

ABSTRACT

Plenary I: FINANCING MDGS -THE SOUTH ASIAN CONTEXT Sixth Annual Regional Meeting of OneWorld South Asia

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There has been serious international concern in the recent past regarding the growing gap between developed and developing countries and persistence of acute deprivation in several parts of the world. As a consequence, the issue of development has come back to the Centre stage of International discourse. A number of high level International conferences were held during the 1990s concerning various aspects of development. The Earth Summit in Rio 1992, the Population summit in Cairo, 1994, the Beijing summit on Women in 1995, the Social summit in Copenhagen and Summit on Human Development in Istanbul in 1996 are a few notable instances. In each of these it was repeatedly highlighted that the objectives and approaches would require significant commitment of financial resources to make them credible.

This process culminated in the historic UN Millennium Declaration adopted by the UN General Assembly in September 2000, in which the various strands of development were brought together into a comprehensive framework. The declaration endorsed a set of International Development Goals to be attained by 2015 towards which the International community and the National Governments would collectively strive. Broadly, these Goals are :

- ❖ To cut in half the proportion of people living in extreme poverty, of those that are hungry, and of those who lack access to safe drinking water.
- ❖ To achieve universal primary education and gender equality in education.
- ❖ To achieve a three-fourths decline in maternal mortality and two-thirds decline in mortality among children below the age of 5.
- ❖ To halt and reverse the spread of HIV/AIDS and provide special assistance to AIDS orphans.
- ❖ To improve the lives of 100 million slum dwellers.

The Millennium declaration also explicitly acknowledged the importance of developing a strategy for raising the necessary resources to fund the attainment of the International Development Goals.

All the South Asian Countries are signatories to UN MDGs and are as such committed to achieve their MDGs by 2015. On most of the goals, whether on poverty, literacy, gender equality, child mortality or maternal mortality the track records of the South Asian Countries are rather poor. Sri Lanka is perhaps the only exception. Indeed, while South Asia accounts for about 25% of the World population, we have more than 40% of the poor and illiterates in the World. Again, our share of child and maternal mortality is even higher. These facts have been highlighted to underscore the enormity of the task at hand for the South Asian Nations.

Each of the South Asian Countries has been pursuing its own development policies with emphasis on removal of poverty and other debilitating inequities in their respective societies. Their success in this endeavour, however, have been limited. One of the major limiting factor has been resources. This is the context in which financing MDGs acquire special importance. Resources are not the only constraint. There are several institutional constraints, some of which are special to south Asian societies. Again, considerable regional, rural-urban, social and gender disparities in development exist in these countries which have to be addressed explicitly. The rest of this address will be specifically in the context of India to clearly bring out South Asian nuances in the achievement of MDGs.

India's planning process has been striving to achieve the goals of poverty removal, and equitable and inclusive social and economic development since the early 1950's. Our long experience in development planning for a large Federal democracy with a more or less market-oriented economic system makes it perhaps unique in terms of problems it has faced and the lessons that have been learnt. Despite considerable progress over the years, India continues to be home to the largest number of the poor and illiterate in the world. Again, India accounts for about one-third of the infant and maternal mortality in the world. This implies that no international goals can be achieved unless India performs adequately.

With the 73rd and 74th Amendments to the Constitution in early 1990s India has a three-tier Federal structure with the Union govt. at the Centre, State Govts. at the middle and local Govts. at the Municipal and Panchayat levels. The achievement of the development goals imbedded in the MDGs is a joint responsibility of all levels of Govts. However, the principal responsibility for implementing the various schemes and programs to achieve these objectives falls on the State Govts. The ability of the state to fund the schemes vary considerably. Indeed, a significant share of financial burden is borne by the Central Govt.

Substantial amount of fiscal transfers take place from the Centre to the States. They can be classified into four types-entitled transfers, unconditional transfers, conditional transfers and external fund flows. Even after Central transfers there is wide variation in the availability of development funds across the States in India. The role of private sector in Development has significantly increased after the process of economic liberalization and globalisation has been initiated in the early 1990s. Private funds are flowing proportionately more into developed regions. As a result regional disparities in development are widening. This trend is creating a variety of new problems. The disparities between rural and urban areas have been growing. The increasing agrarian distress has been manifesting in different forms in different parts of the country including farmers suicide and rural violence. Widening disparities in Social Development is another major concern. Disparities in economic and social development are mutually reinforcing. Socially excluded are economically marginalized. And economically marginalized remain socially excluded. Gender bias is another aspect of our social structure which has considerable debilitating impact on our progress towards achievement of MDGs. Reducing the various disparities discussed so far will be an important concern in achieving the MDGs. A variety of institutional reforms are called for to ensure this. Policy measures needed to ensure equity in financing for MDGs. Providing funds alone will not solve the problems. Ensuring expenditure efficiency is equally important.
