
Area	Recommendations
(1) <i>Public Action:</i> Widening Consultation	<ul style="list-style-type: none"> •The consultation process of the government with constituencies of the excluded needs to be institutionalized. •The consultation with the target groups (consisting of women, farmers, the unorganized sector, disadvantaged groups, the disabled) needs to cover several issues – design, coverage and impact of social policies, public expenditure and fiscal policies which have an impact on the excluded. •Evaluation of public policies and programmes and their implications for social protection should be incorporated as an integral part of the governance of such programmes. •It is strategically important to organize pre-budget consultations with constituencies of the excluded on their expectations from the budget. The subsequent outcomes will need to be presented to the Finance Minister, members of parliament, the media and the various constituencies of the deprived.

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Centre for Policy Dialogue (CPD)	
2.(d) Agenda for Action – Budgetary policies for poverty eradication (3)	
Area	Recommendations
(2) <i>Public Action:</i> Establishing Accountability	<ul style="list-style-type: none"> •The South Asian governments may consider constituting independent task forces in their respective countries, mandated by the parliament, to present an annual report to the parliament regarding the state of poverty reduction, and the outcome and coverage of various programmes and policies which are geared towards integrating the excluded in the mainstream economic activities.

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